



## PROFESSIONAL FEE / COMMISSION FOR REAL ESTATE AGENTS / AGENCIES

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### Interpretation

In this document,

“**Agents / Agencies**” mean individual real estate agents, real estate companies, partnerships and sole-proprietorship which possess valid House Agent’s Licences and/or Valuer / Auctioneer Licences;

“**IEA**” means the Institute of Estate Agents registered under the Societies Act (Cap 311);

“**clients**” means all those who engage, use or retain the services of an Agency / Agencies;

“**professional fee / commission**” means all forms of remuneration including commission, brokerage fee, finder’s fee, service fee, disbursements or any other sum payable by clients to the Agency;

“**Council**” means the Council of the Institute of Estate Agents;

“**gross rental**” means total monthly rental (including rental of furniture, maintenance charge and sinking fund, where applicable);

“**HDB**” means the Housing and Development Board constituted under the Housing and Development Act (Cap 129);

“**HUDC flats**” means flats in the housing estates known as HUDC housing estates which maintenance and management are not under the Housing and Development Board (HUDC Housing Estates Act – Cap 131);

“**members**” mean members of the Institute of Estate Agents who are eligible to transact in real estate.



## 1. Introduction

- 1.1 The remuneration system for Agents / Agencies is based on the provision of service and / or upon successful transaction.
- 1.2 This document stipulates the professional fee / commission for Agents / Agencies based on standard services rendered on property transactions.
- 1.3 This scale of professional fee / commission is not intended to restrict or interfere with any private arrangements which Agents / Agencies may have with their clients.
- 1.4 It is recommended that:
  - 1.4.1 Agreements and undertakings in all transactions shall be made between clients and Agencies and not with the individual Agent. Payment for commission shall be made payable to the Agencies and not the individual Agents;
  - 1.4.2 Agencies and their clients and Agencies amongst themselves shall document / communicate at the outset, their agreement on commission, costs and disbursements. The documentation / communication shall also include the scope of works, duties and undertakings by the Agencies;
  - 1.4.3 Members shall conduct themselves at all times in a professional manner that would not prejudice the standards and reputation of IEA or the real estate industry.

## 2. Professional Fee / Commission

### 2.1 Sale by Private Treaty, Auction or Tender (All types of properties except HDB Resale Flats and Non-Privatised HUDC Flats)

Party	Professional Fee / Commission Payable to Agency
Vendor	Minimum two percent (2%) of contracted price as sales commission.
Purchaser	One percent (1%) of contracted price as finder's fee (if the agency is the appointed representative).

- 2.1.1 An Agency shall not accept any commission from both the Vendor and Purchaser in the same transaction without the prior knowledge or written consent of the Vendor and Purchaser of the transaction.
- 2.1.2 For project marketing (sale or purchase of more than 4 units), commission shall be negotiable.



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2.1.3 Commission shall become due immediately upon completion of sale and purchase or as otherwise agreed between the parties.

### 2.2 Sale of HDB Resale Flats and Non-Privatised HUDC Flats

Party	Professional Fee / Commission Payable to Agency
Vendor	Minimum two percent (2%) of contracted price as sales commission.
Purchaser	One percent (1%) of contracted price as <b>service fee</b> .

2.2.1 An Agency shall not accept any commission from both the Vendor and Purchaser in the same transaction without the prior knowledge or written consent of the Vendor and Purchaser of the transaction.

2.2.2 Commission shall become due immediately upon completion of sale and purchase or as otherwise agreed between the parties.

2.2.3 In a co-brokerage, the agents shall collect the commission from their respective clients as in the table above or as otherwise agreed between the parties.

### 2.3 Rental (All types of properties except HDB Flats and Rooms)

Party	Professional Fee / Commission Payable to Agency
Landlord	One (1) month's gross rental for lease of first twelve (12) months or up to twenty four (24) months, and an additional one half (1/2) a month's gross rental for every subsequent twelve (12) months' lease or less.
	One half (1/2) of a month's gross rental for less than twelve (12) months' lease.
Tenant	<b>For cases where the gross monthly rental is \$2,500 or less</b>
	One half (1/2) of a month's gross rental for less than twelve (12) months' lease.  One (1) month's gross rental for lease of first twelve (12) months or up to twenty four (24) months.

2.3.1 An Agency shall not accept any commission from both the Landlord and Tenant in the same transaction without the prior knowledge or consent of the Landlord and Tenant of the transaction.



2.3.2 Commission shall become due immediately upon execution of the tenancy agreement by Landlord and Tenant.

2.3.3 In a co-brokerage, where the gross monthly rental is S\$2,500 or less, the co-broking agents shall collect the commission from their respective clients as in the above or as otherwise agreed between the parties.

## 2.4 Rental of HDB Flats and Rooms

Party	Professional Fee / Commission Payable to Agency
Landlord	One (1) month's gross rental for lease of first twelve (12) months or up to twenty four (24) months, and an additional one half (1/2) a month's gross rental for every subsequent twelve (12) months' lease or less.  One half (1/2) of a month's gross rental for less than twelve (12) months' lease.
Tenant	One half (1/2) of a month's gross rental for less than twelve (12) months' lease.  One (1) month's gross rental for lease of first twelve (12) months or up to twenty four (24) months.

2.4.1 An Agency shall not accept any commission from both the Landlord and Tenant in the same transaction without the prior knowledge or consent of the Landlord and Tenant of the transaction.

2.4.2 Commission shall become due immediately upon execution of the tenancy agreement by Landlord and Tenant.

2.4.3 In a co-brokerage, the co-broking agents shall collect the commission from their respective clients as in the above or as otherwise agreed between the parties.

## 2.5 Assignment (All types of properties)

Party	Professional Fee / Commission Payable to Agency
Assignor (party giving up)	Ten percent (10%) of assignment consideration or one (1) month's gross rental - whichever is higher.
Assignee (party taking over)	Five percent (5%) of assignment consideration or one half (1/2) of a month's gross rental - whichever is higher.



- 2.5.1 An Agency shall not accept any commission from both the Assignor and Assignee in the same transaction without the prior knowledge or consent of the Assignor and Assignee of the transaction.
- 2.5.2 Commission shall become due immediately upon completion of the assignment.

## 2.6 Management (All types of properties)

Basis of Management	Professional Fee / Commission Payable to Agency
For individual units	Ten percent (10%) of gross monthly rental or \$100.00 per month - whichever is higher.
For Management Corporations under the Land Title (Strata) Act (Cap 158)	By negotiation

- 2.6.1 Commission is due to Agency monthly in advance upon receipt of rental from Tenant. For Management Corporations, commission payable would generally be on an accrued basis.
- 2.6.2 The Agency may, by prior agreement with client, claim disbursements for expenses such as long distance phone calls (in the case of overseas client), postage and stationery, transport costs, etc.

## 3. Other Charges

- 3.1 Agencies may also impose charges other than the agreed commission, provided that such charges are agreed to between the parties.
  - 3.1.1 Forfeited Deposit In the case of an aborted sale or tenancy, the recommended commission shall be one half (1/2) of the amount of the deposit forfeited by the party plus GST (if applicable) subject to a maximum sum equivalent to the agreed commission plus GST (if applicable).
  - 3.1.2 Goods & Services Tax (GST) All GST-registered Agencies shall charge their clients and co-brokers the prevailing GST even if the other party / Agency are not GST-registered.