

19 August 2021

EX-PROPERTY AGENT FINED \$9,000 FOR UNLICENSED ESTATE AGENCY WORK

A former property agent, Lin Yi Wei Gabriel, 38, was convicted in Court on 3 August 2021 for acting as an unlicensed estate agent in relation to a rental transaction of an executive condominium. He was sentenced to a fine of \$9,000.

2 Lin was found guilty of closing the rental transaction without being licensed by the Council for Estate Agencies (CEA) to act as an estate agent in the rental transaction.

3 Under the Estate Agents Act (EAA), it is an offence for entities and/or individuals to act as an estate agent, or for individuals to hold themselves out to the public as being ready to undertake, whether or not for payment or other remuneration, estate agency work as an estate agent in any property transactions if they are not licensed by the CEA.

About the case

4 Around the end of December 2017 to early January 2018, one of Lin's former clients contacted him to seek his help in finding her a tenant for her studio apartment. At the material time of the offence, Lin did not inform his client that he was no longer registered as a property agent.

5 Lin proceeded to advertise the property on an online property portal, placing the advertisement under the name of another registered property agent. The advertisement, however, displayed Lin's mobile number. Lin facilitated two viewings within a week of posting the advertisement. 6 In January 2018, a potential tenant saw the advertisement and sent WhatsApp messages to Lin, thinking that he was corresponding with the registered agent.

7 When the potential tenant arrived at the condominium for the viewing, Lin met up with him, claiming that he was the registered agent's personal assistant. Subsequently, Lin conducted a second viewing and continued to handle negotiations and request for documents from the potential tenant via WhatsApp messaging.

Lin informed his client that he had found a tenant for her and had negotiated the rental amount. Lin then proceeded to prepare the necessary arrangements, and at the signing of the Tenancy Agreement (TA), Lin was present to explain the clauses, answer questions, and walk through the item checklist with the tenant. Lin mentioned to his client that this transaction would be recorded under the registered agent's name, despite the fact that the agent had not been involved in the transaction at all, and was also not present at the signing of the TA.

9 After the signing of the TA, Lin's client transferred the commission amount to his bank account and Lin submitted the transaction to the property agency under the registered agent's name. Lin then collected \$260 from the registered agent despite the fact that he was not entitled to collect commission for unlicensed estate agency work.

CEA's charges against Lin

10 CEA charged Lin for committing an offence under Section 28(1)(b) of the Estate Agents Act, Chapter 95A, and punishable under Section 28(2) of the Estate Agents Act, Chapter 95A, by performing the following estate agency work when he was not a licensed estate agent:

- Marketing the unit by creating and advertising the property for his client on the online property portal;
- Liaising with the potential tenant via WhatsApp messages;

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- Conducting viewings of the property independently without the registered property agent;
- Negotiating the monthly rental amount and eventually getting the amount reduced;
- Closing the 12-month tenancy agreement between his client and the tenant;
- Preparing the Tenancy Agreement and arranging for its signing by both parties; and
- Receiving a commission of \$260 for the transaction.

11 The Court imposed a fine of \$9,000 for the charge.

Advice to consumers

12 Consumers who choose to have a property agent assist them in their property transactions should only engage property agencies and agents licensed and registered with CEA, respectively. The public can verify whether an entity or individual is licensed or registered with CEA via the CEA Public Register on CEA's website.

13 When consumers respond to online advertisements, they should check whether they are liaising directly with the property owner or with a property agent who is representing the owner. If it is the latter, consumers should check that the agent is registered with CEA.

14 While property agents are permitted to enlist the services of individuals to assist them with administrative tasks such as scheduling of viewing and handling marketing calls, personal assistants are not the property agents' substitute or representative. Personal assistants should not be involved in activities related to estate agency work such as conducting viewings, answering questions related to the property, or negotiating a property transaction on behalf of a client. An individual involved in such activities is considered to be engaging in estate agency work and is only allowed to conduct such work if he is registered as a property agent with the CEA through a licensed property agency. 15 The public can report those who perform unlicensed estate agency work to CEA at <u>feedback@cea.gov.sg</u>. Consumers can visit <u>www.cea.gov.sg/4steps</u> for more information on engaging a property agency and agent, and for tips to work harmoniously with a property agent for their property transactions.

About the Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established in 2010 under the Estate Agents Act to regulate and promote the development of a professional and trusted real estate agency industry. The key responsibilities of CEA are to license property agencies and register property agents, promote the integrity and competence of property agencies and property agents, and equip consumers with the necessary knowledge to make informed decisions in property transactions involving property agents. For more information, please visit: <u>www.cea.gov.sg</u>.