

SPEECH BY MR TAN KIAT HOW, MINISTER OF STATE, MINISTRY OF NATIONAL DEVELOPMENT & PRIME MINISTER'S OFFICE, AT CEA'S 10TH ANNIVERSARY VIRTUAL CELEBRATION ON 22 OCTOBER 2020, 3.00PM

Mr Quek See Tiat, President, Council for Estate Agencies (CEA),
Mr Lim Chee Hwee, Executive Director, CEA
Founding members and partners of CEA,
CEA colleagues,
Ladies and Gentlemen,

A very good afternoon to all of you.

2. Today, we are celebrating a major milestone for CEA. We are joined by the people who made it possible, the pioneers of CEA. In particular, I'd like to acknowledge some special guests.

- a) founding Council President, Mr Greg Seow;
- b) first Executive Director, Mr Chionh Chye Khye;
- c) first Deputy Executive Director, Mr Soh Kee Hean;
- d) former CEA Council and Committee members; and
- e) CEA alumni.

3. Our founding members and alumni have grown CEA from humble beginnings in 2010, with only 33 staff to more than double of that today!

Notable Achievements to-date

4. CEA works closely with the 1,200 property agencies and 30,000 agents in the sector to ensure that Singaporeans receive professional advice and guidance when they buy and sell their properties. For many Singaporeans, these transactions are the biggest financial commitments in their lives.

5. CEA was established at a time when there were many complaints about unethical and unprofessional practices in the industry. At that time, there was no structure, no rules, and very little requirements before someone could become a

property agent. This was of concern particularly for HDB transactions that involved lower-income Singaporeans who were at greater risk of being taken advantage of.

6. Since CEA was established, we have seen a 34% decline in the number of complaints against property agencies and agents from 1,170 cases in 2011 to 777 cases in 2019. We have also seen marked improvements in many areas.

- a) Cases involving misrepresentation have seen a 98% decline since 2011, from more than 400 to just 10 cases in 2019.
- b) For cases of dual representation, we only had two cases last year, compared to almost 60 in 2011.
- c) Handling clients' transaction monies, another serious offence under the Act, has dropped by 80%, from 20 in 2011 to just four cases last year.

7. These improvements were the result of collective effort from CEA colleagues, our property agencies, industry associations, and importantly, each and every one of you, who have upheld professionalism and ethical practices, in the course of your work. I would like to thank you for your support and hard work.

Industry Transformation

8. I am also heartened that the industry and CEA have developed a constructive and collaborative relationship over the last decade. We have worked closely to help the industry to remain relevant to our stakeholders.

- a) For example, we launched the Real Estate Industry Transformation Map (ITM) in 2018 to drive transformation and enhance productivity. It was developed in partnership with the industry, unions, and academia.
- b) Amongst others, Application Programming Interfaces (APIs) were developed to facilitate the sharing of relevant government data with just a click of a button.

- c) CEA and key industry stakeholders also jointly developed standard contract templates for residential transactions to facilitate faster transactions, without compromising consumer protection.

Challenges Ahead

9. We have made good progress over the last decade, but there are challenges that we need to address as we strive towards our collective vision of a professional and trusted real estate agency industry.

Prevailing against the COVID-19 pandemic

10. First, and most immediately, is **the fight against COVID-19**. I thank all of you for stepping up, during this time of crisis, to protect your customers, your agents and the community at large. We are not out of the woods and must remain vigilant.

11. Many of you have leveraged technology to overcome the physical restrictions and to move your operations online, from small virtual home tours, to larger virtual roadshows.

12. Even as the industry explores new ways of marketing properties and reaching out to consumers online, we must continue to **pay attention to ensure advice rendered is accurate, measured and takes into consideration the overall economic outlook**. Property purchases are the highest-value financial commitment for many Singaporeans, and agents have a responsibility to remind consumers to make sound assessments of their own financial circumstances before committing to any property purchases.

Adapting to changing consumer demographics

13. Second, **consumers have become more discerning and tech-savvy**. Some of them do their own research online, gather information, and even carry out property transactions without engaging a property agent.

14. This means that we have to continue upskilling ourselves and provide valuable relevant services to our clients. I am very encouraged that many agents have kept up with these trends through continuous professional development. 40% of property agents have attended courses in digital marketing and other related digital literacy skills since the start of the year.

15. Consumer preferences are also evolving.

- a) As consumers become more discerning, they will look to agents for property market analysis and personalised advice based on individual life needs, and not just information that can be found online easily.
- b) More and more will come to prefer the efficiency and convenience of digital tools, such as virtual viewings and digital signing, especially as we move into a COVID-normal time.
- c) Agents will have to keep with the changing preferences of certain segments of the population who have grown up shopping and transacting online, while still catering to the needs of other more traditional groups who prefer a more analogue approach.

Building consumer trust on a continuous basis

16. Importantly, regardless of these changing consumer preferences and changing external environment, the industry must continue to build trust with your consumers. This involves time and consistent effort. We must not allow the unprofessional or unethical conduct of a small handful to tarnish the overall image of the industry. I therefore seek your commitment and support to continue to uphold the highest levels of professionalism as you serve your customers.

The Next Lap

17. With these challenges as the backdrop, I will like to touch on three key ways for the real estate agency industry to remain relevant and future-ready – one, **to retool** two, **to reimagine** and three, **to recalibrate**. Let me cover them in turn.

Retool: Embracing digitalisation

18. First, the property agent today cannot expect to be using the same tools ten years into the future. **We must consistently “retool”, and keep up with technology**, be it virtual viewings, e-forms, or online calculators. This technology disruption is something which applies across all industries, and not just the real estate sector.

19. The Government will partner with the industry in this transformation effort. CEA is working with the Infocomm Media Development Authority (IMDA) and Enterprise Singapore (ESG) to help property agencies adopt digital solutions, under the SMEs Go Digital programme. The agencies will work with the industry to identify pre-selected solutions that will suit our needs. Eligible agencies will be able to tap on funding support for the adoption of these solutions. We aim to announce more details early next year, and I encourage the industry to take up these digital solutions when ready.

Reimagine: Anticipating change

20. Second, **we have to reimagine how to serve customers in light of changing expectations, providing new value and raising our professional standards**.

21. We are encouraged that many industry players have tapped on various government schemes to reimagine and transform your business models and processes. For example, Edmund Tie & Company has successfully applied for the Enterprise Development Grant (EDG) to build a new enterprise management system to improve information flow and productivity to help its agents make informed recommendations to their clients.

22. Many agencies are also tapping on the use of data to provide new value to customers. For example, OrangeTee & Tie launched its Market Analytics Suite in September this year, which provides its agents with access to 50 real-time interactive data dashboards, that can customise charts for residential and commercial markets. For HDB dashboards, agents can display data according to different housing estates and flat type to advise their clients in making a more informed decision in property transactions.

23. Besides adapting digital solutions, I encourage like-minded industry players to come together to develop platform-based solutions that could reap greater synergies and economies of scale for the entire industry. We would look at such proposals favourably.

Recalibrate: Sustaining Trust

24. Third, the industry will also have to **recalibrate and raise the bar for the industry's professional and service standards, to foster stronger trust between clients and agents.**

Best Practice Guide for Consumer Ratings of Property Agents

25. To this end, CEA is launching the Best Practice Guide for Consumer Ratings of Property Agents today. Over time, property agencies, property portals and any other stakeholders may wish to develop their own online or digital rating platform. The Guide recommends some best practices when rating property agents, including key attributes the agent should be rated on. These include:

- a) whether the agent provided services above and beyond the client's expectations, such as using digital calculators;
- b) whether the agent was open, honest and reliable, or whether the agent had the marketing or negotiations skills to facilitate a favourable deal for his client.

With these categories in place, and a standard way of assessing, collecting and displaying these attributes, we can make sure that comparisons are fair, credible, and consistent across the board.

26. With this, consumers can better compare the ratings of agents across different rating platforms. This is an important step to help consumers find the agents that suit them when they conduct their searches online. At the same time, we have included recommended safeguards to verify the authenticity of the transaction and client's identity so that the platforms can better guard against false ratings by any party to prevent this system from being abused.

27. The guide will be available on CEA's website from tonight. This is an initiative under the Real Estate ITM, and was developed by the Ratings of Property Agents Workgroup (RPAWG), where CEA worked with representatives from the real estate agency industry, the Consumers Association of Singapore (CASE), academia, and the property portal sector. We worked hard to ensure the Guide represents the industry's interests as well, and I am heartened to hear that three property agencies - ERA Realty Network, OrangeTee & Tie, and Huttons Asia, as well as the Singapore Estate Agents Association (SEAA) and PropertyGuru are taking the lead in adopting the Guide.

Estate Agents Pledge

28. To celebrate CEA's 10th anniversary, many of you have collaborated with CEA to develop an Estate Agents Pledge. This Pledge recognises the progress the industry has achieved thus far, and the possibilities it can aspire to in the coming years. I look forward to us reciting the pledge collectively for the first time later.

29. I am confident that you will rally to sign this Pledge to show your commitment to raise professionalism and deliver trusted service. As more property agencies commit to this pledge, we can all look forward to the development of a more professional and trusted industry that acts in its customers' best interests, is supportive of agents' professional development, and conducts estate agency work responsibly.

Conclusion

30. The real estate agency industry has evolved greatly over the past ten years. As we enter the next decade, property agencies and agents must **retool** relentlessly by embracing digitalisation, continuously **reimagine** new ways of doing things, and **recalibrate** by setting higher professional standards for the industry. This will ensure that the industry will be able to continue to develop and transform to meet the challenges of the future.

31. Congratulations CEA on your 10th anniversary, may you soar to greater heights in your next bound.

32. Thank you.