

Circular

Circular No. 08-07 (CR)

- **New definition of “Saleable Area” in the Lands Department Consent Scheme**

Standardized definition of “Saleable Area”

The Government has decided that the standardized definition of “Saleable Area” will become a requirement under the Lands Department Consent Scheme.

Saleable Area now means the floor area of a unit enclosed by walls (inclusive of the floor area of any balconies, utility platforms and verandahs but exclusive of “Other Areas” (which is defined to mean the area of any cockloft, bay window, carparking space, yard, terrace, garden, flat roof, roof and air-conditioning plant room)).

For details of the measurement of the respective areas, please refer to the proforma Agreement for Sale and Purchase in the Lands Department Consent Scheme which is available on the Lands Department’s website www.info.gov.hk/landsd/.

Practitioners should take note of the new definition of “Saleable Area” and that the revised standard form of Agreement for Sale and Purchase will be adopted for all consents to sell uncompleted residential units issued on or after 10 October 2008. (Those Agreements for Sale and Purchase entered or to be entered into pursuant to consents to sell uncompleted residential units issued prior to 10 October 2008 shall remain unaffected.)

The Real Estate Developers Association of Hong Kong has introduced a proforma price list to enhance transparency in providing property and price information.

If practitioners provide information concerning the area of the property to prospective purchasers, they should give these prospective purchasers all such information as contained in the price lists and/or sales brochures provided by the developer.

Furthermore, if practitioners provide information concerning the price per square foot of the property, such as the price per square foot of the “Gross Floor Area”, to prospective purchasers, they should also inform these prospective purchasers about the price per square foot of the “Saleable Area” at the same time.

Pursuant to paragraph 3.4.1 of the Code of Ethics of the Estate Agents Authority, when providing property information, licensees should act in an impartial and just manner to all parties involved in the transaction, no matter whether they are acting as agent of the developer and/or purchaser. Licensees shall not give any false or misleading property information.

Failure to comply with the above guidelines may give rise to disciplinary action by the Authority.

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