



Dear Licensees,

Re: Provision of Floor Area Information for Second-hand Residential Properties – Practice Circular No. 12-02 (CR)

The Estate Agents Authority (“EAA”) has recently received enquiries regarding the requirements set out in Practice Circular No. 12-02 (CR) (“Circular”) and in particular whether the saleable area of a second-hand residential property previously provided by the vendor of the development in a sales brochure may be provided in an advertisement or other situations.

The EAA is aware that for certain second-hand residential properties especially those completed before 2008, the information on the saleable area supplied by the Rating and Valuation Department (“RVD”) may be different from that provided in the sales brochure supplied by the vendor of the development. In this connection, the EAA would like to clarify that licensees may (whether in advertisements or other situations) provide the gross floor area or such other floor area information of the property so long as the saleable area of the property either from the RVD or the first agreement¹ has already been provided.

In other words, if the saleable area of the property provided by the RVD or the first agreement has already been provided in the advertisement or other situations, the saleable area of a second-hand residential property previously provided by the vendor of the development in a sales brochure may also be provided. If licensees choose to do so, they should clearly specify the source of information for each of the saleable areas. Furthermore, the licensee concerned must, upon the EAA’s request, produce evidence to substantiate that such area information of the property was obtained from a reasonable source or there was proper basis upon which he could rely for including such information in the advertisement or supplying such information (as the case may be). In this regard, licensees may refer to

¹ As defined in the Circular, “first agreement” means the agreement for sale and purchase of the first assignment of the property registered in the Land Registry.



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ESTATE AGENTS AUTHORITY

Questions No. 5 and No. 6 of the related “Questions and Answers” to the Circular uploaded on the EAA website for more information.

Estate Agents Authority

27 July 2016