

## **Legislative Council Panel on Housing**

### **Transparency of Private Sales of Local Uncompleted Residential Units**

#### **Introduction**

There have recently been concerns over the transparency of private sales of local uncompleted residential units and the accuracy of sales figures released to the public.

2. Since 2001, the Real Estate Developers Association of Hong Kong (REDA) has established a self-regulatory regime under which its members are required to comply with guidelines issued by REDA. In response to public concerns relating to private sales, the Administration has urged REDA to review its guidelines. The Administration expects that any new measures proposed under REDA's review should adequately protect the interests of prospective purchasers participating in private sales, and at the same time will not fetter market operations. REDA has completed its review and published a set of refined guidelines which have taken effect since 24 June 2005.

#### **Three-Pronged Approach**

3. The Administration adopts a three-pronged approach to ensure that the interests of prospective purchasers participating in private sales can be adequately protected. In addition to urging REDA to refine its guidelines, we have invited the Consumer Council to step up its efforts in promoting consumer education. We believe that with a better understanding of their rights and obligations and salient points to note in property purchases, prospective purchasers will be more meticulous when deciding if they are to enter into any property transactions.

4. Separately, most prospective purchasers participate in private sales with the assistance of estate agents. We have secured the agreement of the Estate Agents Authority to issue updated circulars, reminding estate agents to provide accurate information to prospective purchasers and to disclose to their clients their relationship with developers. The Authority will also step up its surveillance efforts to ensure proper order at sales offices. The Authority will consider tightening licensing requirements for estate agents with a view to enhancing their professional standards.

5. Together with representatives of the Consumer Council and the Estate Agents Authority, the Administration will brief members on the above measures.

Housing, Planning and Lands Bureau  
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