

Bills Committee on Residential Properties (First-hand Sales) Bill

**List of follow-up action arising from the discussion
at the meeting on 24 April 2012**

- (1) To provide in tabular form the Administration's response to all written submissions on the Bill, including those from deputations not attending the meeting. For oral presentation of deputations, their views are summarized in the attached table.
- (2) To advise the feasibility of enacting the Bill by phases with a view to ensuring the passage of major provisions within the current legislative term.
- (3) To endeavour to work out a standardized definition of "gross floor area" for inclusion in the Bill.

Council Business Division 1
Legislative Council Secretariat
30 April 2012

Bills Committee on Residential Properties (First-hand Sales) Bill

Summary of oral presentation of deputations (as at 30 April 2012)

<u>Organization</u>	<u>Concern/View</u>	<u>Administration's response and follow-up action</u>
Designing Hong Kong	Supports the Bill in principle. Apart from first-hand residential properties, consideration should be given to regulating the sales of all properties, including those in the secondary market. There is also a need to work out a standardized definition on "gross floor area (GFA)".	
Property Agencies Association	Supports the Bill in principle but cannot accept the proposed exemption of flats developed by the Hong Kong Housing Authority (HA) from the Bill. To help the public to familiarize with the use of saleable area (SA) to quote area and price of residential properties, consideration should be given for the Rating and Valuation Department (RVD) to set out SA in the demand note for Government rate/rent. A transitional period should also be provided during which both SA and GFA could be used. Penalty for misrepresentation and dissemination of false or misleading information should commensurate with the severity of offence. An independent enforcement authority should be set up with membership from different stakeholders, including the legal profession and the trades. Apart from a database for first-hand residential properties, the same should be set up for properties in the secondary market.	

<u>Organization</u>	<u>Concern/View</u>	<u>Administration's response and follow-up action</u>
Hong Kong Real Estate Agencies General Association	Supports the use of SA but need to enhance public understanding in this respect. To this end, consideration should be given for RVD to set out SA in the demand note for Government rent/rate. The Bill should also apply to flats developed by HA.	
Hong Kong Institute of Architects	Supports the Bill in principle.	
Hong Kong Institute of Real Estate Administrators	Supports the Bill in principle. In the absence of a standardized definition of GFA, the use of SA to quote unit area and price is acceptable. To enable the public to get familiarize with the use of SA, there is a need for a transitional period during which both GFA and SA can be used. To facilitate compliance with the Bill, the enforcement authority should work out clear guidelines for the trade to follow. Such guidelines should be subject to public consultation.	
The Hong Kong Institute of Surveyors	Supports the Bill, particularly the use of SA as the only basis to quote area and price of residential units. In the absence of a standardized definition of GFA, its use would cause confusion to the public.	