



MEDIA RELEASE

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CCCS Concludes Investigation into Alleged Anti-Competitive Conduct in the Property Valuation Industry Following Changes by SISV to Foster Greater Competition and Technology Embracement in the Industry

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has concluded its investigation into alleged anti-competitive conduct by the Singapore Institute of Surveyors and Valuers (“**SISV**”)¹, following steps taken by SISV to promote greater competition, innovation and use of technology in the property valuation industry. These steps, including a revision of its byelaws and a reiteration of its support for the use of technological tools in the performance of property valuations, have addressed competition concerns raised by CCCS.

Background

2. Following a complaint, CCCS commenced an investigation on whether SISV may have engaged in potentially anti-competitive conduct by, amongst other things, setting rules and byelaws that could impede competition between its members.
3. In the course of its investigation, CCCS found that SISV’s byelaws contained provisions which could restrict price competition and facilitate market-sharing amongst its members. For example, there was a byelaw which prohibited SISV members from attempting to compete with one another on the basis of fees in order to secure instructions. SISV members were also not allowed to solicit instructions (and for certain types of works, even to accept instructions) for business which they could reasonably ascertain as being handled by another SISV member. CCCS considered that such byelaws have the potential to have an adverse impact on competition because they restrict the manner in which SISV members can compete with each other and limit customers’ choice.
4. As part of its investigation, CCCS also considered whether SISV had engaged in conduct which could have a dampening effect on the innovation and adoption of technological tools for the provision of property valuation services, and whether

¹ SISV is an industry body which comprises and represents, *inter alia*, land surveyors, quantity surveyors and valuers in Singapore.

this impacted competition in the industry. In this regard, CCCS engaged relevant industry stakeholders (including valuation firms, real estate agencies and banks) for their views on the use of technological tools in the property valuation industry. Following that, CCCS highlighted to SISV that there was some uncertainty amongst industry stakeholders about SISV's stance on whether IT and computer modelling can be used in the performance of property valuations.

Developments

5. SISV has since taken steps to address CCCS's concerns. In particular, SISV has reviewed its byelaws and removed/amended the provisions which gave rise to competition concerns.
6. Further, in a press release dated 10 December 2019, SISV stated that it recognises that automated valuation models (AVMs)² could facilitate pricing transparency for the public and enhance the efficiency and productivity of property professionals. It also recommended that property professionals and financial institutions embrace technological tools, such as AVMs, in performing valuation and transacting property. More recently on 23 December 2019, SISV reached out to its members who are valuers to encourage them to increase productivity and efficiency, through the use of IT and computer modelling/AVMs as tools to assist them in performing valuations. CCCS welcomes the clarifications by SISV and considers that this will foster greater competition and technology embracement in the industry.
7. The steps taken by SISV are in line with CCCS's objective of promoting competition to make markets work well for the benefits of businesses and consumers. With greater competition, businesses are incentivised to become more efficient, which in turn allows them to offer better products and services at lower prices. Businesses are also incentivised to innovate to improve the quality and range of their offerings that cater to the evolving needs and preferences of their customers.
8. As CCCS's concerns have been adequately addressed, CCCS has concluded its investigation into this matter. CCCS will, however, continue to monitor market practices, and reserves the right to investigate any anti-competitive practices in the industry.

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² AVM is a service that provides real estate property valuations using mathematical modelling combined with a database. Most AVMs calculate a property's value at a specific point in time by analyzing values of comparable properties.

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B), which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA, which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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