

<<**Subcommittee on Estate Agents (Licensing) (Amendment) Regulation 2001**>>

POSITION PAPER

We basically support and endorse the present Estate Agents (Licensing) (Amendment) Regulation 2001, and hope that the subcommittee will cause it to become law as soon as possible. As a matter of fact, more than a year ago in the course of coming into operation of the Estate Agents Ordinance and its various subsidiary regulations by stages (in particular, regarding the Licensing Regulation), our trade has through different channels demanded the Estate Agents Authority (hereinafter called "EAA") to maintain stringent control on its financial position, reduce the licensing fees, make endeavours to enhance the professional standards and competency of the trade, and etc. Because of the selfishness of EAA in jeopardising the interest and professional development of the trade and in reinforcing EAA's own position and income, the suggestion and demand of the trade was ignored in a dragging manner, we have now reached the intolerable stage. Accordingly, we hope that the subcommittee can approve the present Estate Agents (Licensing) (Amendment) Regulation 2001 as soon as possible.

Moreover, we hope that the subcommittee can refer the following matters regarding the Estate Agents Ordinance and Regulations to the Panel on Housing of the Legislative Council for further discussion and follow-up work, thus allowing the estate agency trade to develop in a more professional and healthy way.

(1) The representativeness of Category A Members of EAA

According to Schedule 1 of the Estate Agents Ordinance, the Category A Members of EAA should be individuals who do estate agency work. We deeply believe that the original intention of the law is to make these Category A (i.e. doing estate agency work) individuals the bridges between the trade and EAA. Unfortunately, amongst the present Category A individuals as appointed, some of them openly indicate that they have wholly or partly left the estate agency work. The worst is that some so-called trade representatives in the course of their appointment have also failed to or seldom liaise or communicate with estate agency organisation(s). Is it the original intention of the initial making of the law?

In light of the aforesaid, we hope that the Panel on Housing of the Legislative Council will procure the Administration to appoint newly those who really do estate agency work as Category A individuals in EAA.

#### (2) The participation and support of the estate agency trade

In the past, we have demanded that EAA should, in addition to the members as appointed by the Chief Executive, go further in inviting individuals who do estate agency work to participate in the work of EAA's various committees. We deeply believe that it is the only way to ensure that the policies and guidelines to be made by EAA can tally with the practice and the need of the estate agency. Regrettably, apart from the present Training Committee, the other committees of EAA have not invited the trade to participate.

Because of the aforesaid, we hope that the Panel on Housing of the Legislative Council can follow-up with and procure EAA to appoint more individuals of the trade to participate in the work of EAA's various committees. We believe that without the participation and support of the trade, the chance to manage the estate agency trade properly is slim.

#### (3) Openness, stringent financial control, and value-enhancement of EAA

Currently, the general impression to the trade about the operation of EAA is that of black-box operation, irresponsible financial control, and nothing recommendable about value-enhancement. Yet because of these, the relationship between the trade and EAA is poor. We pay expensive licensing (company and individual) fees. Conversely, the service obtained by the trade from EAA is the worst of the worst.

Therefore, we hope that the Panel on Housing of the Legislative Council can assess the performance of the work, financial control, value-enhancement of EAA since the operation of the Estate Agents Ordinance. If it can be materialised, our trade will support it strongly.

#### (4) Estate agency's professionalism and training

According to Section 5 of the Estate Agents Ordinance, one of the principal functions of EAA is to maintain and enhance the status of estate agents and salesperson, say, to liaise with educational institutions and training bodies for the purposes of the

provision of training courses which are designed to ensure competency or establish standards of conduct relevant to estate agency work. Regrettably, the present standards of educational institutions and training bodies and lecturers are uneven and some are inferior, and the contents of some courses are not practical. It reflects that EAA has not effectively performed or even fails to perform the aforesaid functions.

Therefore, we hope that the Panel on Housing of the Legislative Council can follow-up and discuss the standards of education/ training courses and lecturers as prescribed by EAA, and those matters relating to the enhancement of the trade's professional standards and competency.

Finally, we pledge again our support to the present Amendment to the Licensing Regulation, and hope that the subcommittee can submit to the Legislative Council for approval. Meanwhile, we hope that each of the current honorable Legislative Council Members can refer the matters concerning our trade above-mentioned to the Panel on Housing of the Legislative Council for discussion and follow-up.

For the days to come, the estate agency trade's 15,000 odds (individual) licensees and 3,000 odds (company) licensees will, through different channels, inform each Legislative Council Member of the resulting massive reduction of listing properties, substantial rise of operating costs, difficulties in operation, continuing business cessations of small and medium estate agencies since the operation of the Estate Agents Ordinance over 2 years ago, whereupon we shall make proposals for your reference in assisting the estate agency trade to develop in a healthy way.

- Hong Kong Real Estate Agencies General Association
- New Territories Estate Agency Association Ltd.
- Hong Kong Chamber of Professional Property Consultants Limited
- Society of Hong Kong Real Estate Agents Ltd.