

Why is there No Fixed Commission Rate for Property Agents in Singapore?



You are planning to buy, sell, or rent a property, and have checked the Council for Estate Agencies (CEA)'s [Public Register](#) to verify that your property agent is registered. It is now time to discuss your agent's commission rate.

There are no fixed commission rates for property agents in Singapore. CEA does not fix or provide any commission guidelines. You are thus free to [negotiate and agree](#) with your agent on the commission quantum and commission fee, based on the scope of work and services the agent will provide for your transaction.

Here are four factors to consider when deciding on your agent's commission rate.

1 Difficulty of selling a property

Some properties are just naturally going to be more difficult to sell than others. Having a clear, realistic idea on how difficult (or easy) it will be to sell your property will help you determine how much the commission rate should be for the effort put in by your agent to facilitate the sale.

2 How quickly do you want to sell your property?

How quickly you want to sell your property may also affect the amount of commission you are willing to pay your agent. A higher commission rate, in addition to a lower asking price, is likely to help the agent you appoint sell your property a lot quicker. However, if you are not in a hurry, you can consider negotiating a lower commission.

3 Your asking price

All other things being equal, a property with a lower asking price is likely to be an easier sell. A higher asking price may mean that the agent has to search harder for more buyers, facilitate more viewings, and dedicate more time and effort to marketing. In such a situation, your agent may ask for a higher commission rate.

4 Added value proposition your agent can offer

Some agents may have a wider network to tap on or are more experienced when it comes to selling specific types of properties in a certain location. Others may employ innovative online marketing strategies to get a wider reach. All these could be reasons why your agent is asking for a higher commission.

After you have agreed on the commission rate, you should document this via a [written agreement](#) with the property agent you intend to appoint. This written agreement protects you and the agent from any unnecessary misunderstanding. It states the amount of commission agreed upon, whether GST is payable upon the commission, and other terms and conditions.

In addition, be fair to your agent. Honour and pay the agreed commission after your agent has facilitated a successful property transaction for you. Remember to pay the commission to your agent's property agency, and not to your agent, after a transaction has been completed.

It is illegal for a property agent to take commission from both parties of a transaction. Doing so is considered [dual representation](#) and is against the law.

Follow this link to learn the [art of engaging a property agent](#).

This is an abridged version of an article written in partnership with Dollars and Sense.