



**EAA reviews its work in the first half of 2019 and
introduces its initiatives for the second half**

(31 July 2019) The Estate Agents Authority (“EAA”) announced its work in the first half of 2019 today and introduced its initiatives for the second half.

The EAA Chairman Professor William Leung Wing-cheung, SBS, JP mentioned that the EAA has launched a publicity campaign earlier this year to promote the positive image of “5A Estate Agent” in a bid to remind the estate agency trade to provide quality service to consumers. While it takes time for all practitioners to become “5A Estate Agents”, the trade’s overall performance in the first half of 2019 reflected a gradual improvement but continuous efforts are still needed in certain areas.

The number of complaints received by EAA in the first half of 2019 has decreased by 7% to 157 complaints, as compared with the same period of last year. Among these complaints, 35 cases were about first-hand residential properties whereas there were only three cases relating to properties situated outside Hong Kong.

Though the number of complaints recorded an overall decrease, two categories, namely, “issuing non-compliant advertisements” and “conducting unlicensed estate agency work” recorded a year-on-year increase of 17 cases and 7 cases respectively. The increase of complaints about non-compliant advertisements was probably due to a greater public alertness on the subject after a related practice circular was issued last year. On the other hand, more and more online property promotion without stating the licence number induced more reports of suspected unlicensed estate agency work.



In the first half of 2019, the EAA conducted 465 checks at the sale-sites of first-hand residential properties and 972 visits to estate agency shops, and screened online property advertisements 304 times to monitor the trade's compliance. During these inspections, the EAA discovered 61 non-compliant cases, 44% of which were about “failing to keep clients’ record under the anti-money laundering (“AML”) and counter-terrorist financing (“CTF”) requirement”, whose nature was technical breaches but not misconduct. At the same time, public order at the sale-sites of first-hand residential properties has seen significant improvement and recorded zero non-compliance in this aspect. According to Professor Leung, the encouraging result was probably due to the signing of the Charter on the Sales of First-hand Residential Properties with property developers last year.

The EAA has also taken action or imposed sanctions on a total of 122 licensees in the first half of 2019. A total of 19 licences were revoked and 8 licences were suspended, and both numbers recorded a decrease when compared with those of the first half of 2018. At the same time, the total number of candidates sitting for qualifying examinations recorded an increase of 11% whereas the number of individual licences as of the end of June 2019, compared to the end of last year, recorded a slight decrease to 39,773 but the number of company licences reached a new record high.

Stepping into the second half of 2019, the EAA will continue to strengthen the education on the subject of AML and CTF for the estate agency trade. Although Hong Kong successfully achieved an overall compliant result in the mutual evaluation conducted by the Financial Action Task Force last year, the Hong Kong estate agency trade needs to sustain its effort and show improvements in the AML and CTF



compliance.

In addition, despite fewer complaints about purchasing properties situated outside Hong Kong, the EAA will continue to educate consumers on the subject to promote greater awareness and self-protection.

Last but not least, the EAA will initiate more Corporate Social Responsibility (“CSR”) activities with the estate agency trade’s participation following its first CSR activity – shoreline cleanup – earlier this year. The EAA will launch its first Estate Agents Community Service Proposal Competition in August 2019, which aims to encourage estate agents to identify the characteristics and needs of the communities in which their shops are located and come up with suitable community service. The EAA sincerely hopes that licensees will carry on the volunteering spirit and continue to contribute to their communities and Hong Kong society.



Photo: “5A Agent” publicity campaign introduced by EAA earlier this year.

– End –