



A Better Real Estate Philippines Movement FAQ SHEET

1. Why is RESA anti-poor?

The law exposes aspiring brokers to the most expensive and prohibitive licensure process in the world because it requires applicants to be a graduate of a 4-year Bachelor of Science in Real Estate Management (BSREM), a condition that does not exist in successful models like Singapore and the US.

Moreover, brokers in the US need only be high school graduates. As such, in removing this requirement in the Philippines, the profession becomes more inclusive and accessible to Filipinos of all socioeconomic backgrounds. BSREM will continue to be helpful for those seeking a deeper level of expertise, but should not be a barrier of entry into the industry.

2. Why is RESA anti-Filipino?

RESA's regulations, such as the 1 broker to 20 sellers ratio, may apply to Filipino corporations, but they do not apply to foreign real estate firms and nationals. Informal "buyer-get-buyer" referral programs have become commonplace, allowing foreign "agents" to illegally reap the incentives and commission for domestic property sales. An important question to ask and which needs answers is: Why is it that Filipinos can be prosecuted under RESA's provisions, but not foreigners?

3. Why is RESA anti-progress?

The 1 is to 20 rule also obstructs a business's ability to grow because there is no guarantee that all 20 of those salespersons will stay to make a career. However, the Professional Regulation Commission (PRC) has historically made it difficult for brokers to replace inactive sellers by not keeping records of sellers who resigned or were terminated.

4. Why is RESA anti-technology?

The antiquated law was framed without considering how the industry will transform and develop, which is caused by the rapid development of technology. This failure to consider industry development has resulted in misinterpretations of the law.

There have been cases where web platforms designed to connect salespersons to buyers have been misconstrued as being structured the same as traditional brokerage firms. As a result, salespersons have been accused of violating the 1 is to 20 rule when this was not actually the case.

5. How is RESA aggravating the housing backlog?

RESA has made becoming a real estate practitioner an extremely prohibitive process. With fewer practitioners on the ground, developers have less insight into the

demand of areas outside of urban centers. Without that insight, developers have no reason to pursue projects in other parts of the country, despite the reality that there is a demand. If developers choose not to pursue projects in these underserved areas, then housing demand will rise while supply stagnates.

6. What will a National Real Estate Commission do to help?

Currently, real estate practitioners, whether a broker, a consultant, or even a seller, are required to register with both the Professional Regulation Commission and the Housing and Land Use Regulatory Board.

To expedite the process and allow for a speedier certification process, we propose the formation of a National Real Estate Commission that will be responsible for handling the registration and job-finding for real estate salespersons.

7. Why should BSREM only be optional?

Much like how becoming an insurance salesperson or stock broker does not require a college degree, the same should apply to real estate. It is a skill that does not require paying for a P300,000 degree program as there is limited technological competence required. There is nothing wrong with pursuing BSREM if one wishes to gain deeper industry expertise, but it should not be a prohibiting requirement for aspiring practitioners.

8. How will changing RESA create more opportunities for real estate entrepreneurs?

The law must be changed to include in its scope high school graduates of legal age. You do not need a college degree to become an insurance salesperson or stock broker--- so shouldn't this also apply to real estate?

Many Filipinos do not get the luxury of pursuing higher education. Nor does it take extensive technical competencies to enter real estate. To promote better real estate and livelihood opportunities in the Philippines, it is necessary to make this P760-billion industry more inclusive.

9. Why should real estate agencies be the ones to teach succeeding generations of practitioners?

The chances of knowledge transfer are higher when the instructor is an experienced practitioner with years of handling industry-related day-to-day issues rather than a teacher with no track record in the field. Real estate agencies and agents who have seen real success in property sales have more value to give aspiring real estate entrepreneurs.

10. How will changing the law protect real estate entrepreneurs?

The law does much to restrict and prohibit real estate practitioners but outlines few ways in which it will protect duly licensed sellers, brokers, appraisers, and consultants. As such, the livelihoods of these real estate professionals are threatened by unregulated foreign sales agents who are not subject to the same penalties as local practitioners.

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