

# 1 Check Before You Buy A First-hand Residential Property



Sales of First-hand Residential Properties Authority  
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Purchasing a property is an important lifetime decision for most people. The Sales of First-hand Residential Properties Authority would like to remind you to think clearly and pay attention to the following points before purchasing a first-hand residential property.



## #1 Read the Sales Documents Carefully

### Sales Brochures

Vendors must prepare and make available the sales brochures for collection by the public free of charge during a period of at least seven days immediately before the commencement of sale and on every day of sale. Concurrently, vendors must also make available the sales brochure on its designated website and the Sales of First-hand Residential Properties Electronic Platform ("SRPE"). The sales brochure must be updated once every three months.

### Price Lists

Vendors must prepare and make available the price lists for collection by the public free of charge during a period of at least three days immediately before the commencement of sale and on every day of sale. Concurrently, vendors must also make available the price list on its designated website and the SRPE.

Terms of payment as well as any discount on the price, any gift, financial advantage or benefit in connection with the purchase of a residential property must also be set out in the price list.

If a vendor wishes to make changes to the price of a residential property which has already been set out in a price list, the

price must be revised on that relevant price list. The residential property concerned should only be sold at the revised price three days after the issue of the revised price list.

### Sales Arrangements

Vendors must make available for collection, and on its designated website for inspection, by the public at least three days immediately before the commencement of sale and on every day of sale the following information on sales arrangements -

- the date, time and the place for the sales of the residential properties;
- which residential properties will be offered to be sold; and
- the method to be used to determine the order of priority among prospective purchasers for the selection of residential properties.

### Registers of Transactions

On each day of sale, the vendor must keep a register of transactions of the development at the sales office as well as on its designated website and the SRPE.

The vendor must disclose in the register of transactions information on a preliminary agreement for sale and purchase ("PASP") within 24 hours after the PASP is signed, and disclose information on an agreement for sale and purchase ("ASP") within one working day after the ASP is signed.



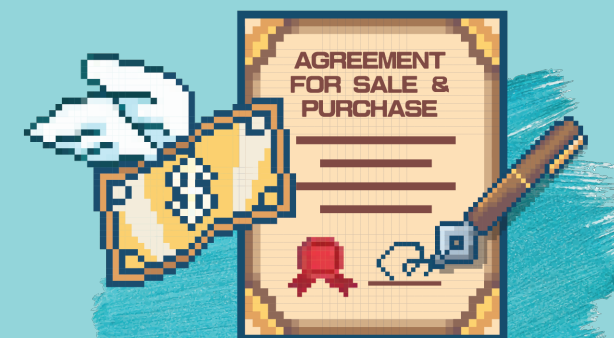
## #2 Examine Mortgage Terms and Total Expenses and Assess Affordability

Before purchasing first-hand residential properties, prospective purchasers should calculate carefully the total expenses involved, including solicitors' fees, mortgage charges, insurance fees and stamp duties.

Prospective purchasers should study carefully the details of the payment plans and mortgage loan plans as well as various disclaimers as set out in the price list (pay attention to whether there are any conditions attached to the discounts offered by developers, whether there is a time limit for such offers and details of various payment plans, etc.). Prospective purchasers should also enquire with the developers or financing companies directly about the terms and conditions of the mortgage loan plans, approval conditions, application procedures, etc.

Prospective purchasers should always be cautious about verbal promises. Always ask for written confirmation.

Prospective purchasers must assess their affordability carefully and ascertain whether a mortgage loan plan that is commensurate with their repayment ability will be approved.



## #3 Pay Attention to Provisions in Agreements and Time Limit for Signing

### Provisions in Agreements

Mandatory provisions as required by the Residential Properties (First-hand Sales) Ordinance (the Ordinance) (Cap.621) must be incorporated into the PASP and the ASP. These provisions set out clearly the rights and obligations of vendors and purchasers. If there is inconsistency between the mandatory provisions and other provisions in an agreement, the mandatory provisions shall prevail over any non-mandatory ones.

Before signing any agreement, prospective purchasers should read the agreement carefully and seek legal advice if necessary.

### Forfeiture of Preliminary Deposit

If a purchaser does not proceed to sign an ASP within 5 working days after the signing of a PASP:

- the PASP is terminated;
- the preliminary deposit, which amounts to 5% of the purchase price, will be forfeited; and
- the vendor does not have any further claim against the purchaser.



## #4 Viewing of Show Flats and Property in Completed Development

### Show Flats for Uncompleted Developments

- The provision of show flats by vendors is not mandatory. But if show flats are provided, the show flats should be constructed according to the requirements in the Ordinance.
- Vendors can provide a "modified show flat" only if an "unmodified show flat" is provided for the same property.
- Vendors should neither restrict the visitors to show flats from taking measurements, photographs and videos of "unmodified show flats" nor restrict them from taking measurements of "modified show flats".

### Viewing of Property in Completed Developments

Before the signing of the PASP, the vendor should arrange the prospective purchaser to view the particular property that he/she wishes to purchase. If it is not reasonably practicable to arrange viewing of that particular property, the vendor should arrange the prospective purchaser to view a comparable property.



## #5 Don't Overlook Other Details

### Saleable Areas Only

The Ordinance stipulates that saleable areas will be the only basis that the vendor can use to quote property size and property price per square foot/per square metre. Saleable area, in relation to a residential property, means the floor area of the residential property including the floor area of a balcony, a utility platform and a verandah, but excluding the area of an air-conditioning plant room, a bay window, a cockloft, a flat roof, a garden, a parking space, a roof, a stairhood, a terrace and a yard.

### Appointment of Estate Agents

If the vendor has appointed estate agent(s) to assist in the sale of any specified residential property in the development, the price list of which shall set out the name(s) of the estate agent(s). The price list shall also state that the purchaser may appoint any estate agent to assist in the purchase of any specified residential property in the development and that the purchaser does not necessarily have to appoint any estate agent.

### Sales of First-hand Residential Properties Electronic Platform ([www.srpe.gov.hk](http://www.srpe.gov.hk))

The public may view the sales brochures, price lists and registers of transactions of first-hand residential properties that are subject to the regulation of the Ordinance on the SRPE.