



The EAA Issues a Practice Circular on Property Advertisements

(15 October 2018) In light of increasing public concern that property advertisements issued by estate agents may contain false or misleading particulars, the Estate Agents Authority (“EAA”) today issued a new practice circular (No. 18-02(CR)) to set out further guidelines for licensees when issuing property advertisements which shall take effect on 1 December 2018.

All along, there are a number of requirements that estate agents need to comply with when issuing property advertisements, but the new practice circular has provided some new guidelines that are user-friendly for the estate agents to execute and for the consumers to understand. According to the new circular, in addition to obtaining the prior written consent of the vendors/ landlords and taking all reasonable steps to verify the accuracy of the information contained in the advertisements before issuance, estate agency companies must assign a unique identification number (“Property Number”) to each property to be advertised and state clearly and legibly the Property Number as well as the Advertisement Date on the advertisement. Moreover, estate agency companies must ensure that all information contained in the advertisements is accurate and valid as at the Advertisement Date. All advertisements issued should be removed as soon as is practicable after the property concerned is no longer available for sale or leasing, or the termination of the estate agency agreement concerned (whichever is the earlier).

The EAA Chief Executive Officer Ms Ruby Hon Yuen-ping said, “All advertisements are the assets of the estate agency companies. Estate agency companies are primarily liable for any misleading or inaccurate property



advertisements issued by them and may also be held responsible for the wrongful acts of their employees when they issue advertisements in the course of their work. Licensees who fail to comply with the above guidelines may also be disciplined.”

Estate agency companies must not engage in, or allow their employees to engage in, advertising tactics which may mislead consumers, such as using sham listings or fake listing price to lure consumers and allowing obsolete listing information to float around cyberspace or remain on shop windows or other advertising channels for months or years without removing them.

The EAA introduced to the trade association representatives the key points of the new circular at the quarterly trade liaison meeting held on 27 September. The practice circular is also available on the EAA website (www.eaa.org.hk).

Estate agency companies and their management who fail to comply with the above guidelines may be disciplined by the EAA. They may also be disciplined for failing to establish proper and effective procedures and systems to manage their business.

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