

## **Tapescript PSW 3.4 Listening 1: Laws on Property Sales**

*Here is some information published in the SCMP on 2 October 1996.*

### New laws to take tighter grip on sales - Kenneth Ko

Property sales will be subject to tighter controls after the Government decided to draft new laws to address the absence of standard measures for gross floor area.

A government spokesman said the administration had resolved that most recommendations proposed by the Law Reform Commission last year should be accepted with details and technicalities subject to adjustment.

The Legal Department, advised by the Housing Branch, would start drafting the legislation.

The spokesman said it was hoped the new law could be tabled for consideration by the Legislative Council before the summer break next year.

The commission published a report in April last year detailing recommendations to protect home-buyers.

Major recommendations included standardising in law the term "gross floor area" and making the inclusion of "saleable area" mandatory in sales brochures.

The lack of a recognised definition for gross floor area has been criticised as one of the most marked anomalies of the local property market.

In some extreme cases, flats were found to have a living space of less than half their advertised gross floor area. The practice was dubbed the "shrunk flat" syndrome.

The commission suggested that legislation was needed to control the quality of flats and the quality of information about them, to enable buyers to make informed choices.

It also suggested listing details of fittings and finishes in sales literature and making available for inspection at all times deeds of mutual covenant in Chinese and English.

It proposed that there should be criminal sanctions, from fines to imprisonment, for regulation breaches.

The Hong Kong Institute of Surveyors has also recently drafted definitions for gross floor area, lettable area and net area - terms commonly used in the industry.

The institute said it was now consulting its members on the standardised terms, which could provide guidelines for the industry.

Gross floor area is quoted for both residential and commercial properties. Lettable area and net area are often quoted for space in commercial buildings.