



2 June 2011

Ms. Aparna Sordi,
President,
Hong Kong Institute of Estate Agents,
Room 402-403,
4/F, Hong Kong Trade Center,
161-167 Des Voeux Road Central,
Hong Kong.
[By email: admin@hkiaa.hk]

Dear Ms Sordi,

1. Thank you for your email and letter of 17 May 2011 together with the annex by Mr Stanley To.
2. Regarding the issue of the role of estate agents when handling properties that might have “unauthorised building works” (UBWs), as stated in our previous reply to you dated 10 March 2011, the Estate Agents Authority (“EAA”) has issued two practice circulars on UBWs and reminded practitioners of the points to note when handling properties with such works.
3. Danger posed by UBWs is a matter of serious concern in the community. When handling the sale and purchase or lease of properties, estate agents should be alert to the problems that may arise from the existence of UBWs in a property and take appropriate steps to protect their clients’ interests.
4. As stated in the practice circular(s), practitioners should carry out land searches against the properties concerned and carefully check the land search record to see if any order issued by the Building Authority requiring demolition / alteration of UBWs has been registered and, if so, whether the order has been complied with. Practitioners should also try their best to urge their vendor clients to

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provide the information requested in Form 1, Part 2 (provision for the vendor of a residential property to supply particulars of any structural additions or alterations to the property). Practitioners are also reminded that they should advise clients of the risks involved in the transaction of properties with UBWs and the need to seek legal advice.

5. As to whether “open kitchen” is a kind of UBWs, it is not appropriate for the EAA to comment in general, as conditions are not the same in different cases.
6. We also note the comments in Mr To’s annex on estate agents handling provisional agreement for sale and purchase. However, as mentioned in our last reply, the EAA is the regulator of the estate agency trade and is not in a position to comment on such matters.
7. The EAA attaches great importance to enhancing the professional standard of practitioners of the estate agency trade. The EAA will, from time to time, review current practices and issue new practice circulars when necessary, depending on market conditions and practitioners’ practices to ensure practitioners’ compliance. We note the comments from the Hong Kong Institute of Estate Agents. We appreciate your understanding and thank you again for your views.

Yours sincerely,



Anissa Cheng
Manager (Corporate Communications)
Estate Agents Authority