



**EAA reviews with trade representatives the implementation of
the practice circular on saleable area**

(31 January 2013) The practice circular requiring estate agents to provide the saleable area information of second-hand residential properties to their clients came into operation on 1 January 2013. At today's quarterly trade liaison meeting, the Estate Agents Authority (EAA) reviewed with trade representatives the implementation of the practice circular in the first month of operation. The EAA also consulted the trade on other new practice circulars planning to be issued later this year.

In the meeting, EAA Chief Executive Officer Mr Augustine Ng pointed out that compliance checks so far reveal that the majority of estate agency shops have already complied with and implemented the circular. The adoption of saleable area was overall smoothly implemented. The EAA would continue to closely monitor the compliance of the guidelines, educate the estate agency trade and promote to the public information on saleable area.

Mr Augustine Ng restated in the meeting that there would be no grace period upon the implementation of the practice circular. If non-compliant cases were discovered during inspection and the estate agents concerned do not correct the information within a reasonable time frame, the EAA will follow up the cases immediately. The EAA will also handle complaint cases received as impartially as usual. With regard to the small number of estate agents who have not yet complied with the requirements of the said practice circular, Mr Ng urged the representatives of trade associations to remind their members that they must comply with the guidelines immediately or they might be subject to disciplinary actions.

At the trade liaison meeting today, the EAA Administration also consulted the trade representatives on some of the practice circulars which would be issued or updated later.



To remind estate agents the points to note when handling properties involving deeds of gift and protect consumers' interests, the EAA is considering issuing a practice circular on this subject. In a nutshell, if the current land search reveals that the vendor has been the current registered owner of the property for less than five years, estate agents will be required to conduct a historical and current land search for the property to confirm whether there was any registration of a deed of gift / assignment at nil consideration in the land search record. If such record has been registered, estate agents must inform the purchasers, alert them the possible risks involved in the purchase, and advise clients to seek legal advice before entering into any agreement for sale and purchase of the property. The proposed requirements were generally accepted by the trade representatives.

Besides, as the "Residential Properties (First-hand Sales) Ordinance" will be implemented in April this year, the EAA is studying the implications of the Ordinance on the estate agency practices in handling the sales of first-hand residential properties, and EAA will issue a practice circular to assist the trade in complying with the Ordinance.

In addition to the aforementioned practice circulars, other topics about the EAA's work and the trade's concern were discussed at the liaison meeting.

- End -