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Strong support for the proposed changes to the Housing Developers (Control & Licensing) Act & Housing Developers Rules

The public has given the thumbs up for the changes to the Housing Developers (Control & Licensing) Act (HDCLA) and Housing Developers Rules (HDR) proposed by the Urban Redevelopment Authority (URA). More than 100 respondents have given their feedback in response to the URA's online consultation. They were generally in favour of URA's proposed requirements on developers to provide accurate information in the showflats and to provide more information on the housing units to prospective home-buyers to help them make better informed decisions. The respondents also supported additional controls on advertisements to prevent developers from providing misleading information on the developments to prospective buyers.

Conducted by URA from 17 March 2011 to 18 April 2011, the online public consultation exercise attracted inputs from the general public, as well as developers, property agents, solicitors, property consultants and other real estate professionals. Strong support was received for the following key proposals:

- a More mandatory information on housing projects should be provided to home-buyers before the issue of the Option-to-Purchase to allow them to make informed decisions;
- b Developers should be required to obtain home-buyers' consent for changes to the housing project, e.g. change in location of the bin centre;
- c Requirements should be imposed on the setting up of showflats to ensure that they depict the actual units accurately;
- d Developers who have developed housing projects before should be required to provide information on at least one completed project, before the issue of the Option-to-Purchase;
- e Price lists of units available for sale should be made available to prospective home-buyers;
- f Developers should be required to publish the prices of units sold, if any, on a weekly basis; and
- g Existing controls on advertisements should be extended to advertisements on websites.

In addition, some of the respondents also gave suggestions on how we can further enhance market transparency and better protect home-buyers' interests. The URA has considered these suggestions carefully and will incorporate the following key changes to the HDCLA and HDR:

- a to extend the controls under the HDCLA to all housing developers and not just those who are developing projects with more than 4 units, so that purchasers of units in these smaller developments can also benefit from the protection accorded under the HDCLA;
- b to require developers to provide a further breakdown of the strata floor area by room, i.e. the sizes of individual bedrooms and kitchen/dining area should be stated in addition to the areas of other spaces such as balconies and private enclosed spaces;

and

- c to provide a list of developers who have contravened the provisions under the HDCLA or HDR and had their sale licences suspended on URA's website.

URA will finalise the proposed changes to the HDCLA and HDR and make the necessary legislative changes to support the amendments. The new regulations and rules will be implemented in due course.

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