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ESTATE AGENTS AUTHORITY

To: Owners/Management of estate agency companies

Re: False property advertisements

Regarding recent media coverage on false property advertisements issued by estate agents, the Estate Agents Authority (“EAA”) would like to remind the management of estate agency companies to take necessary measures to ensure that their companies and employees comply with the Estate Agents Ordinance (“EAO”) and its subsidiary legislation and all applicable guidelines issued by the EAA when issuing property advertisements.

Obligations under the EAO

As stipulated in the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation (“Practice Regulation”):-

- (a) a licensed estate agent shall not cause or permit to be issued an advertisement wholly or partly relating to his/her estate agency business which include any statement or particular that is false or misleading in a material particular;
- (b) a licensed estate agent must obtain the vendor’s written consent prior to the issue of advertisements relating to his residential properties;
- (c) advertisements relating to residential properties must be removed as soon as is practicable after the property concerned is no longer available for sale or leasing, or in the event of the termination of the estate agency agreement concerned (whichever is the earlier); and
- (d) a licensed estate agent shall not cause or permit to be advertised a residential property in respect of which he/she is acting as such agent at a price or rental or on terms different from that instructed by the client concerned.

The relevant requirements about advertisements stipulated in the EAO and its subsidiary legislation are also applicable to online advertisements.



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Obligations of Management of Estate Agency Companies

If a licensee fails to comply with the relevant requirements, he/she will be subject to disciplinary action by the EAA. Management of estate agency companies should also note that they could be held responsible for their employees' non-compliance. According to Section 15 of the Practice Regulation, a licensed estate agent shall establish proper procedures or systems to supervise and manage his business of doing estate agency work to ensure that his employees or persons under his control comply with the provisions of the EAO. Hence, owners, directors, managers or supervisors of an estate agency company should establish proper procedures and clear guidelines for staff to follow, provide sufficient and proper training to staff, continuously and effectively monitor staff conduct and have sanctioning measures in place to sanction non-compliant staff to prevent and deter non-compliance. A failure to include and maintain any of the above arrangements in the system may be a breach of section 15 of the Practice Regulation.

Estate Agents Authority

22 August 2018