

MEDIA RELEASE

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INAUGURAL PUBLIC PERCEPTION SURVEY ON REAL ESTATE AGENCY INDUSTRY

8 out of 10 consumers satisfied with their salespersons

The Council for Estate Agencies (CEA) released today the findings of its first Public Perception Survey on the real estate agency industry. Consumers were found to be satisfied with their salespersons and were generally aware of the key industry practices/regulations. The industry was also supportive of the initiatives implemented by CEA to enhance professionalism in the sector.

2. The objective of the survey was to determine the level of awareness and satisfaction among consumers towards the real estate agency industry. The findings will set the baseline for CEA to measure the progress of the industry in delivering professional service to consumers.

Key Findings of Survey

Feedback from the Consumers and Potential Consumers

3. Face-to-face interviews were conducted with a total of 2,260 consumers and potential consumers between March and July 2012 as part of this exercise. The key findings are as follows:

Consumer satisfaction

- Eight out of 10 consumers were satisfied with the conduct and services provided by their salespersons.
- Seven out of 10 consumers planned to recommend their salespersons to others.
- More resale consumers (87%) were satisfied with their salespersons compared to rental consumers (75%).
- Consumers were most satisfied with their salespersons in the area of **Service Excellence** (see Annex A), specifically:
 - (a) Salesperson provides a copy of all signed documents
 - (b) Salesperson is contactable and responsive to my queries
 - (c) Salesperson is courteous to me at all times.
- Consumers were least satisfied with salespersons in the following three areas:
 - (a) Salesperson provides advice on financial matters related to the transaction (under **Knowledge/Expertise**)
 - (b) Salesperson provides accurate and up-to-date information related to the property and the property market (under **Knowledge/Expertise**)
 - (c) Salesperson is transparent and informs me of all developments or issues related to his/her transaction in a timely manner (under **Ethics/Conduct**)

Consumers and potential consumers' awareness of key industry practices/regulations

- Awareness of key industry practices/regulations among consumers was generally high, averaging 72% or eight out of the 11 areas (see Annex B). Awareness level among potential consumers, meanwhile, came in lower, averaging 59%.

- Resale consumers showed a higher level of awareness of the key industry practices/regulations compared to the rental consumers.
- Both consumers and potential consumers scored high awareness in the following three areas:
 - (a) Salespersons have to inform sellers or landlords of all offers
 - (b) Salespersons must seek owners' consent before advertising
 - (c) Salespersons should not be associated with moneylending activities
- Lower awareness was displayed among the consumers in the following three areas:
 - (a) Availability of the Public Register of Estate Agents and Salespersons
 - (b) Commission rate is negotiable
 - (c) Use of prescribed Estate Agency Agreements
- Similar to consumers, potential consumers also displayed low awareness of the availability of the Public Register and prescribed Estate Agency Agreements. Potential consumers were also less aware that salespersons must be registered with CEA.

Feedback from the Industry

4. An online survey was also conducted with 1,216 salespersons and 468 Key Executive Officers (KEOs) of estate agents to gather feedback on the initiatives implemented to develop the industry. The key findings are as follows:

- The industry has expressed strong support of CEA's efforts in raising the standards of the industry. 80% of KEOs and salespersons indicated that the regulatory measures and enforcement of minimum eligibility criteria for salespersons has helped raise the professionalism of the industry, though they also noted that more could be done in the areas of industry development and consumer education.

- 91% of the salespersons found that the training, including the mandatory Continuing Professional Development courses that they received in the last 12 months, were effective in raising their professionalism. Majority of them also indicated that they would require additional training on government rules and regulations and market information.

- Estate Agents and KEOs are responsible for the management and supervision of their salespersons. Salespersons generally felt that their estate agents:
 - (a) provided effective overall support to them
 - (b) were effective in transmitting useful information to them in a timely and clear manner.

They felt that their estate agents were least effective in the following areas:

- (a) Reward and disciplinary system
- (b) Providing resolution to problems or difficulties
- (c) Supervision of training needs.

Similarly, KEOs also rated their estate agents as least actively involved in the same areas.

5. The survey findings provide CEA with valuable insights to plan and develop initiatives that raise professional standards in the industry, as well as promote consumer awareness of industry practices. It also serves as a useful report card for estate agents and salespersons to review and improve their practices.

About CEA Public Perception Survey on the real estate agency industry

CEA conducted the Public Perception Survey over a five-month period from March to July 2012. Face to face interviews were conducted with the following two groups of consumers:

- (a) 1,812 consumers who had completed their property transactions (resale or rental) using the services of salespersons
- (b) 448 potential consumers who have not previously engaged the services of salespersons.

The resale consumers were mainly Singapore citizens or Permanent Residents and in the age groups of 30s and 40s. On the other hand, 42% of the rental consumers were Singapore citizens or Permanent Residents and in the age groups of 20s and 30s.

Separately, an online survey was also conducted with 1,216 salespersons and 468 Key Executive Officers (KEOs) of estate agents to gather feedback on the initiatives implemented to develop the industry.

These surveys are part of CEA's efforts to engage the public and industry in our strategies to develop the real estate agency industry.

Professional attributes - knowledge/expertise, ethics/conduct and service excellence

Consumers were asked to rate 17 action statements grouped under three key professional attributes - Knowledge/Expertise, Ethics/Conduct and Service Excellence.

Scale: 1-7 (1 – strongly disagree, 4 – neutral, 7 – strongly agree)

Knowledge/Expertise

1. Salesperson provides proper advice based on my needs and eligibility.
2. Salesperson provides advice on financial matters related to the transaction.
3. Salesperson provides accurate and up-to-date information related to the property and the property market.
4. Salesperson provides advice based on the latest rules, regulations, policies and procedures.
5. Salesperson clearly explains the commission payable for the transaction.
6. Salesperson explains and provides sufficient time for consideration before signing documents.
7. Salesperson performs all paperwork correctly and accurately in a timely manner.

Ethics/Conduct

8. Salesperson acts in my best interest and does not have any conflict of interest.
9. Salesperson is trustworthy and does not mislead me.
10. Salesperson is transparent and informs me of all developments or issues related to my transaction in a timely manner.
11. Salesperson advises me to declare information truthfully and comply with legal requirements.

Service Excellence

12. Salesperson does his best to negotiate and secure the best price.
13. Salesperson explains the transaction process and timeline.
14. Salesperson provides a copy of all signed documents.
15. Salesperson is contactable and responsive to my queries.
16. Salesperson reasonably accommodates my needs.
17. Salesperson is courteous to me at all times.

Awareness of key industry practice and regulations

Consumers and potential consumers were asked about their awareness of the following 11 key industry practices/regulations (to tick Yes or No):

1. Salespersons must be registered with the CEA.
2. Salespersons must abide by the Code of Ethics and Professional Client Care established under the law (Estate Agents Regulations).
3. Consumers are encouraged to use the forms (Estate Agency Agreements) prescribed by CEA for sale, purchase or lease of residential properties in Singapore.
4. Consumers can negotiate the commission rate payable to the salesperson.
5. Salespersons should co-broke, with the consent of consumers, to get the best offer for them.
6. The same salesperson cannot represent both buyer and seller or landlord and tenant.
7. Salespersons have to inform sellers or landlords of all offers/ proposals.
8. Salespersons must seek the owners' consent before advertising.
9. Salespersons should not be associated with money-lending activities.
10. Consumers can complete their own property transactions (i.e. DIY) without the service of a salesperson.
11. There is an online public register to check the registration details of salespersons.