

**Legislative Council Panel on Housing
Subcommittee to study the Sales Descriptions
of Uncompleted Residential Properties White Bill
Administration's response to Members' concerns
raised on 7 April 2000**

I. Disclosure of "Internal Floor Area"/ "net usable area" in sales brochures

Section 7 of Schedule 1 of the White Bill provides that all sales brochures should list the "gross floor area" and "saleable area" of each type of property put up for sale. Section 6 of Schedule 1 also provides that sales brochures of uncompleted residential properties should contain the plans of all floors. The floor plans should be drawn to scale, show external dimensions, internal partitions and thickness of the load bearing walls of each type of residential properties situated on the top, median and lowest floors.

2. According to the Code of Measuring Practice published by the Hong Kong Institute of Surveyors, "internal floor area" refers to the area contained within the external walls of a property but **include** all internal partitions and columns within the property. The Administration carefully considered the views of various professional bodies, the Consumer Council and the Law Reform Commission on whether the disclosure of "internal floor area" in sales brochures should be made mandatory. Various professional bodies have highlighted the technical difficulties involved in providing accurate measurement of the internal floor area of residential units before completion. For example, the types of finishes used and workmanship will inevitably affect the thickness of the walls and hence the "internal floor area".

3. As regards the "net usable area" after **excluding** all external walls and internal partitions, the Administration understands that the technical problems involved in providing accurate measurements for this will be even more complicated than providing "internal floor area". Having considered the views of the various parties concerned, the Administration's view is that the requirements in the Bill with regard to floor plans, thickness of the load-bearing walls of the top, median and

lowest floors, together with the need to disclose the “gross floor area” and “saleable area” should provide sufficient information for flat purchasers without creating unnecessary confusion and disputes. While the Bill aims to enhance consumer protection, the provisions included must be practicable and enforceable in order to be effective. The Housing Bureau is however open to the further views of the public and the media on this important issue.

II. Common areas to be included into the calculation of “Gross Floor Area”

4. Schedule 2 of the Bill provides that the gross floor area of a residential property should be an apportioned share of the total domestic gross floor area of the development calculated in accordance with regulation 23(3)(a) of the Building (Planning) Regulations as approved by the Building Authority. The gross floor area of the property is proportionate to the share of the saleable area of all residential properties in the development.

5. Section 7 of Schedule 1 provides that where the gross floor area include items such as passages, management office, indoor social or recreational areas etc., such areas should be clearly stated in sales brochures.

III. Disclosure of information relating to water pipes or fuse box within the unit

6. Section 6 of Schedule 1 of the White Bill provides that the floor plans contained in sales brochures should show any exposed pipes inside the property. Section 32 of Schedule 1 provides that sales brochures should also contain descriptions of interior fittings of the residential properties including electrical installations. As regards electrical installations, it is provided under item 3(g) of the Table under Section 32 that sales brochures should include information on electrical fittings including any safety devices, whether the wiring is concealed and location of electric sockets etc.

IV. Subsequent changes to the disposition plan

7. Section 5 of Schedule 1 of the Bill proposes that sales brochures should contain a disposition plan showing the location and layout of the buildings and structures of substantial dimensions and open areas in the development.

8. Purchasers who suffer losses as a result of subsequent changes to the disposition plan may take civil actions to seek legal remedies. The provisions relating to the disposition plan under the Bill does not affect the right of or the remedy available to a purchaser in respect of the sale and purchase of uncompleted residential properties.

V. Future developments in open areas within and adjacent to the development and future communal facilities shown on a location plan

9. Section 4 of Schedule 1 of the Bill provides that sales brochures should contain a location plan showing the development and its adjacent areas. The location plan should show major communal facilities or proposed communal facilities, known to the developers, in the area covered by the plan. Major communal facilities include stations for public transport, refuse collection points etc. The location plan should show the land use or intended land use, as specified in the town plan, of any land within 0.5 km from the boundary of the lot upon which the development is constructed.

10. Section 26 of Schedule 1 also provides that sales brochures should identify any area in the development where the developer is entitled to construct or erect any building or structure of substantial dimension in any open area or on the roof, podium etc. of any building in the development. Sales brochures should contain information on any building or structure of substantial dimension intended to be constructed or erected in any open area or on the roof, podium etc. of any building in the development known to the developer.

11. Section 3 of Schedule 1 of the Bill provides that sales brochures should contain the reference numbers of the latest town plan at the date of printing of the sales brochures. Section 23 of Schedule 1 provides that sales brochures should also contain a note stating that copies of the town plans will be available for inspection at the sales office.

12. The Administration considers that it would be unreasonable to hold developers responsible for changes to town plans, such as the outline zoning plan, made after the printing of the sales brochures. Purchasers can refer to subsequent versions of the outline zoning plan for any changes in land use in the adjacent areas. The Bill does not contain specific provisions in respect of information concerning future major communal facilities in the vicinity. We would welcome Members' views on this issue.

Government Secretariat
Housing Bureau
28 April 2000