



**EAA issues guidelines on the sale and purchase or leasing of  
non-residential properties**

(6 July 2017) The Estate Agents Authority (“EAA”) issued a new Practice Circular (No. 17-02 (CR)) on the sale and purchase or leasing of handling non-residential properties today. The practice circular will take effect on 1 October 2017.

The new circular sets out detailed guidelines for licensees on certain important issues pertaining to the proper practice and measures in handling the sale and purchase or leasing of non-residential properties. It covers such areas like floor area information, permitted use, provision of property information, cocklofts and mezzanine floors, and uncompleted building or uncompleted subdivision of any part of a building. Please refer to the **Annex** for the key points of the circular.

The EAA Chief Executive Officer Ms Ruby Hon Yuen-ping said, “We hope the new practice circular would provide licensees and their management with further guidance on the proper practices and measures to adopt in handling transactions of non-residential properties.”

The EAA introduced to the trade association representatives the key points of the new circular at the quarterly trade liaison meeting held on 30 June. The EAA has also prepared a set of relevant Questions and Answers (“Q&A”) for the trade’s reference. The Q&A and the practice circular are available on the EAA website ([www.eaa.org.hk](http://www.eaa.org.hk)), and related Continuing Professional Development seminars will be organised for licensees in due course.



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ESTATE AGENTS AUTHORITY

新聞稿  
Press Release

Estate agency companies are reminded that they are required to establish proper and effective procedures and systems to ensure that their employees or other persons under their control comply with the provisions of the Estate Agents Ordinance and its subsidiary legislation, the *Code of Ethics* and the relevant guidelines issued by the EAA, when such employees or other persons are engaged in activities pertaining to the sale and purchase or leasing of non-residential properties. Licensees who fail to follow the guidelines set out in the applicable circulars may be subject to EAA's disciplinary action.

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Annex

Key points of the Practice Circular (No. 17-02 (CR))

**1. Floor area information**

- a. Licensees may provide the floor area information of a non-residential property if (i) the floor area information was obtained from a reasonable source or there was a proper basis to rely on for providing such information; or (ii) they clearly state in the advertisement or inform the person(s) concerned that the floor area information has not been verified.
- b. Licensees should also inform the person(s) concerned that there is no standardised or commonly adopted definition of any description of floor area in the market for non-residential properties.

**2. Permitted use**

- a. In case the Occupation Permit (OP) relating to the property has been issued, licensees must provide such information as stated on the relevant OP, and inform the person(s) concerned that apart from the OP, the relevant Government Grant and/or the Deed of Mutual Covenant may also contain user restrictions.
- b. In case the OP has *not* been issued, licensees should inform the person(s) concerned that the permitted use of the property cannot be verified, and advise them to seek legal and/or professional advice.



### **3. Cocklofts and mezzanine floors**

- a. Licensees should check whether the cockloft or mezzanine floor is stated on the OP.
- b. If the relevant OP does *not* reveal that there is such a cockloft or mezzanine floor, licensees should advise the clients that the legality of the cockloft or mezzanine floor cannot be verified, the risks of purchasing or renting properties with unauthorised building works, and the need to seek legal and/or professional advice.

### **4. Uncompleted building or uncompleted subdivision of any part of a building**

- a. Licensees should provide to purchasers copies of the sales brochures, floor plans and/or price lists prepared by the vendor.
- b. When preparing their own promotional materials or advertisements to assist sales promotion, licensees must obtain the vendor's express endorsement in writing of the accuracy and completeness of information contained in promotional materials and advertisements.
- c. Licensees must not make any statement that purchasers will successfully obtain a mortgage loan or the desired mortgage terms to finance the purchase.