

立法會
Legislative Council

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Panel on Housing

Minutes of special meeting
held on Thursday, 5 January 2012, at 10:45 am
in Conference Room 1 of the Legislative Council Complex

- Members present** : Hon LEE Wing-tat (Chairman)
Hon WONG Kwok-hing, MH (Deputy Chairman)
Hon Fred LI Wah-ming, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon WONG Sing-chi
Hon Alan LEONG Kah-kit, SC
Hon Tanya CHAN
- Member attending** : Hon Ronny TONG Ka-wah, SC
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon CHAN Hak-kan
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
- Public officers attending** : Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Mr Eugene FUNG
Deputy Secretary for Transport and Housing (Special Duties)

Mrs Hedy CHU
Principal Assistant Secretary for Transport and Housing (Special Duties)

Attendance by invitation

: The Real Estate Developers Association of Hong Kong

Mr Louis LOONG
Secretary General

Hong Kong Institute of Real Estate Administrators

Mr Michael CHOI
Vice President

Centaline Property Agency Ltd

Mr CHAN Wing-kit
Managing Director (Residential) - Asia Pacific

The Hong Kong Institute of Architects

Mr Dominic LAM
President

Hong Kong Real Estate Agencies General Association

Mr TSE Shun-lai
Vice-Chairman

The Hong Kong Institute of Surveyors

Dr Lawrence POON
Chairman, Housing Policy Panel

Property Agents Association

Ms Doreen KONG
Consultant

Estate Agents Association

Mr Evan NG
Chairman

Property Agencies Association

Mr Paul LEE
First Vice Chairman

The Democratic Party

Mr Eric LAM
Member of Subcommittee on Housing

Society of Hong Kong Real Estate Agents Ltd

Mr Anthony KWOK
Vice President

Consumer Council

Mr Ambrose HO
Vice Chairman

Ms Connie LAU
Chief Executive

Hong Kong Chamber of Professional Property
Consultants Ltd

Mr Lawrence WONG
Past President (2005-2011) & Honorary Secretary

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

I. Consultation Paper on the Proposed Legislation to Regulate the Sale of First-hand Residential Properties

Meeting with The Real Estate Developers Association of Hong Kong (REDA)
(LC Paper No. CB(1) 945/11-12(01))

Mr Louis LOONG, Secretary General, said that REDA did not object to the regulation of the sale of first-hand residential properties by legislation to enhance the transparency and fairness of property transactions. It also welcomed the use of draft provisions in the form of the proposed legislation to facilitate public consultation. REDA's views on the proposed legislation could be summarized as follows-

- (a) there should be separate control regimes on the sale of completed and uncompleted flats as purchasers could view completed flats before deciding on the purchase, but they would have to rely on developers to provide information on uncompleted flats and hence warranted stricter control;
- (b) the proposed adoption of saleable area (SA) as the only basis to quote unit prices of flats in the sales brochures, price lists and advertisements was premised on the availability of a standardized definition for SA. However, purchasers might find it difficult to compare unit prices of first-hand flats with flats in the secondary market, as the prices of the latter were quoted using gross floor area (GFA). Consideration should be given to allowing the use of both SA and GFA in the sales brochures, price lists and advertisements. In fact, both GFA and SA had been used to quote unit prices of first-hand flats since 2008. To avoid doubts, a standardized definition should be provided for GFA with reference to the Consent Scheme;
- (c) the requirement to make public the price list at least three calendar days before the sale would be difficult to comply with in practice, particularly in the event of special discounts offered at short notices for the benefit of consumers;
- (d) there should be clear guidelines on what should be regarded as misrepresentation and dissemination of false or misleading information as estate agents were concerned that they might be unnecessarily caught for mere negligence; and
- (e) the Hong Kong Housing Authority (HA) should not be exempted from the proposed regulation.

Meeting with Hong Kong Institute of Real Estate Administrators (HKIREA)
(LC Paper No. CB(1) 795/11-12(01))

2. Since home purchase was a major decision, Mr Michael CHOI, Vice President, said that HKIREA supported the proposed legislation to ensure that property transactions were conducted in a fair and reasonable manner for the protection of consumers. In the absence of a standardized definition for GFA, the use of SA to quote unit prices of first-hand flats was worth supporting. However, a grace period should be given to facilitate smooth transition by the trades. While supporting the draft provisions in relation to sales brochures, price lists, and advertisements, the latter of which should not be overly stringent and further discussion with the affected trades was necessary to understand the practical difficulties in complying with the provisions against misrepresentation and dissemination of false or misleading information. On the provision of unmodified show flats, efforts should be made to ensure that these show flats represented an accurate depiction of the actual units to be handed over to purchasers. To ensure smooth implementation of the regulatory regime, the Administration should consult the affected trades and work out clear guidelines to facilitate compliance by the trades before introducing the proposed legislation.

Meeting with Centaline Property Agency Ltd (Centaline)

3. Mr CHAN Wing-kit, Managing Director (Residential) - Asia Pacific, said that Centaline supported the proposed legislation to protect consumers in purchasing first-hand flats. His observations based on the feedback from the trades were as follows -

- (a) both estate agents and purchasers were accustomed to the use of GFA in quoting unit price. To ensure smooth transition from the use of GFA to SA, consideration should be given to allowing a grace period during which GFA and SA could be used in parallel;
- (b) there should be clear guidelines on the acts which constituted misrepresentation and dissemination of false or misleading information to ensure that estate agents would not be caught unaware; and
- (c) the requirement for vendors to make public the price list at least three calendar days before commencement of the sale ran contrary to the current market practice and might give rise to chaos and confusion. Property sales should be allowed to proceed once the price lists were published.

Meeting with The Hong Kong Institute of Architects (HKIA)
(LC Paper No. CB(1) 795/11-12(02))

4. Mr Dominic LAM, President, said that HKIA would support regulation of the sale of first-hand residential properties by legislation to better protect consumers as well as allow greater transparency and fairness in sales arrangements and conveyancing procedures. HKIA supported the detailed requirements as set out in the proposed legislation, including the use of SA in quoting unit price and the provision of an unmodified show flat before a modified show flat could be shown. Consideration should also be given to mandating the disclosure of undivided shares of the development in respect of the units to be sold in the sale of first-hand residential properties.

Meeting with Hong Kong Real Estate Agencies General Association (HKREAGA)
(LC Paper No. CB(1) 714/11-12(01))

5. While supporting regulation of the sale of first-hand residential properties by legislation, Mr TSE Shun-lai, Vice-Chairman, said that HKREAGA would like to make the following points -

- (a) the use of SA in quoting unit price was worth supporting but a transitional period should be provided to allow the parallel use of GFA to facilitate consumers in making comparisons with other properties;
- (b) the requirement on disclosure of transaction information would allow for higher transparency; and
- (c) HA should not be exempted from the regulatory control as purchasers of Home Ownership Scheme (HOS) flats should be accorded the same protection.

Meeting with The Hong Kong Institute of Surveyors (HKIS)
(LC Paper No. CB(1) 714/11-12(02))

6. Dr Lawrence POON, Chairman of Housing Policy Panel, said that HKIS supported regulation of the sale of first-hand residential properties and the detailed requirements as set out in the proposed legislation, particularly the use of SA in quoting unit price. There was need to strictly adhere to the use of SA to facilitate enforcement. Given that the calculation of GFA in the Buildings Ordinance (Cap. 123) (BO) was quite different from that in the sales brochures provided by vendors (e.g. some green features, such as utility platforms, were excluded from GFA under the Ordinance but included in the sales brochures), the parallel use of both SA and GFA as advocated by some deputations might give rise to confusion. Dr POON added that he had spent about two years

working in a committee on standardization of SA which had been adopted since 2008 in consultation with relevant stakeholders. However, it was unlikely that a consensus could be reached on the standardization of GFA given the complexity involved.

Meeting with Property Agents Association (PAA)

7. Ms Doreen KONG, Consultant, said that PAA supported in principle the regulation of the sale of first-hand residential properties by legislation. PAA supported the proposed provisions in relation to sales brochures, price lists and disclosure of transaction information which would better protect consumers. However, consideration could be given to providing a cooling period and a risk assessment prior to the signing of the Agreement for Sale and Purchase (ASP). She said that PAA would submit a written submission on the proposed legislation from the perspective of estate agents and the general community before the expiry of the public consultation exercise.

Meeting with Estate Agents Association

8. Mr Evan NG, Chairman, said that the Estate Agents Association acknowledged the need for regulation of the sale of first-hand residential properties by legislation, but was concerned about the confusion and inconvenience associated with the use of SA in quoting unit price. A transitional period should be provided during which both GFA and SA could be used in quoting the unit price to facilitate purchasers in making comparisons with other developments. While the requirements for vendors to make public the price lists at least three calendar days before the sale commenced and to provide updated transaction information were worth supporting, the Estate Agents Association held the view that the penalties for misrepresentation and dissemination of false or misleading information were too heavy. To enable smaller estate agencies to take part in the sale of first-hand residential properties, developers should be required to provide relevant property information to property agents associations for dissemination to more estate agencies. Last but not least, the Estate Agents Association did not support that HA should be exempted from the regulatory control of first-hand residential properties.

Meeting with Property Agencies Association

(LC Paper No. CB(1) 795/11-12(03))

9. Mr Paul LEE, First Vice Chairman, said that the Association had studied and analyzed the proposed legislation and had the following observations -

- (a) the proposed regulatory control should apply to all developers alike, including HA and those selling one or more first-hand single houses, to ensure that all consumers were accorded the same level of protection;

- (b) the use of SA was worth supporting as consumers would need to know the internal usable area and space efficiency of units. However, there was a need to resolve the discrepancies between the use of GFA for quoting unit price flats in the secondary market and the use of SA in new developments. Consideration should be given to setting out the SA of individual units in the demand notes issued by the Rating and Valuation Department (RVD) so that owners were aware of the SA of their units;
- (c) reservation of units should not be allowed in the event of open sale; and
- (d) while penalties should be imposed on misrepresentation and dissemination of false or misleading information, due consideration should be given to exempting those inexperienced front-line estate agents who had inadvertently provided incorrect information to their clients due to insufficient information on hand.

Meeting with The Democratic Party (DP)
(LC Paper No. CB(1) 856/11-12(01))

10. Mr Eric LAM, member of Subcommittee on Housing, agreed to the need to enhance consumer protection in the purchase of properties given that home ownership was a major decision. As the reliance on the Consent Scheme and REDA's guidelines had proven to be ineffective in regulating the sales of first-hand residential properties, DP had urged for the early introduction of legislation to regulate the sale of first-hand residential properties for consumer protection since 2006. Hong Kong, as an international financial centre, should have regulatory control on the sale of properties, similar to that on the trading of stocks and shares. Therefore, DP supported the proposed legislation to cover both uncompleted and completed first-hand residential properties, as well as the detailed requirements on the use of SA, sales brochures, price lists, disclosure of transaction information etc. It also welcomed the prohibition on misrepresentation and dissemination of false or misleading information in property sales, particularly on inflated buildings which were typical examples of hegemony and malpractices of developers.

Meeting with Society of Hong Kong Real Estate Agents Ltd (SHKREA)

11. Mr Anthony KWOK, Vice President, said that SHKREA supported in principle the regulation on the sale of first-hand residential properties by legislation. However, there was a need to resolve the discrepancies between the use of SA and GFA in quoting unit price. The use of SA only for price quotation would not only warrant changes to the property index currently used

by property agencies, but would also impact on the Hong Kong property market as well as the compatibility with other Mainland cities. Besides, the unit price of new residential developments would seem to have significantly increased if SA rather than GFA was used in quoting unit price. It would also be difficult to make comparisons between the unit prices of first-hand flats which were quoted using SA and flats in the secondary market which were quoted using GFA. Given that different units of measurements were used in the sale of produce, the co-existence of SA and GFA should be allowed in quoting unit prices of first-hand flats. To resolve the problem of different interpretations by developers in the absence of a standardized definition of GFA, consideration should be given to mandating developers to construct flats in strict accordance with the plot ratio. This would ensure that GFA would be fixed for each development on the one hand, and resolve the problem of inflated buildings on the other.

Meeting with Consumer Council (CC)
(LC Paper No. CB(1) 795/11-12(04))

12. Mr Ambrose HO, Vice Chairman, said that CC supported the early introduction of legislation to regulate the sale of first-hand residential properties. It also welcomed the use of the proposed legislation for public consultation. The views of CC on the proposed legislation were set out in its submission. On the scope of the proposed legislation, CC considered that there should be a clear definition of first-hand residential properties and specific provisions for exemptions to prevent circumvention by developers by selling new flats to its subsidiary companies to make them second-hand flats. A better arrangement would be to confine the scope of control to first-hand properties which were first put up for sale in the open market. On price list, while developers were required to make public the price list of a minimum number of units at least three calendar days before the sale commenced, there was no requirement on the number of flats to be put up for sale. As such, developers could make public the price lists without putting all the listed units for sale. They could also manipulate the supply by adjusting the number of units to be put up for sale at any one time. To enhance transparency and better protect consumers, developers should be required to make public the price list of a minimum number of flats to be put up for sale.

Meeting with Hong Kong Chamber of Professional Property Consultants Ltd (HKCPPC)
(LC Paper No. CB(1) 714/11-12(03))

13. Mr Lawrence WONG, Past President (2005-2011) & Honorary Secretary, said that HKCPPC agreed to the provisions as set out in the proposed legislation. He added that throughout his years as a professional property consultant, he had witnessed the gradual reduction in space efficiency of residential developments. He therefore supported standardizing the calculation of floor areas. Consumers

would soon get used to the use of SA in quoting unit price. Besides, estate agents would provide both GFA and SA for reference of consumers. Cross-reference on SA of different units could also be made with RVD. He pointed out that while the Estate Agents Ordinance (Cap. 511) (EAO) had provided for the roles and responsibilities of estate agents in the sale of properties in the secondary market, and the freedom of choice of buyers on the appointment of estate agents, this was not the case in the sale of first-hand properties where agents were appointed by developers. Therefore, purchasers of first-hand properties normally did not have any estate agents acting on their behalf to protect their interest. Purchasers would have to rely on the existing regulatory regime. In this connection, consideration should be given to allowing purchasers to appoint their own estate agents in the purchase of first-hand properties. For better consumer protection, a central database on all properties in Hong Kong should be put in place to provide comprehensive property information for reference by consumers.

14. Members also noted the following submissions from deputations/individual not attending the meeting -

LC Paper No. CB(1) 714/11-12(04) — Submission from Designing Hong Kong (English version only); and

LC Paper No. CB(1) 945/11-12(02) — Submission from Hong Kong Institute of Estate Agents (English version only)

Meeting with the Administration

(LC Paper No. CB(1) 708/11-12(01) — Paper on regulation of sales of first-hand private residential properties prepared by the Legislative Council Secretariat (updated background brief))

Relevant paper

(LC Paper No. CB(1) 479/11-12(01) — Administration's paper on public consultation on the proposed legislation to regulate the sale of first-hand residential properties)

15. The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) clarified that the proposed exemption for residential developments constructed by HA in the proposed legislation was not a recommendation of the

Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation (the Steering Committee), since the new policy for resumption of HOS was announced by the Chief Executive after the Steering Committee had completed its work. He added that the Administration welcomed views on the proposed legislation.

Scope

16. Mr Alan LEONG sought deputations' views on the scope of the proposed legislation, particularly on the propriety of the definition on first-hand residential properties. Mr Louis LOONG/REDA said that the proposed legislation should only apply to uncompleted flats because there was no difference between first-hand and second-hand completed flats as both of which were already in existence and could be viewed by potential purchasers. However, purchasers would have to rely on the information provided by developers in case of uncompleted flats.

17. Mr Ronny TONG agreed to the need for a clear definition on first-hand residential properties. He also questioned the rationale for exempting developments constructed by HA from the proposed control regime. Mr WONG Kwok-hing echoed that if the proposed legislation was meant to regulate the sale of first-hand residential properties, he failed to see why HA should be exempted. The proposed exemption might be construed as double standard and conflict of role. Besides, HA had a past record of disseminating misleading information to lure people to move to new public housing estates in Tung Chung. Mr Abraham SHEK concurred that HA should not be exempted from the control regime.

18. In response, PSTH(H) explained that the rationale behind the proposed exemption was that developments constructed by HA were subsidized flats, and that HA had to follow set parameters (including the target group, setting of sale price and determining flat selection priorities among eligible applicants etc.) to dispose of the flats, which were completely different from normal market practice. Notwithstanding, the Administration welcomed views from the public on the proposed exemption. Through the chair, Mr Michael CHOI/HKIREA agreed that HOS flats developed by HA were quite different from those in the private market, particularly with regard to the determination of target group and flat selection priorities. While there were justifications for exempting HA from the control regime on account of its unique role, some other forms of regulatory control might be necessary to improve the situation.

Saleable area

19. Mr Ronny TONG was concerned that if SA was adopted as the only basis to quote unit prices of first-hand flats, it would be difficult for purchasers

to make direct comparison between first-hand flats and flats in the secondary market since the latter used GFA for price quotation. Consideration should be given to allowing the use of both GFA and SA but these should be clearly set out in the sales brochures, price lists and advertisements to avoid confusion. Expressing similar views, Mr CHAN Kam-lam said that there was a need to resolve the confusion between the adoption of SA in first-hand residential properties and the market practice of quoting unit prices of second-hand flats in GFA. Apart from SA of individual units, Professor Patrick LAU said that developers should be required to set out in the sales brochures areas of common parts of developments, such as clubhouse areas and lift lobbies. This would not only provide more information on the developments but also help address the need for GFA.

20. PSTH(H) responded that to enhance the transparency and clarity of information presented in the sales descriptions for uncompleted first-hand residential properties, a standardized definition of SA was adopted in October 2008 for use under the Consent Scheme and became a requirement under REDA's guidelines. While it was a common market practice for vendors to quote unit prices of flats in GFA which included the "apportioned share of common area" in the calculation, different vendors might include different items in their calculation of GFA per flat. Hence, the basis of which GFA per flat was calculated was not consistent among vendors. Given that there was currently no commonly adopted definition of GFA per flat, the Steering Committee had proposed to adopt SA (which had a standardized definition) as the only basis to quote flat size and units prices of flats in the sales brochures, price lists and advertisements. However, vendors would be required to also provide area information on common facilities on an aggregate basis in the sales brochures. Consumer education would be stepped up during the transitional period for the public to familiarize themselves with the use of SA only for area and price quotation. In addition, RVD had adopted the standardized definition of SA in measuring SA of a residential flat since October 2008. Consumers could check the SA of almost all assessed second-hand residential properties in Hong Kong with RVD.

21. Mr Abraham SHEK sought deputations' views on the proposed adoption of SA as the only basis to quote unit prices of first-hand flats. Mr Louis LOONG/REDA said that the proposal would make direct comparison between first-hand flats and flats in the secondary market difficult as the latter adopted GFA in price quotation. Also, the suggested provision of information on areas of common parts of developments could not address the concern about the need for GFA. Dr Lawrence POON/HKIS said that HKIS adopted an open approach on the use of SA and GFA. However, there was a need for a standardized definition on GFA per flat as different developers might include different items in their calculation of GFA. For example, some developers might include utility platforms in the GFA calculation but these should not be included in accordance with building regulations. It would be very difficult to

enforce the proposed legislation in the absence of a standardized definition. Mr Lawrence WONG/HKCPPC said that following the adoption of the standardized definition of SA in 2008, estate agencies had been using both SA and GFA in quoting unit prices of flats which had been well received. Mr Ambrose HO/CC said that CC supported the adoption of SA as this would enable purchasers to know the exact floor areas of flats they were buying. The continued reliance on GFA in the absence of a standardized definition could not improve the present situation because the methodologies adopted to determine unit prices of flats calculated based on GFA was not transparent and not consistent among vendors.

22. Mr Abraham SHEK was disappointed that most deputations were not familiar with the calculation of GFA. He pointed out that GFA was calculated in accordance with building regulations, and that purchasers should have the right to know the SA and GFA of the flats they were buying. PSTH(H) said that the definition of GFA in BO was for the whole development and was not the basis used by developers to calculate GFA for apportionment per flat in the sales of first-hand residential properties. Different developers would include different items in their calculation of GFA per flat. Despite various efforts made in the past, consensus on a standardized definition of GFA could not be reached. Meanwhile, a standardized definition for SA had been worked out with the relevant professionals and this had been in use since 2008. Mr WONG Kwok-hing supported CC's views on the adoption of SA in quoting unit prices of flats.

23. Mrs Sophie LEUNG said that the public would welcome the use of SA in quoting unit prices of first-hand flats as they had often been misled by developers who used GFA in price quotation. To minimize the possible impacts, the use of SA should be confined to first-hand residential properties as a start. SA of flats as well as details of facilities available for use within the developments should be clearly set out in the sales brochures. Miss Tanya CHAN suggested that both GFA and SA should be provided to consumers for the second-hand property market.

(At this juncture, the Chairman exercised his rights to extend the meeting by 15 minutes.)

24. Mr Alan LEONG sought explanation from SHKREA on how consumers' interests could be protected through adherence to plot ratio. Mr Anthony KWOK/SHKREA said that if developers were required to construct flats strictly in accordance with the plot ratios, the GFA of a development would be fixed and the problem of inflated buildings resolved.

Sales brochure

25. Miss Tanya CHAN enquired about the information in respect of the Deed of Mutual Covenant (DMC) to be provided in the sales brochure. PSTH(H) said that section 14 of Part 1 of Schedule 1 to the proposed legislation had provided for a summary of the DMC to be provided in the sales brochure, including the number of undivided shares assigned to each residential property in the development.

Price list

26. Miss Tanya CHAN asked how CC's concern that developers could make public the price lists without putting all the listed units on sale could be resolved. PSTH(H) said that the objective of the proposed legislation was to strike a balance between enhancing market transparency and allowing a certain degree of flexibility for developers to respond to changing market conditions. The proposed legislation had set out the minimum number of flats to be included in the first and subsequent price lists according to the size of the development with a view to providing more comprehensive price information to prospective purchasers. The Administration considered that the number of flats to be put up for sale should be left to commercial decision.

Penalties

27. Given the heavy penalties for contravention of the control regime, Professor Patrick LAU suggested that estate agents should consider setting up their own professional institute and code of practice to facilitate compliance and self-regulation. Mr Lawrence WONG /HKCPPC said that the Estate Agents Authority had provided guidelines on the duties and responsibilities of estate agents in the sale of properties.

Enforcement authority

28. While supporting the setting up of an enforcement authority to administer the proposed legislation and to supervise compliance with the provisions therein, Mr Paul LEE/Property Agencies Association enquired about the power and the source of funding for the enforcement authority to discharge its duties. He was concerned that if funding for the enforcement authority were to be shared by developers and relevant stakeholders, the cost of which would be reflected in the flat prices and would not be in the consumers' interest. He also hoped that the membership of the enforcement authority would comprise a wide representation from various trades, including architects, surveyors, lawyers, bankers, and estate agents. Through the chair, PSTH(H) said that the enforcement authority would be part of the Administration and would operate on government funds.

Role of estate agents

29. Mrs Sophie LEUNG noted that in the sale of first-hand residential properties, vendors would usually appoint estate agents to promote the sale. She was concerned that these estate agents, being appointed by developers, would not act in the interest of consumers. Miss Tanya CHAN echoed that this was exactly the case with the sale of the Icon. Mr CHAN Wing-kit/Centaline said that all estate agents were required to comply with EAO in discharging their duties. Although vendors rather than buyers would pay the agency fees in the sale of first-hand residential properties, estate agents would still have to act in the interest of buyers in accordance with the requirements of EAO, failing which would be subject to penalties. Mr Lawrence WONG /HKCPPC said that under the existing regime, buyers did not have to engage their own estate agents when purchasing first-hand residential properties. While the majority of estate agents would abide by the ethics of the trade, buyers' interest might not be adequately protected if they used the same estate agencies appointed by vendors. Mr Paul LEE/Property Agencies Association said that in the sale of first-hand residential properties, it was the market practice for vendors to pay the agency fees in order to expedite the sale, but this did not mean that estate agents would not act for buyers. Very often, estate agents would try to persuade vendors to offer discounts to the benefit of buyers in order to close the transactions. Besides, estate agents had to abide by the requirements as set out in EAO.

II. Any other business

30. There being no other business, the meeting ended at 1:03 pm.