

PropNex Professional Fees and Commission Guideline

1) Introduction

- The remuneration system for Estate Agents is based on the provision of service and / or upon successful transaction.
- This document stipulates the professional fee/commission for Estate Agents based on standard services rendered on property transactions.
- This scale of professional fee/commission is not intended to restrict or interfere with any private arrangements which Estate Agents may have with their clients.
- Agreements and undertakings in all transactions shall be made between clients and PropNex and not with the individual Salesperson.
- Payment for commission shall be made payable to **PropNex Realty Pte Ltd or PN Realty Pte Ltd** and not the individual Salesperson.
- PropNex and their clients and Estate Agents 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 Estate Agents.
- Salespersons shall conduct themselves at all times in a professional manner that will not prejudice the standards and reputation of PropNex or the real estate industry.

2) Interpretation

In this document,

“**Salesperson**” mean individual who represent the PropNex as “**The Estate Agent**”;

“**Clients**” means all those who engage, use or retain the services of an **Estate Agent**;

“**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 Estate Agent;

“**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);

3) Professional Fee / Commission

- I. All Sale and Purchase of Property in Singapore (
- II. Leasing of Property in Singapore (Including HDB Resale Flats and Non-Privatized HUDC Flats, Commercial and Industrial Properties)
- III. Assignment (All types of properties)
- IV. Management (All types of properties)

I. All Sale and Purchase of Property in Singapore (Including HDB Resale Flats, Non-Privatized HUDC Flats, Commercial and Industrial Properties)

<u>Party</u>	<u>Professional Fee Commission Payable to Estate Agent</u>
Vendor	Minimum two percent (2%) or Up to a maximum of four percent (4%) of contracted price as sales commission.
Purchaser	Minimum One percent (1%) or Up to 2% of contracted price as Service fee (if the Estate Agent is the appointed representative).

An Estate Agent or the Salesperson shall not accept any commissions from both the Vendor and Purchaser in the same transaction regardless consent has been obtain from either party. This is in strict compliance to the Estate Agents (Estate Agency Work) Regulations 2010.

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

In a co-brokerage, the agents shall collect the commission from their respective clients as in the table above.

II. Leasing of Property in Singapore (Including HDB, Non-Privatized HUDC Flats, Commercial and Industrial Properties)

<u>Party</u>	<u>Type of Lease</u>	<u>Duration of Lease</u>	<u>Professional Fee</u>
Landlord or Tenant	<ul style="list-style-type: none"> Room Rental or Partial Unit 	<ul style="list-style-type: none"> 24 Months or Less Every subsequent 12 months or less Renewal of Lease for every 12 months lease 	<ul style="list-style-type: none"> Minimum One (1) month's rent or any higher amount as agreed Minimum Half (1/2) month's rent or any higher amount as agreed Minimum Half (1/2) month's rent or any higher amount as agreed
	<ul style="list-style-type: none"> Whole Unit 	<ul style="list-style-type: none"> 24 Months or Less Every subsequent 12 months or less Renewal of Lease for every 12 months lease 	<ul style="list-style-type: none"> Minimum One (1) month's rent or any higher amount as agreed Minimum Half (1/2) month's rent or any higher amount as agreed Minimum Half (1/2) month's rent or any higher amount as agreed

An Estate Agent or Salesperson shall not accept any commission from both the Landlord and Tenant in the same transaction regardless consent has been obtains from either party. This is in strict compliance to the Estate Agents (Estate Agency Work) Regulations 2010.

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

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.

III. Assignment (All types of properties)

<u>Party</u>	<u>Professional Fee Commission Payable to Agency</u>
Assignor (party giving up)	<ul style="list-style-type: none"> • Min \$3,000 or 10% Assignment Fee - whichever is higher.
Assignee (party taking over)	<ul style="list-style-type: none"> • Min \$3,000 or one (1) of a month's gross rental-whichever is higher.

An Agent shall not accept any commission from both the Assignor and Assignee in the same transaction regardless consent has been obtained from either party. This is in strict compliance to the Estate Agents (Estate Agency Work) Regulations 2010.

Commission shall become due immediately upon execution of the assignment agreement.

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.

IV. Management (All types of properties)

<u>Basis of Management</u>	<u>Professional Fee Commission Payable to Agency</u>
For Individual Unit	<ul style="list-style-type: none"> • \$200 or Ten percent (10%) of gross monthly rental whichever is higher.
For Management Corporations under the Land Title (Strata) Act (Cap 158)	<ul style="list-style-type: none"> • By negotiation with PropNex Property Management Consultancy Pte Ltd

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.

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.

4) Goods and Service Charge (GST)

All commission payable are subject to GST in accordance to the Goods and Service Tax Act.

5) Professional Code of Practice

Salespersons are reminded that they are not allowed to dual represent. They are not allowed to collect commission from both the customer in the same transaction regardless consent has been given.

Salesperson should not act against their fiduciary duty to their principal. All PropNex salesperson **MUST** always co-broke with each other in any transaction. The sharing of commission shall be negotiated and agreed between the parties. A co-broke agreement **MUST** be submitted upon the submission of the transaction.