

**SPEECH BY MOS ZAQY MOHAMAD AT THE
CEA ESTATE AGENCY INDUSTRY CONFERENCE 2019
ON 26 MARCH 2019**

A very good afternoon to all of you. I'm delighted to join you at this afternoon's inaugural real estate agency industry conference organised by the Council for Estate Agencies (CEA).

The theme for today's conference is "Charting New Frontiers: Keeping the estate agency industry relevant". With changing consumer habits and the opportunities presented by technology, this is a timely juncture for us to discuss how the industry can continue to remain competitive and at the same time, relevant to consumers.

Importance of property agency services in Singapore

Property agents play an important role in supporting the homeownership aspirations of many Singaporeans. Buying or selling a property is a major decision for many, and has significant financial implications. As a result, many Singaporeans continue to rely on property agents for advice and to facilitate property transactions. So for many of your customers, you are the trusted advisor on some of these very important decisions in life.

Evolving consumer expectations

Over the last 10 years, technology has changed the way we do many things. Consumers are now a lot more IT savvy, and are used to a higher level of convenience in every facet of their lives. Partly in response to this, online platforms to advertise properties and provide property information have proliferated.

The estate agency industry will need to keep up with changing consumer expectations. To understand how consumer preferences are evolving, CEA conducts the Public Perception Survey (PPS) every three years. CEA has completed the 3rd run of the survey, which included responses from over 1,500 consumers. I believe the survey results will be of interest to property agencies and agents, who want to improve their service offerings. Let me highlight some of the key findings.

Of note, consumer satisfaction has increased over the past few years. This is a testament to the industry's effort to improve its professionalism and service standards. With many digital alternatives nowadays, maintaining high consumer satisfaction is more important than ever to retain consumers.

How can property agents best engage consumers? The survey has also given us some insights on this. First, consumers were significantly more likely to be satisfied with their agents if the agent had used three or more technological tools. Examples of these tools include electronic forms, and property apps with financial calculators and information on property trends. So for agents here, bear in mind that these are some of the things that consumers value the most.

Furthermore, this appreciation for technology tools was consistent across all age groups of consumers. I initially thought that it was just the younger ones, but I was surprised that the older ones too valued the use of technology.

Second, the proportion of consumers who found their agent online has also increased from less than 1 in 5 to about 1 in 4 consumers. Such online platforms include property portals and social media websites. This reflects the importance of the internet as a medium not just to advertise properties, but also increasingly to connect with potential consumers.

So ladies and gentlemen, the consumers have spoken – they want the convenience provided by technological tools, and the ability to search for their agents online. This trend is likely to continue and we will all need to adjust accordingly to meet the expectations of our consumers.

Transformation of the property transaction sector

The survey findings are not unexpected. In fact, they affirm the direction we have all been moving towards as a sector for the past years. The Government, together with various stakeholders in the real estate industry, launched the Real Estate Industry Transformation Map (ITM) last year.

On the property transactions front, the Real Estate ITM laid out various initiatives to increase the productivity of agents and to enhance consumer experience through the adoption of technology.

As we cross the one-year mark since the launch of the Real Estate ITM, I am happy to see the industry starting to transform by integrating technology solutions in your services. The larger property agencies have taken the first step. For example, some property agencies have also launched their own service improvements and digital collaborations with other companies.

Last year, three property agencies collaborated to form SoReal Prop. SoReal Prop apps allow agents to access real-time property data and e-schedule appointments with customers. I understand that as of this afternoon, the Singapore Estate Agents Association (SEAA) has become the majority shareholder of SoReal. This is a positive development and provides an opportunity for more agents, to have access to the SoReal Prop apps.

This is especially helpful for smaller property agencies, and moving ahead, transformation is not only for the larger property agencies who started this, but now we are putting it in the hands of the smaller property agencies too. Because it is about time, that we help you transform as well, and we have always helped you transform, but over the last year we have gotten feedback that some of you may be concerned that technology adoption requires scale to justify the investment.

So I encourage you to work with industry associations (IAs) to provide technology solutions which smaller property agencies may not be able to adopt on their own.

The Government has put in place various initiatives to support industry transformation under the Real Estate ITM, and these cover three main areas.

Facilitating technology adoption

The first area is facilitating technology adoption by property agencies. Grants, such as the Productivity Solutions Grant and the Enterprise Development Grant, are available for those who want to enhance their service delivery using technology, or to grow and transform their businesses.

CEA has also worked with several Government agencies to make property-related Government data more easily available through Application Programming Interfaces (APIs). This will help property agencies automate the numerous administrative processes that make up a property transaction.

It will also free agents from routine, time-consuming checks so that you can focus on what is important, which is providing better professional advice and value-added services to your customers.

We have already made available data relating to rental transactions for residential properties, and are working to release data for sale and purchase transactions for residential properties from the end of this year. We encourage everyone to make use of the data, and integrate them

into your systems, to improve the productivity of your agents and service delivery to your clients.

I am sure the industry will find other ways in which the data can be useful for your businesses. If you have views on the types of data that have been released, or suggestions on additional data that may be helpful, I encourage you to let us know, and we will consider your views and suggestions.

Upskilling agents

Second, we want to help workers transform. It is not just companies that need to transform; property agents need to keep themselves up to date with skills to use digital tools to serve clients better. Many property agents have been going for digital marketing courses to keep themselves up to date with digitally savvy consumers. And I think the results speak for themselves – consumers are happier when you use more technological tools which they are familiar with. This is a positive trend, so I think more can be done for this stage.

To better support agents, CEA has therefore reviewed the Continuing Professional Development (CPD) framework. The new framework offers a clear structure to guide your lifelong learning.

Of note, CEA has specified 18 generic competencies across three proficiency levels – basic, intermediate and advanced. As more courses are developed in each of these competencies over time, agents can look forward to a wide variety of courses to support their professional and personal growth. The framework was developed after consultations with the industry, and many of you participated. We would like to thank you for your valuable inputs. CEA will share the details of the framework later.

Apart from short training courses, some of you may want to go for longer courses to deepen your knowledge in areas such as real estate or data analytics. This will enable you to take on specialist or leadership positions and better contribute to the development of the sector, and of course your company too.

To support these individuals, CEA has introduced the inaugural SkillsFuture Study Award for Estate Agency Industry. This will support individuals in their mastery of knowledge and to help defray some of the costs of further study.

Let me extend my warmest congratulations to our study winner for 2018, Ms Mahalakshmi D/O Gopikrishna, better known as Christina to her clients. Christina is pursuing her Masters of Science in Real Estate at the National University of Singapore, and is expected to complete her course by the end of the year. I hope more of you will embody her spirit of learning and commitment to grow the industry, and I invite you to apply for the award this year.

Enhancing consumer trust

Third, enhancing consumer trust in the industry. With more consumers turning to the internet to find agents, we need to empower consumers to find agents which best meet their needs online. This will give them confidence to continue hiring agents.

To support the industry, CEA has made available on its Public Register the records of property agents' resale HDB flat transactions since the beginning of this year. From the end of this year, CEA will also make available the transaction records for the rental of HDB flats, as well as private residential sale & purchase and lease transactions closed by property agents.

To reduce disputes over Option-to-Purchase and rental contracts, CEA has also worked with the industry to develop standard contract templates for rental of residential properties and is developing the same for the resale of private residential properties.

Vetted by the Consumer Association of Singapore (CASE), the Law Society of Singapore, the Association of Banks in Singapore (ABS), real estate industry associations and various regulatory agencies, these templates provide a common standard that is fair to all parties.

Consumers, whether tenant or landlord, buyer or seller, anyone who uses these templates can be assured that their interests are protected. Agents using these templates will also benefit from spending less time negotiating contractual terms and conditions.

Charting the future for property transactions

Apart from these more immediate initiatives to support industry transformation, we need to continue to push the boundaries of property transactions to make it more seamless, efficient, and hassle-free for everyone.

To make this happen, CEA has been chairing a Digitalised Property Transactions Workgroup (DPTWG), together with Government agencies and representatives from the property transactions sector. The workgroup has come together to release Government data and developed standard contract templates to support digitalisation as I spoke about earlier. But

their goal is larger – the workgroup is reviewing how properties can be transacted digitally from start-to-finish.

So imagine a future where payments can be made from the comfort of one's home, and electronic documents can be signed and sent seamlessly to banks and lawyers. Consumers will then be able to complete the bulk of the transaction process online, and spend less time queuing at banks or filling up hardcopy forms. Digitalisation can also free agents from time-consuming paper work and appointments, such that you can focus on providing value-added services to consumers and be their trusted advisors.

To give everyone a sense of the possibilities, there will be a sharing by NCS later on how the property transactions process can be digitalised in a seamless and secure manner. This is longer term work and will require many players, including banks, lawyers, Government agencies, and of course the real estate industry, to coordinate in this effort. It will not be an easy process, and there will be challenges. But it can be possible if we work together.

Conclusion

This is an exciting time for the industry and there are many opportunities to take advantage of. It is up to you, as leaders of the industry, to seize the opportunities when they present themselves and develop technology solutions to enhance consumer experience.

Everyone has a role in industry transformation, and the possibilities are boundless when we work together. I encourage you to continue the conversations with one another, and use today's conference as a springboard for future collaborations. The Government will continue to support and engage the industry, to chart new frontiers together and create opportunities for all.

Before I end my speech, I just want to say a big thank you to Kwong Weng, who is retiring on 23 April, and I wish him well in his retirement. Let's give a round of applause for the work he has done for the industry.

Ladies and gentlemen, I wish you all the best, and have a wonderful and fruitful conference ahead.

Thank you.