



**EAA reviews its work in 2016 and
introduces its initiatives for 2017**

(24 January 2017) The Estate Agents Authority (“EAA”) held a press conference today at which its Chairman, Mr William Leung Wing-cheung, SBS, JP, and Chief Executive Officer, Ms Ruby Hon Yuen-ping, reviewed the EAA’s work in 2016 and introduced its initiatives for 2017.

According to Mr William Leung, the EAA received a total of 475 complaints in 2016, an increase of 51% compared to last year. “The major reason for the significant increase is due to the hike in complaint cases related to properties other than local residential properties, which amounted to 156 cases in 2016, an upsurge of 184% compared to the 55 cases in 2015. These cases included complaints related to the sale of units in shopping malls and non-local properties. The situation might be caused by more and more estate agents participating in these types of transactions when the local residential market is stagnant. Both the estate agents and consumers might not be familiar with the process of these transactions and their points-to-note, giving rise to many disputes.” Mr Leung commented.

Among the most common categories of complaints, “providing inaccurate or misleading property information” saw an enormous increase from 76 cases in 2015 to 181 in 2016, of which 57 were about the selling of units in shopping malls, contributing considerably to the upsurge.

The number of complaints in the sale of first-hand residential properties also recorded a year-on-year increase of 72% to 74 cases in 2016. Major allegations included the failure to honour the promise of a rebate, issuing non-compliant advertisements, offering loans to clients



and providing misleading mortgage information to clients.

During the year, the EAA has issued three practice circulars, namely, “Compliance with the Competition Ordinance”, ”First Sale of Residential Properties – Order at First-sale Sites”, and “Verifying the Identity of Vendors”. To monitor the trade’s overall compliance, the EAA has conducted a total of 1,391 inspections of first-sale sites, 1,664 inspections of estate agency shops and 660 online inspections in 2016.

The EAA has also taken action or imposed sanctions on a total of 350 licensees in 2016. A total of 44 licences were revoked and 33 licences were suspended. Separately, the number of qualifying examination candidates and individual licensees dropped in 2016 while the number of company licences and estate agency shops both increased to a record high of 3,373 and 6,602 respectively.

Stepping into 2017, the EAA will continue to closely monitor the conduct of estate agents participating in the sale of first-hand residential properties. In addition, since the number of complaints relating to properties other than local residential properties increased substantially in 2016 and there might be more and more estate agents participating in these types of transactions, the EAA will issue a related practice circular later this year to provide guidelines for the trade to follow and hopefully it could reduce the possibility of disputes and complaints.

It is the EAA’s 20th anniversary in 2017. The EAA will organise the first “Outstanding Estate Agent Award” this year to promote the professionalism of the industry and recognise the achievements of the outstanding practitioners in the trade. At the same time, the EAA will also continue to maximise its efforts on public education. A new TV API and



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a new consumer education website will be launched early next month, and more public seminars will also be rolled out soon to enhance consumers' knowledge on property transactions.



EAA Chairman Mr William Leung Wing-cheung, SBS, JP and Chief Executive Officer Ms Ruby Hon Yuen-ping review the EAA's work in 2016 and introduce its initiatives for 2017 at the press conference.



They show the new consumer education pamphlet “Notes on Appointing Estate Agents” to the press at the press conference.

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