



香港地產建設商會

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

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4 January 2012

The Editor
SCMP
via fax: 2250 3242 & email

Dear Sir

I refer to your editorial of December 31 "Developers can't have it both ways"

While the headline of the article fails to capture the essence of the commentary, I commend the writer for managing to see most of the issues at stake and recognising that public interest and transparency must be the main focus of any proposed legislation to regulate the sale of properties.

That said, the writer seems to be slightly misguided regarding the position taken by The Real Estate Developers Association of Hong Kong (REDHA) in its press statement of December 20, 2011 (<http://www.reda.hk/press-releases/public-consultation-proposed-legislation-regulate-sale-first-hand-residential-propert>).

Although REDA's statement focussed on five separate, but equally important, issues that it believes need to be addressed before any legislation is passed to protect the free and fair trade principles of the property sector, your editorial was aimed mainly at the use of saleable area vs gross floor area (GFA) in the sale of flats.

REDHA has consistently expressed its support for the Government's efforts to introduce saleable area as a basis for calculating price. However, it also proposes the inclusion of a standard definition of GFA to provide buyers *additional* information and reduce confusion arising from different properties in the primary and secondary markets using different forms of measurement. As the proposed legislation does not cover second-hand properties, it is unavoidable that similar, if not identical flats, possibly in the same development, will be priced using totally different methods of calculation. If developers



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are legally constrained from providing GFA information, consumers will not be able to make an apples to apples comparison.

The writer is absolutely correct in questioning “why developers cannot just inform prospective buyers what those amenities are and what area they cover, and the notional proportionate allocation of the total space to each flat.” That is precisely what REDA is proposing to do, through the provision of the GFA information, and which the legislation proposes to bar.

REDA also firmly believes that the legislation should apply to *all* properties, including those being offered by private sellers and the Government’s own Housing Authority. This, as your commentator correctly states, is what is required for a healthy market that is transparent and operated on a level playing field for all.

Yours sincerely

Louis Loong
Secretary General