

## Legislative Council Panel on Housing

### Disclosure of Saleable Area in Sales Descriptions for Residential Properties

#### Purpose

The Government, in conjunction with relevant parties, is examining ways to enhance the presentation of floor area (including saleable area) information in sales descriptions, including sales brochures and price lists, for first-hand residential properties. This paper briefs Members on the measures under consideration and their respective development.

#### Background

2. At the meeting of the Panel on Housing on 17 July 2007, we reported to Members on the various measures to enhance the transparency of floor area information in sales descriptions for first-hand residential properties and their respective development. These measures include:

- (a) the Real Estate Developers Association of Hong Kong (REDA) to include in its guidelines measures to improve the presentation of saleable area in sales brochures and price lists;
- (b) the Consumer Council (CC) and Estate Agents Authority (EAA) to update the “Notes to Purchasers of First-hand Residential Properties” (the Note) to remind prospective purchasers to pay attention to the floor area information of the properties they intend to purchase, and to include in the Note the hotlines and fax numbers of relevant parties and government departments to facilitate the lodging of complaints or comments;
- (c) the EAA to maintain surveillance efforts and take enforcement actions against the professional misconduct of estate agents to ensure that the latter provide prospective purchasers with accurate floor area information; and
- (d) the Hong Kong Institute of Surveyors (HKIS) to continue its review on the Code of Measuring Practice (the Code) and consult with the CC, REDA, relevant government departments and its own members.

## **Development of Various Measures**

3. The first three measures mentioned above have already been implemented. The HKIS has also recently completed its review and consultations on the Code and announced the result in early February 2008. It is of the view that it would not be necessary to amend the Code at this stage, but issued a supplement entitled 'Supplement to the Code of Measuring Practice' (at Annex) to provide supplementary clarification to the Code. The Supplement spells out that saleable area shall not include ancillary accommodation items, and sets out the way of measuring the areas of different items of ancillary accommodation.

4. The Government is now studying the HKIS' review result and its possible implications. The Lands Department (Lands D) has also commenced a study to ascertain whether it is necessary to review or amend the relevant provisions of its Consent Scheme. We will discuss with relevant parties if the results of our studies indicate a need to change the current arrangements.

5. Estate agents play an important part in enhancing prospective purchasers' understanding and awareness of floor area information. In view of the public's concern over the disclosure of floor area information of first-hand residential properties, we have requested the EAA to strengthen its monitoring work by increasing the frequency of visits to property sales sites to ensure that estate agents provide accurate floor area information to prospective purchasers in compliance with its practice circulars. The EAA will also step up enforcement actions against the professional misconduct and malpractices of estate agents, including taking disciplinary actions against estate agents who have made misrepresentations of property size.

## **Way Forward**

6. We attach great importance to the provision of clear and comprehensive floor area information in sales descriptions for first-hand residential properties. We also appreciate that prospective purchasers need to have a clear understanding of relevant property information when purchasing properties. In this regard, the Government will continue to explore, in conjunction with relevant parties, feasible measures to further enhance information transparency.

**Transport and Housing Bureau**

**February 2008**

## **Supplement to the Code of Measuring Practice**

### Preamble

This supplement is entitled “Supplement to the Code of Measuring Practice” (“this Supplement”). This Supplement should be read in conjunction with the Code of Measuring Practice published by The Hong Kong Institute of Surveyors in March 1999 (“the Code”) and shall form part of the Code.

### Saleable Area

Saleable Area shall not include the items specified under Ancillary Accommodation. These items shall be separately measured and stated.

### Ancillary Accommodation

Unless otherwise specified by members in their reports, the following items of Ancillary Accommodation shall be measured as follows and stated separately under Ancillary Accommodation:

**Cockloft:** the area of a cockloft shall be measured from the interior of the enclosing walls and shall include the internal partitions and columns within such cockloft.

**Bay Window:** the area of a bay window shall be measured from the exterior of the enclosing walls or glass windows of such bay window and from the point where the bay window meets the wall dropping to the floor level of a unit excluding the thickness of such wall.

**Carparking Space:** the area of a carparking space shall be measured from the interior of its demarcating lines or enclosing walls, as the case may be.

**Yard, terrace, garden, flat roof and roof:** the area of such items shall be measured from the interior of their boundary lines, and where boundary consists of a wall, then it shall be measured from the interior of such wall.

### Superseding

If a new Supplement is issued, this Supplement would be superseded by such a new Supplement automatically.

### Clarification

If members of The Hong Kong Institute of Surveyors have any doubt on the interpretation of the Code and this Supplement, they should seek clarification from the President of the Institute in writing.

Issued on 5 February 2008

The Hong Kong Institute of Surveyors