



**Practice Circular on  
Sale and Purchase or Leasing of Car Parking Spaces  
Questions and Answers (Q&As)**

Notes:

1. All references to:
  - a. “EAA” shall mean the Estate Agents Authority.
  - b. “Practice Circular” shall mean Circular No. 15-05 (CR) issued by the EAA on Sale and Purchase or Leasing of Car Parking Spaces.
  - c. “Practice Regulation” shall mean the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation

The terms stated and/or defined in the Practice Circular shall have the same meanings herein unless the context requires otherwise.

2. These Q&As are for general reference only. The answers/solutions suggested in the Q&As are not exhaustive and they do not constitute legal or professional advice. In considering whether a licensee has breached the Practice Circular, the EAA will consider each case on its own merits. You should seek legal or professional advice as and when necessary, especially on the interpretation of legal provisions and specific advice on any individual case. The EAA makes no warranty as to the completeness of the information set out in these Q&As, or the appropriateness for its use in any particular circumstances. The EAA will not accept any liability or responsibility whatsoever for any loss or damage caused to any person howsoever arising from any use, misuse of, or reliance on the contents of these Q&As.



Q&As

**Q1. Is a licensed estate agent required to enter into a prescribed estate agency agreement with his vendor client and purchaser client when he acts for them in a transaction which involves only the sale and purchase of a car parking space?**

Answer: No.

If the transaction involves only the sale and purchase of a car parking space, there is no need for the licensed estate agent to enter into a prescribed estate agency agreement with his vendor client or purchaser client. However, if the transaction involves the sale and purchase of both a car parking space and a residential property, then the licensed estate agent must enter into an estate agency agreement (Form 3) with his vendor client and an estate agency agreement (Form 4) with his purchaser client respectively.

Please refer to paragraphs 3 and 4 of the Practice Circular.

**Q2. Are the guidelines set out in the Practice Circular applicable to the sale and purchase or leasing of car parking spaces situated in a commercial or industrial building?**

Answer: Yes.

Unless otherwise specified, the guidelines set out in the Practice Circular are applicable to the sale and purchase or leasing of car parking spaces situated in a building, irrespective of whether the building is used for residential purpose or otherwise.



**Q3. Referring to paragraph 10 of the Practice Circular, are licensees required to comply with the guidelines set out therein if they only act for the developer in the sale of car parking spaces in a building?**

Answer: No.

Licensees are not required to comply with the guidelines set out in paragraph 10 of the Practice Circular if they only act for the developer in the sale of car parking spaces in a building.

**Q4. Referring to paragraph 10 of the Practice Circular and Q3 above, what if the licensees also act or only act for the purchasers in the relevant transactions?**

Answer: If licensees act for both the developer and the purchaser(s) or the purchaser(s) only in the transaction, they must comply with the guidelines set out in paragraph 10 of the Practice Circular.

**Q5. To comply with paragraph 10 of the Practice Circular, are licensees required to read through the Government Grant and/or the DMC to ascertain whether there is any Restriction on Use regarding the car parking space(s) concerned in the relevant sale and purchase or leasing transaction?**

Answer: No.

Licensees are not required to read through the Government Grant and/or the DMC to ascertain whether there is any Restriction on Use regarding the car parking space(s) concerned in the relevant transaction. However, licensees who are capable and competent of understanding the Government Grant and/or the DMC may do so themselves.



**Q6. Referring to Q5 above, what should licensees do to ascertain whether there is any Restriction on Use regarding the car parking space(s) concerned?**

Answer: Unless licensees are reasonably satisfied as regards the accuracy of information they possess that there is no Restriction on Use regarding the car parking space(s) concerned, they should do the following before arranging for the parties to enter into any agreement for sale and purchase or tenancy agreement:

- (i) make enquiries in writing with the management company or the incorporated owners of the building (if any) and/or the vendor (or landlord) to ascertain whether there is any Restriction on Use;
- (ii) Inform the purchaser (or tenant) if there is Restriction on Use; and
- (iii) advise the purchaser (or tenant) to seek legal advice if it cannot be ascertained whether there is such Restriction on Use even after making enquiries, or if the information that there is no Restriction on Use is only given by the vendor (or landlord).

Please refer to paragraph 10 of the Practice Circular.

**Q7. Referring to paragraph 10(b) of the Practice Circular, would it be necessary for a licensee to make enquiries with the management company or incorporated owners of the building each and every time when he handles the sale and purchase or leasing of the car parking space(s) in the building, if he has already obtained a written confirmation from the management company or the incorporated owners of the building that there is no Restriction on Use regarding the car parking spaces?**



Answer: No, if the licensee reasonably believes that the written confirmation from the management company or incorporated owners of the building that there is no Restriction on Use regarding the car parking spaces is still accurate when the sale and purchase agreement or tenancy agreement of another car parking space in the same building he handles is entered into.

**Q8. To comply with paragraph 10(b) of the Practice Circular and for the purpose of ascertaining whether there is any Restriction on Use, must licensees make enquiries in writing with the management company or incorporated owners of the building and/or the vendor (or landlord)? Can licensees make enquiries with the caretakers of the building instead?**

Answer: To comply with paragraph 10(b), licensees should make enquiries in writing with the management company or the incorporated owners of the building and/or the vendor (or landlord) to ascertain whether there is any Restriction on Use. Making verbal enquiries with them and/or caretakers of the building may not be sufficient for the purpose, as there could be possible misinterpretation of the situation and difficulty in proving that proper enquiry has been made by the licensees.

**Q9. Referring to Q8 above, what should licensees do if the management company or the incorporated owners of the building and/or the vendor (or landlord) refuses to give any written reply, or only a verbal reply is given by them on whether there is any Restriction on Use?**

Answer: In such a case, licensees should inform the purchaser (or tenant) client of the same and the guideline set out in paragraph 10(d) of the Practice Circular should be followed i.e. licensees should advise the purchaser (or tenant) to seek legal advice on whether



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there is such Restriction on Use regarding the car parking space(s) concerned.

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