

CONTROLLING OFFICER'S REPLY

THB(H)019

(Question Serial No. 2171)

Head: (62) Housing Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)
(Stanley YING)

Director of Bureau: Secretary for Transport and Housing

Question:

Over the past 2 years, the sales market for low-priced residential flats in Hong Kong has been vibrant, resulting in the emergence of extraordinary small “nano flats” with property price per square foot reaching a record high. Flats of a hundred-odd square feet become the only available choice that people can afford. In this connection, will the Government inform this Committee of:

- (1) the number of complaints against estate agents received in the past 2 years, the main reasons for the complaints, whether statistics on the total amount of money involved in property transactions relating to these complaints are available;
- (2) the licence revocation mechanism of the Estate Agents Authority (EAA), the number of estate agents with their licence revoked and the main reasons for revocation, the specific work that the EAA will carry out this year to enhance the quality and standard of estate agents, and the expenditure involved; and
- (3) in respect of the extremely small-sized flats, i.e. “nano flats”, whether the Government has allocated additional resources to centrally handle complaints on the sales of these flats and has initiated investigations on the related matters such as sales description and information; if yes, whether additional manpower will be provided this year, and the expenditure to be involved?

Asked by: Hon LUK Chung-hung (Member Question No. 4)

Reply:

- (1) In 2015-16 to 2016-17 (up to end February 2017), the Estate Agents Authority (EAA) received 774 complaints against licencees. The complaints mainly involved provision of inaccurate or misleading property information (e.g. area of property and mortgage application); improper handling of the provisional agreement for sale and purchase/provisional agreement for lease or failure to explain such agreement to clients; issue of non-compliant advertisements; and failure to sign with clients or

explain to them the estate agency agreement, etc. The EAA does not have statistics on the amount of money involved in property transactions relating to the complaints.

- (2) If the EAA considers that a licensee no longer meets the relevant licensing requirements, it may revoke his/her licence in accordance with the Estate Agents Ordinance (EAO) (Cap. 511). The EAO also stipulates that a person whose licence has been revoked is not entitled to apply for a licence within the period of 12 months commencing from the date of the revocation.

In 2015-16 to 2016-17 (up to end February 2017), licences of 83 licensees were revoked as the EAA considered that they no longer meet the relevant licensing requirements due to various reasons, including 32 licencees whose licences were revoked due to convictions of criminal offences.

The EAA is committed to enhancing the professionalism and service standard of estate agents. In 2017-18, the EAA will continue to review the contents of the qualifying examinations; update the existing practice circulars or issue new ones in the light of the latest situation and laws; educate the trade on the compliance with new standards and regulations; monitor their compliance through inspections of estate agencies; monitor licencees' conduct in relation to the sale of first-hand residential properties; and enhance the voluntary Continuing Professional Development Scheme. Moreover, the EAA will continue to take disciplinary actions against licencees who are found to have breached the EAO, or the Code of Ethics or practice circulars issued by the EAA. The EAA will review the effectiveness of these measures from time to time and introduce new measures as necessary.

Enhancing the professionalism and service standard of estate agents is an on-going work of the EAA. As an independent and self-financing body, the EAA will deploy its manpower and resources to meet its operational requirements.

The Transport and Housing Bureau will continue to liaise with the EAA to enhance the professionalism and service standard of estate agents. This on-going function forms part of the duties of a team under Deputy Secretary for Transport and Housing (Housing). We do not have a breakdown on the expenditure for this particular duty.

- (3) The Sales of First-hand Residential Properties Authority (SRPA) would initiate compliance checks of related sales documents in respect of first-hand residential properties developments (including small size residential flats). The SRPA would also follow up on complaints and media enquiries received. If there are any suspected contraventions of the Residential Properties (First-hand Sales) Ordinance (Cap.621), the SRPA would carry out investigations. The compliance checks and investigations under the Residential Properties (First-hand Sales) Ordinance are routine duties of the SRPA; there is no targeted investigation against "small size residential flats".

- End -