



## Circular

Circular No. 01-17 (CR)

### Guidelines for Sales Descriptions of Uncompleted Residential Properties

The Real Estate Developers Association of Hong Kong has issued the *Guidelines for Sales Descriptions of Uncompleted Residential Properties* to its members. From 1 December 2001, the *Guidelines* will apply to internal or private sale arrangements of uncompleted residential properties as well as open sales. Practitioners should remind prospective purchasers to consult the relevant sales brochure before entering into any agreement in respect of such properties.

The *Guidelines* recommends that developers should include the following information in the sales brochures:

#### *A. Information on residential properties for sale*

*The following information concerning the residential properties should be provided in sales brochures:*

##### *1. floor area of the residential properties*

*The calculation of the saleable area and gross floor area of the residential properties should be standardized as follows:*

- i. The saleable area of a residential property shall be calculated in accordance with the definition set out in the standard form of Agreement for Sale and Purchase as provided in LACO Circular Memorandum 40A.*
- ii. The gross floor area of a residential property shall be the sum of its saleable area, its apportioned share of the common areas, together with any other area which is for the exclusive use of its purchaser. The apportionment to the individual residential property attributable to common areas such as clubhouses, lift lobbies, management offices, etc shall be listed clearly.*

##### *2. floor plan*

*Floor plans of typical and non-typical floors should be shown. It is sufficient to show only one plan to represent a number of floors with similar layout and external dimensions. The floor plan should contain dimensions of compartments of the residential properties and the floor-to-floor height of the residential properties in each case in accordance with the latest building plan approved by the Building Authority. A note should be inserted at a conspicuous place adjacent to the floor plan to bring to the reader's attention that the internal areas of upper floors may be slightly greater than that of the lower floors.*

##### *3. prominent fittings and finishes*

*B. Information on the development and adjacent areas*

*1. Location plan*

*The location plan should show existing communal facilities located within a distance of 0.25km from the boundary of the development. Existing and proposed land uses of an area within 0.5km of the boundary as shown in the latest Outline Zoning Plan should be included. The location plan should indicate the location of public transport terminals and rail stations and any pictorial presentations should be drawn to scale.*

*2. Disposition plan*

*The disposition plan should show the location and layouts of buildings, open areas and facilities within the boundary of the development and the expected completion date of the buildings and facilities.*

*3. Conditions of the Government lease*

*The sales brochures should contain information on salient conditions of the Government lease including user restrictions, expiry date, any community facilities to be constructed and any obligations to construct or maintain structures of landscape inside or outside the boundary of the land on which the development is to be constructed, etc.*

*4. Deed of mutual covenant*

*The sales brochures should contain information on salient provisions of the Deed of Mutual Covenant including common parts, undivided shares, sharing of management fees, appointment of manager, retained areas, etc.*

*5. Slope maintenance*

*The sales brochures should set out clearly the obligations of owners to maintain slopes etc. together with a plan showing such slope etc. and the undertakings, if any, of the developer to carry out any work on any slope etc.*

*C. Timing of provision of sales brochures*

*The sales brochures and price list should be made available before the date of public sale of the residential properties. For additional residential properties to be offered at the same sale exercise, the price list of such residential properties should be provided before the date of their public sale.*

*D. Notice as to possible changes*

*The sales brochures should state their date of printing. The latest version of the sale brochures should be made available at the sales office immediately on the first date of public sale. A conspicuous note should be inserted to alert readers about information which is subject to change.*

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This Circular should be made available for the information of all staff engaged in estate agency work