



EAA reviews its work in the first half of 2018 and introduces its initiatives for the second half

(30 July 2018) The Estate Agents Authority (“EAA”) held a press conference today at which its Chairman, Dr William Leung Wing-cheung, SBS, JP, and Chief Executive Officer, Ms Ruby Hon Yuen-ping, reviewed the EAA’s work in the first half of 2018 and introduced its initiatives for the second half.

In the first half of 2018, the EAA received 169 complaints, a decrease of 8% compared to the same period of last year. Among the 169 complaints, 89 cases were about the second-hand residential market, similar to that of the first half of 2017, whereas there were 23 cases about first-hand residential properties, representing a drop of 38% when compared to the same period of 2017.

Among the most common categories of complaints, improvements were found in the categories of “failing to enter into an estate agency agreement with clients or explain the agreement to clients”, “providing inaccurate or misleading property information” and “issuing non-compliant advertisements”.

In the first half of 2018, the EAA conducted 771 checks at the sale-sites of first-hand residential properties and 907 visits to estate agency shops, and screened online property advertisements 339 times to monitor the trade’s compliance. During these inspections, the EAA discovered 49 non-compliant cases, an increase of 17 cases when compared with that of the first half of 2017. On the issue of estate agents’ order at the sale-sites of first-hand residential properties, the EAA has reached an agreement with 32 developers and launched a relevant Charter



earlier for improving sales order of estate agents at first-sale sites.

The EAA has also taken action or imposed sanctions on a total of 162 licensees in the first half of 2018. A total of 26 licences were revoked and 13 licences were suspended, both recorded an increase of 11 and 5 licences respectively when compared with that of the first half of 2017.

A decrease of 21% in the number of candidates sitting the Salespersons Qualifying Examination and a rise of 4% in the number of candidates sitting the Estate Agents Qualifying Examination were recorded in the first half of 2018, whereas the number of individual licences and company licences both reached new record highs of 39,298 and 3,709 respectively on 30 June 2018.

According to Dr William Leung Wing-cheung, “Although the industry competition is fierce, we should note that both the year-on-year increase of total property transactions and total transaction value outnumbered the year-on-year increase of the licensee population. It is therefore inaccurate to say that competition in the first half of this year was more serious than before, and it is certainly not an excuse for causing more disputes. In fact, no matter how fierce the competition among practitioners is, fighting will never be acceptable.”

Stepping into the second half of 2018, the EAA will continue to monitor closely the practice of estate agents in the sale of first-hand residential properties. It is expected that there would be improvement in the order of first-sale sites after the launch of the abovementioned Charter. The EAA will also soon strengthen the regulations on the controllers and directors of the estate agency companies involved in first-sales and impose heavier sanctions on non-compliant agents and their companies.



On the issue of estate agents' failing to honour the promise of offering incentives, as the trade's practice is varied and the number of complaints in this respect has increased, the EAA will consider issuing a relevant new practice circular in the second half of 2018 in order to enhance the regulation for the trade to follow.

The EAA will also strengthen education for the estate agency trade on the subject of anti-money laundering and counter-terrorist financing, especially the procedures on performing customer due diligence for their clients and record keeping; and educating the public on the need to provide their ID card copies to estate agents, so as to fulfil the requirement under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. There will be more liaison meetings with the trade and relevant Continuing Professional Development seminars for practitioners to attend.

Last but not least, the EAA will raise the level of difficulty for qualifying examinations to enhance the quality of newcomers to the estate agency trade. At the same time, the EAA hopes that existing licensees will cherish their licences as it will be much more difficult to get a new one.



EAA Chairman Dr William Leung Wing-cheung, SBS, JP and Chief Executive Officer Ms Ruby Hon Yuen-ping review the EAA's work in the first half of 2018 and introduce its initiatives for the second half at the press conference.

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