

HA approves arrangements for Sale of HOS Flats 2020 and WSM 2020

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

The Hong Kong Housing Authority (HA) Subsidised Housing Committee (SHC) today (June 22) approved the provisional average selling prices, the arrangements to finalise the average selling prices and sales arrangements for the Sale of Home Ownership Scheme (HOS) Flats 2020 (HOS 2020) and the arrangements for the White Form Secondary Market Scheme (WSM) 2020, as well as the White Form (WF) income and asset limits for the two exercises.

The following four new HOS developments will be put up for sale under HOS 2020, providing a total of 7 047 flats (details are set out in Annex):

1. 806 flats in Choi Wo Court, Sha Tin with saleable areas of about 36.6 square metres (sq m) to about 57.0 sq m;
2. 3 222 flats in Shan Lai Court, Fanling with saleable areas of about 25.8 sq m to about 41.9 sq m;
3. 2 079 flats in Kam Chun Court, Ma On Shan with saleable areas of about 28.9 sq m to about 45.9 sq m; and
4. 940 flats in Kai Cheung Court, Diamond Hill with saleable areas of about 27.4 sq m to about 46.6 sq m.

As at May 31, there were 18 rescinded flats from two HOS developments (Hoi Lok Court and Yu Tai Court) previously put up for sale in HOS 2018. They will be included for resale in this sale exercise. Apart from them, any additional rescinded flats from HOS 2018 and HOS 2019 as identified up to about one month before the commencement of flat selection will also be included for resale in this sale exercise.

According to the pricing policy on subsidised sale flats (SSF) introduced in 2018, the discount applied to the assessed market value of HOS flats for sale is determined on the basis of the affordability benchmark that at least 75 per cent of the flats for sale are affordable to the non-owner occupier households earning a median monthly household income, assuming that they need to spend no more than 40 per cent of their monthly income on mortgage payments. The discount rate is applicable to both new flats and unsold/rescinded flats put up for sale/resale in the same sale exercise.

"SHC endorsed that, following the above pricing mechanism, the average selling prices of the 7 047 new flats for sale and any unsold/rescinded flats for resale under HOS 2020 are provisionally set at 37 per cent discount from the assessed market values, i.e. for sale at 63 per cent of assessed market values. The provisional selling prices of the flats of the four new developments range from \$1.23 million to \$5.13 million, averaging at about \$2.84 million," a spokesman for the HA said.

"Under the COVID-19 pandemic, the economic situation faces unprecedented challenges. With the rapid change in the economic climate in the past six months, there is a huge downward pressure on household income. As household income is a key in determining the price of the HOS flats, the SHC considered that under this very special circumstance, reference should be made to the latest income figures for April to June 2020 in determining the selling prices so as to take into account the rapid change in the economic climate over this period," the spokesman explained.

"As such, as a one-off special arrangement, the SHC endorsed adopting the above discount rate and average selling prices as a provisional discount rate and average selling prices for the time being. The HA will finalise the discount rate and average selling prices for HOS 2020 when the median monthly household income of non-owner occupier households for April to June 2020 is available from the Census and Statistics Department in late August 2020. Should the relevant income figure drop, the discount rate will be adjusted upward, meaning that the average selling prices will be adjusted downward; but in case the relevant income figure goes up, the HA would not adjust the discount rate downward, meaning that the average selling prices will not be adjusted upward."

The application period is expected to start in July and balloting will be held in October. Eligible applicants of HOS 2020 will be invited to select HOS flats starting from March 2021.

"To strike a balance in addressing the home ownership aspirations of Green Form (GF) and WF applicants and taking into account that tentatively around 4 700 Green Form Subsidised Home Ownership Scheme (GSH) flats would be for sale later this year, the SHC decided to revise the ratio of allocation quota between GF and WF applicants to 40:60 for HOS 2020," the spokesman said.

"The flexibility to re-allocate any remaining quota from the GF queue to the WF queue, and vice versa will be maintained," the spokesman added.

The established order of priority for flat selection will be followed and the flat selection order of eligible applicants will be determined by the application category, quota allocation and ballot results. Absolute priority is applicable to both family and one-person applicants living in public rental housing estates who are affected by the HA's announced clearance programmes and where the target clearance date(s) is/are after the launch date (application commencement date) of this sale exercise.

A quota of 2 100 flats will be set aside for families applying under the Priority Scheme for Families with Elderly Members (Priority Elderly Scheme) who have priority over other family applicants, with GF and WF applicants each taking up 40 per cent and 60 percent respectively. If families under the Priority Elderly Scheme fail to obtain a flat under the quota, they will still have the opportunity to purchase under the "Other Families" category. Within other ordinary GF and WF groups, family applicants have

priority over one-person applicants.

The SHC also agreed to set aside 700 flats for one-person applicants, with GF and WF applicants each taking up 40 per cent and 60 per cent respectively, allowing them a reasonable chance to purchase the flats. In case the 700 flats are not fully consumed after all one-person applicants have made selections, the remaining flats will be allocated back to the "Other Families" category.

Noting that the response to the WSM has been persistently strong and the 2019 Policy Address suggested that the HA further raise the annual quota of the scheme, the SHC decided to increase the quota for WSM 2020 to 4 500 while maintaining the allocation ratio for family and one-person applicants at 9:1.

WSM 2020 will be launched together with HOS 2020 and one single application will continue be used to cover the two schemes. Applicants may choose to apply for the HOS or the WSM only or both. Separate balloting will be conducted to determine the priority for flat selections for HOS 2020 and the allocation of quotas under WSM 2020.

Doll houses of typical flats, building models, exhibition panels and other information on the four new developments will be displayed at the HA Customer Service Centre at Lok Fu starting seven days before the commencement and up to the end of the application period. At the same time, sales booklets (sales leaflets for rescinded flats) providing sales arrangements and basic information, including the flat sizes and provisional price ranges of the developments, will also be made available to the public. Sales brochures covering full details of the developments and price lists will be available for public collection at least seven days before commencement of the flat selection period.

In view of the popularity of online applications, the HA will continue to provide online applications (including e-applications, e-payments and e-notifications), in addition to the paper submission channels (paper form, either in person or by post) for HOS 2020 and WSM 2020. The carry-over application arrangement will also continue in HOS 2020 under which GF applicants under the HOS may opt to participate in the next SSF exercise without having to submit a separate application and pay the application fee for that next SSF exercise.

Application fees for the schemes remain to be unchanged: \$250 for HOS 2020 only, \$160 for WSM 2020 only and \$410 for both.

At today's meeting, the SHC also reviewed the WF income and asset limits for HOS 2020 and WSM 2020 according to the established mechanism, and endorsed the WF income and asset limits at \$66,000 per month and \$1,700,000 respectively. According to established practice, the income and asset limits for WF one-person applicants will be set at half of the limits for family applicants, at \$33,000 and \$850,000 respectively.