



**The EAA is concerned about the conduct of estate agents  
in the sale of first-hand residential properties**

(26 May 2014) The Estate Agents Authority (EAA) attaches great importance to the conduct of estate agents in the sale of first-hand residential properties and would like to remind licensees that they must inform prospective purchaser in writing of their capacity in which they are acting. They must obtain the written consent of the vendor prior to the issuance of any advertisement or promotional materials and must not make any representation that may mislead prospective purchasers.

According to the Practice Circular (No. 13-04 (CR)) on the subject of first sale of residential properties issued by the EAA, licensees must, at the first opportunity after they have successfully established contact with a prospective purchaser, clearly explain to the prospective purchaser whether their estate agency company acts: (a) only for the vendor; or (b) only for the purchaser; or (c) for both the vendor and the purchaser; and (d) whether their estate agency company may act for both the purchaser and the vendor subsequently. Licensees must inform the prospective purchaser of the above matters in writing and supply a copy of the same to the prospective purchaser.

They must also act in an impartial and just manner to all parties involved in a transaction regardless of their capacity.

Furthermore, estate agency companies appointed by the vendor may need to obtain the vendor's approval before sub-listing. The "sub-agent" must also acquire the consent of the vendor and its appointed estate agency company prior to the issuance of any advertisement or promotional materials.

Separately, the EAA is highly concerned about estate agents reportedly



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making loans to prospective purchasers when promoting first-hand residential property “City Point”, which constituted a breach of the EAA’s guidelines. The EAA is currently following up on the case and will continue to take appropriate measures to ensure the trade’s compliance.

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