



**EAA briefs the trade again on
the practice circular on saleable area**

(7 June 2012) The Estate Agents Authority (EAA) issued a new practice circular earlier requiring estate agents to provide the saleable area information of second-hand residential property to their clients in advertisements and in provision of the floor area information of the property. At today's quarterly trade liaison meeting, the EAA Administration explained the details of the circular to the representatives of estate agency associations and clarified their concerns.

The EAA has been communicating with the trade on the subject through various channels before the issuance of the practice circular last month. The circular will come into effect on 1 January 2013 and the trade has over six months to prepare for the change.

At today's trade liaison meeting, the EAA Administration explained to the attending representatives of eight trade associations the content of the circular and implementation details. The EAA stated that in accordance with the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation, estate agents are required to provide the information on saleable area of a property obtained from the Rating and Valuation Department (RVD) or the agreement for sale and purchase of the first assignment of the property (first agreement). The source of such information must be specified. Regarding certain trade members' concern on the possible discrepancy in the saleable area information provided by the two prescribed sources (RVD and first agreement), the EAA clarified that estate agents are only required to provide the information obtained from either one of the two sources and they should clearly explain to the client from which prescribed source the relevant figure was obtained .

EAA Chief Executive Officer Mrs Rosanna Ure said, "In the coming months, the EAA will organise professional development seminars to introduce the circular content to practitioners. The EAA will also assist the trade in meeting the circular's requirements through educational visits to estate agency shops. The EAA understands that the adoption of saleable



area will mean a change in the usual practice of using gross floor area. It will take time to educate the public on the use of saleable area. The EAA will therefore step up its effort in consumer education. Publicity programmes such as advertising and exhibitions will be launched to help consumers to familiarise with the concept of saleable area.”

The trade representatives generally support the EAA in issuing the circular on saleable area and have raised certain questions on the ways to obtain the information on saleable area. The EAA has taken note of the additional comments and will seek advice from relevant Government departments. Based on feedback from practitioners and members of the public, a set of related “questions and answers” will be compiled for the trade and consumers, so as to enhance their understanding on the subject and address their concerns.

In addition to the practice circular on saleable area, other topics about the EAA’s work were discussed at the liaison meeting, such as the mutual recognition scheme of professional qualifications between estate agents in the Mainland and Hong Kong and the progress of turning continuing professional development scheme mandatory.

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