



香港地產建設商會

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

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To : **REDA Corporate Members**
(Members of Executive Committee & Legal Subcommittee via fax)

Date : 1 June 2010

Subject : **Sales Descriptions of Uncompleted Residential Properties**

Dear Members

With the view of enhancing the transparency of information concerning the sale of uncompleted residential properties, we have agreed with the Transport and Housing Bureau to introduce nine additional measures (attached) to our Guidelines for Sales Descriptions of Uncompleted Residential Properties with immediate effect.

Your support and cooperation in complying with these measures are much appreciated.

Stewart Leung
Vice Chairman, Executive Committee

**REDA Guidelines on
Sale of Uncompleted Residential Properties
- Nine Additional Measures**

Preamble

All the following measures shall apply to flat sale of all uncompleted first-hand private residential properties on or after 1 June 2010, and Measure (3) for show flats which are opened to members of the public for the first time on or after 1 June 2010.

Measures

1. Members should duly observe REDA's guidelines in selling uncompleted first-hand private residential properties.
2. Members should indicate, at the same time when making public the transaction information under the existing "five-day disclosure rule" on transactions, those transactions which involve members of their Board and their immediate family members.
 - Members of the Board shall include all executive directors (執行董事), non-executive directors (非執行董事) and independent non-executive directors (獨立非執行董事).
 - Immediate family members shall mean parents, spouse, sons and daughters.
 - A revised template for disclosure of transaction information is at **Annex A**. For the avoidance of doubt, the "five-day disclosure rule" applies to all types of transactions.
 - For an en-bloc sale which is based on an aggregate amount of considerations instead of a flat-by-flat amount, members may simply show the total number of flats involved, the aggregate amount of considerations and the date of signing the PASP/ASP instead of a flat-by-flat transacted price. It should be listed in the register of transactions whether the en-bloc sale involves members of the Board and their immediate family members.
 - For the units disposed of by public auction or tender which is based on an aggregate amount of considerations instead of a flat-by-flat amount, members may simply show the units concerned, the aggregate amount of considerations and the date of signing the PASP/ASP instead of a flat-by-flat transacted price. It should be listed in the register of transactions whether the sale involves members of the Board and their immediate family members.
3. Show flats, if provided, should comply with a list of requirements as stipulated in **Annex B**, including the requirement that there should be at least one show flat showing the same conditions of the actual flat to be handed over to buyers upon completion in respect of internal partitions, fittings and finishes, and complimentary appliances (i.e. the unmodified show flat).

- If only one show flat is provided, it should be an unmodified show flat.
 - If two show flats are provided, one of them should be an unmodified show flat. The remaining one should mirror that unmodified show flat (i.e. of the same type of flat having the same size of the unmodified show flat).
 - If three show flats are provided, one of them should be an unmodified show flat and another one should be a show flat which mirrors that unmodified show flat. The third one may be a modified show flat or an unmodified show flat of a different unit from that pair of unmodified show flat and its mirrored flat.
 - If four show flats are provided, two of them should be a pair of unmodified show flat and its mirrored flat. The remaining ones may be two modified show flats of different types of units from the pair of unmodified show flat and its mirrored flat.
 - In providing the third and the fourth show flats members are encouraged to furnish them as another pair of unmodified show flat and its mirrored flat, so that altogether there will be two different pairs of unmodified show flat and mirrored flat.
4. For small-scale development, the minimum number of units to be included in the first price list will be 30 units or 30% of the total number of units put up for sale in each batch, whichever is the higher. For large-scale development, the minimum number of units to be included in the first price list will be 50 units or 50% of the total number of units put up for sale in each batch, whichever is the higher.
- The sale of “houses” so categorized in the Deeds of Mutual Covenant will be exempted from this specific requirement on the minimum number of flats in the first price list.
 - This requirement applies to the first price list of every batch of units put up for sale.
 - Small-scale development means a development (or a phase of a development project) with less than 100 units in total.
 - Large-scale development means a development (or a phase of a development project) with 100 units or more in total.
 - Following is an illustration. A large-scale development comprising 1,000 units in total is built in two phases, comprising 500 units in each phase. For the first phase, member may split the sale of the 500 units into four batches, each batch therefore comprising 125 units in total. The first price list of each of the four batches should contain at least 63 units, i.e., 50 units or 50% of the total number of units put up for sale in each batch, whichever is the higher.

- For a small-scale development or a specific phase of development comprising fewer than 30 units in total, members should include all the units in the first price list.
5. Sales brochures should be made public 7 calendar days prior to the commencement of sale.
- Further requirements on sales brochures:
 - information on the range of thickness of the non-structural prefabricated external walls of each block and the total area of the non-structural prefabricated external walls of each unit should be provided in the section on “Design of the Development and Property Management” at the front part of the sales brochure.
 - Hard copies of the sales brochure should be made available at the sales office(s) for prospective flat buyers’ free collection, and also made available to estate agencies commissioned by members at least 7 calendar days prior to the commencement of sale.
 - A hard copy of the sales brochure should be made available to the Consumer Council, the Estate Agents Authority, the Transport and Housing Bureau and the Lands Department (LACO) when they are made public.
6. Members should make public the price list at least 3 calendar days in advance of the commencement of sale when selling any number of units to whichever parties.
- Details of the payment terms (including details of all promotional and preferential offers) should be provided in the price lists.
 - All price lists should follow the standardized price list template.
 - Hard copies of the price list should be made available at the sales office(s) for prospective flat buyers’ free collection, and also made available to estate agencies commissioned by members at least 3 calendar days prior to the commencement of sale.
7. Promotional materials of the development should clearly provide the name of the district where the development is located and the address of the development.
- This requirement applies to printed promotional materials and advertisements only.
 - Reference should be made to the relevant Outline Zoning Plan(s) for the corresponding district where the development is located.
 - Members should adopt the postal address of the development as confirmed with the Rating and Valuation Department. The postal address shown in printed

promotional materials and advertisements should be exactly the same as that shown in the section on “Basic Information of the Development” at the front part of the sales brochure.

- For printed promotional materials and advertisements of a size of a half page standard newspaper or smaller, the font size of the name of the district and the mailing address should not be smaller than 10.
 - For printed promotional materials and advertisements of a size larger than half a page of a standard newspaper, the font size should not be smaller than 12.
8. Members should concurrently upload the sales brochures and all the price lists onto their websites.
- Members shall upload the sales brochures and price lists onto their own websites or their parent companies’ websites as appropriate. It should be the same website which carries the transaction information under the “five-day disclosure rule”.
 - Sales brochures should be uploaded onto the designated website 7 calendar days prior to the commencement of sale. Each and every price list should be uploaded onto the designated website 3 calendar days prior to the commencement of sale.
 - For printed promotional materials and advertisements of a size of a half page standard newspaper or smaller, the font size of the website address should not be smaller than 10. For printed promotional materials/advertisements of a size larger than half a page of a standard newspaper, the font size of the website address should not be smaller than 12.
 - The website containing the electronic copies of the sales brochure and price lists should be specified clearly and conspicuously in the printed promotional materials and advertisements.
 - Members should also provide in the sales brochure the website address containing the electronic copies of the price lists and the transaction information under the “five-day disclosure rule”.
9. Members should provide on-site unit(s) at the development for the public to visit when selling completed first-hand residential properties.

Explanatory Note on the Additional Measures

1. For uncompleted first-hand private residential properties sold to a single purchaser on an “en bloc” basis under a single transaction (i.e. selling any whole block in a development of a specific phase of development to a single purchaser under a single deal), only Measure (2) shall apply. But when the units sold on an en-bloc basis are later put on sale to individual buyers in the market, the vendor should observe all these Measures. The “en bloc sale” buyer should sign an undertaking on this.
2. For uncompleted first-hand private residential developments in the form of “houses” so categorized in the Deed of Mutual Covenant which are sold to a single purchaser on an “en bloc” basis under a single transaction (i.e., selling all the houses in a development to a single purchaser under a single deal), only Measure (2) shall apply. But when the houses sold on an en-bloc basis are later put on sale to individual buyers in the market, the vendor should observe all these Measures except Measure (4). The “en bloc sale” buyer should sign an undertaking on this.
3. For uncompleted first-hand private residential properties, including “houses”, sold by way of public auction or public tender (i.e., selling any individual unit/house in a development to any individual or company by way of public auction or public tender), only Measure (2) shall apply. However, if the aforementioned uncompleted properties are disposed of on an en-bloc basis (i.e., sold to a single purchaser by public auction or public tender), the requirement for the “en-bloc” buyer to sign an undertaking will apply.

Template for Register of Agreements for Sale and Purchase for Residential Units

Name of Development, Phase No. (if any), Location

樓盤名稱、期數（如有）及地區

Register of Agreements for Sale and Purchase for Residential Units

住宅單位買賣合約記錄

Date of ASP 買賣合約日期	Residential Unit (with carparking space if any) 住宅單位 (及車位, 如有)			Purchase price of the residential Unit 住宅單位售價	The transaction involves members of the Board of the developer or their immediate family member 與發展商的董事局成員或其 直繫親屬有關連的交易	Date of cancellation (if applicable) 取消日期 (如適用)
	Tower 座數	Floor 樓層	Unit 單位			
					√	

Note:

- The above-mentioned Agreements for Sale and Purchase (“ASPs”) are signed pursuant to the Preliminary Agreements for Sale and Purchase (“PASPs”) entered into by the purchasers and the Developer.
以上買賣合約是根據買賣雙方較早前所簽署的臨時買賣合約訂立。
- The register is listed in chronological order of the date of ASPs.
以上買賣合約記錄以日期排序。
- The ASPs will be registered in the Land Registry within one calendar month from the date of the respective PASPs. The above information may be removed from this Report upon registration of the respective ASPs in the Land Registry.
物業的買賣合約會於其臨時買賣合約之日期的一個月內在土地註冊處登記,故以上資料在各自的買賣合約於土地註冊處登記後有可能會從此報告書內剔除。
- This register is for information only. Accuracy of information on each entry shall be subject to the true copies of the respective ASPs, which will be registered in the Land Registry.
以上買賣合約記錄只供參考之用。本記錄內所有買賣合約資料的準確性以相關買賣合約的正本為準。相關買賣合約的正本將於土地註冊處登記。
- The transactions which involve members of the Board of the Developer, and their immediate family members will be marked with “√” in this register. “Members of the Board” means all executive directors, non-executive directors and independent non-executive directors. “Immediate family members” means parents, spouse, sons and daughters.
本紀錄會以“√”標示與發展商的董事局成員或其直繫親屬有關連的交易。「董事局成員」一辭意指所有執行董事、非執行董事及獨立非執行董事；「直繫親屬」意指父母、配偶及子女。

Updated on : _____
更新日期:

Signed By: (Authorized Signature of the Developer)

New enhancement measures on show flats

- a. The size/dimensions of the show flat(s) should be identical to the size/dimensions as specified/described in the relevant approved building plan(s) and sales brochure(s).
- b. Floor plan(s)/diagrams showing all the principal dimensions of the flats with scale should be displayed in a prominent location in the show flat(s).
- c. Enclosing or boundary walls should be provided in the show flat(s).
 - If due to fire-safety requirements it is necessary to create passageways along the enclosing or boundary walls, there should be a notice of conspicuous size stating that the passageways are created in the show flats for compliance with fire-safety requirements and are not part of the features of the actual flats.
- d. There should be at least one show flat showing the conditions of the actual flat to be handed over to buyers upon completion (i.e. all the non-structural internal walls/partitions, fittings and finishes and electrical appliances which will be provided in the actual flat should be shown in the show flat in exactly the same way as they will be featured in the actual flat) (the unmodified show flat).
- e. For show flat(s) with the non-structural internal walls/partitions removed, there should be a solid line on the floor showing conspicuously the exact position and width of the respective non-structural internal walls/partitions. Also, diagrams of conspicuous size stating the actual layout, orientation and thickness of the non-structural internal walls/partitions which are to be found in the completed units upon handing over to the buyers should be displayed in a prominent location inside the relevant part of the show flat.
- f. All bay windows, A/C plant room, balcony and utility platform located inside the unit, if any, should be featured in the show flat(s). The dimensions of these features should be identical to those as specified/described in the relevant approved building plan(s) and sales brochure(s). For balcony and utility platform, boundary walls or parapets should be provided. Features not located inside the actual flat (e.g. A/C plant room located outside the flat) should not be featured in the show flat(s).
- g. Ceiling should be provided in the show flat(s). The height of the show flat(s) should be identical to or not higher than the height as specified/described in the relevant approved building plan(s) and sales brochure(s). If the height of the show flat(s) is lower than the height of the actual flats due to the physical constraint, a notice of conspicuous size stating the height difference should be displayed in a prominent location in the show flat(s).
- h. Main entrance doors should be provided. If other doors (e.g. doors for the kitchen, bathrooms and bedrooms etc.) are not provided in the show flat(s), door frames should still be provided. If it is not physically possible to provide doors or door

frames, members should provide a solid line on the floor showing conspicuously the exact position and width of the door.

- i. The interior fittings and finishes provided in the show flat(s) should be identical to those specified/described in the Agreement for Sale and Purchase and the sales brochure(s). If alternative interior fittings and finishes are being used in the show flat(s), they should be of comparable standard and quality as those to be used in the actual flats. Also, a notice of conspicuous size stating that alternative interior fittings and finishes are being used should be displayed in a prominent location in the show flat(s).
- j. Items which are shown in the show flat(s) and will be provided in the actual flat(s) upon handing over to buyers (e.g. electrical appliances) should be specified clearly, with a clear statement that all other items not specified as such will not be provided in the actual flats upon handing over to the buyers.
- k. A certificate signed by the authorized persons certifying that the external parameters of the show flats are identical to those of the unit upon completion should be deposited with REDA for record purpose. Prospective flat buyers may inspect the certificate upon appointment with REDA Secretariat.
- l. Members should allow visitors to take measurements, take photos and make videos inside show flats. If it is not practicable at the time for crowd management reasons, arrangements should be made for the visitors concerned to take measurements, take photos and make videos at the convenience of all parties.
 - Prior appointments for taking measurements, taking photos and making videos should be introduced only when there are genuine crowd management concerns. When crowd management is not a concern, show flat visitors should be allowed to take measurements and photos without prior appointment.
 - When photo-taking is not allowed inside a show flat because of designers' objection, members should clearly explain to visitors that it is due to the objection of the designer(s).
 - For new show flats to be set up, members should make appropriate arrangements with their designers before commissioning their services to clear any hurdles for allowing show flat visitors to take photos or make videos.