

CONTROLLING OFFICER'S REPLY

THB(H)066

(Question Serial No. 4285)

Head: (62) Housing Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Private Housing

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

Director of Bureau: Secretary for Transport and Housing

Question:

Under this Programme, it is stated that the Government will implement the Residential Properties (First-hand Sales) Ordinance to regulate the sale of first-hand residential properties. Will the Government advise this Committee on the following:

- (1) the number of complaints related to the sales practices of private residential properties received by the Sales of First-hand Residential Properties Authority (SRPA) of the Housing Department in the past year, and among these complaints, the number of cases investigated and the number of cases with final advice given to the Department of Justice (DoJ) for prosecution;
- (2) the number of self-initiated investigations undertaken by the SRPA in the past year, and in respect of these investigations, the number of cases with final advice given to the DoJ for prosecution;
- (3) the operational expenses, staff establishment and estimated expenditure on personal emoluments of the SRPA in the coming year;
- (4) whether the SRPA has set any quantifiable performance indicators for its work in 2015-16; if yes, the details; if no, the reasons?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 92)

Reply:

The Sales of First-hand Residential Properties Authority ("SRPA") came into full operation on 29 April 2013. The functions of the SRPA include implementing the Residential Properties (First-hand Sales) Ordinance (Cap. 621) ("the Ordinance"), educating the stakeholders and the public on matters relating to the provisions of the Ordinance, handling complaints and public enquiries, conducting investigations on cases suspected of

non-compliance with the Ordinance and maintaining the Sales of First-hand Residential Properties Electronic Platform.

The SRPA examines all the sales brochures (including the revised sales brochures), price lists, documents containing the sales arrangements, registers of transactions, and printed advertisements of first-hand residential properties in major newspapers. Besides, the SRPA inspects all of the sales offices and show flats of first-hand residential properties.

(1) and (2)

For the period from 29 April 2013 to 31 December 2013, the SRPA received 35 complaints. In 2014, the SRPA received 72 complaints.

For the period from 29 April 2013 to 31 December 2014, the SRPA examined about 700 sales brochures, about 1 700 price lists, about 1 000 documents containing the sales arrangements, about 5 500 printed advertisements, and about 2 300 registers of transactions. Yearly statistical figures are as follows:

	Number of examinations	
	29 April 2013 to 31 December 2013 (about 8 months)	2014
Sales brochures	200	500
Price lists	300	1 400
Documents containing the sales arrangements	200	800
Printed advertisements	1 600	3 900
Registers of transactions	600	1 700

For the period from 29 April 2013 to 31 December 2014, the SRPA conducted about 1 800 inspections on sales offices and show flats involving about 160 developments. Yearly statistical figures are as follows:

	Number of inspections	
	29 April 2013 to 31 December 2013 (about 8 months)	2014
Sales offices and show flats	700	1 100

The SRPA spared no effort in implementing the Ordinance and carrying out investigations on persons suspected of having contravened the Ordinance. The SRPA carried out investigations on suspected contraventions of the Ordinance detected during compliance checks/inspections and those arising from complaints or media enquiries. The SRPA looked into cases which were suspected of contravening the Ordinance seriously. It takes time to conduct investigations and collect evidence. The SRPA has been referring investigation reports on suspected contraventions to the Prosecutions Division of the Department of Justice for consideration. It is not the proper time to disclose the details at this stage.

- (3) The estimated total recurrent expenditure of the SRPA in 2015-16 is \$40.24 million (of which \$11.25 million is for estimated operational expenses and \$28.99 million is for estimated personal emoluments). The SRPA has an establishment of 32 staff.
- (4) In 2015-16, the SRPA will step up its efforts to conduct compliance checks/inspections, handle complaints, carry out investigations, educate the trade and the public, with a view to further enhancing the transparency and fairness in the sales of first-hand residential properties, strengthening consumer protection, and providing a level playing field for vendors of first-hand residential properties.

The SRPA has not set any quantifiable performance indicators on its work because there are practical difficulties in setting such indicators. The number of compliance checks/inspections to be conducted by the SRPA in a financial year depends mainly on the number of sales brochures, price lists, documents containing the sales arrangements and registers of transactions which are made available to the public by vendors of first-hand residential properties, the number of printed advertisements published, and the number of sales offices and show flats. The number of complaints and enquiries to be handled by the SRPA depends on the number of complaints and enquiries received during that period of time. The number of investigations to be carried out depends on the number of suspected contraventions of the Ordinance during that period of time. Educating stakeholders and the public on matters relating to the provisions of the Ordinance is part of the routine duties of the SRPA, and is carried out through various means.

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