

ADDRESS BY MR CHIONH CHYE KHYE, EXECUTIVE DIRECTOR, COUNCIL FOR ESTATE AGENCIES AT THE KEO SEMINAR 2011 HELD ON 18 OCTOBER 2011 AT 9.15AM, HDB AUDITORIUM

Minister of State for Trade & Industry and National Development, Mr Lee Yi Shyan,

Mr Greg Seow, President, Council for Estate Agencies,

Key Executive Officers,

Distinguished Guests,

Ladies and Gentlemen,

Good morning.

Introduction

Thank you, Minister for the opening address. Once again, let me welcome you to CEA's inaugural KEO Seminar 2011.

2. This morning, I would like to take stock of CEA's work for the past one year and at the same time, share with you our plans for 2012. We have also brought together speakers from the Housing Development Board, URA and several estate agents to share on current topics facing the real estate agency industry. Through this Seminar, we hope to provide a platform for the industry to learn, network and strengthen working relationships.

3. CEA was formed to raise the professionalism of the industry so that it can provide quality service to the consumers. This is done through effective regulation, consumer education and industry development.

Effective Regulation

Practice Guidelines/Licensing Circulars

4. Although CEA has formulated the Code of Ethics and Code of Conduct in its regulations, there is a need to further issue Practice Guidelines to define clearly what is professional and ethical practice. Working with the industry, CEA had issued three Practice Guidelines, on Ethical Advertising, the use of Prescribed Agency Agreements, and on Options to Purchase and Sale and Purchase Agreements. Over the next few months, CEA will be working with the industry to develop a Professional Service Manual. The manual will lay down professional practices and include guidelines for the different stages of estate agency work that salespersons go through. It will provide guidance on the responsibilities of salespersons in different roles. This will serve as a comprehensive guide to estate agents and salespersons on providing professional services to consumers.

5. CEA will also continue to keep the industry updated by issuing Licensing Circulars to estate agents to clarify regulatory matters as well as reinforce key messages through these Circulars.

Complaint Management

6. As at 30 September 2011, CEA received a total of 1,239 complaints (averaging 5 per working day). As a customer-oriented industry, estate agents should treat all complaints as customer feedback and strive to improve their frontline services. Estate agents are responsible for the complaints, and have to put in place a complaint management system. They must play their part to reduce the number of

complaints. Further training of salespersons in service delivery, managing expectations and handling difficult customers will help. The in-house complaint management system should integrate with the overall reward and penalty system in each estate agent.

Prosecution and Disciplinary Cases

7. With the introduction of the new regulatory framework for the industry, it is anticipated that some unregistered individuals will attempt to do the work of a registered salesperson. CEA will not tolerate this as it is a serious offence under the Estate Agents Act. In June 2011, an individual was charged for doing estate agency work without being registered. Over the next few months, we will be prosecuting several more persons for such an offence under the Act.

8. Within the industry, CEA will continue to take errant agents and salespersons to task. Those who breached the Regulations can be subjected to disciplinary proceedings. So far CEA has issued more than 130 letters of advice or warnings to agents and salespersons. We have started Disciplinary Committee proceedings and one case is underway. Other cases will follow in the next few weeks. For the benefit of the industry and consumers, we will publish the outcome of such cases on CEA's website.

Formation of Inspection & Surveillance Section

9. CEA have just formed the Inspection & Compliance Section (I&C). The Section will pro-actively detect infringements and unethical behaviours. I&C staff will carry out inspection and compliance checks to ensure that estate agents have in

place proper systems for management and supervision of salespersons, complaint handling, advertisement control and maintenance of proper records. Our objective is to ensure that estate agents have proper management and supervision of their salespersons.

10. CEA initiated familiarisation visits to several estate agents. We will continue to visit more estate agents to gain insights into their systems and processes. Over the course of next year, we will develop a framework for inspection and will provide feedback to estate agents on areas of strengths and weaknesses, as well as sharing of best practices with the industry.

Consumer Education

11. A key role of CEA is to promote consumer awareness of the regulatory framework, as well as equip consumers with necessary knowledge of their rights and responsibilities when appointing salespersons for property transactions. Last month, CEA started to participate in HDB's monthly Resale Seminar to raise awareness of CEA's roles and to educate consumers on what to look out for when engaging the services of a salesperson. We will collaborate with other government agencies, such as CPF Board, that has public outreach interest relating to real estate matters. Looking ahead, CEA will produce a consumer guide, e-newsletters and advertisements to advance consumer prudence and education. CEA will also work with CASE on various outreach programmes.

12. As mentioned by the Minister, the Public Perception Survey to be conducted later this year is a major effort to find out baseline public perceptions. We will share survey findings in due course with the industry and the public. We will draw on useful areas to follow up to enhance professionalism and service.

Industry Development

13. CEA has held 16 dialogue sessions with all 1,500 KEOs to share and obtain feedback from the ground.

14. We know that some estate agents adopt good practices in their organisation. We have invited three of them here today to share with us their practices.

15. KEOs play an important role under the new regulatory regime. They are responsible and accountable for the supervision and control of their salespersons. CEA recognises the need to support and assist each KEO and their estate agent to raise professionalism in the industry. KEOs should continue to enhance their own leadership and management skills, as well as inculcate a service excellence mindset amongst salespersons. CEA will work with the KEOs to develop a guide for KEOs that will delineate the roles and responsibilities of the KEOs.

16. One of the key challenges is for the industry to move beyond the mindset of closing a deal in the shortest possible period to one of providing the best deal for the client, thus providing customer value and satisfaction. KEOs should identify salespersons' learning gaps and target the specific types of Continuing Professional

Development (CPD) training for salespersons to upgrade their competence and expertise.

17. CEA launched the CPD scheme in April 2011 to ensure that salespersons keep up-to-date on latest guidelines and regulations and also develop their professionalism and ethics. So far, CEA has approved more than 30 core CPD activities offered by government agencies, industry associations and Approved Course Providers. This Seminar today is also a recognised core activity in the CPD.

18. CEA is working with local tertiary institutions to offer suitable training programmes and expand the breadth and depth of CPD courses. For example, to develop a service quality culture in the real estate agency industry, CEA is working with the Singapore Institute of Retail Studies (SIRS), for a customised WSQ service excellence training for the industry. We hope to commence the programme before the end of the year.

19. CEA will also work with IEA, SAEA and SISV to build industry capability. These Associations can contribute towards enhancing professionalism in the industry. They have been involved in the development of the Practice Guidelines and in provision of CPD courses. CEA will continue to engage the Associations as there are many areas they can contribute, and KEOs and their salespersons can benefit by being part of these associations as well.

Collaboration with Other Agencies and Industry Players

20. CEA works closely with two key government agencies – HDB and URA. They are key partners in ensuring that the real estate industry functions efficiently. Estate agency work can have an impact on the dynamics in the HDB and private property market. Thus close working between government agencies, as well as with industry, to develop the capabilities of estate agents will be most valuable.

Improving Productivity of the Industry

21. In line with the national movement to improve productivity, CEA will work with the industry to raise its productivity. CEA has rolled out e-services to enhance efficiency of our licensing and registration processes. Estate agents can perform their applications on-line e.g. add, remove salespersons or update essential information at their convenience. The year-end licence and registration renewal exercise has started through the use of such e-services

22. In the area of infocomm adoption, last month, CEA held a Focus Group Discussion with a number of small and medium-sized estate agents on the adoption of IT as an enabler to enhance their operations and productivity. This initiative was supported by the Infocomm Development Authority of Singapore (IDA) and its business partners, as well as industry associations IEA, SISV and SAEA. Arising from the Focus Group Discussion, we hope to identify impactful infocomm solutions for the industry, at affordable costs. This is a good example of CEA working closely with industry champions to implement IT projects to benefit the estate agents.

23. Industry associations SISV, IEA and SAEA, IDA and its infocomm partners, as well as the Singapore Institute of Retail Studies have set up booths today to showcase their programmes and product offerings. We thank them for participating. Please support them at their booths during the break.

Conclusion

24. In conclusion, I would like to thank the KEOs, industry representatives and Government representatives for their sharing and attendance today. I also want to thank industry associations for their continuing support and contribution to CEA's work for the past one year.

25. In the past year, CEA had a very hectic schedule and major changes had been made. However one year is a short time and the transformation process has just started. The Government, industry and consumers have a collective role to play in upgrading the professionalism of the industry. As we embark on this journey together, CEA looks forward to continue to work closely with all of you, our key stakeholders.

26. I hope that you will enjoy today's session and I wish all of you a fulfilling event. Thank you.