

Average selling price and sales arrangements for Sale of Green Form Subsidised HOS Flats 2018 and alienation restrictions for subsidised sale flats endorsed by HA

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee (SHC) today (November 16) endorsed the average selling price and sales arrangements for Lai Tsui Court in Cheung Sha Wan, the first regularised project under the Green Form Subsidised Home Ownership Scheme (GSH). The SHC also endorsed further tightening the alienation restrictions for Subsidised Sale Flats (SSFs) (including Home Ownership Scheme (HOS) and GSH flats) launched by HA from 2019.

Green Form Subsidised Home Ownership Scheme (GSH) 2018

Applications will be invited in December and balloting will be held in February 2019. Successful applicants will be invited to select flats from March 2019.

A new sales office will be set up at Kwun Tong for handling the application and sales arrangements for sale of GSH flats starting from GSH at Lai Tsui Court this year.

Located at Lai Chi Kok Road at Cheung Sha Wan, Blocks 1 to 4 of Lai Tsui Court will provide 2 545 flats, with saleable areas ranging from about 17.1 square metres to about 42 square metres (see Table 1). By applying a discount of 58 per cent from the assessed market values, the average selling price is \$67,200 per square metre (or \$6,243 per square foot) of saleable area. Selling prices of the flats range from \$932,500 to \$3,062,100.

"Following the price setting mechanism for GSH as endorsed by the SHC in January, the flats will be sold at a discount of 10 per cent more than that determined for the preceding HOS sale exercise. As the discount rate for Sale of HOS Flats 2018 is 48 per cent (52 per cent of the assessed market value), the discount rate for sale of flats of Lai Tsui Court is set at 58 per cent (42 per cent of the assessed market value)," a spokesman for the HA said.

In line with established practice in past HOS and the GSH sale exercises, the flat selection order of successful applicants of GSH 2018 will be determined by the application category and quota allocation (see Table 2). Absolute priority will be offered to the affected households of the Mei Tung Estate and Pak Tin Estate clearance programmes.

"A quota of 750 flats will be set aside for applicants applying under the Priority Elderly Scheme. They would still have an opportunity to purchase under the 'Other families' category if they fail to obtain a quota under this category. On the other hand, any unused quota for this category will be allocated to the 'Other families' category," the spokesman said.

The SHC also agreed to set aside 250 flats for one-person applicants. This seeks to strike a balance between according priority to family applicants and addressing the keen home ownership aspirations of one-person applicants. Following the established arrangement, one-person applicants will be allowed to buy any remaining flats after all family applicants have selected flats, irrespective of the flat size.

The SHC also endorsed the alienation restrictions for Sale of GSH Flats 2018, adopting the restrictions for Sale of HOS Flats 2018 (i.e. owners cannot sell in the open market within five years from first assignment) but restricting eligible buyers to Green Form (GF) applicants only should HA exercise the power to nominate a buyer during the first five years from first assignment/for sale in the Secondary Market.

In addition, the SHC also endorsed piloting the streamlined application arrangements, which will be applied to HOS and GSH in 2018 for the first time; all valid unsuccessful HOS GF applications will be automatically carried over to the subsequent GSH sale exercise in the same year. Applicants need not to submit a separate application nor pay the application fee for that GSH.

However, applicants who wish to change their family composition have to cancel the carried over HOS applications and submit new GSH applications upon payment of the application fee, which remains at \$240. Those who do not wish to apply under the GSH may notify HA to cancel the application.

"Despite the streamlined application procedures, the HOS and the subsequent GSH exercises in the same year are two separate sale exercises. The sales arrangements, including allocation of quota and order of priority for flat selection for each sale exercise will continue to require Members' endorsement separately and balloting will also be done separately, " the spokesman said.

"As this is the first time we are applying the streamlined arrangements, we will send written notifications to those valid GF applicants of HOS 2018 informing them of the major details. The HA will review the effectiveness of the pilot measures with a view to considering whether they should continue in future HOS and GSH exercise, " the spokesman added.

Alienation Restrictions for Subsidised Sale Flats

The alienation restrictions for SSFs (including HOS and GSH flats) launched by HA are further tightened from 2019, details are as follows:

1. Owners may re-sell in the open market upon payment of premium after 10 years from first assignment; and
2. For resale in the Secondary Market without payment of premium, owners may re-sell to categories of buyers specified by the HA at no more than the original price in the first two years from first assignment; and at freely-negotiated prices from the third year from first assignment.

For HOS, eligible buyers are GF and White Form (WF) applicants (i.e. successful WF applicants under the White Form Secondary Market Scheme (WSM)); for GSH, eligible buyers are GF applicants only.

"In future, the HA may vary such specifications for buyers in the Secondary Market as necessary, " the spokesman said.

He stressed that the above alienation restrictions would strike a reasonable balance between deterring short-term speculation and facilitating the circulation of SSFs.

The revised restrictions will be applied to SSFs launched by the HA from 2019 with a "lease approach", i.e. by incorporating the restrictions into the Government lease and sales documents of SSFs.

As regards the alienation restrictions for Sale of HOS Flats 2018, the SHC agreed to exclude Tenants Purchase Scheme (TPS) owners from successful WF applicants under the WSM who may be nominated by HA to purchase HOS flats offered for sale during the first five years from first assignment, given that this may unreasonably delay the whole process as TPS owners are required to dispose their TPS flats before completing the sale.