

The Sales of First-hand Residential Properties Authority advises prospective purchasers to study the mortgage loan plans set out in the price list and to read the register of transactions and the “consumption table” in the sales office before purchasing first-hand residential properties

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The Sales of First-hand Residential Properties Authority (“SRPA”) reminds prospective purchasers to take note of the following before purchasing first-hand residential properties:

(I) Study the Mortgage Loan Plans set out in the Price List

According to the Residential Properties (First-hand Sales) Ordinance (“the Ordinance”), vendors are required to set out in a price list for a development the terms of payment, any gift, or any financial advantage or benefit, to be made available in connection with the purchase of a specified residential property in the development.

If prospective purchasers would like to select from various mortgage loan plans offered by financial institutions specified by the vendor, before entering into a preliminary agreement for sale and purchase (“PASP”), they must study the details of various mortgage loan plans as set out in the price list concerned and pay attention to the following:

- requirements for mortgagors on minimum income level;
- the loan limit under the first mortgage and second mortgage;
- the maximum loan repayment period and the change of mortgage interest rate throughout the entire repayment period; and
- the payment of administrative fees.

Prospective purchasers should first check with the financial institutions concerned to find out if the needed mortgage loan can be obtained. They should then select the appropriate payment method and calculate the mortgage loan amount prudently to ensure it is within their repayment ability throughout the whole repayment period (which may span as long as 30 years).

If prospective purchasers have any questions about these mortgage loan plans, they should check with the financial institutions concerned direct before entering into a PASP.

(II) Check the Register of Transactions before Buying a Flat

A vendor must, within 24 hours after entering into a PASP with a purchaser and within 1 working day after entering into an agreement for sale and purchase with a purchaser, enter the transaction information in the register of transactions for the development. Before purchasing a property, a prospective purchaser should check the register of transactions for the concerned

development to know more comprehensively and promptly the sales condition of the development throughout the whole sales period.

Prospective purchasers should not take the number of registrations of intent or cashier orders a vendor has received for the purpose of registration as an indicator of the sales volume of a development. The register of transactions for a development is the most reliable source of information from which members of the public can grasp the daily sales condition of the development.

(III) Pay Attention to the “Consumption Table” in the Sales Office to know the Updated Sales Condition

The SRPA has already advised vendors in 2015 to display in a sales office a “consumption table” containing information on the progress of sale on a date of sale, including :

- which residential properties are offered for sale at the beginning of that date of sale; and
- which of them have been selected and sold during that date of sale.

Prospective purchasers at the sales office can find out from the “consumption table” which residential properties are still available for selection.

The SRPA reminds prospective purchasers that flat buying is not a light issue. It involves huge investment and may also need mortgage arrangements. When purchasing first-hand residential properties, prospective purchasers should first assess their affordability and deliberate in advance if the properties within their budget are sold out, whether they are able to afford other properties which cost more. Prospective purchasers should stay calm; should not be affected by the tense and hectic atmosphere in a sales office and should not believe in rumours about the sales condition of a development. Prospective purchases should not enter into a PASP on impulse before ascertaining from banks or financial institutions the amount of approved mortgage loans they can obtain.

Sales of First-hand Residential Properties Authority
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