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Estate Agents Authority

Circular

Circular No. 99-02 (CR)

30 March 1999

**SALE AND PURCHASE OF FLATS UNDER
THE HOME OWNERSHIP SCHEME & PRIVATE SECTOR
PARTICIPATION SCHEME IN THE SECONDARY MARKET**

The Authority expresses concern at the number of complaints against estate agents and salespersons in relation to the disposal of flats under the Home Ownership Scheme and Private Sector Participation Scheme in the secondary market. These complaints invariably involve the failure to advise their clients to comply with the special procedures for approval required under the Housing Ordinance (Cap 283) either through the lack of knowledge or the complete disregard of the procedures and regulations of the Housing Authority.

According to the "Procedural Guidelines of the Secondary Market Scheme" issued by the Housing Authority (see Appendix), a vendor is required to obtain a "Certificate of Availability for Sale" and a purchaser is required to obtain a "Certificate of Eligibility to Purchase" from the Housing Authority before signing the prescribed form of the Provisional Agreement for Sale and Purchase.

Section 17B of the Housing Ordinance provides that any agreement purporting to assign or otherwise alienate such flats in contravention of the requirements of the Housing Ordinance shall be void. Further, section 27A of the Housing Ordinance provides that any person who purports to enter into such an agreement shall commit an offence.

It is, therefore, important that estate agents and salespersons should familiarize themselves with the necessary procedures and requirements under the Housing Ordinance when advising their clients in connection with the sale and purchase of flats under these schemes so as to properly protect their clients' interest.

This Circular should be made available for the
information of all staff engaged in estate agency work.