

Legislative Council Panel on Housing

Dissemination of Misleading Information on Sale of Residential Properties

Purpose

This paper sets out the existing measures to regulate the sales of uncompleted first-hand private residential properties, with particular reference to the monitoring and regulation of the accuracy of the sales information on uncompleted first-hand private residential properties, and the steps being taken by the Administration to enhance the regulation of the sales of first-hand private residential properties through legislation.

Existing Mechanism

2. The Government is committed to maintaining the healthy development of the private residential property market, safeguarding the reasonable rights of consumers, and ensuring that consumers have access to accurate and comprehensive property information, in particular information on uncompleted first-hand residential properties. The Government will not tolerate any person affecting the fairness of property transactions by disseminating inaccurate and incomplete information relating to the sale of first-hand private residential properties, which may mislead the market and prospective flat buyers.

3. For uncompleted first-hand residential properties approved for pre-sale under the Consent Scheme of the Lands Department (LandsD), developers concerned have to comply fully with all the requirements under the Consent Scheme. The requirements under the Consent Scheme are also found in the guidelines issued by the Real Estate Developers Association of Hong Kong (REDA).

Regulation of the Sales of First-hand Residential Properties by Legislation

4. To further strengthen the regulation of the sale of first-hand private residential properties, the Transport and Housing Bureau (THB) has established a Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation (the Steering Committee) to discuss specific issues pertaining to the regulation of the sale of first-hand properties by legislation. The Steering Committee commenced work in November 2010 and will come up with practical recommendations for the consideration of the Secretary for

Transport and Housing by October 2011. Misrepresentation and the dissemination of false information is one of the key areas which the Steering Committee will discuss. THB's target is to take forward the subsequent consultation in the form of a White Bill in order to expedite the process.

A Recent Case

5. On 19 November 2010, following the Administration's announcement on the proposed implementation of the Special Stamp Duty, a senior executive of a development company made a statement in his online blog about the purchase of uncompleted residential flats at the company's development in Tai Wai, THB is following up the case with REDA. In addition, Lands D has also been in correspondence with the grantee of the development in relation to the case.

**Transport and Housing Bureau
February 2011**