

立法會
Legislative Council

LC Paper No. CB(1) 2118/99-00
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref: CB1/PS/2/99/1

LegCo Panel on Housing

**Subcommittee to study the Sales Descriptions
of Uncompleted Residential Properties White Bill**

**Minutes of second meeting
held on Tuesday, 16 May 2000, at 8:30 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon LEE Wing-tat (Chairman)
Hon HO Sai-chu, SBS, JP
Hon Edward HO Sing-tin, SBS, JP
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing
Hon Ronald ARCULLI, JP
Hon CHAN Kam-lam
Hon Gary CHENG Kai-nam, JP
- Member attending** : Ir Dr Hon Raymond HO Chung-tai, JP
- Members absent** : Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon CHAN Yuen-han
Hon Andrew WONG Wang-fat, JP
Dr Hon YEUNG Sum
- Public officers attending** : Ms Cindy KWAN
Acting Principal Assistant Secretary for Housing
- Mr Gilbert MO
Deputy Law Draftsman

Attendance by invitation

: Consumer Council

Mrs CHAN WONG Shui
Chief Executive

Mr CHAN Wing-kai
Head, Complaints & Advice Division

Ms Wendy CHAN
Senior Legal Counsel

The Real Estate Developers Association of Hong Kong

Mr Stewart LEUNG
Vice Chairman

Mr Augustine WONG
Representative

Mr Eric CHOW
Representative

Hong Kong Institute of Real Estate Administration

Mr LIU King-tong
Public Affairs Committee Vice-Chairman

Mr John HUI
First Vice President

Mr Stanley WONG
Vice President

The Hong Kong Institute of Architects

Mr Barry WILL
President

Mr LAM Wo-hei
Vice President

Mr Bernard HUI
Member of Board of Local Affairs

The Hong Kong Institution of Engineers

Ir Patrick S K YUEN
Vice President

Ir Dr CHOI Yu-leuk
Fellow

The Hong Kong Institute of Surveyors

Mr K L LEUNG
Representative

Mr Tony TSE
Representative

Clerk in attendance : Mrs Mary TANG
Chief Assistant Secretary (1)6

Staff in attendance : Mr Arthur CHEUNG
Assistant Legal Adviser 5

Ms Sarah YUEN
Senior Assistant Secretary (1)4

I Meeting with deputations and the Administration

The Chairman welcomed the deputations and invited their views on the Consultation Paper on the Sales Descriptions of Uncompleted Residential Properties Bill (the Bill).

Meeting with the Consumer Council (CC)
(LC Paper No. CB(1)1571/99-00(01))

2. Mrs CHAN WONG Shui briefed members on CC's submission and highlighted the following salient points therein -

- (a) CC supported the principles of the Bill, which in its view was long overdue but nonetheless comprehensive and could cater for the unique circumstances of Hong Kong to provide a sound statutory basis for buyers of uncompleted properties to seek redress for variations not conforming with the sales descriptions. As such, CC would like to see the early enactment of the Bill and suggested that to facilitate the early passage of the bulk of the Bill, controversial issues, such as the listing of the internal floor area, should be separately reviewed at a later stage.

- (b) Where the description of floor area was concerned, CC would support the listing of the internal floor area if confirmed feasible by the relevant professionals. If this was not feasible, CC would support the listing of dimensions in clearer terms to enable purchasers to work out the internal floor area themselves rather than accept the imposition of an overall allowable variation of 5% from the estimated internal floor area as proposed by some professionals. This was because CC believed that it would not be in the interest of purchasers to be bound by the terms of the sale and purchase agreement to accept such variations without compensation.
- (c) CC fully supported the calculation of price in terms of the saleable area as proposed in the Bill.
- (d) To achieve the desired deterrent effect, the penalties imposed under the Bill should commensurate with the financial gains from non-compliance as in the case of the Telecommunication (Amendment) Bill 1999.
- (e) The information to be required under Part I of Schedule 1 to the Bill, such as the layout plan, adjacent land use, etc., was of immediate concern and relevance to the decision to purchase a property and hence should be made a representation of fact by extending clause 6(1) to Part I to relieve the purchaser of the onus of proving reliance on such information when seeking remedies for misrepresentation thereof.
- (f) The Bill should set out certain minimum requirements relating to sample properties to ensure that they would be presented in perspective of the surrounding physical environment in which the completed properties would be located. Likewise, the Bill should also prescribe a minimum list of the prominent features which the location plan and the disposition plan should show.
- (g) To obviate disputes over the state of the completed properties, developers should be required to keep the relevant sales brochures, miniature models and photographs depicting the interior of sample properties as evidence to facilitate proof in court if necessary.
- (h) There was a need to ensure that should a developer wind up after completion of a building project, individual flat owners would still have recourse to the developer concerned for latent defects that might surface thereafter.

Meeting with the Real Estate Developers Association of Hong Kong (REDA)
(LC Paper No. CB(1)1571/99-00(02))

3. Mr Stewart LEUNG stated REDA's support for the objective of the Bill but drew members' attention to the following proposals which REDA considered impractical and impracticable -

- (a) The proposal to list the internal floor area of a unit in the sales brochure was not practicable for three reasons. Firstly, it was not available at the time the sales brochure was prepared. Secondly, although developers would not deliberately build walls with excessive thickness, the actual construction and finishing process could affect the thickness of walls and hence the internal floor area. Thirdly, the external walls were in fact sold as an integral part of a unit together with the area so encased. The suggestion on provision of the internal floor area with a margin of acceptable discrepancy was not desirable because a departure from the originally provided figure could become an incentive for disputes, litigation, and even renegeing of the sale and purchase agreement. Instead, the listing of the saleable area and the gross floor area calculated in a standardized way was preferred because such descriptions of the floor area were widely used and easily understood.
- (b) While supporting the proposed requirement to provide land use information according to the latest Outline Zoning Plan (OZPs) of any land within 0.5 km from the boundary of the residential development, REDA was of the view that developers could only provide information within their spheres of control and/or of a public nature. As such, the definition of “town plan” in clause 2(1) should be amended to exclude non-statutory plans which were mostly restricted information and accessible by public servants only. Moreover, developers should not be liable to prosecution, litigation, or cancellation of purchase due to unintended misrepresentation of facts, the accuracy of which was beyond their control.
- (c) Since changes in the disposition plan were inevitable, especially in phased projects, the proposed requirement of developers to provide the disposition plan in the sales brochure with excessive details would reduce flexibility and likely lead to disputes. As such, the detailed disposition plan should be displayed in the sales office instead and a caveat should be allowed to provide that subsequent changes to the disposition plan were acceptable if they would be reflected in the revised printing and an updated plan would be displayed in the sales office.
- (d) The recommendation that all sales brochures should specify the brands and countries of origin of the fittings and finishes to be used would not work in practice and would reduce the flexibility to select other types of furnishings to suit changing needs.
- (e) While not objecting to the proposal to provide floor plans showing the thickness of load bearing walls at the lowest, median, and the top levels of a building, REDA found it too stringent and impracticable to express the thickness of walls in millimetres. A reference to the thickness defined in the general building plan as approved by the Building Authority (BA) should suffice.

Meeting with Hong Kong Institute of Real Estate Administration (HKIREA)
(LC Paper No. CB(1)1571/99-00(03))

4. Mr John HUI briefed members on HKIREA's submission. Members noted that HKIREA supported in principle the objective of the Bill but considered many of the requirements excessive and not concurrent with some of the definitions of the terms therein. It also opined that many of the requirements should be enforced through guidelines or codes of practice rather than incorporated in legislation. Its major comments and suggestions were as follows -

- (a) Some exempted developments in the New Territories developed before the seventies did not have exemption certificates and letters of no objection to occupy since they were not required at that time. The Bill should address this issue or else these developments would be covered by the definition of "uncompleted residential property" under the Bill.
- (b) To differentiate the gross floor area referred to in Schedule 2 and that in clause 7(2) of Schedule 1 to the Bill, the terms "unit gross floor area" or "unit building area" should be used to describe the floor area of a residential unit calculated as an aggregate of the saleable area, a share of the accountable common area and a share of some exempted areas.
- (c) HKIREA did not agree to the introduction of a new definition for the "gross floor area" under the Bill because it was different from that commonly adopted in the market for a long time to represent the aggregate of the saleable area and a share of the accountable common area and some exempted areas. In HKIREA's view, the new definition giving rise to different norms of area reference would lead to a confusing multi-area and multi-price situation. As such, a detailed study on the calculation of the gross floor area for the purpose of sales brochures should be conducted before a final standard was adopted.
- (d) As the internal floor area would vary with the level on which a unit was situated, there should be a reasonable tolerance for accuracy of the internal floor area provided that purchasers would be properly forewarned. Another alternative might be that instead of listing the internal floor area, which could only confuse consumers, the minimum dimensions of certain critical areas in the unit would be given to provide the purchaser with essential information regarding the suitability and usability of the unit concerned.
- (e) In recognition of the inevitable changes to land use, a "cut-off date" should be established for the gathering of such information before the publication of the sales brochure. In this regard, one month seemed to be a reasonable time-frame. In addition, provisions for subsequent amendments to the development scheme should also be incorporated in the Bill to allow developers flexibility to respond to the prevailing market

situation or unforeseen changing conditions.

- (f) As developers would adjust prices in accordance with rapidly changing market sentiments, it was not practical to demand the developer to finalize and dispatch the price list seven days before the actual sale of his development.
- (g) Since it would be difficult for developers to ensure details such as the types of fittings and finishes before completion of a development, changes in these details should not be made a possible offence under the Bill.

Meeting with the Hong Kong Institute of Architects (HKIA)
(LC Paper No. CB(1)1571/99-00(04))

5. Mr Barry WILL highlighted HKIA's view that consumers' best interests could be protected only if the Bill could achieve the following -

- (a) Provide to the consumers the best possible information of the uncompleted flat;
- (b) Prevent consumers from being confused or misled by non-standardized and non-authorized information; and
- (c) Permit consumers to utilize and to accept as standard the information which was prescribed under the Buildings Ordinance and under the supervision of the Authorized Person.

6. Mr WILL further pointed out that the whole building industry was undergoing substantial changes with respect to environmental control, improvements to construction methods and sustainability. As such, the provisions of the Buildings Ordinance and its subsidiary legislation should be revised to respond to such changes.

7. Mr LAM Wo-hei then briefed members on HKIA's comments on the Bill as follows -

- (a) Consumers should receive the same information as that approved by BA. As such information might be technical, HKIA would gladly offer help in explaining to consumers in simple terms the key information or definitions given in the sales brochure.
- (b) Since the Buildings Department (BD) was the major Government department responsible for enforcement of the Bill, the Building Plan and BD's calculations should be used as the standards as far as practicable. In this regard, the definition of "gross floor area" should be consistent with the Buildings Ordinance to avoid misunderstanding, and the certificate signed by the Authorized Person upon completion of the flat should be to certify the approved area of the flat under the latest approved

General Building Plan.

- (c) In relation to area information to be provided under Schedule 1, there should be the following distinct categories of areas, namely, saleable area as defined in Schedule 3 to the Bill; gross floor area as defined in Schedule 2 to the Bill; building area as distinct from gross floor area; and areas of bay windows, yards, etc as defined in Schedule 4 to the Bill.
- (d) Whilst every attempt should be made by the developer to provide the consumer with a completed flat of the same dimensions as those given in the sales brochure, a certain degree of discrepancy in the dimensions was unavoidable and was therefore allowed within the building industry.
- (e) There was difficulty in requiring the Authorized Person to certify that the alternatives of finishes and fittings were of an equivalent standard. Instead, consumers should be informed of the changes so that they could then decide whether the changes were acceptable or not.
- (f) Clarifications/amendments should be made in relation to the term “development” as used in Schedule 1 and in clause 2. This was because many of the large residential developments were phased developments and hence the proposed requirement in the Bill for the provision of information on the number and the disposition of all buildings within the development site boundaries would create hardship to architects and developers, and reduce flexibility to introduce changes in response to changing market conditions.
- (g) The Bill should set up a mechanism whereby consumers could be conveniently informed of any changes to a development which were mostly executed by the Authorized Person/architect.

Meeting with the Hong Kong Institution of Engineers (HKIE)
(LC Paper No. CB(1)1571/99-00(05))

8. Ir Dr CHOI Yu-leuk highlighted the following comments of the HKIE on the Bill -

- (a) HKIE strongly supported the objective of the Bill and believed that the introduction of statutory requirements on the accurate descriptions of uncompleted residential properties would add impetus to improving the quality of new buildings and to strengthening the building maintenance culture.
- (b) There should be a new requirement on the developer to give a full disclosure of any contractual obligations of one or more units of the development which would result in mismatch of the rights to use, ownership of, and responsibility to maintain any part of the building.

- (c) The Bill should allow the purchaser to rescind a contract of sale and purchase without taking the case to court if the contract was consequent of a public sale and the sales descriptions contained significantly inaccurate or incorrect information on the dimensions of the saleable area or gross floor area, or no information on the saleable area, or incomplete or no disclosure of liabilities under the Government lease and deed of mutual covenant; or no or incomplete disclosure of contractual obligations which might affect the rights and responsibilities of the owner of the flat in question.
- (d) Since advertisements played an important role in most people's decision to purchase a flat, defence for a person charged with publishing a non-compliant advertisement should be limited to the provision in clause 12(7), viz., that compliance was impracticable.
- (e) Having regard to the fact that to most people, home purchase was the most important decision in life, a "cooling-off period" during which the purchaser was allowed to cancel the contract of sale and purchase without penalty should be introduced.
- (f) To help ensure the Bill could protect property purchasers, Government should consider providing them with a list of the relevant laws governing the obligations of the developer and his advertising agents, and on the obligations and rights of a property owner. Such information could be given in a form similar to the Practice Notes to Authorized Persons issued by BD.
- (g) The Bill should also address the issue of maintenance responsibilities for walls and floors between two units as this issue had been the source of conflict in some older buildings.

Meeting with the Hong Kong Institute of Surveyors (HKIS)

9. Mr K L LEUNG stated that HKIS supported the objective of the Bill and was glad to find that its proposals on calculation of the floor area had been adopted by the Government, especially the proposal that the area of bay windows, roof and other ancillary facilities be stated separately, and that the saleable area be listed. As to the internal floor area, HKIS was of the view that while this might serve as reference, the floor area should be expressed by adopting the saleable area because the owner's legal responsibility in relation to his property was also based on the saleable area. HKIS also felt that non-statutory plans should not be covered in the definition of "town plan". This was because there was difficulty in ascertaining details about such plans since the public did not have access to them and they could be amended without the knowledge of the public.

10. In reply to the Chairman on HKIS's idea of the use of the internal floor area as reference, Mr K L LEUNG elaborated that the internal floor area should be included in the sales brochure as an additional piece of information for the purchaser's reference only and

should not carry any legal implications.

Deliberations

Variations in the internal floor area

11. Mr Fred LI questioned if the construction methods employed in Hong Kong were so outdated that variations in the thickness of walls were inevitable and hence there were difficulties in providing accurate measurements of the internal floor area of a property before its completion. He opined that the construction industry should use better building methods such as the metal formwork instead of the outdated timber formwork in building walls to address the above wall thickness problem.

12. In response, Ir Patrick S K YUEN of HKIE pointed out that the use of prefabricated walls might help to ensure the thickness of walls. Mr LAM Wo-hei of HKIA also assured members that more and more projects were using aluminum formwork and prefabrication instead of timber formwork to build walls and this would in the long term help to ensure the thickness of walls and hence the measurements of the internal floor area. He however explained that while reference could be made to overseas practices for more reliable methods of building walls to ensure their quality as well as thickness, improvements might take a long time because the construction industry operated on a system of subcontracting and involved many different groups of workers and professions.

13. While admitting that there was room for improvement in the construction method, some representatives highlighted other factors that might give rise to variations in the thickness of walls and hence the internal floor area. For example, Mr Stewart LEUNG of REDA pointed out that the problem might lie more in the workmanship than in the construction method and said that the Hong Kong Construction Association also recognized that difficulties in guaranteeing the workmanship of workers had led to variations in the internal floor area. Mr Stanley WONG of HKIREA, on the other hand, opined that the discrepancy between the actual and listed internal floor area was the result of inadequate quality control. Highlighting the better quality of civil engineering works, which were also constructed by using the timber formwork, he said that the Government as well as the relevant trade associations should aim at nurturing a better culture of quality control in housing production.

14. Ir Dr CHOI Yu-leuk of HKIE however pointed out that variations in the measurements of the internal floor area due to construction methods seldom exceeded 5 to 10% at present. As such, where the usable area was concerned, the thickness of walls was less significant than the dimensions and shapes of the different parts of a unit.

Proposed Allowance for difference in the internal floor area

15. Commenting on the proposal to allow a specified margin of discrepancy from the internal floor area stated in the sales brochure, Mr Stewart LEUNG of REDA opined that the proposal might not necessarily be in the best interests of consumers because some developers might abuse the allowance and the internal floor areas of flats might as a result

turn out to be smaller than listed in general. Mrs CHAN WONG Shui of CC also pointed out that CC considered the variation limit of even 5% too much a concession for the purchaser to accept and had great hesitation about the imposition of such an overall allowable variation. She further stated that the provision in sales brochures of the minimum dimensions of certain important parts, such as bedrooms, of the uncompleted units might be a better option.

The introduction of a “cooling-off period”

16. Highlighting HKIE’s suggestion to introduce a two-week “cooling-off period” and its reference to overseas experience, Ir Dr Raymond HO enquired whether overseas experience could also shed some light on possible abuse of such a period to cancel a contract of sale and purchase in search of lower prices. In response, Ir Dr CHOI Yu-leuk of HKIE clarified that as shown by overseas experience, the focus had been placed on the philosophy behind the cooling-off period rather than on specific incidents. In this regard, he drew members’ attention to two important points. Firstly, the decision to purchase a property was the most important investment decision in life to most people. However, in most cases the purchaser was only given very little time and information to make the decision. Secondly, in recognition that people could make impulsive decisions which they regretted later, Government should, in the overall interests of society, ensure that its people would not do anything harmful to themselves on impulse.

17. Mr Edward HO however opined that there was no need to enact provisions to protect people who made impulsive decisions to do things he should not have done. Ir Dr Raymond HO was also concerned that the proposed cooling-off period might have adverse implications on the compliance of contracts.

18. At Ir Dr Raymond HO’s invitation to comment on the proposed cooling-off period, Mr Stewart LEUNG of REDA said that the proposal was unreasonable and cautioned that if cancellation of contracts of sale and purchase without penalty was allowed as proposed, the purchaser might abuse such a provision. If he succeeded in reselling his unit at a good price, he would honour his contract with the developer, otherwise he would irresponsibly cancel the contract. Mr Barry WILL of HKIA also highlighted the fact that in the past, properties had been used as vehicles for speculation by a large number of people. As such, care should be exercised to ensure that genuine purchasers and not speculators would be protected so as not to encourage speculation.

19. Mrs CHAN WONG Shui of CC however pointed out that where property developments under the Lands Department Consent Scheme were concerned, the purchaser was already allowed to cancel the agreement of sale and purchase within a three-day period with part of his deposit forfeited as penalty.

Changes in finishes and fittings

20. Mr Edward HO sought details from HKIA about the perceived difficulties in complying with the Bill’s proposed requirement of the Authorized Person to certify the substitute finishes and fittings to be of equivalent standard. In response, Mr LAM Wo-hei of HKIA explained that the requirement was difficult to comply with because no two

kinds of materials were the same. He however pointed out that changes in finishes and fittings were inevitable as materials might go out of stock during the long construction period which could span up to 20 months.

21. In this connection, the Chairman opined that a set of objective criteria should be made available to help determine whether the standard of the substitute material was equivalent to that of the original material. Mr Edward HO also referred to clause 32(2) of Schedule 1 to the Bill, which provided that “a sales brochure shall contain a notice that substitute materials may be used provided that the authorized person certified them to be of equivalent standard to those specified in the sales brochure”, and said that if the Authorized Person’s decision would be final and not subject to the consumer’s agreement, the above arrangement might help to minimize disputes between the developer and the purchaser. Mrs CHAN WONG Shui of CC agreed that as the purchaser was not equipped with the knowledge to assess the quality of alternative finishes and fittings, the Authorized Person’s advice was important. Mr LAM Wo-hei of HKIA however pointed out that even with the benefit of a set of objective criteria, and that the relevant decision would be final, it would still be undesirable for Authorized Persons to get involved in commercial disputes between the developer and the purchaser for fear that some developers might try to switch to cheaper materials under the guise of shortage of supply in an attempt to save costs.

22. Mr Edward HO expressed reservation about HKIA’s proposal to set up a mechanism for channeling of information on changes in finishes and fittings to consumers to enable them to decide whether the changes were acceptable or not. In his view, the proposed arrangement could only lead to unnecessary litigation because nothing could be done even though the consumer might find the changes unacceptable. In response, Mr LAM Wo-hei of HKIA pointed out that since the purpose was to ensure that the developer would not deceive the purchaser, a mechanism similar to that for notifying changes in the location plan or the town plan would suffice. Mrs CHAN WONG Shui of CC also pointed out that the problem of consumers not accepting the changes in fittings could be settled by compensation.

Subsequent changes to the disposition plan and the location plan

- Concerns and problems in this regard

23. Mr CHAN Kam-lam referred to REDA’s suggestion to display the disposition plan in the sales office instead of including its contents in the sales brochure as proposed by the Bill, and enquired about details of the difficulties quoted by REDA in implementing the latter. In response, Mr Stewart LEUNG of REDA clarified that REDA did not object to the latter. While developers would endeavour to include the most up-to-date information at the time when sales brochures were prepared, they would only be able to provide information within their spheres of control and /or of a public nature. Therefore, they should not be liable to prosecution, litigation or cancellation of purchase due to unintended misrepresentation of some required facts, the changes of which were beyond their control. Moreover, as the scope of the term “Government, Institutional and Community (GIC) use” in town plans was wide and subject to changes, the developer could only state that a plot of land had been designated for GIC use and might not be able

to provide further details.

24. Mr Stanley WONG of HKIREA shared Mr Stewart LEUNG's views and supplemented that most land uses in the OZP could be divided into two types, namely, "column two use" which required applications to the Town Planning Board (TPB) for implementation and "column one use" which did not. Members noted that where column two uses were concerned, developers had difficulties in keeping track of applications to implement such uses, because the relevant OZP would not be revised accordingly to reflect bad neighbour uses, e.g. the commercial usage of land as a funeral parlour. However, if a purchaser brought a civil case against a developer for failure to alert him of such uses, the developer would be disadvantaged because since the matter had been discussed at Town Planning Board meetings, details of such uses could arguably be regarded as published information and should be made known to the developer. In consideration of the above, Mr WONG opined that the developer's legal responsibility in relation to the disposition plan should be confined to the details as published in the relevant OZP only.

25. In this regard, the Chairman confirmed that according to section 16 of the existing Town Planning Ordinance, there was no need to notify one's neighbour when making planning applications. Pointing out that such an arrangement might give rise to difficulties in providing updated land use information under the Bill, he invited the deputations' comments on the proposal of making planning applications public to ensure accessibility of information, the subject of which was raised during deliberations of the aborted Town Planning Bill.

26. In response, Mr LAM Wo-hei of HKIA and Mr Stanley WONG of HKIREA said that the above proposal should be considered in the context of the Town Planning Bill when it was resubmitted for scrutiny. As to the Bill currently under scrutiny, Mr LAM further pointed out that the details required to be included in both the location plan and the disposition plan were excessive. Moreover, it would be difficult for the developer of a phased development to guarantee the materialization of facilities to be provided in subsequent phases and as such his legal responsibility for information provided should be confined only to that on the development area under implementation. His points were shared by Mr Edward HO.

- Possible solutions

27. Mr CHAN Kam-lam opined that the above highlighted problems should be addressed so that the legal responsibilities for information provided by the developer would be properly defined. As such, the Bill might need to be revised to protect developers from unnecessary litigation.

28. As a possible solution to the above highlighted problems, Mr LIU King-tong of HKIREA proposed the setting of a cut-off date for gathering land use information to be included in the sales brochure. Mr John HUI of HKIREA echoed his views. In this regard, Mr Stewart LEUNG of REDA confirmed that REDA had already agreed on the setting of such a cut-off date with the Housing Bureau.

29. Referring to HKIREA's suggestion of incorporating in the Bill provisions for making subsequent amendments to the development scheme, Mr NG Leung-sing opined that to prevent possible confusion during the time gap between lodging and approval of applications for such amendments, it might be better to state the time when land use information was provided and its source to facilitate verification. Mr John HUI of HKIREA however stressed that for phased developments that might span many years and hence subject to changes, the Bill should provide a mechanism for the developer to exercise flexibility to introduce changes to later phases where necessary.

30. Mr Edward HO also opined that to address concerns about subsequent changes to the location plan, the Administration should clearly specify the scope of clause 4(2)(c) of Schedule 1 to the Bill which was far from clear.

The sample property

31. Mr NG Leung-sing enquired about ways to handle cases of the sample property not presented in perspective of the actual surrounding environment in which the completed property would be located, and opined that the views of the surrounding environment from different levels of the development should be provided. In response, Mr John HUI of HKIREA said that if the consumer could be warned that the sample property only presented the view from a certain floor, and that the minimum dimensions of certain parts of a unit at a certain floor would be given, sufficient protection would have been accorded to consumers.

32. Mr CHAN Wing-kai of CC stated that to tackle the above quoted cases, CC had suggested that if the sample property was not provided on the site location and amidst the surrounding environment, developers should be required to provide at the same venue a miniature model of the development or display conspicuously the layout plan or photos showing the physical setting for public information.

33. The Chairman, on the other hand, said that the developer might have difficulties in presenting the actual surrounding environment in the sample property, and suggested that instead of just looking at the sample property and any models or layout plans, consumers should go to the site location to have a look at the surrounding environment themselves. His points were shared by Mr CHAN Wing-kai of CC.

34. Mr Stewart LEUNG of REDA echoed the Chairman's points and said that the photos of the surrounding environment displayed in the sample property were essentially sales gimmicks for decoration purposes only. He further pointed out that nowadays most property purchasers would conduct a thorough research on their interested properties before they made the purchase decision. This was especially so as purchasers no longer had to make a hasty decision in a sluggish property market.

Division of provisions among the three parts in Schedule 1 to the Bill

35. The Chairman highlighted the different legal status of the information required under different parts of Schedule 1 to the Bill and expressed concern that many items of information required under Part I, for which the developer would not be held directly

responsible, were of significant concern and relevance to a purchase decision. Mr CHAN Wing-kai and Ms Wendy CHAN of CC shared his views and said that CC had proposed that information required under Part I should also be deemed as representation of fact and had recommended the extension of clause 6(1) to it so that better protection to purchasers in relation to the accuracy of information could be provided.

36. Mr Stewart LEUNG of REDA however stressed that some items of information required under Part I were beyond the developer's control, and the developer simply could not provide or ensure their accuracy.

37. The Chairman thanked the deputations for attending the meeting and welcomed them to submit further views to the Subcommittee in writing.

Meeting with the Administration
(LC Paper No. CB(1)1571/99-00(06))

38. In reply to the Chairman, the Acting Principal Assistant Secretary for Housing said that a written response to the above views expressed by the deputations would be ready in two to three weeks' time. In consideration that a report on the deliberations of the Subcommittee should be submitted to the Housing Panel before the end of the current legislative session, members agreed that an additional meeting should be held in mid June 2000 to examine the said response.

Admin

(Post-meeting note: The said meeting was subsequently held on 13 June 2000 at 4:30 p.m.)

II Any other business

39. There being no other business, the meeting ended at 10:30 a.m.

Legislative Council Secretariat
24 October 2000