



**EAA reviews its work in the first half of 2023 and
introduces its initiatives for the second half**

(27 July 2023) The Estate Agents Authority (“EAA”) released its latest figures today, reviewing the EAA’s work in the first half of 2023 and introducing its initiatives for the second half.

During the first half of 2023, despite the easing of the COVID-19 pandemic, the property market remained subdued and has not yet recovered to its pre-pandemic level due to the impact of the global economy and geopolitical situation. The business environment for estate agents was also affected.

The EAA’s figures reflect the industry situation to some extent, the details are available in the **Annex**. In the first half of 2023, the EAA conducted eight qualifying examinations, slightly more than the seven held in the same period of last year. While a total of 6,022 places for qualifying examinations were provided, a significant increase of 63% compared to the 3,704 places provided in the same period of last year, the number of candidates who registered for and attended the examinations did not show a substantial rise. This reflects that the provided places were sufficient to meet the demand of candidates for the qualifying examinations. At the same time, the number of individual licences as of 30 June 2023 was 40,805, which is 1.66% less than the same day in 2022 and also 0.7% less than 31 December 2022, reflecting a slight runoff of the licensee population.

In the first half of 2023, the EAA opened 71 complaint cases, a significant decrease of 33% compared to the same period of last year, with 7 cases involving first-hand residential properties. The most common



categories of complaints included “issuing non-compliant advertisements” (19 cases), “mishandling the provisional agreement for sale and purchase (or provisional tenancy agreement)” (12 cases), and “providing inaccurate or misleading property information” (11 cases). On the other hand, there was only 1 case relating to properties situated outside Hong Kong, much less than the 11 cases in the same period of last year.

As the pandemic has gradually eased, the physical inspections conducted by the EAA have resumed to normal. In the first half of 2023, the EAA conducted 486 inspections at the sale-sites of first-hand residential properties and 465 inspections at estate agency shops, representing a year-on-year increase of 28% and 106% respectively. The EAA also further strengthened its online inspections by conducting 936 spot checks on online property advertisements in the first half of this year, 40% more than the same period last year.

During all the above inspections and spot checks, the EAA discovered 50 non-compliant cases, a slight increase of 1 case compared to the same period last year, with 4 cases involving first-hand residential properties. The major categories of non-compliance included “issuing non-compliant advertisements” (33 cases), “failing to comply with Anti-Money Laundering / Counter-Terrorist Financing requirements” (13 cases) and “failing to possess property information” (5 cases).

The EAA has also taken action or imposed sanctions against a total of 180 licensees or former licensees in the first half of 2023. A total of 9 licences were suspended and 13 licences were revoked. The revocation cases involved both individual and company licensees and were adjudicated by the Licensing Committee on the ground that the licensees concerned no longer met the relevant licensing requirements for various



reasons. The reasons were unrelated to the practitioners' professional conduct but about their criminal convictions, bankruptcy or companies having no directors holding a valid individual's licence.

On the other hand, in the first half of 2023, the EAA issued a new Practice Circular, updating the guidelines on compliance of anti-money laundering and counter-terrorist financing requirements for the estate agency sector. The EAA also launched more web-based education initiatives for licensees and the public, promoted the concept of the "5A agent", as well as organised corporate social responsibility activities for the trade.

Stepping into the second half of 2023, the EAA will keep abreast of the latest trends of the property market and the new policies from the government, and issue updated guidelines for estate agents to follow and educate the trade when necessary. With regards to purchasing properties situated outside Hong Kong, the EAA will continue its efforts on consumer education and will issue an updated Practice Circular in the second half of 2023, especially in the areas of issuing advertisements and providing property information, with an aim to enhance the service standard of licensed estate agents.

The EAA Chairman, Mr Simon SIU Chak-yu, BBS, JP, said, "Although the number of complaints relating to properties situated outside Hong Kong has significantly decreased, the EAA will continue to educate consumers and remind prospective buyers to bear in mind the promotional slogan launched by the EAA: 'To buy or not to buy non-local off-plan properties? Assess the risks before you buy!' The EAA will also issue an updated Practice Circular in the second half of this year to enhance the existing guidelines so as to further professionalise the services of licensed



estate agents and provide better protection to consumers.”

Additionally, the EAA will continue to strengthen the inspections of online property advertisements by utilising advanced computer systems for monitoring and analysis to improve its operational efficiency. The EAA will also continue its outreach educational visits to the trade.

At the same time, the EAA will continue to optimise its Continuing Professional Development courses, remain committed to consumer education and facilitate the trade to give back to the community by organising more corporate social responsibility activities.



Estate Agents Authority
Key Figures

1. Qualifying Examinations

	Estate Agents Qualifying Examination		Salespersons Qualifying Examination			
			Paper-based		Computer-based	
	No. of participants	Pass rate	No. of participants	Pass rate	No. of participants	Pass rate
2020	2,299	27%	4,052	38%	538	31%
2021	6,749	27%	6,831	32%	1,390	32%
2022	3,686	33%	3,632	25%	1,769	34%
First half 2021	2,731	16%	2,688	34%	589	33%
First half 2022	1,262	30%	1,053	27%	919	40%
First half 2023	1,735	22%	1,280	35%	666	34%

2. Licensing

As at	Estate Agent's Licence (Individual)	Salesperson's Licence	Total no. of individual licences	Estate Agent's Licence (Company) [†]	SPOB [^]
31-12-2019	18,290	21,228	39,518	3,834	7,076
31-12-2020	18,434	22,368	40,802	3,899	7,076
30-6-2021	18,413	22,574	40,987	3,903	7,092
31-12-2021	18,983	23,079	42,062	3,938	7,243
30-6-2022	18,813	22,680	41,493	3,912	7,137



31-12-2022	18,856	22,251	41,107	3,936	7,154
31-1-2023	18,692	22,115	40,807	3,910	7,012
28-2-2023	18,768	22,270	41,038	3,941	7,055
31-3-2023	18,866	22,208	41,074	3,966	7,092
30-4-2023	18,862	22,114	40,976	3,960	7,067
31-5-2023	18,819	22,144	40,963	3,969 [#]	7,059
30-6-2023	18,805	22,000	40,805	3,964	7,048

✦ Limited companies must apply for an estate agent's (company) licence.

^ Companies must apply for a statement of particulars of business (SPOB) for each place of business under each business name.

Record high

3. Complaints

i. Complaint cases opened

	2021	2022	First half 2021	First half 2022	First half 2023
No. of Cases	331 (54)	273 (30)	192 (29)	106 (14)	71 (7)

() related to first-hand residential properties

ii. Major types of allegations involved in the complaint cases in the first half of 2023

(certain cases involved multiple allegations)

- a. Issuing non-compliant advertisements (19 cases)
- b. Mishandling the provisional agreement for sale and purchase (or provisional tenancy agreement) (12 cases)
- c. Providing inaccurate or misleading property information (11 cases)



iii. Number of complaint cases completed*

Result	2021	2022	First half 2021	First half 2022	First half 2023
Substantiated	114 (21)	112(15)	53 (11)	51 (9)	67 (8)
Unsubstantiated	53 (4)	83(6)	28 (3)	67 (2)	44 (16)
Insufficient information to pursue	20 (0)	14(0)	11 (0)	6 (0)	16 (6)
Others (include cases withdrawn or curtailed)	52 (4)	34(5)	19 (1)	13 (3)	19 (6)
Total	239 (29)	243 (26)	111 (15)	137 (14)	146 (36)

* Some cases were carried over from previous years
() related to first-hand residential properties

4. Compliance inspections / Spot checks

i. Number of inspections / spot checks

	2021	2022	First half 2021	First half 2022	First half 2023
No. of first-hand residential developments inspected	51	58	29	23	46
No. of inspections at first-sale sites*	1,438	980	598	379	486
No. of inspections at agency shops	931	729	480	225	465
No. of spot checks of AML/CTF	1,181	1,203	457	509	650
No. of spot checks of online property advertisements	1,062	1,393	564	669	936

* Include the development sites, sales offices and vicinity areas



ii. Number of non-compliant cases arising from compliance inspections / spot checks

2021	2022	First half 2021	First half 2022	First half 2023
163 (16)	116 (4)	73 (11)	49 (3)	50 (4)

() related to first-hand residential properties

iii. Major types of non-compliance discovered from inspections / spot checks in the first half of 2023

(certain cases involved multiple allegations)

- a. Issuing non-compliant advertisements (33 cases)
- b. Failing to comply with Anti-Money Laundering (AML) / Counter-Terrorist Financing (CTF) requirements (13 cases)
- c. Failing to possess property information (5 cases)

5. Actions taken against licensees or ex-licensees

	No of licensees or ex-licensees	Actions taken*				
		Admonishment/reprimand	Fine	Attachment/Alteration of Conditions to Licence	Suspension	Revocation
2021	426	307	265	189	16	34 [#]
2022	416	298	243	177	14	41 [#]
First half 2021	178	120	109	83	5	12 [#]
First half 2022	182	115	94	84	6	27 [#]
First half 2023	180	130	107	78	9	13 [#]

* These actions were taken pursuant to powers under the Estate Agents Ordinance. Some actions were disciplinary in nature whereas others were decided by the Licensing Committee which actions included the attachment of conditions to licences upon issuance. Some cases were carried over from previous years.

These cases were decided by the Licensing Committee on the ground that the licensees concerned no longer met the relevant licensing requirements.



6. Continuing Professional Development (“CPD”) Scheme

Year	No. of activities held	Enrolments	Total CPD points
2021	833	46,635	90,703
2022	962	54,804	109,439
First half 2021	385	17,791	28,948
First half 2022	435	28,985	54,895
First half 2023*	425	13,330	24,229

*Subject to further submission of number of activities, enrolments and attendance records by activity providers other than the EAA.

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