

The Government of the Hong Kong Special Administrative Region

發展局(規劃地政科)

香港花園道美利大廈九樓



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3 May 2010

Clerk to the LegCo Panel on Development
Legislative Council Secretariat,
Legislative Council
Jackson Road
Central
Hong Kong

By Fax
(Fax : 2869 6794)

(Attn: Mr S Y Wong)

Dear Mr Wong,

**Urban Renewal Authority (URA)
- Proposed Control Measures on Flat Sale in
URA Joint Venture Projects**

Hon Wong Kwok-hing has earlier asked for further information on the Urban Renewal Authority (URA)'s review on its control measures on flat sales to its joint venture partners and their related parties.

After consultation with the URA, we propose to discuss the subject with the LegCo Panel on Development at its regular meeting in June when we will also report on the work of the URA. Meanwhile, we have pleasure in enclosing for Members' reference the press release issued by the URA today on the URA Board's decision on proposed additional control measures on flat sales in URA Joint Venture Projects at their meeting this morning. We will be happy to answer Members' further questions on the subject at the Panel meeting in June.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Winnie So'.

(Winnie So)
for Secretary for Development

c.c. Urban Renewal Authority
(Attn: Mr Lawrence Yau)

3 May 2010

URA: Eight additional measures on control of flat sale of redevelopment projects

The Board of the Urban Renewal Authority (URA) today (Monday) resolved to implement a package of additional measures for flat sale of its redevelopment projects with an objective to further enhancing transparency, taking into consideration the needs of the genuine home buyers.

Outlining the additional measures for flat sales at a media briefing this afternoon, the Chairman of the URA, Mr Barry Cheung Chun-yuen, emphasised that the URA, as a public-funded statutory body, has all along attached a great deal of importance to flat sale arrangements for its redevelopment projects adopting higher standards of good practice than the market practices. “We hope to implement these measures with our joint venture partners so as to enhance our flat sale mechanism,” he said.

“According to the development agreement with the Authority’s joint venture partners for individual projects, the marketing and flat sale arrangements are undertaken by the joint venture partners. However, we have closely monitored activities and arrangements relating to flat sales including marketing and sales strategies and relevant documents to ensure that they are in full compliance with the guidelines and regulations of Transport and Housing Bureau, Legal Advisory and Conveyancing Office of the Lands Department, Real Estate Developers’ Association (REDA), Consumer Council and Estate Agents Authority,” said Mr Cheung.

The URA also scrutinizes and approves the proposed price list for flat sale to ensure that it is in line with the market price to minimize speculative activities, he added.

Mr Cheung said in the wake of the new measures recently put forward by the Government, the Authority would work closely with the Administration on the implementation of these measures.

In addition to the existing measures for flat sales that are already in place and exercised by the Authority, Mr Cheung said the URA Board endorsed a package of eight additional measures today. “As a public body, the

community at large generally has a higher expectation on the Authority to adopt higher standards of good practice already in place,” Mr Cheung explained.

“These additional measures are introduced by URA with a view to enhancing fair play of its property sales, facilitating opportunity to the end-users, tightening representation by its joint venture partners, ensuring disclosure and transparency of transacted sales,” he said. .

Details of the eight additional measures are as follows:

Enhancing fairplay

- There shall be no internal sale by URA’s joint venture developer. Only open sale shall be conducted.
- The flats selected by the joint venture developer for the first batch offered for sale should be agreed by URA.
- The staff members of the property agents / sub-agents engaged in marketing the units of the joint venture developer’s project shall not be allowed to purchase the units in the project throughout the entire sale period.

Facilitating opportunity

- The first batch of units offered for sale shall all be sold to individual purchasers and not company purchasers.
- Not more than 10% of the total flats in a project shall be sold to company purchasers.
- Not more than two units shall be sold to the same buyer throughout the entire sale period.

Tightening representation

- Prior to the signing of preliminary agreement for sale and purchase, written declaration to URA shall be made by joint venture developer in

respect of any proposed purchase by its board members, senior executives (staff members at or above manager level), the board members and senior executives of its holding company, and their connected persons as defined in the Hong Kong Stock Exchange Main Board Listing Rules.

Ensuring disclosure and transparency

- The following sales related information shall be disclosed in developer's website and displayed at the sales office(s) throughout the entire sale period in the manner as specified below:
 - (a) a full record of all the units sold, within 24 hours of signing of preliminary agreement for sale and purchase by URA;
 - (b) all price lists (other than the first price list) within one hour from release (the minimum timing of disclosure of first price list and sales brochure shall follow the prevailing guidelines issued by REDA); and
 - (c) all transactions by the board members and senior executives of the joint venture developer and its holding company, as well as their connected persons, within 24 hours of signing of preliminary agreement for sale and purchase by URA (for personal data reasons, the purchaser's name shall be excluded).

Mr Cheung said the flat sale arrangements would be reviewed and refined from time to time to ensure they are conducive to changes in the property market.

(ENDS)