

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)049

Question Serial No.

1598

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding "the regulation of the sale of first-hand residential properties in accordance with the Residential Properties (First-hand Sales) Ordinance", will the Administration inform this Committee:

1. of the expenditure required for the relevant work; and
2. whether there are specific indicators for performance evaluation? If yes, what are the details? If no, why?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

1. The estimated recurrent expenditure in 2013-14 for the Sales of First-hand Residential Properties Authority (SRPA), which is set up to implement the Residential Properties (First-hand Sales) Ordinance (RPO), is \$40.78 million. The expenditure comprises staff costs, expenses of all aspects of work in relation to the implementation of the RPO, and the day-to-day office operation of the SRPA. Part of the expenditure arising from the operation of the SRPA will be offset by the savings arising from the phasing out of the existing Special Duties Unit (SDU), which was set up in December 2011 to help work out the legislative framework to regulate the sales of first-hand residential properties and set up the SRPA after the enactment of the RPO. The SDU will cease to exist shortly after the coming into operation of the SRPA. The shortfall of \$21.2 million required by the SPRA in 2013-14 after utilizing the savings arising from the phasing out of the SDU is met by an increase of \$21.2 million in the estimated provision for 2013-14 under Programme (2) as compared to the revised estimate for 2012-13.

The functions of the SRPA include issuing guidelines on the RPO, carrying out compliance checks on the sales brochures, price lists, sales arrangement announcements, register of transactions, vendors' websites and advertisements of first-hand residential properties, carrying out inspections on show flats, first-hand completed residential properties and sales offices, handling complaints and public enquiries, conducting investigations on cases which may be in contravention of the requirements of the RPO, launching public education programmes, and establishing an electronic database for public access to the sales brochures, price lists and register of transactions of individual first-hand residential developments.

2. The RPO seeks to enhance the transparency and fairness of the sales of first-hand residential properties and consumer protection. We expect that the work of the SRPA will have the following effects, namely that vendors of first-hand residential properties will dutifully and conscientiously comply with the requirements of the RPO, and that purchasers of first-hand residential properties will be fully

aware of the protection they may enjoy under the RPO. It is however not easy to set quantifiable and meaningful performance indicators to evaluate the effectiveness of the work of the SRPA in achieving these objectives.

Name in block letters: D.W. PESCOD

Post Title: Permanent Secretary for Transport
and Housing (Housing)

Date: 8.4.2013