



**EAA Updates Guidelines on Estate Agents' Order at
First-sale Sites of Residential Properties**

(24 October 2018) The order and conduct of estate agents at first-sale sites have constantly aroused considerable public concern and are also a great concern to the Estate Agents Authority (“EAA”). Further to the Charter on the Sales of First-hand Residential Properties of Property Developers that the EAA launched in July this year, the EAA issued a new Practice Circular No.18-03 (CR) today setting out more stringent guidelines on the subject. The new Circular will take effect on 1 December 2018.

For the sake of providing a good sales environment for consumers as well as enhancing the professional image of estate agents, it is of utmost importance that good order is maintained in the conduct of promotional activities for first-hand residential properties. The EAA Chief Executive Officer Ms Ruby Hon Yuen-ping said, “We have seen noticeable improvement in the order at first-sale sites since the launch of the Charter, however there is room for betterment as we are still witnessing individual undesirable incidents at these sale sites. The guidelines of the new Circular will strengthen the accountability of estate agency companies and their management regarding the effective supervision and management of their employees deployed to the first-sale sites, as their responsibility cannot be excused.”

All along, the EAA has been very concerned about whether any unlicensed persons are hired to participate in the promotional activities at the first-sale sites. According to the new Circular, estate agency companies must not deploy non-licensed staff to the first-sale sites for any form of promotional activities. Estate agency companies are also required to



appoint a Commander-in-Chief (“CIC”) to monitor and oversee the order and conduct of all staff deployed to the first-sale sites, who must be a holder of an estate agent’s licence (individual) for a period of at least 10 years and has been working in a managerial role for at least five years; OR is a sole-proprietor/partner/director of the estate agency company. Furthermore, he/she must not have been subject to any disciplinary action within the last three years prior to his appointment as CIC.

Before the launch of each development for sale, estate agency companies need to provide to the EAA a list of all staff to be deployed; a chain of command chart; and an internal policy on staff deployment and how to manage staff’s conduct for maintaining good order at the first sale sites through the CIC.

In addition, estate agency companies also need to keep a daily register of all staff who had reported for duty at the first-sale sites and provide the EAA with a copy forthwith upon request.

Estate agency companies and their management who fail to comply with the above guidelines may be disciplined by the EAA. They may also be disciplined for failing to establish proper and effective procedures and systems to manage their business.

The EAA has introduced to the trade associations representatives the key points of the new circular at the quarterly trade liaison meeting held in September. The practice circular is now available on the EAA website (www.eaa.org.hk). The EAA will educate the trade on the new Circular so that they can fully comply with the new guidelines when it comes into effect on 1 December 2018.



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