



The Board of Valuers,
Appraisers and Estate Agents
Malaysia

A-19-13 Level 19, Menara UOA Bangsar,
No. 5 Jalan Bangsar Utama 1,
Bangsar, 59000 Kuala Lumpur.

Tel : **03-22876666**
Fax : **03-22888819**

www.ippeh.gov.my
www.propertyagent.gov.my



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**ENHANCING PROFESSIONALISM,
INTEGRITY AND ACCOUNTABILITY.**



SUPPORTED BY :





The Board of Valuers,
Appraisers and Estate Agents
Malaysia

The Regulatory Body For
Real Estate Agency Practice.

PROTECTING YOUR INTERESTS.



Anticipating the resurgence of the real estate market in the 80's, there was a need to seriously consider protecting the public in the sale and rental of properties. In line with this the government wanted to regulate estate agents as the growth of brokers was on the rise. In 1981 the government passed in Parliament ACT 242 – The Valuers, Appraisers and Estate Agents Act aimed at registering Real Estate Agents in Malaysia. In 1986 the Rules was passed by the Minister and the Real Estate profession came into existence.

As of August 2016, there are 1,938 Registered Estate Agents, 658 Probationary Estate Agents 20,500 Real estate Negotiators and 990 Real Estate firms.

It is important to note that to become an estate agent one has to go through a period of study and training. To sit for the exam one must have passed the Sijil Pelajaran Malaysia (SPM) with 3 credits and a compulsory Pass in BM. They then have to;

To sit and Pass 12 papers over 2 years after which they will be registered as a probationary estate agent

Undergo 2 years of post-practical training with an estate agent &

Pass the Test of Professional Competence (TPC) at the end of two years

This will take a minimum of period of 4 years before the probationary estate agent is Registered as an estate agent. They are then assigned with a personal (E) no which denotes Ejen.

When a registered Estate Agent sets up a firm another E no is assigned for the firm;

E(1) – Indicates a Sdn Bhd

E(2) – Partnership

E(3) – Sole Proprietor

Since 2014, the Board of Valuers, Appraisers and Estate Agents have introduced a policy where all Real Estate Negotiators (REN) have to attend a course and apply for certification through a Real estate firm. They are then issued a REN Tag and only then can they sell or Market any properties. This is to ensure that real estate salespeople are aware of their obligation by law in protecting the interest of the public. The public is encouraged to ask for the REN tag before they engage anyone to represent them in a sale or rental of any properties

The Importance Of Engaging a

REAL ESTATE AGENT, A PROBATIONARY ESTATE AGENT OR A REAL ESTATE NEGOTIATOR



Real Estate Negotiators and probationary Real estate Agents are employed by a Registered Real Estate Agent who are responsible for their conduct and actions. They are all required to follow the code of conduct and ethics as laid out by the Board.

Honour, Integrity and courtesy is a moral code for all real estate practitioners. Real estate agents are required to adhere to the code of conduct and ethics as laid out in our rules and standards of practice i.e.

- To render service to his clients with absolute fidelity
- Act towards his client in all professional matters strictly in a fiduciary manner
- Is expected to provide a level of competence service in keeping with the standards of practice
- It is his duty to protect the public against fraud, misrepresentation and unethical practices

The fees chargeable any estate agent for services rendered shall be as prescribed under the 7th schedule of the Rules 1986

1. Sale or Purchase

(a) Land and Buildings - Maximum fee of 3%

The firm shall be entitled to claim for fees based on the total sales consideration in cash, company shares or in kind, which shall include sums paid for all assets and chattels including furniture, fittings and household appliances.

(b) Fees for other services - JV, Sale of Company, Property Swaps - Maximum fee of 3%

Joint Venture

In the case of a joint venture, the fees shall be based on the market value of the property or the joint venture consideration, whichever is lower at the date of the signing of the JV agreement.

(c) Chattels (movable properties) including Plant and Machinery - 10 % of the proceeds

The above scale applies to any sale or purchase by way of private treaty, tender or any other mode of disposal or acquisition.

PROJECT SALES

- The fees is left to be decided between the agency firm & the developer

FOREIGN PROPERTIES

- For sale of Foreign properties in Malaysia or Malaysian properties in a foreign country, the Fees is left to be decided between the local agency firm or the developer or a foreign agency firm or the owners of the building.

Duration of Tenancy	Maximum Fee (equivalent to)
Exceeding 4 years up to 5 years	1.25 months gross rental
Exceeding 4 years up to 5 years	1.25 months gross rental
Exceeding 4 years up to 5 years	1.25 months gross rental
Exceeding 4 years up to 5 years	1.25 months gross rental
1.25 months gross rental	
Exceeding 4 years up to 5 years	1.25 months gross rental
1.25 months gross rental	

- Rent Reviews – 50% of the fees chargeable under lettings
- For tenancies less than one year, the fee may be calculated on a pro rata basis.
- The above scale shall not apply to serviced offices/apartments or other premises of a similar nature.

In addition to the fees stated in items 1 - 3, claims may be made for

a) Actual cost incurred

- The cost of printing plans
- Copies of documents, lithography,
- Travelling (only where the distance between the estate agent's office and the property is more than 40 km)
- Other expenses actually incurred;

b) Marketing Cost

- Of media advertisement
- Signboard
- Brochures
- Other Promotional Materials.

Note:

The above additional claims may not be incurred by the registered estate agent without the prior concurrence of the client.

10 STEPS TO BUYING & SELLING PROPERTY

1 ENGAGING A REGISTERED ESTATE AGENCY FIRM

Selling or renting a property requires professional advice and involves legal obligations. They are required to protect your interest, render service with absolute fidelity and to provide a level of competent service. When you appoint a REN you are actually engaging a firm who are required to safeguard your interest through the Real Estate Agent

2 CHECK ON YOUR REAL ESTATE NEGOTIATOR

Check which REN can act in your best interest! Is he active in your area, how long has he been in the market, what value he/she can add and most importantly, is he certified and has a REN Tag

3 MANAGE EXPECTATIONS

Whether it is for sale or purchase you need to be clear and specific on what you want in terms of price, terms of sale/purchase, time frame and payment structure.

4 BE REALISTIC IN PRICING

Be realistic as to market trends and values. Ask agents for comparative values or transacted values to make an informed decision. No one will buy an overpriced property. Remember an overexposed property will not yield high price

5 TYPE OF APPOINTMENTS

There are two important type of appointments; Exclusive and Non Exclusive! Exclusive refers to appointing only one agent while Non- Exclusive refers to many agents. Understand what one agent and many agents can and cannot do. The perceptions in the market may not be true reflections of the real value in these type of appointments.

6 PUT IN WRITING

Never takes things for granted by verbally confirming anything. In real estate everything that is done has legal implications and as such it's important to put everything in writing including type of appointments, fees payable, period of appointment, terms of sale, property details etc.

7 CLIENTS ACCOUNT

Never give cash or issue checks in personal names. All monies collected are required by law to be deposited in a client's account and this will safeguard your money from abuse or mishandling.

8 KNOW THE TRENDS

It's important to be aware of market trends, what is happening in your neighborhood, new accessibilities, townships, rail connections etc. Which makes a difference in pricing?

9 BUYER SELLER REPRESENTATION

In Malaysia, an agent can represent either a buyer or seller and not both as practiced in Johore and Penang. This is to protect the interest of the clients and collecting fees from both sides which is against the law.

10 WHEN THINGS GO WRONG

When things go wrong don't be afraid to check or report to the Board of Valuers appraisers and estate agents on the misconduct or unethical practice. This is to help improve the awareness that the public interests come first and they have to be protected.



Estate agency practice Means **“acting or holding oneself out” to the public or to any individual or firm as ready to act, for a fee, reward or other consideration**, as an agent in respect of the sale, purchase, acquisition, rental or leasing.

Section 22C of the Valuers, Appraisers and Estate Agents Act states that

- (1) **No person shall unless he is a registered estate agent** and has been **issued with an authority to practice** -
- Practice or take up employment under any name, style or title containing the words **“Estate Agent”, “House Agent”, “Property Agent”, “Land Agent”**, “House Broker” in any language which may reasonably be construed to imply that he is a registered estate agent **or that he is engaged in estate agency practice**
 - Display any signboard/poster** or distribute, circulate any card letter, pamphlet, leaflet, notice or any form of advertisement Offer for **sale, rent or lease or invite offers to purchase, rent or lease any land, building and any interest therein** whether such land, building and interest is located within Malaysia or outside Malaysia:
 - be entitled to recover in any court any fees**, commission, charges or remuneration for any professional advice or services rendered as an Estate Agent.

Section 30 of the Act states that

- 30 (1) Any person who
- acts in contravention of Section 21 or 22C;
 - aids and abets in the commission of an offence under this Act commits an offence and is liable on conviction to a fine not exceeding THREE HUNDRED THOUSAND RINGGIT or IMPRISONMENT FOR A TERM NOT EXCEEDING THREE YEARS or TO BOTH

FAQS

& General Enquiries



1) Who is a Real Estate Agent (REA)?

A real estate agent (REA) is an individual who has attained the following requirements;

- Have passed Part 1 & 2 comprising of 12 papers
- Registered as a Probationary Estate Agent (PEA)
- Have completed two years of post-practical training with a Real Estate firm
- Have completed task 1 & 2 and passed the test of professional competence (TPC) after which whose name has been placed on a register in the Board. Estate Agent
- An estate agent can operate his/ her own Real estate firm.
- Provide real estate service in selling, leasing properties or finding a property for the clients.
- To employ up to 30 Real Estate Negotiators to assist the Real Estate Agent to providing Real Estate services.

2) Who is a Real Estate Negotiator (REN)?

A Real Estate Negotiator (REN) is an individual who is employed by a registered estate agent. They are not registered with the Board but certified to practice. They must attain the following requirements to be employed by the Real estate firm;

They must attend a full two days course on real estate and will be issued a certificate of attendance. With the certificate they seek employment either on a 'Contract of Service' or 'Contract for Service' with a real estate firm

The real estate firm then, will apply for the Ren Tag with the BOVAEA

BOVAEA will then certify and designate a REN number & issue a Tag to the REN, only then the REN can be employed by the firm and only then can they represent sellers, landlords, buyers & tenants in the sale and marketing of properties

3) What is a REN tag?

REN Tag is an identification tag issued to a real estate negotiator (REN). It contains all the information including their name, photo, IC no, REN No, firm name, firm registration number, quick respond code (QR) and security features. Its mandatory that the tag be worn by the REN at all times during their conduct of business so that the public will be aware that they are dealing with bona fide Negotiators.

4) Can a REN use the firm's company tag instead of a REN Tag?

It is mandatory for all negotiators to wear the REN tag during the course of doing business and it cannot be replaced with any company name tag. It is an offence for someone to imitate and produce something similar to BOVAEA REN Tag.

5) How to check or verify whether the REN is certified by the BOVAEA?

The Quick Respond (QR) code can be verified using a smartphone. QR code reader app can be downloaded into your phone from the Play Store. The code reader will show all the negotiators information including their photograph. If in doubt, conduct a search at www.lppeh.gov.my or www.propertyagent.gov.my website under Negotiator Search. Alternatively, call BOVAEA during office hours at 603-22876666.

5) What happens if the REN does not have a REN Tag?

Then he/she is an illegal broker. He is not authorised and as such stop dealing with him/her. Report him to the police immediately with full information.

6) How do I know whether the REN Tag is a fake one?

Genuine REN Tag contains watermark security features. When you scan the Quick Respond (QR code) using a smartphone, it will feature the negotiator information.

7) Can a foreigner work in Malaysia?

Any foreigner who wish to work as a Negotiator is required to obtain a work permit from the Immigration Department and only then will the BOVAEA will consider, approve and issue a tag.

8) What are the Scale Fees?

All fees payable for services rendered, both for sale or letting are stipulated under the 7th Schedule of the Valuers, Appraisers & Estate Agents Rules.

9) What about advertisement in newspapers, property portals and signboards?

All advertisements posted by a REN must contain the company E registration no with BOVAEA and REN Number besides their mobile no. Do not respond to any advertisement if it does not contain all these information. It is considered illegal for any advertisement to not follow the requirement above except advertisements by property owners.

10) Can I report if the signboard is put-up by illegal brokers?

Absolutely, yes! Take a photo of the signboard and send it to BOVAEA. Please indicate the street name, date and time including your name and contact no. BOVAEA will verify it before sending it to Malaysia Communication and Multimedia Commission (MCMC) who will then suspend and bar the mobile no.

11) Can REN sell properties in shopping complexes or exhibition halls?

Yes, they can. Majority of these are primary or new properties or new projects for developers. However, they are required by law to wear the REN Tag at all times.

REN Name card

Besides the normal company details, the name card shall also display the Firm E registration number and the REN number.

12) Do I respond to flyers/leaflets distributed by estate agents to my home or offices?

Flyers or leaflets distributed by negotiators shall contain the company name, firm's E registration number and the REN No. Do not respond if the flyers or leaflets do not contain this information.

Flyers are permitted under the following conditions:

- a) *The contents in the flyer shall specify the types of property for sale/rental/lease or wanted.*
- b) *The flyer shall produce in a firm's letterhead which bears the name of the firm, the firms registration number, the office telephone number, address of the firm. It shall carry the signature of the REA. It shall include the negotiator's name with the REN Number. The flyer must also carry the following statement:-*

Persons responding to this flyer are not required to pay any estate agency fee whatsoever for properties referred to this flyer as this firm is already retained by a particular principal"

13) Can foreign real estate agents or developer sell their property in Malaysia?

Foreign real estate agents or developers cannot sell property on their own in Malaysia. They are required to engage a local registered real estate firm to market any foreign properties. The local firm is required to make an application with BOVAEA for approval and will be assigned with an approval no which needs to be displayed at all exhibitions and in all marketing collaterals. The local firm's representatives are required to be present at all times during the exhibition.

14) How do I know whether the property being marketed by the agency is approved by the Board?

Any foreign property being approved to be marketed in Malaysia is required to display the BOVAEA approval number, example LPPEH/88/8888/KL. Separate application is required for different venue which is only valid for one month from date of approval.

**THERE'S
ONLY
ONE
TIP IN BUYING,
SELLING OR
RENTING ANY
PROPERTY!**

**Engage A Certified
Real Estate Negotiator or
Registered Estate Agent.**