

Top property agents bag lion's share of HDB resale transactions

Buyers, sellers favour established salespersons; nearly half of agent-facilitated transactions closed by the top 1,000

By **Fiona Lam**
fiolam@sph.com.sg
@FionaLamBT

Singapore

NEW entrants in Singapore's real estate agency scene may face "significant barriers" in improving their sales, especially in mature HDB towns, as a small proportion of the industry dominates the market.

The Institute of Real Estate and Urban Studies (IREUS) noted the "highly skewed" competitive landscape and uneven sales performance among individuals brokering transactions of resale flats.

Last year's highest ranked agents, based on sales volume, closed disproportionately more deals than their peers, going by data from the Council for Estate Agencies (CEA).

This comes partly as buyers and sellers tend to favour salespersons with established track records, compared to untested newcomers starting with a blank slate, said Lee Nai Jia, deputy director of IREUS at the National University of Singapore.

The top 1,000 salespersons in the HDB resale market brokered nearly half of the 32,394 transactions that were facilitated by agents last year.

Moreover, about 57 per cent of the resale transactions involved brokers who closed at least six sales during the year. The top six agents closed more than 100 deals each in 2020.

On the other end of the spectrum, a large proportion of agents accounted for a fraction of HDB resale transactions. About a fifth of the deals in 2020 involved salespersons with just one or two sales each during the year.

"The distribution is highly skewed, with the top agents accounting for the lion's share of deals for HDB resale flats," Dr Lee said.

"Such statistics suggest that only a select handful could break into the top 10 positions, and it might take about three years to do so," he added.

For instance, CEA data showed that the individual who was ranked 10th based on the number of sales facilitated last year had climbed from below the 1,000th spot in 2018, and did not close any HDB resale transactions in 2017. Similarly, the individual ranked ninth last year had taken the 48th position back in 2017.

Meanwhile, the top two agents in the market maintained their rankings from 2018 to 2020.

Competition

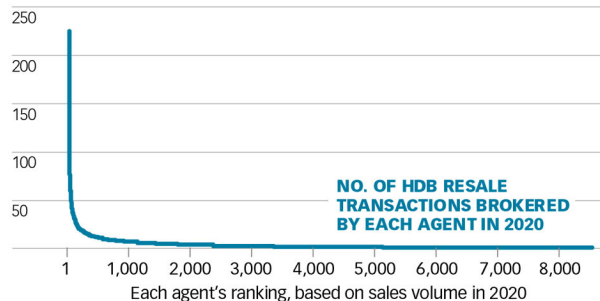
Number of transactions brokered by the top 10 performers last year, in selected towns

AGENT'S RANKING BASED ON TOTAL SALES VOLUME IN 2020	MATURE HDB TOWNS				NON-MATURE HDB TOWNS			
	TOA PAYOH	BISHAN	QUEENSTOWN	CENTRAL AREA	WOODLANDS	PUNGGOL	JURONG WEST	BUKIT PANJANG
1	9	7	7	3	32	58	44	30
2	9	6	7	2	16	57	25	28
3	7	6	6	2	16	32	17	12
4	7	5	5	2	15	28	12	11
5	6	5	5	2	15	25	12	11
6	6	4	5	2	14	25	12	11
7	5	4	5	2	14	18	12	10
8	4	4	5	1	14	18	11	10
9	4	3	5	1	14	15	11	9
10	3	3	4	1	14	14	11	9

Source: Council for Estate Agencies

Highly skewed

The 1,000 agents with the most sales closed nearly half of last year's HDB resale transactions



Source: Council for Estate Agencies

In general, agents may find it easier to garner leads in the HDB resale segment due to the larger catchment of owners and the accessibility of door-to-door visits, compared to the private residential segment. But "the statistics suggest that there are still significant barriers for newbies", Dr Lee said.

After passing the CEA examination, a new practitioner in the industry typically has much to learn about the market and needs to progressively build a network of former clients, other property agents, and professionals in other fields.

"Inexperienced industry entrants without such a network will be highly

disadvantaged compared to incumbent experienced agents, especially during a downturn," Dr Lee added.

Geographically speaking, resale agents in mature HDB towns also face more competition than in non-mature towns, CEA data suggests.

In mature estates, there is a relatively small difference between the number of sales done by the agent in pole position and the volume brokered by a slightly lower-performing agent. For example, the top agent in Bishan last year closed seven transactions, while the individual in the fifth spot closed five.

"In contrast, the top agents for non-mature HDB towns enjoyed an

unassailable lead over the lower-ranked agents," Dr Lee said. The top two agents in Punggol each facilitated more than 55 transactions in 2020, whereas those ranked fifth and sixth brokered only 25 each.

Dr Lee noted that mature estates such as Toa Payoh, Queenstown and other central locations are popular with buyers, and HDB resale flat prices there are also substantially higher than their counterparts in non-mature areas. "The higher turnover and commissions in mature HDB towns will attract more agents to compete in those districts," he added.

Experienced agents in mature estates will thus have to contend with a continuous influx of newcomers. Some could end up diverting resources to "protect their turf" or maintaining market share in the locale, by advertising their services more aggressively rather than spending more to market the listings, Dr Lee said.

Prospective buyers and sellers may also encounter agents of "highly uneven" quality in the HDB resale market. And with consumers getting savvier and better-informed, there could even be agents who know less about the market than their clients do, Dr Lee noted. "As there are more new agents operating in mature HDB towns, there is a higher chance of buyers and sellers engaging a salesperson who adds little value for them."

At the same time, the lower competition in non-mature estates enables agents there to amass more contacts and work experience, he added.