



13th April, 2012

Clerk to Bills Committee on Residential Properties (First-hand Sales) Bill
Legislative Council Secretariat
2/F Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sirs,

RE: Submission of Swire Properties Limited to the Bills Committee of the Legislative Council
Proposed Legislation: Residential Properties (First-hand Sales) Bill

Swire Properties Limited is supportive of any reasonable measures that will enhance transparency and clarity for purchasers of first-hand flats. Indeed we would support these principles for the sale of any residential units, be they first-hand or second-hand units.

We share the concerns expressed by REDA on the specific details of how the proposed measures will work for flats under construction (also known as “uncompleted flats”) and therefore do not intend to offer further comment on the proposed measures in respect of flats under construction.

We do however strongly believe that whatever measures are eventually adopted to control the sale of first-hand flats under construction, they should not also apply to completed flats.

Prospective Purchasers of completed first-hand flats have the same opportunity to inspect the flat they may wish to purchase as a prospective purchaser of a second-hand flat. In both cases, physical inspection of the flats provides adequate consumer protection.

The aim of the proposed legislation is “to strike a balance between enhancing consumer protection on the one hand, and allowing developers to continue to take business decisions in the light of market situations.” However, to include completed flats within the proposed legislation will seriously interfere with developers’ investment decisions without in any way enhancing consumer protection. In just the same way that owners of second-hand flats can decide whether to sell, lease or withhold their flat from the market developers should also be free to decide whether they wish to sell, lease or retain ownership of the completed units in their developments. As such, the proposed legislation



will seriously interfere with developers' ability to "continue to take business decisions in the light of market situations".

We are totally supportive of any reasonable measures to require all owners to ensure details of any flat put up for sale are accurate and not misleading, but in order to be fair to prospective purchasers, such measures should apply to all completed flats including all first-hand and second-hand units. We believe that as currently drafted the provision if applied to first-hand completed flats only will lead to confusion amongst prospective purchasers contrary to the prime objectives of the Bill.

We sincerely urge the Bills Committee to seriously consider the views and proposals put forth above. Thank you for your kind attention.

Yours faithfully,
For and on behalf of
Swire Properties Limited

A handwritten signature in black ink, appearing to read 'Gordon Ongley', with a long horizontal flourish extending to the right.

Gordon Ongley
Chief Operating Officer – Hong Kong