



Internal analysis of the malpractices of the large and the medium-to-small sized estate agencies

(26 August 2014) With a view to identifying the underlying issues of the trade's malpractice, thus making the best use of resources to address those issues, the Estate Agents Authority ("EAA") has recently conducted an internal analysis of the different types of malpractices substantiated against the large and the medium-to-small sized estate agencies and their distribution. The findings were discussed at the EAA's Board meeting held today.

The analysis aimed to present an overview of the various phenomena, such as trends, practices, problematic behaviours and flaws in management systems found in the trade. The study covered close to two thousand substantiated breaches over a period of four years from 2010 to 2013.

At the Board meeting today, it is noted from the findings that the disciplinary issues around the medium and small sized practitioners are generally of the nature of carelessness or cutting corners in compliance matters, as well as inadequate knowledge of the regulations; while those relating to the large operators are generally the result of lax management control and the lack of effective management systems.

It was also discussed that many of the issues of the larger estate agencies could be resolved by the tightening up of their management control, while for the medium to the smaller ones, more resources could be spent on educating them to understand the requirements of the law, regulations and guidelines, and to help them build an effective management system.



Ms Vivien Chan, Chairman of the EAA said, “In order to improve their compliance, the management of large estate agency companies must effectively supervise and manage their business and implement effective governance measures on their employees. The EAA would also continue to educate the medium and small operators of the trade.”

Furthermore, publicity campaigns would also be carried out continuously to educate consumers of the common problems and malpractices prevailing in the Hong Kong property market, so that they could be the best guard of their own interests.

The EAA Board meeting today also discussed and endorsed other administrative matters and received reports from various EAA Committees and the Administration.

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