

PRESS RELEASE FOR 20 AUG 2009

CONSULTATIONS TO BEGIN ON A NEW REGULATORY FRAMEWORK FOR THE REAL ESTATE INDUSTRY

The Ministry of National Development (MND) will embark on consultations for a new regulatory framework for the real estate industry. Starting from September 2009, MND will launch an industry consultation exercise, as well as engage various stakeholders through focus group discussions. The parties to be consulted include industry associations, agency directors, as well as individual agents.

2 The industry consultation exercise will be followed by a public consultation phase, where members of the public will be invited to provide their feedback on the proposed new framework for the industry. Further details on the public consultation platform will be announced at a later date, and the entire consultation process is expected to complete by November this year.

3 Feedback received from the various consultation channels will be taken into consideration for the design of the new regulatory framework. Key elements are expected to be ready by December 2009.

The Need for a Review

4 On the current state of the industry, Minister for National Development, Mr Mah Bow Tan, commented in March this year that the status quo was "not tenable", and that the whole system was "not satisfactory". Minister Mah also said that MND would be reviewing the framework for the real estate industry. The industry review seeks to achieve two objectives, one, to enable consumers to better safeguard their interests, and two, to increase the professionalism of the real estate industry.

5 Over the past months, MND and other relevant agencies have been studying ways to strengthen the regulatory framework, which include getting

real estate agencies to take greater responsibility for the actions of their agents. Other areas to be studied include qualifications and training requirements to increase professionalism, an improved dispute resolution mechanism, and an enforcement framework against agencies with errant agents.

6 While the Government works to strengthen the regulatory framework, individual tenants and homebuyers must also exercise greater care and responsibility. Working with other agencies, MND will look into various public education efforts to equip consumers with the necessary knowledge to conduct their real estate transactions prudently and with due diligence.

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