

Protective Measures for Real Estate Consumers Abroad and Their Policy Implications

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Summary

1. Because of unnecessary social cost increases due to disputes on real estate matters and damages endured by real estate consumers, protective measures for consumers need to be established by considering the characteristics of real estate services as a product and its life cycle.

2. In the UK, the government established the National Trading Standards Estate Agency Team (NTSEAT), an agency specialized in real estate matters, to promote fair competition between real estate service providers and enhance expertise and effectiveness in consumer protection.

- Since 2013 the TNS has a) issued and maintained a public register of individual banning or warning orders under the Estate Agents Act 1979, b) approved and monitored consumer redress schemes, and c) provided generic advice and guidance on estate agency matters.

3. In the US, the California Bureau of Real Estate (CalBRE) is protecting consumers through institutional measures and enforcement in terms of real estate consumer protection and standards and regulation of the real estate industry.

- The CalBRE requires real estate brokers and salespersons to renew their 4-year license by completing 45 hours of continuing education courses, and mortgage loan originators to renew their 1-year license with 8 hours of education courses in an attempt to promote fair competition and qualitative improvement of real estate services.

Policy Implications

- ① Establishment of an agency specialized in protecting real estate consumers or a comprehensive coordinating institution for disputes needs to be considered through examining related international cases.
- ② Implementing a regular continuing education system including real estate ethics needs to be considered in order to respond to changes in the legal, systemic, and social environment of the real estate industry and improve the quality of services.
- ③ A specialized license system in consideration of field training and work experience needs to be introduced in order to respond to an expansive demand in real estate services and promote the quality of the services.