

INDUSTRY INSIGHT 2: PROPERTY



Survival of the fittest now means survival of the most tech-savvy

Real estate agents turn to Uber-like tech to stay afloat

As the number of estate agencies and agents in Singapore shrinks, many are turning to technology to help beat the property downturn blues.

It's not a surprise that the number of real estate agents and agencies continues to decline in Singapore after multiple rounds of cooling measures. The number of property agents shrank 8.9%, from 31,169 agents in 2011 to 28,397 as of January 2017, according to numbers from the Council for Estate Agencies. The number of real estate agencies, meanwhile, declined 13.5% from its peak of 1,487 in 2012 to 1,286 this year. Last year saw 1,189 new agents qualified whilst 3,200 left the industry.

Savills, which ranked as the seventh largest agency in Singapore, saw its number of real estate agents go down from 794 in the past year to 739. The firm has noted the marginal agents are leaving the profession given the tough market. "These are the guys who fell out of the way," says Savills Valuation and Professional Services (Singapore) Pte Ltd senior director **Alan Cheong**. "As a result, although the sales have gone up, it has been more concentrated on the fewer



Ismail Gafoor



Alan Cheong

agents left in the market who are more determined and have what it takes to cut it as an agent."

Like all firms, Savills focusses on training, but unlike in previous years, Cheong notes that it would take more than just training for agents to be successful book deals. "You can't train someone to have the motivation to pursue deals day after day, week after week. Not all people can be, regardless of education."

Technology tools

For many firms, the use of technology tools has been gaining traction. There are now more tools available to agents than just a simple listing on an online classifieds site. **Jeremy Lee**, co-founder of StreetSine Technology Group, says using technology agents can price properties through computer valuation benchmarking and computer-aided full inspections and valuations.

Virtual reality showcases are another way agents can better market

properties and can reduce the average days-on-market (DOM) of flats. The average DOM for an HDB home is 104 days, whilst for a private resale flat is 185 days as of January 2017.

"Agents that make use of technology to create quality listings comprising of a V360 Virtual Tour and an X-Listing with certified valuation cuts DOM by half. A potential buyer can now fall in love with the property on the Internet before actually visiting the home, and negotiate based on a trusted selling price that is both computer-backed and valuer-backed, hence reducing the DOM," adds Lee.

Agents can also utilise technology processes such as financing, which can be made convenient through mobile platforms that deliver better interest rates, mortgage packages, and faster processing. In terms of negotiating, there are analytic tools that provide instantaneous micro and macro information and offer analysis calculators. For facilitating insurance, automated underwriting and policy delivery are now available. When it comes to sealing a deal, automated conveyancing and document collection can now also be used.

Quantity and quality

Of the ten largest estate agencies in Singapore, four saw the number of their salespersons dwindle in the past year. Bucking the trend was PropNex Realty, whose number of salespersons has been going up for the past three years. PropNex Realty CEO **Ismail Gafoor** says this year marks the third year of agent growth with the firm employing 5,510 salespersons as of January 2017.

"Unlike other agencies that might be experiencing downward trends, PropNex has performed well with marginal upward growth year after year since 2015. This is attributed to a strong retention and recruitment programme conducted within the agency, together with the numerous initiatives and trainings laid out for its salespersons," shares Gafoor. Singapore's second largest agency saw transactions up 12.5% to 45,000, generating \$25m in gross commission in the previous year.

PropNex's strategy is segregating

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its salespersons into different zones of Singapore and provide them with training on the masterplans, demands, and real estate outlook for each region. Gafoor says agents are able to add greater value to clients. He also stresses the importance of special bootcamps and conventions, as these further strengthen and elicit commitment from salespersons.

Knight Frank Property Network managing director **Tan Tee Khoon** says agent care is of paramount importance and a top priority in the industry. “The agents are like our clients – we have in place a structure of supervisory responsibility and accountability so that team leaders at every level can be accessible to their agents. They have allotted time to attend to their immediate downlines and regularly meet them for learning and development,” he says.

Like PropNex, Knight Frank conducts discussions with the agents to keep them in the loop, and new entrants are given the chance to choose whether they want to take the sales or management track. Knight Frank has seen an increase in agents of almost 30% to 768 agents as of February 2017, recovering from a 21% decline in 2016.

Outside the agencies, there are networks and governing bodies that

are constantly monitoring the status of estate agents and salespersons in the industry. For instance, the Singapore Estate Agents Association (SEAA), which was formed in 2014 by 24 members comprising key executive officers of estate agents, serves as a network for agencies and salespersons.

SEAA CEO **Wong Cheong Hong** says as a body, the network focusses on raising the bar of professionalism for the salespersons. “SEAA works with member firms to train and develop agents to better understand the changing profile of the consumers in order to be more adept in providing value-added service to consumers, and is rolling out more new CPD (Continuing Professional Development) training courses and updating the existing one to equip the agents with updated, relevant knowledge and skills,” he says.

‘Upgrading’ agents

On the other hand, CEA oversees the licensing and registration of estate agents and salespersons. Under the law, it is empowered to conduct investigation and disciplinary proceedings in relation to offences and unsatisfactory conduct or misconduct in relation to estate agency work.

CEA director for policy & licensing **Heng Whoo Kiat** cites the CPD scheme, which is one of the key components of the regulatory framework to achieve higher professional standards for the real estate agency industry. “The CPD scheme ensures that property agents possess the necessary professional knowledge in estate agency work and continuously upgrade themselves by keeping abreast of the latest changes in Government policies and procedures for property transactions.”

There are also efforts by real estate agencies to monitor the performance of their agents. Last year, OrangeTee launched a platform called Property Agent Bank where customers can write reviews and rate their agents. Reviews can be found on the agents’ profile pages. To prevent fake reviews, customers are required to include information such as the transaction ID found on their invoices and

address. Minister of State for National Development **Koh Poh Koon** says the system motivates agents to have a ‘customer-first’ attitude, allowing them to differentiate themselves in their level of professionalism.

“These are just some of the ways a property agency is leveraging on technology in response to changing times and potentially disruptive technologies. I hope more industry players will continually review their business approach and invest in ways to raise professionalism, productivity, and client-centricity,” he says. *By Kiersnerr Gerwin Tacadena*



Tan Tee Khoon



Wong Cheong Hong



New tech for agents

This is how an agent can value-add to their clients using technology. The technology makes it easy for the home hunter to search the right home by sharing shortlisted properties with the agent.

On the other hand, the agent fills up the home inspection checklist and helps to apply for a pre-approval loan directly with the bank without leaving the app. At all times, the buyer is kept updated via the app until he completes the purchase of the home.

Number of registered salespersons

Year	Number
2011	31,169
2012	30,577
2013	31,040
2014	31,783
2015	30,830
2016	29,692
2017	28,397

Source: Council for Estate Agencies

Number of licensed property agencies

Year	Number
2011	1,288
2012	1,487
2013	1,492
2014	1,425
2015	1,369
2016	1,369
2017	1,286

Source: Council for Estate Agencies