

CONTROLLING OFFICER'S REPLY**THB(H)018****(Question Serial No. 2034)**Head: (62) Housing DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Private HousingControlling Officer: Permanent Secretary for Transport and Housing (Housing)
(Stanley YING)Director of Bureau: Secretary for Transport and HousingQuestion:

Regarding the work of “implementing the Residential Properties (First-hand Sales) Ordinance (Cap. 621) to regulate the sale of first-hand residential properties” as mentioned in the Brief Description of the Estimates of Expenditure, please inform this Committee of the number of complaints received by the Sales of First-hand Residential Properties Authority since the commencement of the Ordinance with a breakdown by nature of the complaints and provide the outcome of these complaints after investigation. Also, since the implementation of the Ordinance, what has the Government done to assess its regulatory effectiveness? Will the Government make any changes to the staff establishment this year in light of the assessment results and what is the estimated expenditure to be incurred?

Asked by: Hon LUK Chung-hung (Member Question No. 3)Reply:

Since the full implementation of the Residential Properties (First-hand Sales) Ordinance (the Ordinance) (Cap.621) from 29 April 2013 and up to the end of 2016, the Sales of First-hand Residential Properties Authority (SRPA) received 229 complaints.

A breakdown of the complaints by year and categories is as follows:

	Categories of complaints	2013 (since 29 April 2013)	2014	2015	2016	Accumulative Total
(a)	Sales brochure	4	10	12	9	35
(b)	Price list	1	1	0	4	6
(c)	Sales arrangements	14	10	6	6	36
(d)	Show flats	0	0	0	2	2
(e)	Viewing of completed residential properties	0	5	1	0	6

	Categories of complaints	2013 (since 29 April 2013)	2014	2015	2016	Accumulative Total
(f)	Preliminary agreement for sale and purchase and/or agreement for sale and purchase	1	0	1	0	2
(g)	Register of transactions	1	1	0	1	3
(h)	Advertisements	2	6	15	27	50
(i)	Websites	1	0	0	0	1
(j)	Misrepresentation and/or dissemination of false or misleading information	6	15	9	10	40
(k)	Others	5	24	8	11	48
	Total	35	72	52	70	229

Among the 229 complaints aforementioned, 181 are related to the Ordinance, while the remaining 48 are not. Amongst those 181 complaints relating to the Ordinance, the offender of 1 case was prosecuted and convicted. 144 complaints are not substantiated. The SRPA is still following up on the remaining 36 complaints. Apart from conducting investigation on complaints and media enquiries received, the SRPA would initiate compliance checks on related sales documents. If there are any suspected contraventions of the Ordinance, the SRPA would carry out investigations. Since the implementation of the Ordinance, 3 cases, including 1 complaint case mentioned above and 2 self-initiated investigation cases, have been prosecuted and convicted for contraventions of the Ordinance.

Since the implementation of the Ordinance and up to end 2016, the SRPA has examined the related sales documents of 290 developments. In general, the trade has strictly complied with the requirements of the Ordinance. For example, the area and price per square foot and per square metre of a first-hand residential property are presented only in terms of saleable area; vendors have made available sales brochures for a period of at least 7 days immediately before the date of sale, price lists and sales arrangements for a period of at least 3 days immediately before the date of sale, and have waited for 3 days before offering to sell those first-hand residential properties if there are amendments made to the price lists and the sales arrangements of those residential properties. In addition, purchasers can make use of the Sales of First-hand Residential Properties Electronic Platform and the website designated by the vendor at any time to inspect various sales documents and the register of transactions for a development to get to know the sales situation of the development.

This reflects that the Ordinance has been effective in enhancing the transparency and fairness of the sales of first-hand residential properties, facilitating prospective purchasers to

get hold of sufficient sales information in making an informed decision and strengthening consumer protection.

In 2016-17, the SRPA has an establishment of 42 for implementing the Ordinance. There will be no change in the establishment of the SRPA in 2017-18.

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