



Dear Licensees,

**Re: Providing Information in the Sale of  
First-hand Residential Properties**

The Estate Agents Authority (“EAA”) has noticed that some estate agents have allegedly breached the relevant regulations when providing information in the sale of first-hand residential properties. The EAA is very concerned about the matter and would like to remind licensees that they must comply with the relevant Practice Circular No. 13-04(CR) (“the Practice Circular”) and the requirements of the Residential Properties (First-hand Sales) Ordinance (“the Ordinance”) when they sell or promote the sale of first-hand residential properties.

**About Unit Price**

According to a few recent media reports, some estate agents had allegedly released the “intended unit price” of a first-hand residential property development before the price list of that residential development was made public. Under the Ordinance, if vendors wish to make public the price of any first-hand residential property, they should do so by making public the price list in accordance with the requirements of the Ordinance. Vendors who make available the price or the “reference price” of a first-hand residential property through means other than those as specified in the Ordinance may have breached the relevant provisions of the Ordinance. The Practice Circular stipulates that licensees must provide property information to prospective buyers on the basis of the information contained in the sales brochures and the price lists. Licensees must also take all reasonable steps and exercise all due diligence to verify the information.

**Expression of Intent to Purchase**

It was also reported in the news that some licensees disseminated the number of clients who had expressed an intent to purchase residential properties of a first-hand residential property development. The EAA



would like to remind licensees that under the Ordinance, vendors must not seek or accept any expression of intent from any other person to purchase residential properties before the first day on which the relevant price list is made available to the public and must reject such an expression of intent. Also, vendors must not seek any specific expression of intent from any other person, and must reject such a specific expression of intent, during the period after making available the relevant price list and before the first day on which the specified residential property is offered to be sold. Therefore, licensees should not do so on behalf of vendors.

When preparing materials to assist the promotion of a development, estate agency companies must take all reasonable steps to verify the accuracy of the information contained in such materials; and before issuance, obtain the vendor's express endorsement in writing of the accuracy and completeness of the particulars contained therein, and ensure that the relevant requirements in the Ordinance are complied with. Under the Ordinance, a person who makes misrepresentation or disseminates false or misleading information commits an offence.

### **Floor Area Information**

Some licensees had reportedly provided to the public information on the gross floor area of first-hand residential properties in a residential property development. According to the Ordinance, saleable area is the only basis for presenting information on floor areas and price per square foot and metre of first-hand residential properties. In addition, according to the Practice Circular, licensees must not provide information concerning the floor area and unit price of a first-hand residential property other than by reference to the saleable area of the property.

The EAA would like to remind licensees again that they may be subject to disciplinary actions by the EAA if they fail to comply with the Practice Circular. Contravention of the Ordinance is a criminal offence and is liable to a maximum penalty of a fine of \$5,000,000 and imprisonment for seven years. Licensees should read the Practice Circular



and the full version of the Ordinance carefully to ensure a better understanding of and compliance with the provisions.

- i. Practice Circular No.13-04(CR) and relevant resources:  
<http://www.eaa.org.hk/Compliance/Practicecirculars/Firstsaleofresidentialproperties/tabid/849/language/en-US/Default.aspx>
- ii. Sales of First-hand Residential Properties Electronic Platform:  
<http://www.srpe.gov.hk>
- iii. Sales of First-hand Residential Properties Authority:  
<http://www.srpa.gov.hk>

Estate Agents Authority

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