



**The EAA briefs the estate agency trade on the gist of  
the practice circular on saleable area**

(20 March 2012) Estate Agents Authority (EAA) will issue a practice circular on the provision of saleable area for second-hand residential properties within this year. The draft circular has been endorsed by the Practice and Examination Committee of the EAA at its meeting in February this year. The EAA Administration introduced the salient points of the circular to the representatives of estate agency associations at the quarterly trade liaison meeting today.

The EAA has started, as early as last year, to explore the feasibility of requiring the trade to provide the information on saleable area in the sale and purchase and leasing of second-hand residential properties. As the trade has been using gross floor area in their sales activities all along, the EAA has communicated with the trade on this subject earlier through different channels. In February this year, the draft circular was endorsed by the Practice and Examination Committee of the EAA.

At the quarterly trade liaison meeting held today, the EAA Administration introduced the gist of the circular to the attending representatives of eight trade associations. Under the circular, the estate agency trade will be required to provide information on the saleable area of a property in advertisements and other situations where the floor area information of the property is quoted. The estate agency trade should obtain the information of saleable area from the Rating and Valuation Department or the agreement for sale and purchase of the first assignment. However the requirement is not applicable to properties where information on saleable area is not available.

EAA Chief Executive Officer Mrs Rosanna Ure said, “The EAA understands that the trade is accustomed to using gross floor area in promoting second-hand properties. Thus the EAA has considered the trade’s concerns in drafting the related practice circular, which will take a progressive approach. Suitable education and publicity programmes will be launched to tie in with the issuance of the circular, ensuring that licensees



and the public will understand the content of the circular.”

The trade representatives generally support the EAA in issuing the circular on saleable area and have expressed their views on how to enable the trade to adopt saleable area in promoting second-hand properties. Earlier this month, the EAA also met the management of four major estate agency companies (i.e. Centaline, Midland, Ricacorp and Hong Kong Property) and introduced the gist of the circular at the meeting.

The trade liaison meeting today also discussed matters other than the practice circular on saleable area. The EAA responded to the issues raised by the trade earlier, including the request of reducing licence fees and the renewal or otherwise of EAA’s office. The EAA reiterated that licence fees should not be linked to the market situation. As a responsible regulator, the EAA should be prudent with its finances to ensure there are sufficient resources to support the work of Administration and therefore there is no room for any licence fee concession. As to the issue of its current office lease, the EAA will consider all factors before deciding to renew the current lease or move to another location.

Regarding the trade’s requests of establishing a centralized data bank and simplifying the Estate Agency Agreement for Sale of Residential Properties in Hong Kong, the EAA has relayed the trade’s demands to the Transport and Housing Bureau. The EAA recapped the reply from the Bureau to the trade at the meeting today.

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