## Residential Properties (First-hand Sales) Ordinance Practice Note on Sales Brochure

This Practice Note sets out the best practices recommended by the Sales of First-hand Residential Properties Authority (SRPA) (as shown in *italic* below), and repeats in full the requirements as stipulated in the Guidelines on Sales Brochure issued by SRPA under section 88 of the Residential Properties (First-hand Sales) Ordinance (the Ordinance).

The best practices are shown in *italic* so as to distinguish them from those parts belonging to the guidelines issued by the SRPA under the said provision of the Ordinance. The best practices are NOT part of the guidelines.

Non-compliance with the best practices per se will not be regarded as a contravention of the Ordinance or a commission of an offence under the Ordinance.

#### General

1. Sales brochures made available for the purpose of section 25 of the Ordinance must comply with the relevant requirements under the Ordinance.

#### Sales Brochure to be Made Available

2. Section 25 of the Ordinance stipulates the timing for the vendor to make available sales brochures for the purpose of the sale of a specified residential property to (i) the general public, (ii) the Authority (i.e. the SRPA), (iii) the public officer empowered to establish and maintain the database established under section 89(1) of the Ordinance (i.e. Sales of First-hand Residential Properties Electronic Platform (SRPE)), in the absence of such public officer, the Authority i.e. the SRPA, as well as (iv) on the website designated by vendors for the development (the designated website).

- 3. When counting the "7 days" as required under sections 25(1) and (3) of the Ordinance for making available the sales brochure -
  - (i) a date of sale is excluded from the counting of the "7 days"; and
  - (ii) all Saturdays, Sundays and Public Holidays are included in the counting of the "7 days".
- 4. The following example illustrates the timing of making available of the sales brochure to the general public, SRPA and SRPE:

## Example: A vendor wishes to offer to sell a property on 4 January

From	• Make available hard copies of the sales brochure for				
00:00 on 28 Dec	collection by the general public free of charge.				
to					
24:00 on 3 Jan	• Make available a copy of the sales brochure for				
	inspection on the designated website.				
By 23:59 on	• Insofar as the requirement under section 25(4)(a) of				
28 Dec	the Ordinance is concerned, provide two hard copies				
	of the sales brochure to the SRPA.				
	<ul> <li>The vendor is advised to inform the SRPA in writing at the same time —         <ul> <li>(i) the place/places where the public can obtain a hard copy of the sales brochure and the time when the hard copies and electronic copies are made available for collection and on the designated website respectively; and</li> <li>(ii) whether the development is a completed development or an uncompleted development as defined under section 4 of the Ordinance.</li> </ul> </li> </ul>				
	<ul> <li>Provide an electronic copy of the sales brochure for SRPE.</li> </ul>				

On 4 Jan and on each date of sale

- Make available hard copies of the sales brochure for collection by the general public free of charge at the sales office.
- Make available an electronic copy of the sales brochure for inspection on the designated website.

Note: The vendor may, if he wishes, make available the sales brochure earlier than 7 days immediately before the sale.

#### **Examination of Sales Brochure**

- 5. Section 17(1) of the Ordinance stipulates that the vendor may, for the purpose of making sales brochure available to general public in accordance with section 25 of the Ordinance, examine to ascertain whether or not the information set out in the sales brochure is accurate as at the date of the examination.
- 6. Section 22(1)(b) of the Ordinance stipulates that the sales brochure must state the date of each examination and the part of the sales brochure that has been revised to correct the inaccuracy (the "examination record"), if any. This "examination record" should either be set out in the sales brochure or on a supplementary sheet properly attached to the sales brochure. The examination record should be kept on a rolling basis, i.e. previous examination date(s) and related information should be retained. Whether or not a revision is made, the examination record should be updated on a rolling basis. This paragraph applies even if a vendor decides to print a revised sales brochure.

7. The following template is an example of how the examination record may be set out:

Examination/Revision	Revision Made				
Date	(If no revision is required, please state "no				
	revision made)				
	Page Revision Made				
	Number				

- 8. Section 25(9) of the Ordinance stipulates that a reference to the sales brochure for the development is a reference to the sales brochure for the development printed, or examined under section 17(1) of the Ordinance, within the <u>previous 3 months</u>.
- 9. The "previous 3-month period" is to be counted backwards from the day immediately before the day on which a specific version of a sales brochure is made available to the general public by the vendor. Vendors will have to plan ahead as to till when they intend to make available a specific version of a sales brochure.
- 10. Generally speaking, the earliest day of the 3-month period from the day on which a sales brochure is made available under section 25 of the Ordinance would be the "same day" of the third month counting from the month when the sales brochure is made available. example, for a sales brochure to be made available until (and including) such sales brochure 15 April, should printed/examined/revised on or after 15 January. An examined, or an examined and revised sales brochure, should be made available on 16 April the latest if the sale is to be continued on and after 16 April.

11. Vendors are however reminded to pay attention to the following examples where the calculation of the "previous 3-month period" is affected by months with only 28, 29 or 30 days:

(1)

(1)	(2)
The date on which a sales brochure is to be made available	The earliest date of the 3-month
brochure is to be made available	period on which a sales brochure is printed/examined/revised:
1 May	31 January
1 July	31 March
1 December	31 August
28 February	28 November
29 February	29 November
1 March	29 November (if there is NO 29 February in-between)
	30 November (if there is 29 February in-between)

- 12. After an examination of the sales brochure is carried out, whether or not a revision to the sales brochure has been made, on the first day on which the vendor makes a copy of the examined, or an examined and revised, sales brochure available to the public, two hard copies of the examined, or an examined and revised, sales brochure should be sent to the SRPA and an electronic copy should be provided to the SRPE according to sections 25(4) and (9) of the Ordinance. The vendor should also arrange to have an electronic copy of the examined, or an examined and revised, sales brochure made available for inspection on its designated website.
- 13. The following example illustrates the timing of making available the examined, or examined and revised, sales brochure to the general public, SRPA and SRPE:

20 Dec	• The date of printing of the first edition of the sales brochure.
21 March	<ul> <li>A sales brochure examined, or examined and revised, within the previous three months should be made available if the residential properties of the development will continue to be offered for sale on and after 21 March.</li> <li>Make available a copy of the revised sales brochure on the designated website.</li> </ul>
	the designated website.  (Please also refer to paragraph 9 above on the counting of the "3-month period".)
By 23:59 on 21 March the latest	<ul> <li>Insofar as the requirement under section 25(4)(a) of the Ordinance is concerned, provide two hard copies of the examined, or examined and revised, sales brochure to the SRPA.</li> <li>Provide an electronic copy of the revised sales brochure</li> </ul>
	to SRPE.

#### If Revision is Made to the Sales Brochure after an Examination

14. As mentioned in paragraph 6 above, section 22(1)(b) of the Ordinance stipulates that the sales brochure must state the date of each examination and the part of the sales brochure that has been revised to correct the inaccuracy (the "examination record"), if any. This "examination record" should either be set out in the sales brochure or on a supplementary sheet properly attached to the sales brochure. The examination record should be kept on a rolling basis, i.e. previous examination date(s) and related information should be retained. Whether or not a revision is made, the examination record should be updated on a rolling basis. This paragraph applies even if a vendor decides to print a revised sales brochure.

15. A sample of an examination record with revision is as follows:

Examination/Revision	Revision Made						
Date	(If no revision is required, please state "no						
	revision made)						
	Page	Revision Made					
	Number						
[Date]	17	The relationship between the building contractor and the vendor has changed.					
	32	The location plan is replaced by a more updated version.					
[Date]							

- 16. A revision to the sales brochure as set out in section 17(2) of the Ordinance should be made by way of issuing a corrigendum, a replacement sheet or by any other means (including using sticker to replace the amended/revised portion of the sales brochure, printing a revised version of the sales brochure). It is not necessary to show in the corrigendum, the replacement sheet, and revised sales brochure etc the original words, sentence or paragraph which has been replaced. Any such corrigendum or replacement sheet must be properly attached to the sales brochure.
- 17. In accordance with section 17(3) of the Ordinance, if revision is made to the sales brochure after an examination, the vendor must, within 3 working days after the date of revision, notify the SRPA in writing about the revision. In this regard, vendors are advised to notify the SRPA of the revision made and provide two hard copies of the revised sales brochure to the SRPA in one go.

#### If No Revision is Made to the Sales Brochure after an Examination

- 18. If, after an examination of the sales brochure is carried out, <u>no</u> revision to the sales brochure is made, the vendor should set out the examination record in the sales brochure or on a supplementary sheet properly attached to the sales brochure. The examination record should be kept on a rolling basis, i.e. previous examination date(s) and related information should be retained. Whether or not a revision is made, the examination record should be updated on a rolling basis.
- 19. A sample of an examination record showing there is no revision made in the latest examination is as follows:

Examination/Revision	Revision Made					
Date	(If no revision is required, please state "no					
	revision made)					
	Page Revision Made					
	Number					
[Date]	17	The relationship between the				
[previous examination	building contractor and the vendo					
to be kept.]	has changed.					
	The location plan is replaced by					
	more updated version.					
[Date]	No revision made					

## Suspension and Termination of Sale

20. If, after the commencement of sale of a development, the vendor decides to suspend the sale of all unsold units the sales of which have been announced in the documents containing the sales arrangements, or all the units that have been announced in the documents containing the sales arrangements have been sold (i.e. termination of sale), he is advised to, as soon as practicable, inform

the SRPA in writing about the suspension or termination of sale. The purpose of requiring vendors to notify the SRPA about the suspension and termination of sale is that the SRPA will then know in the first instance the suspension and termination of sale. With this information, the SRPA will know that the vendor may not have contravened the Ordinance when, upon the expiry of the "3-month period" under section 25(9) of the Ordinance, the vendor has not made available an examined, or examined and revised, sales brochure (see paragraph 8 above). This is because the obligations under section 25 of the Ordinance arise where there is a date of sale. If there is no date of sale, the vendor is not required to provide a sales brochure according to section 25 of the Ordinance and there will be no need to examine the sales brochure.

21. If the vendor has informed the SRPA that the sale of all unsold units the sales of which have been announced in the documents containing the sales arrangements will be suspended, or all the units that have been announced in the documents containing the sales arrangements have been sold, the SRPA will put the following remark on the SRPE where the sales brochure of that development are shown –

"The vendor of [name of development] informed SRPA on [date] that all unsold units in [the name of the development] the sales of which have been announced in the documents containing the sales arrangements will be/had been suspended from/since [date]."

OR

"The vendor of [name of development] informed SRPA on [date] that all units that have been announced in the documents containing the sales arrangements have been sold on or before [date]."

If the vendor has not informed the SRPA on the aforesaid situations, when the SRPA has not received a hard copy of an examined, or an examined and revised, sales brochure by the stipulated time (i.e. before 23:59 of the day on which the examined, or the examined and

revised sales brochure, should be made available), the SRPA will, before it receives confirmation from the vendor that all unsold units the sales of which have been announced in the documents containing the sales arrangements has been suspended, or all the units that have been announced in the documents containing the sales arrangements have been sold, put the following remark on the SRPE where the sales brochure of that development are shown —

"The sales brochure of [name of development] was not printed/examined within the previous three months. The SRPA is following up the situation with the vendor of [name of the development]."

#### **Contents of Sales Brochure**

22. The sales brochures must set out the information as required under sections 19 to 22 of the Ordinance and Schedule 1 to the Ordinance. Paragraphs 23 to 34 below provide guidelines on the provision of such information.

Steps that a Person is Advised to Take for the Person's Own Protection before Deciding to Purchase a Residential Property

23. Section 19(1) of the Ordinance stipulates that the sales brochure must first set out the steps that a person is advised to take for the person's own protection before deciding to purchase a residential property. The SRPA has issued the "Notes to Purchasers of First-hand Residential Properties" (the Notes) at Annex A for the purpose of this section. Sales brochure that has incorporated the Notes in full will be considered as having complied with the requirement under section 19(1) of the Ordinance. For cases of which vendors have not incorporated the Notes in full in the sales brochure, such as having modified the wording, added or deleted information, the SRPA will consider whether the requirement under section 19(1) of the Ordinance has been complied with or otherwise on a case-by-case basis.

# The street number allocated by the Commissioner of Rating and Valuation for the purpose of distinguishing the development

24. Section 1(2)(b) in Part 1 of Schedule 1 to the Ordinance (please also see section 19(2)(a) of the Ordinance) stipulates that the sales brochure must state the street number allocated by the Commissioner of Rating and Valuation for the purpose of distinguishing the development. Upon the issue of the Building Authority's consents to commence building works, vendors may apply in writing to Rating and Valuation Department (RVD) for allocation of street numbers. RVD will normally allocate the street number within one month from application. Vendors should act in good time to submit applications to the RVD. In the circumstances where only "provisional street number" is available at the date of printing the sales brochure, the vendor should provide the "provisional street number" in the sales brochure. In the unlikely event that even the provisional street number is not available before the date of printing the sales brochure, the vendor should state in the sales brochure that the information is not yet available. Vendors should update the information on street number in the sales brochure when such information becomes available at the time of an examination of the sales brochure (see paragraphs 5 - 13 above).

## <u>Aerial Photograph</u>

25. Section 7(2) in Part 1 of Schedule 1 to the Ordinance (please also see section 19(2)(g) of the Ordinance) stipulates that an aerial photograph of the development to be included in the sales brochure must be the latest one as at the date on which the sales brochure is printed, as taken by the Survey and Mapping Office (SMO) of the Lands Department at a flying height below 7,000 feet<sup>1</sup>. Vendors are advised to put the reference number and the date on which the aerial photograph was taken in the same page where the photograph is provided in the sales brochure<sup>2</sup>. They are also advised to include

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SMO has issued a Practice Note relating to purchasing aerial photographs from SMO. Please refer to SMO's website (http://www.landsd.gov.hk/mapping/en/publications/index.htm) for details.

The aerial photographs purchased from the SMO will show the reference number of the aerial photograph and the date on which the aerial photograph was taken. When vendors put the reference number of the aerial photograph and the date on which the aerial photograph was taken in the same page where the photograph is provided in the sales brochure, they should quote the information as provided by the SMO.

an acknowledgement of copyright of the aerial photograph according to the Practice Note issued by SMO. If the vendor so wishes, a boundary line of the development may be marked on the aerial photograph to identify the location of the development.

### Outline Zoning Plan (OZP) etc. relating to the development

26. Section 8(2) in Part 1 of Schedule 1 to the Ordinance (please also see section 19(2)(h) of the Ordinance) stipulates an outline zoning plan or a development permission area plan, or a plan deemed to be a draft plan prepared by the Town Planning Board for the purposes of the Town Planning Ordinance should be included in the sales brochure. Vendors are advised to provide the "title", "plan number" and "gazette date" of such a plan in the same page where the plan is provided in the sales brochure. Vendors are also advised to set out the key to the various abbreviations on the same page where the plan is shown in the sales brochure. If the vendor so wishes, a boundary line of the development may be marked on the plan to identify the location of the development.

## Area of residential properties

27. Section 11(2) in Part 1 of Schedule 1 to the Ordinance (please also see section 19(2)(k) of the Ordinance) stipulates that the information required to be set out in that section must be set out in the form specified by the Authority. The specified form is at **Annex B**.

# Summary of land grant

28. Section 15(2)(f) in Part 1 of Schedule 1 to the Ordinance (please also see section 19(2)(o) of the Ordinance) requires a summary of the land grant to include the lease conditions that are onerous to a purchaser. In deciding whether a lease condition is onerous to a purchaser, the vendor should consider whether it is onerous to an ordinary purchaser. Generally speaking, that the owners of residential properties are required to make contribution of expenses is one of the considerations as to whether the relevant land grant conditions would be regarded as onerous. A few examples of lease

conditions that are onerous to a purchaser include:

- (a) non-exclusive right of way to/from the lot, which are to be maintained at the expense of the owners;
- (b) noise mitigation measures (such as noise barriers) to be maintained at the expense of the owners; and
- (c) ground settlement.

Vendors are reminded that the above examples are for reference only and are by no means exhaustive.

#### Cross-section plans

29. Section 18 in Part 2 of Schedule 1 to the Ordinance (please also see section 19(3) of the Ordinance) stipulates the various requirements of a cross-section plan that is to be provided for every building in the development. Three examples of the cross-section plan are at **Annex C**.

# Relevant information required under section 20

30. Section 20(1) of the Ordinance stipulates that the sales brochure must set out relevant information that is specific to a residential property in the development and/or that is specific to the development. "Relevant information" in relation to a residential property/development is defined under section 20(7) of the Ordinance to mean information on any matter that is likely to materially affect the enjoyment of the residential property/any residential property of the development. According to section 20(1) of the Ordinance, the "relevant information" is information not required to be set out in the sales brochure and is "known to the vendor but is not known to the general public"<sup>3</sup>.

Information contained in a document that has been registered with the Land Registry will not be regarded as "relevant information" under the Ordinance.

31. Only those matters which are likely to materially affect the enjoyment of a residential property are regarded as "relevant information" under section 20(1) of the Ordinance. An example of "relevant information" which is "known to the vendor but is not known to the general public" and which are likely to materially affect the enjoyment of a residential property is "windows of certain specific residential properties of a development must be closed throughout the year for noise mitigation purpose or due to the special condition of the surrounding area".

# <u>Information in application for concession on gross floor area (GFA) of building</u>

- 32. Section 29 in Part 3 of Schedule 1 to the Ordinance (please also see section 21(1) of the Ordinance) stipulates the provision of information in application for concession on gross floor area of building. To facilitate vendors to comply with the requirement, a suggested template is at **Annex D** for provision of information on the breakdown of GFA concessions obtained for the development and on the estimated energy performance or consumption for the common parts of the development.
- 33. As regards the provision of environmental assessment of the building, vendor should provide the assessment results under the BEAM Plus certification. The BEAM Plus certification is currently conferred / issued by the Hong Kong Green Building Council (HKGBC). For inclusion of the assessment label issued by HKGBC in this part of the sales brochure, the guidelines issued by HKGBC<sup>4</sup> may be relevant. Vendors are advised to follow the specifications on the assessment label as suggested by HKGBC for inclusion into the sales brochure.
- 34. According to section 21(1) of the Ordinance and section 29(2)(b) and (c) in Part 3 of Schedule 1 to the Ordinance, if gross floor area concessions have been granted to a development, the sales brochure for the development must set out (i) the environmental assessment of

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For the guidelines issued by HKGBC, please visit HKGBC's website: http://www.hkgbc.org.hk/eng/beamplus-certlabel.aspx

the building that has been submitted to the Building Authority; and (ii) information on the estimated energy performance or consumption for the common parts of the development. For developments where their approved general building plans are not subject to the requirements stipulated in the Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers APP-151 issued by the Building Authority, environmental assessment of the building(s) is not required to be submitted to the Building Authority. For such cases, the vendor should state the following in the sales brochure -

"The approved general building plans of this development are not subject to the requirements stipulated in the Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers APP-151 issued by the Building Authority. Environmental assessment and information estimated energy performance or consumption for the common parts of this development were not required to be submitted to the Building Authority as a prerequisite for the granting of gross floor area concessions."

#### **Font Size Requirements**

35. To facilitate vendors to comply with the font size requirements as set out in sections 18(2), 18(3), 24(2) and 24(3) of the Ordinance, a few samples are set out at **Annex E**.

#### **Transitional Arrangements**

- 36. The following transitional arrangements will apply:
  - (a) For residential properties which have commenced sale before 29 April 2013, the vendor should ensure that sales brochures made available on or after 29 April 2013 comply fully with the relevant requirements under the Ordinance; and

(b) For residential properties in a development which are intended to be offered for sale on or after 29 April 2013, including residential properties in a development which have commenced sale before 29 April 2013, sale may continue/commence on 29 April 2013 if sales brochures which comply with the relevant requirements under the Ordinance are made available before 22 April 2013 in accordance with section 25 of the Ordinance.

#### How to Provide Information to the SRPA and the SRPE

37. Please refer to Guidelines No. G05/13 and No. G06/13 G06/15 on how to provide information to the SRPA and the SRPE. *Reference may also be made to Practice Notes No. PN05/13 PN03/19 and No. PN06/13 PN02/19*.

For enquires, please contact us via the following -

Telephone : 2817 3313

Email : enquiry\_srpa@hd.gov.hk

Fax : 2219 2220

Sales of First-hand Residential Properties Authority 5 April 2013

This Note is issued by the Sales of First-hand Residential Properties Authority (SRPA) for the purpose of section 19(1) of the Residential Properties (First-hand Sales) Ordinance.

#### **Notes to Purchasers of First-hand Residential Properties**

You are advised to take the following steps before purchasing first-hand residential properties.

## For all first-hand residential properties

#### 1. Important information

- Make reference to the materials available on the Sales of First-hand Residential Properties Electronic Platform (SRPE) (www.srpe.gov.hk) on the first-hand residential property market.
- Study the information on the website designated by the vendor for the development, including the sales brochure, price lists, documents containing the sales arrangements, and the register of transactions of a development.
- Sales brochure for a development will be made available to the general public at least 7 days immediately before a date of sale while price list and sales arrangements will be made available at least 3 days immediately before the date of sale.
- Information on transactions can be found on the register of transactions on the website designated by the vendor for the development and the SRPE.

### 2. Fees, mortgage loan and property price

- Calculate the total expenses of the purchase, such as solicitors' fees, mortgage charges, insurance fees and stamp duties.
- Check with banks to find out if you will be able to obtain the needed mortgage loan, select the appropriate payment method and calculate the amount of the mortgage loan to ensure it is within your repayment ability.
- Check recent transaction prices of comparable properties for comparison.
- Check with the vendor or the estate agent the estimated management fee, the amount of management fee payable in advance (if any), special fund payable (if any), the amount of reimbursement of the deposits for water, electricity and gas (if any), and/or the amount of debris removal fee (if any) you have to pay to the vendor or the manager of the development.

### 3. Price list, payment terms and other financial incentives

- Vendors may not offer to sell all the residential properties that are covered in a price list. To know which residential properties the vendors may offer to sell, pay attention to the sales arrangements which will be announced by the vendors at least 3 days before the relevant residential properties are offered to be sold.
- Pay attention to the terms of payment as set out in a price list. If there are discounts on the price, gift, or any financial advantage or benefit to be made available in connection with the purchase of the residential properties, such information will also be set out in the price list.
- If you intend to opt for any mortgage loan plans offered by financial institutions specified by the vendor, before entering into a preliminary agreement for sale and purchase (PASP), you must study the details of

various mortgage loan plans<sup>1</sup> as set out in the price list concerned. If you have any questions about these mortgage loan plans, you should check with the financial institutions concerned direct before entering into a PASP.

#### 4. Property area and its surroundings

- Pay attention to the area information in the sales brochure and price list, and price per square foot/metre in the price list. According to the Residential Properties (First-hand Sales) Ordinance (Cap. 621) (the Ordinance), vendors can only present the area and price per square foot and per square metre of a residential property using saleable area. Saleable area, in relation to a residential property, means the floor area of the residential property, and includes the floor area of every one of the following to the extent that it forms part of the residential property (i) a balcony; (ii) a utility platform; and (iii) a verandah. The saleable area excludes the area of the following which forms part of the residential property air-conditioning plant room; bay window; cockloft; flat roof; garden; parking space; roof; stairhood; terrace and yard.
- Floor plans of all residential properties in the development have to be shown in the sales brochure. In a sales brochure, floor plans of residential properties in the development must state the external and internal dimensions of each residential property<sup>2</sup>. The external and internal dimensions of residential properties as provided in the sales brochure exclude plaster and finishes. You are advised to note this if you want to buy furniture before handing over of the residential property.

The details of various mortgage loan plans include the requirements for mortgagors on minimum income level, the loan limit under the first mortgage and second mortgage, the maximum loan repayment period, the change of mortgage interest rate throughout the entire repayment period, and the payment of administrative fees

<sup>&</sup>lt;sup>2</sup> According to section 10(2)(d) in Part 1 of Schedule 1 to the Ordinance, each of the floor plans of the residential properties in the development in the sales brochure must state the following—

<sup>(</sup>i) the external dimensions of each residential property;

<sup>(</sup>ii) the internal dimensions of each residential property;

<sup>(</sup>iii) the thickness of the internal partitions of each residential property;

<sup>(</sup>iv) the external dimensions of individual compartments in each residential property.

According to section 10(3) in Part 1 of Schedule 1 to the Ordinance, if any information required by section 10(2)(d) in Part 1 of Schedule 1 to the Ordinance is provided in the approved building plans for the development, a floor plan must state the information as so provided.

• Visit the development site and get to know the surroundings of the property (including transportation and community facilities). Check town planning proposals and decisions which may affect the property. Take a look at the location plan, aerial photograph, outline zoning plan and cross-section plan that are provided in the sales brochure.

#### 5. Sales brochure

- Ensure that the sales brochure obtained is the latest version. According to the Ordinance, the sales brochure made available to the public should be printed or examined, or examined and revised within the previous 3 months.
- In respect of an uncompleted development, the vendor may alter the building plans (if any) whenever the vendor considers necessary. To know the latest information of an uncompleted development, keep paying attention to any revised sales brochures made available by the vendor.
- Read through the sales brochure and in particular, check the following information in the sales brochure -
  - whether there is a section on "relevant information" in the sales brochure, under which information on any matter that is known to the vendor but is not known to the general public, and is likely to materially affect the enjoyment of a residential property will be set out. Please note that information contained in a document that has been registered with the Land Registry will not be regarded as "relevant information";
  - the cross-section plan showing a cross-section of the building in relation to every street adjacent to the building, and the level of every such street in relation to a known datum and to the level of the lowest residential floor of the building. This will help you visualize the difference in height between the lowest residential floor of a building and the street level, regardless of how that lowest residential floor is named;

- interior and exterior fittings and finishes and appliances;
- the basis on which management fees are shared;
- whether individual owners have obligations or need to share the expenses for managing, operating and maintaining the public open space or public facilities inside or outside the development, and the location of the public open space or public facilities; and
- whether individual owners have responsibility to maintain slopes.

#### 6. Government land grant and deed of mutual covenant (DMC)

- Read the Government land grant and the DMC (or the draft DMC).
   Information such as ownership of the rooftop and external walls can be found in the DMC. The vendor will provide copies of the Government land grant and the DMC (or the draft DMC) at the place where the sale is to take place for free inspection by prospective purchasers.
- Check the Government land grant on whether individual owners are liable to pay Government rent.
- Check the DMC on whether animals can be kept in the residential property.

# 7. Information on Availability of Residential Properties for Selection at Sales Office

- Check with the vendor which residential properties are available for selection. If a "consumption table" is displayed by the vendor at the sales office, you may check from the table 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.
- Do not believe in rumours about the sales condition of the development and enter into a PASP rashly.

#### 8. Register of Transactions

- Pay attention to the register of transactions for a development. A vendor must, within 24 hours after entering into a PASP with a purchaser, enter transaction information of the PASP in the register of transactions. The vendor must, within 1 working day after entering into an agreement for sale and purchase (ASP), enter transaction information of the ASP in the register of transactions. Check the register of transactions for the concerned development to learn more about the sales condition of the development.
- Never 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.

### 9. Agreement for sale and purchase

- Ensure that the PASP and ASP include the mandatory provisions as required by the Ordinance.
- Pay attention that fittings, finishes and appliances to be included in the sale and purchase of the property are inserted in the PASP and ASP.
- Pay attention to the area plan annexed to the ASP which shows the total area which the vendor is selling to you. The total area which the vendor is selling to you is normally greater than the saleable area of the property.
- Pay attention to the vendor's right to alter the building plans (if any) for an uncompleted development. The mandatory provisions to be incorporated in an ASP for uncompleted development as required by the Ordinance include a provision requiring the vendor to notify the purchaser in writing of such alteration if the same affects in any way the property within 14 days after its having been approved by the Building Authority.

- A preliminary deposit of **5%** of the purchase price is payable by you to the owner (i.e. the seller) on entering into a PASP.
- If you do not execute the ASP within **5 working days** (working day means a day that is not a general holiday or a Saturday or a black rainstorm warning day or gale warning day) after entering into the PASP, the PASP is terminated, the preliminary deposit (i.e. 5 % of the purchase price) is forfeited, and the owner (i.e. the seller) does not have any further claim against you for not executing the ASP.
- If you execute the ASP within 5 working days after the signing of the PASP, the owner (i.e. the seller) must execute the ASP within 8 working days after entering into the PASP.
- The deposit should be made payable to the solicitors' firm responsible for stakeholding purchasers' payments for the property.

## 10. Expression of intent of purchasing a residential property

- Note that vendors (including their authorized representative(s)) should not seek or accept any specific or general expression of intent of purchasing any residential property before the relevant price lists for such properties are made available to the public. You therefore should not make such an offer to the vendors or their authorized representative(s).
- Note that vendors (including their authorized representative(s)) should not seek or accept any specific expression of intent of purchasing a particular residential property before the sale of the property has commenced. You therefore should not make such an offer to the vendors or their authorized representative(s).

## 11. Appointment of estate agent

• Note that if the vendor has appointed one or more than one estate agents to act in the sale of any specified residential property in the

development, the price list for the development must set out the name of all the estate agents so appointed as at the date of printing of the price list.

- You may appoint any estate agent (not necessarily from those estate agency companies appointed by the vendor) to act in the purchase of any specified residential property in the development, and may also not appoint any estate agent to act on your behalf.
- Before you appoint an estate agent to look for a property, you should -
  - find out whether the agent will act on your behalf only. If the agent also acts for the vendor, he/she may not be able to protect your best interests in the event of a conflict of interest;
  - find out whether any commission is payable by you to the estate agent and, if so, its amount and the time of payment; and
  - note that only licensed estate agents or salespersons may accept your appointment. If in doubt, you should request the estate agent or salesperson to produce his/her Estate Agent Card, or check the Licence List on the Estate Agents Authority website: www.eaa.org.hk.

## 12. Appointment of solicitor

- Consider appointing your own solicitor to protect your interests. If the solicitor also acts for the vendor, he/she may not be able to protect your best interests in the event of a conflict of interest.
- Compare the charges of different solicitors.

#### For first-hand uncompleted residential properties

#### 13. Pre-sale Consent

• For uncompleted residential property under the Lands Department Consent Scheme, seek confirmation from the vendor whether the "Pre-sale Consent" has been issued by the Lands Department for the development.

#### 14. Show flats

- While the vendor is not required to make any show flat available for viewing by prospective purchasers or the general public, if the vendor wishes to make available show flats of a specified residential property, the vendor must first of all make available an unmodified show flat of that residential property and that, having made available such unmodified show flat, the vendor may then make available a modified show flat of that residential property. In this connection, the vendor is allowed to make available more than one modified show flat of that residential property.
- If you visit the show flats, you should always look at the unmodified show flats for comparison with the modified show flats. That said, the Ordinance does not restrict the discretion of the vendor in arranging the sequence of the viewing of unmodified and modified show flats.
- Sales brochure of the development should have been made available to the public when the show flat is made available for viewing. You are advised to get a copy of the sales brochure and make reference to it when viewing the show flats.
- You may take measurements in modified and unmodified show flats, and take photographs or make video recordings of unmodified show flats, subject to reasonable restriction(s) which may be set by the vendor for ensuring safety of the persons viewing the show flat.

# For first-hand uncompleted residential properties and completed residential properties pending compliance

## 15. Estimated material date and handing over date

- Check the estimated material date<sup>3</sup> for the development in the sales brochure.
  - The estimated material date for a development in the sales brochure is not the same as the date on which a residential property is handed over to purchaser. The latter is normally later than the former. However, the handing over date may be earlier than the estimated material date set out in the sales brochure in case of earlier completion of the development.

### Handing over date

- The mandatory provisions to be incorporated in an ASP as required by the Ordinance include a provision requiring the vendor to apply in writing for an Occupation Document / a Certificate of Compliance or the Director of Lands' Consent to Assign (as the case may be) in respect of the development within 14 days after the estimated material date as stipulated in the ASP.
  - For development subject to the Lands Department Consent Scheme, the vendor is required to notify the purchaser in writing that the vendor is in a position validly to assign the property within one month after the issue of the Certificate of Compliance or the Consent to Assign, whichever first happens; or
  - For development not subject to the Lands Department Consent Scheme, the vendor is required to notify the purchaser in writing that the vendor is in a position validly to assign the

Generally speaking, "material date" means the date on which the conditions of the land grant are complied with in respect of the development, or the date on which the development is completed in all respects in compliance with the approved building plans or the conditions subject to which the certificate of exemption is issued. For details, please refer to section 2 of the Ordinance.

property within 6 months after the issue of the Occupation Document including Occupation Permit.

- The mandatory provisions to be incorporated in an ASP as required by the Ordinance include a provision requiring completion of the sale and purchase within 14 days after the date of the notification aforesaid. Upon completion, the vendor shall arrange handover of the property to the purchaser.
- Authorized Person (AP) may grant extension(s) of time for completion of the development beyond the estimated material date.
  - The mandatory provisions to be incorporated in an ASP as required by the Ordinance include a provision that the AP of a development may grant an extension of time for completion of the development beyond the estimated material date having regard to delays caused exclusively by any one or more of the following reasons:
    - > strike or lock-out of workmen;
    - riots or civil commotion;
    - force majeure or Act of God;
    - > fire or other accident beyond the vendor's control;
    - > war; or
    - inclement weather.
  - The AP may grant more than once such an extension of time depending on the circumstances. That means handover of the property may be delayed.
  - The mandatory provisions to be incorporated in an ASP as required by the Ordinance also include a provision requiring the vendor to, within 14 days after the issue of an extension of time granted by the AP, furnish the purchaser with a copy of the relevant certificate of extension.
- Ask the vendor if there are any questions on handing over date.

#### For first-hand completed residential properties

#### 16. Vendor's information form

• Ensure that you obtain the "vendor's information form(s)" printed within the previous 3 months in relation to the residential property/properties you intend to purchase.

### 17. Viewing of property

- Ensure that, before you purchase a residential property, you are arranged to view the residential property that you would like to purchase or, if it is not reasonably practicable to view the property in question, a comparable property in the development, unless you agree in writing that the vendor is not required to arrange such a comparable property for viewing for you. You are advised to think carefully before signing any waiver.
- You may take measurements, take photographs or make video recordings of the property, unless the property is held under a tenancy or reasonable restriction(s) is/are needed to ensure safety of the persons viewing the property.

For complaints and enquiries relating to the sales of first-hand residential properties by the vendors which the Ordinance applies, please contact the Sales of First-hand Residential Properties Authority -

Website : www.srpa.gov.hk

Telephone : 2817 3313

Email : enquiry\_srpa@hd.gov.hk

Fax : 2219 2220

#### Other useful contacts:

#### **Consumer Council**

Website : www.consumer.org.hk

Telephone : 2929 2222

Email : cc@consumer.org.hk

Fax : 2856 3611

# **Estate Agents Authority**

Website : www.eaa.org.hk

Telephone : 2111 2777

Email : enquiry@eaa.org.hk

Fax : 2598 9596

## **Real Estate Developers Association of Hong Kong**

Telephone : 2826 0111

Fax : 2845 2521

Sales of First-hand Residential Properties Authority March 2023

## 住宅物業的面積 (範本) Area of residential properties (Template)

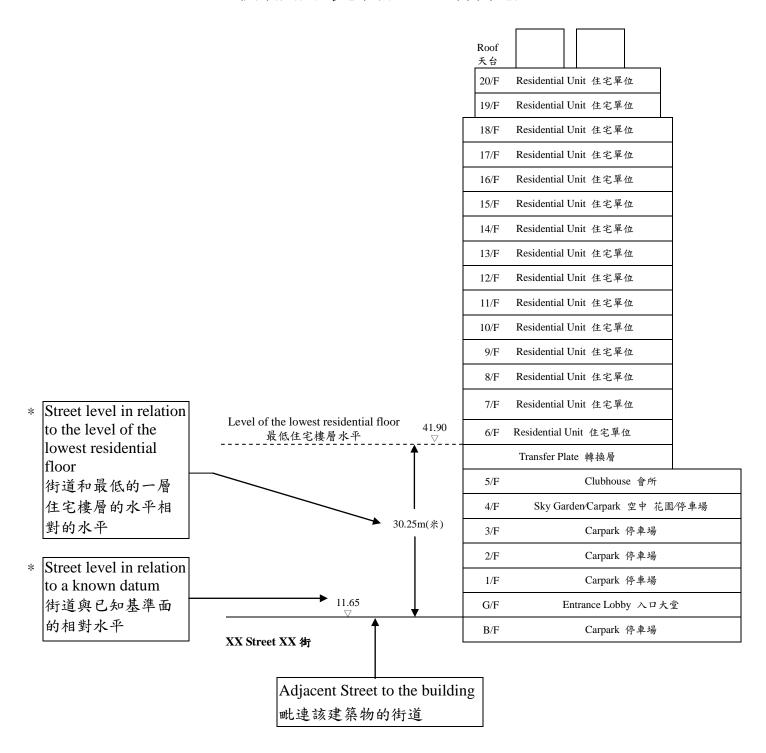
	物業的	り描述:	*	實用面積 其他指明項目的面積 (不計算入實用面積)										
Description of Residential Property *		dontial	(包括露台,工作平台及陽台 (如有)	Area of other specified items (Not included in the Saleable Area)										
		dentiai	平方米(平方呎)	平方米 (平方呎)										
				Saleable Area					sq. metre	(sq. ft.)				
1				(including balcony, utility platform and verandah, if any)	空調機房	窗台	閣樓	平台	花園	停車位	天台	梯屋	前庭	庭院
	1	sq. metre (sq. ft.)		Air- conditioning	Bay window	Cockloft	Flat roof	Garden	Parking space	Roof	Stairhood	Terrace	Yard	
	大廈名稱 樓層 單位 Block Name   Floor   Unit				plant room					space				
[屋號(House number) / 屋名(Name of the house)]														
			A	53.8(579) 露台 Balcony: 2.0 (22); 工作平台 Utility Platform: 1.5 (16)	1.1 (12)	1.1 (12)								
		30	В											
5	_		С											
5	)	29	A	53.8(579) 露台 Balcony: 2.0 (22); 工作平台 Utility Platform: 1.5 (16)	1.1 (12)	1.1 (12)								
		29	В											
			С											

Items under "description" of residential property above are for development with both "multi-unit building(s)" and "house". For development with "multi-unit buildings only, information on "block name", "floor" and "unit" should be provided. In the case of a development consisting of houses only, information on "house number" or "name of the house" should be provided as appropriate.

<sup>\*</sup> 以上住宅物業的描述下的項目爲同時包括「多單位建築物」及「獨立屋」而訂。就只包括「多單位建築物」的發展項目,該項目只須提供「大廈名稱」、「樓層」及「單位」的資料;至於只包含「獨立屋」的發展項目,該些項目只須提供「屋號」或「屋名」,視乎何者適用。

# Example 1 (例子一)

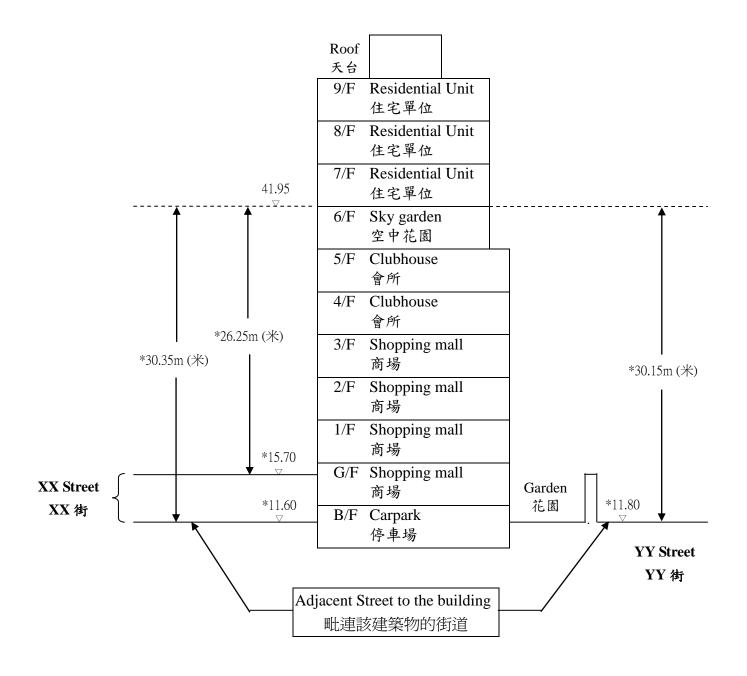
# Cross-section Plan (Building with one adjacent street) 横截面圖 (建築物毗連一條街道)



- \* Mandatory Information to be provided in sales brochure according to Section 18 of Schedule 1 to the Residential Properties (First-hand Sales) Ordinance (Cap. 621).
  - 根據《一手住宅物業銷售條例》(第621章) 附表一第18條為必須於售樓說明書內提供的資料。

## Example 2 (例子二)

# Cross-section Plan (Building with two adjacent streets, one sloping) 横截面圖 (建築物毗連兩條街道,其一爲斜街)



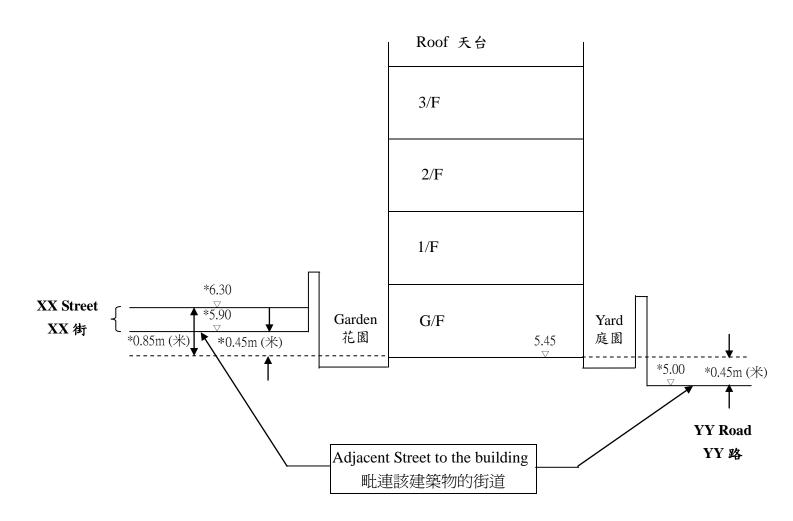
- The part of XX Street adjacent to the building is 11.60 to 15.70 metres above the Hong Kong Principal Datum. 毗連建築物的一段 XX Street 為香港主水平基準以上 11.60 至 15.70 米。
- Dotted line denotes the lowest residential floor. 虛線為最低住宅樓層水平。
- \* Mandatory Information to be provided in sales brochure according to Section 18 of Schedule 1 to the Residential Properties (First-hand Sales) Ordinance (Cap. 621).
  根據《一手住宅物業銷售條例》(第 621 章) 附表一第 18 條為必須於售樓說明書內提供的資料。

# Example 3 (例子三)

# Cross-section Plan (House with two adjacent streets, one sloping)

# 横截面圖 (獨立屋毗連兩條街道,其一爲斜街)

#### House 獨立屋



- The part of XX Street adjacent to the building is 5.90 to 6.30 metres above the Hong Kong Principal Datum. 毗連建築物的一段 XX Street 為香港主水平基準以上 5.90 至 6.30 米。
- Dotted line denotes the lowest residential floor. 虛線為最低住宅樓層水平。
- \* Mandatory Information to be provided in sales brochure according to Section 18 of Schedule 1 to the Residential Properties (First-hand Sales) Ordinance (Cap. 621). 根據《一手住宅物業銷售條例》(第621章) 附表一第18條為必須於售樓說明書內提供的資料。

# Provision of Information in Application for Concession on Gross Floor Area (GFA) of Building in Sales Brochures

#### **Breakdown of GFA Concessions Obtained for All Features**

• Latest information on breakdown of GFA concessions as shown on the general building plans submitted to and approved by the Building Authority (BA) prior to the printing of the sales brochure is tabulated below. Information marked (#) may be based on information provided by the authorized person if the sales brochure is printed prior to submission of the final amendment plans to the BA. The breakdown of GFA concessions may be subject to further changes until final amendment plans are submitted to and approved by the BA prior to the issuance of the occupation permit for the development.

		Area (m²)
	Disregarded GFA under Building (Planning) Regulations 23(3)(b)	
1. (#)	Carpark and loading/unloading area excluding public transport terminus	
2.	Plant rooms and similar services	
2.1	Mandatory feature or essential plant room, area of which is limited by respective Practice Notes for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers (PNAP) or regulation such as lift machine room, telecommunications and broadcasting (TBE) room, refuse storage and material recovery chamber, etc.	
2.2 (#)	Mandatory feature or essential plant room, area of which is NOT limited by any PNAP or regulation such as room occupied solely by fire services installations (FSI) and equipment, meter room, transformer room, potable and flushing water tank, etc.	
2.3	Non-mandatory or non-essential plant room such as air-conditioning (A/C) plant room, air handling unit (AHU) room, etc.	
	Green Features under Joint Practice Notes 1 and 2	
3.	Balcony	
4.	Wider common corridor and lift lobby	
5.	Communal sky garden	
6.	Acoustic fin	
7.	Wing wall, wind catcher and funnel	
8.	Non-structural prefabricated external wall	
9.	Utility platform	
10.	Noise barrier	
	Amenity Features	
11.	Caretaker's quarters, counter, office, store, guard room and lavatory for watchman and management staff and owners' corporation office	
12.	Residential recreational facilities including void, plant room, swimming pool filtration plant room, covered walkway, etc. serving solely the recreational facilities	

		Area (m²)
13.	Covered landscaped and play area	
14.	Horizontal screen/covered walkway and trellis	
15.	Larger lift shaft	
16.	Chimney shaft	
17.	Other non-mandatory or non-essential plant room, such as boiler room, satellite master antenna television (SMATV) room	
18. (*)	Pipe duct, air duct for mandatory feature or essential plant room	
19.	Pipe duct, air duct for non-mandatory or non-essential plant room	
20.	Plant room, pipe duct, air duct for environmentally friendly system and feature	
21.	Void in duplex domestic flat and house	
22.	Sunshade and reflector	
23. (*)	Minor projection such as A/C box, A/C platform, window cill and projecting window	
24.	Other projection such as A/C box and platform not covered in paragraph 3(b) and (c) of PNAP APP-19	
	Other Exempted Items	
25. (*)	Refuge floor including refuge floor cum sky garden	
26.	Covered area under large projecting/ overhanging feature	
27.	Public transport terminus	
28. (*)	Party structure and common staircase	
29. (*)	Horizontal area of staircase, lift shaft and vertical duct solely serving floor accepted as not being accountable for GFA	
30.	Public passage	
31.	Covered set back area	
	Bonus GFA	
32.	Bonus GFA	
	Additional Green Features under Joint Practice Note (No. 8)	
33.	Buildings adopting Modular Integrated Construction	

Note: The above table is based on the requirements as stipulated in the Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers ADM-2 issued by the Buildings Department. The Buildings Department may revise such requirements from time to time as appropriate.

# **Estimated Energy Performance or Consumption for the Common Parts of the Development**

Latest information on the estimated energy performance or consumption for the common parts of the development as submitted to the Building Authority prior to the printing of the sales brochures:

Part I					
Provision of Central Air Conditioning	*YES / NO				
Provision of Energy Efficient Features	*YES / NO				
Energy Efficient Features proposed:	1.				
	2.				

Part II : The predicted annual energy use of the proposed building / part of building (Note 1)							
Location	Internal Floor Area Served (m <sup>2</sup> )	Annual Energy Building (Note 2)	Use of Baseline	Annual Energy Use of Proposed Building			
		Electricity kWh/ m²/annum	Town Gas / LPG unit/ m²/annum	Electricity kWh/ m²/annum	Town Gas / LPG unit/ m²/annum		
Area served by central building services installation (Note 3)							

Part III : The following installation(s) is / are\* designed in accordance with the relevant Codes of Practices published by the Electrical & Mechanical Services Department (EMSD)

Type of Installations	YES	NO	N/A
Lighting Installations			
Air Conditioning Installations			
Electrical Installations			
Lift & Escalator Installations			
Performance-based Approach			

#### Notes:

1. In general, the lower the estimated "Annual Energy Use" of the building, the more efficient of the building in terms of energy use. For example, if the estimated "annual energy use of proposed building" is less than the estimated "annual energy use of baseline building", it means the predicted use of energy is more efficient in the proposed building than in the baseline building. The larger the reduction, the greater the efficiency.

The predicted annual energy use, in terms of electricity consumption (kWh/m²/annum) and town gas/LPG consumption (unit/m²/annum), of the development by the internal floor area served, where: (a) "total annual energy use" has the same meaning of "annual energy use" in the BEAM Plus New Buildings (current version); and (b)"internal floor area", in relation a building, a space or a unit means the floor area of all enclosed space measured to the internal faces of enclosing external and/or party walls.

- 2. "Baseline Building" has the same meaning as "Baseline Building Model (zero-credit benchmark)" in the BEAM Plus New Buildings (current version).
- 3. "Central Building Services Installation" has the same meaning as that in the Code of Practice for Energy Efficiency of Building Services Installation issued by the Electrical and Mechanical Services Department.

Please (✓) where appropriate

\* Delete as appropriate August 2023

# Font Size Requirements in Sales Brochure under Sections 18(2), 18(3), 24(2) and 24(3) of the Residential Properties (First-hand) Sales Ordinance

# **Samples**

	Times New Roman / 新細明體
Font 18	Sales Brochure / 售樓說明書
Font 10	Sales Brochure / 售樓說明書
Font 8	Sale Brochure / 售樓說明書

Note: Please use A4 size paper for print out.