



THE HONG KONG INSTITUTE OF
SURVEYORS

Your ref.: CB1/PL/HG

4 October 2007

Clerk to Panel
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

BY FAX & POST
2869 6794

Attn: Ms Sarah Yuen

Dear Sir

**Re : Panel on Housing
Meeting on 17 July 2007
Agenda Item III – Disclosure of saleable area in sales description
for residential properties**

I refer to your letter dated 13 September 2007 addressed to our President Mr Raymond Chan on the captioned meeting.

I have pleasure in attaching herewith our comments on the draft minutes of item III of the meeting.

Should you require any further information and/or clarification, please do not hesitate to contact the undersigned.

Yours faithfully

Margaret Yung
Manager

Encl.



**Panel on Housing
Meeting on 17 July 2007
Agenda item III – Disclosure of saleable area
in sales description for residential properties**

HKIS comments

Para. 14 (page 12)

4th sentence to read:

“Ms Serena LAU, Chairman, General Practice Division of HKIS, supplemented that while there was room for improving the calculation of SA, **surveying** professionals had a clear understanding about SA and had adopted established practices in its calculation.”

5th sentence to read:

“HKIS’s proposal only aimed at simplifying the calculation of SA to enable flat buyers to have a better understanding of the **area** of flats before making the purchase decision.”

Para. 40 (page 22)

Beginning with 3rd sentence to read:

“In reply, Mr Raymond CHAN of HKIS said that in most overseas countries only the internal floor area would be **used to describe area for sales**. The problem in Hong Kong was related to the calculation of SC **and PR**, under which the external wall and its full thickness was included. As such, if the calculation of SA in Hong Kong was to be amended to exclude the external wall, the calculation of SC **and PR**, which affected the land premium, and hence BO, which stipulated how SC **and PR** should be calculated, might need to be amended to reflect the changes and their impacts on the land premium and in turn flat prices.”