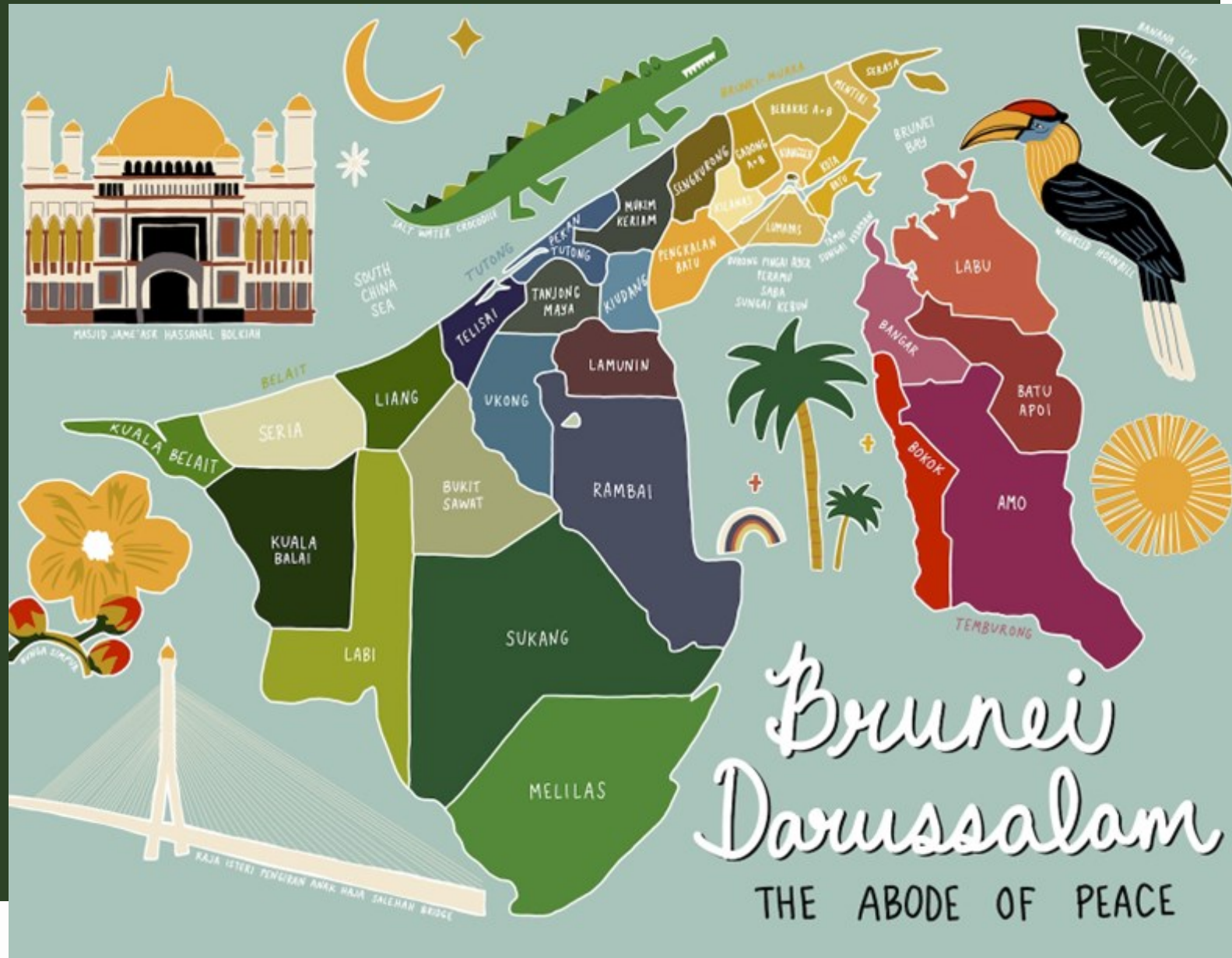


CHALLENGES IN STANDARDISING THE PROFESSION OF REAL ESTATE AGENTS IN BRUNEI DARUSSALAM

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BRUNEI DARUSSALAM



- Capital: Bandar Seri Begawan
- Location: Borneo island in South East Asia
- Area: 5,765 sq km
- Population: 460,300 approximately
- Religion: Islam
- Language: Malay

BRUNEI IN A GLANCE

- The Government of Brunei Darussalam continuously implements approaches in improving the quality of life by providing significant subsidies for Bruneian residents, especially in the areas of housing, healthcare and education.
- Over 35,000 houses have been constructed under the National Housing Scheme (RPN) and Landless Indigenous Citizens Housing Scheme (STKRJ) for the people of Brunei
- The National Welfare System (SKN) is a collection of welfare schemes under one system for the public to apply for assistance. A centralised database was built allowing detailed analysis of poverty gap ensuing that assistance is extended to individuals in need.



BRUNEI IN A GLANCE

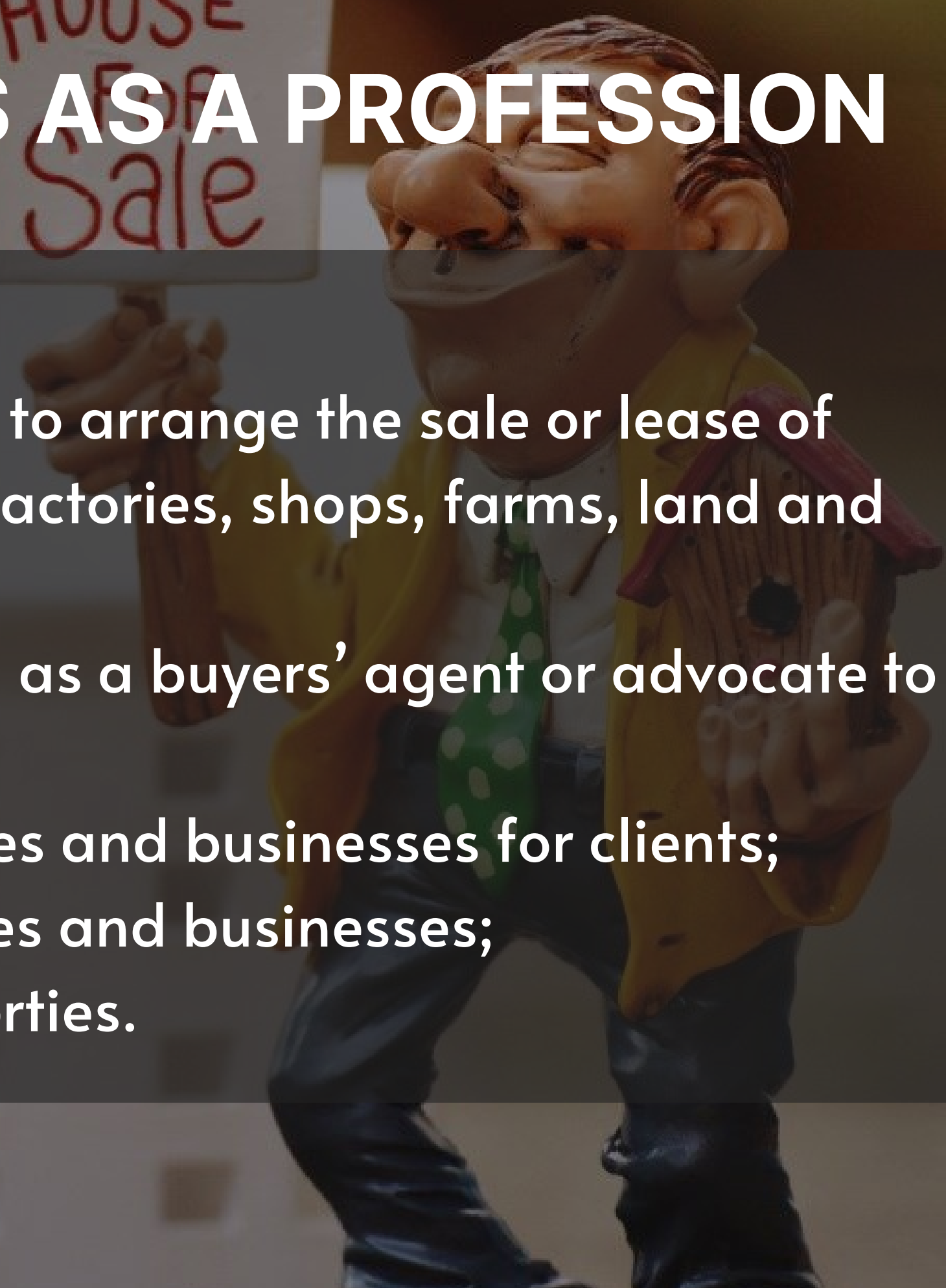
- Launched in July 2023, the National Retirement Scheme (SPK) replaces the Employees Trust Fund (TAP) and Supplemental Contributory Pension (SCP) schemes. It offers a more secure retirement assurance by providing retirees with a better and higher monthly retirement income, surpassing the financial retirement benefits under the two previous schemes.
- In addition to its housing and welfare assistance, Bruneians are also provided with free healthcare. Citizens are only required to pay BNDI when consulting practitioners, receiving medication or obtaining a complete check-up at any government hospital or healthcare centres.
- On the education front, the government provides free enrolment to all citizens at government schools nationwide. Students who wish to continue their education also have the opportunity to do so through scholarships either locally or abroad.

BRUNEI'S REAL ESTATE DEVELOPMENT

- The recent report by the Brunei Darussalam Central Bank (BDCB) for the second quarter of 2024 showed the Brunei's Residential Property Price Index (RPPI) showed an increase of 3% quarter-on-quarter compared to Q1 2024. The RPPI measures the rate at which the prices of private properties bought by households are changing over time. The BDCB have released the RPPI based on sources from the banks in Brunei and is published close with close cooperation from the Authority for Building Control and Construction Industry (ABCi), Ministry of Development.

REAL ESTATE AGENTS AS A PROFESSION

- The ROLES of a Real Estate Agent is to:
 - act on behalf of owners and landlords to arrange the sale or lease of property including houses, buildings, factories, shops, farms, land and businesses;
 - act on behalf of buyers when engaged as a buyers' agent or advocate to negotiate the purchase of property;
 - provide market appraisals of properties and businesses for clients;
 - negotiate the sale or lease of properties and businesses;
 - collect rents and manage rental properties.





REAL ESTATE AGENTS' DUTIES IN BRUNEI

- Real estate agents usually perform similar duties, regardless of whether they work for either the buyer or the seller, such as:
 - Gather Client Information
 - Locate Properties for Sale / Purchase / Lease / Rent
 - Visit Properties with Clients
 - Inspect Properties for Clients
 - Negotiate Home Sales / Purchases
 - Oversee Leasing Activities
 - Prepare Marketing Aides and Promotional Activities
 - Assist with other aspects of Real Estate transaction (Legal, Administration, Finance)



REAL ESTATE AGENTS' DUTIES IN BRUNEI

- Estate agents do not need a specific degree, and no formal certification is required for this role.
- Estate agents are required to work as trainees for at least 3 years under a BOVEA Registered Estate Agency and are encouraged to join professional organisations such as Brunei Institute of Geomatics (BIG) to enhance their knowledge and reputation.
- A real estate agent usually works on a commission here in Brunei, where the commission paid is a percentage of the property's sale price. The more the house sells for, the more money an agent makes.
- In Brunei, real estate agents must be licensed in order to receive a fee for their services which will be a standard scale of fees set by BoVEA.

WHY DOES A REAL ESTATE AGENT MATTER?

The details of a purchase or sale of real estate can be complicated and expensive.

Licensed real estate agents are trained to handle all aspects of a real estate transaction and to represent the best interest of the buyer or seller.

Good references, local market knowledge and experience are key to the success of the real estate agent and should be evaluated before engaging their services.

REAL ESTATE AGENTS' SKILLS REQUIRED

Market Knowledge

This role also requires thorough knowledge of the real estate market, including current trends, home prices, neighbourhoods, and available housing stock within the agent's sales territory

Client service skills

Estate agents need excellent client service skills and the abilities to understand what their clients are looking for in a home, work within their price range, and remain available throughout the sales and closing process

Time management

Estate agents tend to work with a number of buyers and sellers at once, so they should have strong time management and organization skills to keep track of sales processes and appointments

An aerial photograph of a city featuring a prominent mosque with a large golden dome and minarets. The mosque is situated on a riverbank, with a dense residential area of small houses with grey roofs to the left and a parking lot with many cars to the right. The text 'REAL ESTATE AGENTS' SKILLS REQUIRED' is overlaid in large white letters across the center of the image.

REAL ESTATE AGENTS' SKILLS REQUIRED

Communication skills

Finally, effective verbal and written communication skills are essential in the estate agent's role. They should be able to prepare documents and speak with clients, other agents, and financial professionals

OUR GOALS

There are professional bodies & a government legislation that are related to the Real Estate industry in Brunei:

01

Board of Valuers &
Estate Agency (BoVEA)

02

Brunei Institute of
Geomatics (BIG)

03

ASEAN Valuers
Association – Brunei
Chapter

BOARD OF VALUERS & ESTATE AGENTS (BOVEA)



- The Board of Valuers & Estate Agency (BoVEA) is a legislative body under the purview of the Ministry of Development – [<http://www.ovea.gov.bn/>]
- BoVEA has been consented on 29th July 2017 by His Majesty Sultan and Yang Di-Pertuan Brunei Darussalam
- It is the ONLY body that grants license to practice in Brunei for Valuers and Estate Agents

BOARD OF VALUERS & ESTATE AGENTS (BOVEA)

OBJECTIVES

- Grant authorisation to the Valuers and Estate Agents to practice in Brunei Darussalam
- Maintaining and developing standards of professional conducts and ethics of the Valuers and Estate Agents
- Assuring Continuing Professional Education to Registered Valuers and Estate Agents

MISSION

- To regulate the qualifications and practices of Valuers and Estate Agents in Brunei Darussalam

STEPS TOWARDS STANDARDISING THE REAL ESTATE PROFESSION UNDER BOVEA

- Creating conditions and guidelines for applications to be registered Estate Agents
- Setting up a minimum requirement in terms of education background
- Setting up the experience in years required to apply
- Designing the format of their “Competency / Significant Report” as a compulsory application submission
- Conducting interviews to finalise the applicants
- Creating short courses with local Higher Institutions to provide training and upgrading in Real Estate
- Visiting newly registered Estate Agents offices

STEPS TOWARDS STANDARDISING THE REAL ESTATE PROFESSION UNDER BOVEA

- All BoVEA registered Estate Agencies must be covered with a professional indemnity insurance
- Compulsory requirement for all BoVEA registered Estate Agents to be a member of BIG
- Non-Bruneian Citizens are given at least 3 years to be in partnership with a Bruneian Citizen Estate Agent to practice with existing company
- Monitoring unregistered Estate Agents through the social media and complaints
- Issuing warning letters to brokers and developers who are selling & leasing properties
- Reminding registered Estate Agents to create & follow their own Code of Conduct & Ethics under BoVEA's Order

CHALLENGES TOWARDS STANDARDISING THE REAL ESTATE PROFESSION UNDER BOVEA

- Almost all of the Estate Agents are not graduates of the Real Estate background so formulating the requirements were more on measurement of professional experience and achievements
- The design of the “Competency / Significant Report” was specifically to evaluate the applicant’s experience, involvement and profile
- Creating questions to be used in the final stage in interviewing qualified applicants
- Identifying & conducting workshops with the Higher Institutions to create the curriculum for the short courses

CHALLENGES TOWARDS STANDARDISING THE REAL ESTATE PROFESSION UNDER BOVEA

- Using the social media to monitor advertisements, postings and messages of unregistered Estate Agents & brokers selling, buying, leasing & looking for properties
- Designing and creating the Code of Conduct & Ethics under BoVEA's Order in Brunei's context
- There are not a lot of Legislative Members and sub-committee members to assist in regulating the BoVEA registered Estate Agents

CONCLUSION

- BoVEA is a new governing body with so much more to learn, to improve and to develop in terms of policies and authorisation
- There are less than 10 Valuers and 1 BoVEA registered Estate Agent with the right qualification whilst the other BoVEA registered Estate Agents are based on experiences only
- Strict monitoring is needed to maintain correct code of ethics and practices for the BoVEA registered Estate Agents
- More commitment and support is needed by all Real Estate professions as Estate Agents are the key players in the Real Estate industry in Brunei



**‘[A] HOUSE IS A MACHINE
FOR LIVING IN’ RATHER
THAN JUST A FUNCTIONAL
BASIC SHELTER’**

LE CORBUSIER, 1923