

HA approves arrangements for Sale of HOS Flats 2022 and WSM 2022

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

The Hong Kong Housing Authority (HA) Subsidised Housing Committee (SHC) today (January 6) approved the provisional average selling prices and sales arrangements for the Sale of Home Ownership Scheme (HOS) Flats 2022 (HOS 2022) and the arrangements for the White Form Secondary Market Scheme (WSM) 2022, as well as the White Form (WF) income and asset limits for the two exercises.

It is expected that applications for both schemes will be invited in the first quarter of 2022, with balloting in the second quarter of 2022. Flat selection for HOS 2022 and the issuance of Approval Letters to eligible applicants under WSM 2022 are expected to start from the fourth quarter of the same year.

The application fee will be \$250 for HOS 2022 only, \$210 for WSM 2022 only and \$460 for both.

HOS 2022

Flats for Sale

The following four categories of flats will be put up for sale under HOS 2022:

1) New HOS Flats

A total of 8 926 flats from seven new HOS developments (details are set out in Annex 1):

- (a) 3 300 flats in Yu Nga Court, Tung Chung;
- (b) 543 flats in Yu Tak Court, Sha Tin;
- (c) 248 flats in Kei Wah Court, North Point;
- (d) 495 flats in Kwun Shan Court, Ma Tau Kok;
- (e) 1 906 flats in On Sau Court, Kwun Tong;
- (f) 594 flats in Chiu Ming Court, Tseung Kwan O; and
- (g) 1 840 flats in Kai Yan Court, Kai Tak.

2) Rescinded HOS Flats

A total of 14 rescinded flats as at November 30, 2021, from two HOS developments (Choi Wo Court and Shan Lai Court) previously put up for sale under HOS 2020 and any additional rescinded flats from these two HOS developments as identified up to about two months before the commencement of flat selection.

3) Recovered Tenants Purchase Scheme (TPS) Flats

Any unsold recovered TPS flats from GSH 2020/21 and flats to be chosen from among the already recovered TPS flats and TPS flats to be recovered in the coming months, up to about three months before commencement of flat selection of HOS 2022, taking into account factors such as the diversity of the TPS estates and their popularity among purchasers, flat conditions and the sales response of the recovered TPS flats under GSH 2020/21.

4) Rescinded Subsidised Sale Flats (SSFs) of the Hong Kong Housing Society (HKHS)

A total of 27 rescinded SSFs from three developments of the HKHS (Mount Verdant, Terrace Concerto and Greenhill Villa), which were offered for presale in 2016 and 2017.

Prices

- 1) New HOS Flats
- 2) Rescinded HOS Flats

According to the pricing policy on SSFs 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 HOS flats and rescinded HOS flats put up for sale/resale in the same sale exercise.

"Following the above pricing mechanism, the SHC endorsed provisionally setting the average selling prices of the 8 926 new flats for sale and any rescinded HOS flats for resale under HOS 2022 at a 49 per cent discount from the assessed market values, i.e. for sale at 51 per cent of assessed market values. The provisional selling prices of the flats of the seven new developments range from \$1.24 million to \$5.31 million, averaging at about \$2.58 million," a spokesman for the HA said.

He added that since the saleable areas of individual flats under HOS 2022 are yet to be finalised, the discount rate and the average selling prices as approved today are only provisional figures. "The saleable areas of individual flats for developments under HOS 2022 will be finalised tentatively in the first half of 2022. In the event that the discount rate based on the finalised saleable areas is higher than that of the provisional discount rate, the higher discount rate will be adopted. If the discount rate based on the finalised saleable areas is lower than that of the provisional discount, the discount rate will not be adjusted downwards to avoid an increase of the average selling prices," the spokesman said.

3) Recovered TPS Flats

"The existing pricing mechanism for sale of TPS flats to sitting tenants (Adjusted Replacement Cost approach) will be adopted for sale of recovered

TPS flats to Green Formers. As at November 2021, the list prices of the unsold TPS flats range from about \$140,000 to \$1.26 million, and the discounts range from 83 per cent to 87 per cent of assessed market values. The final price range will depend on the recovered TPS flats that will be put up for sale under HOS 2022," the spokesman said.

4) Rescinded SSFs of the HKHS

The selling prices of these rescinded flats of the HKHS will be announced by the HKHS separately before the commencement of application.

Sales Arrangements

Joint Application with HKHS

The HA and the HKHS will conduct a joint application exercise as the latter's 27 rescinded SSFs will be included for resale under HOS 2022. Eligible applicants only need to submit a single application and undergo one vetting process for buying HOS flats or the HKHS's SSFs.

Priority for Flat Selection

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 (see Annex 2 for details).

"In other words, when it comes to an eligible applicant's turn for flat selection under HOS 2022, he or she may select an HOS flat, a recovered TPS flat (for Green Form (GF) applicants only) or an HKHS SSF, subject to the quota arrangements and the availability of flats," the spokesman said.

Allocation Ratio and Quota

As there has been no significant change in the proportion between GF and WF applicants, and taking into account the fact that there will be 4 693 new GSH flats for sale under GSH 2022, the SHC decided to maintain the ratio of the allocation quota between GF and WF applicants at 4:6 for HOS 2022. Following established practice, the flexibility to reallocate any remaining quota from the GF queue to the WF queue and vice versa will be maintained.

A quota of 2 700 flats will be set aside for family applicants 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 per cent of the quota respectively. If families applying under the Priority Elderly Scheme fail to obtain a quota allocation, they will still have the opportunity to purchase under the "Other Families" category.

The SHC also agreed to set aside 900 flats for one-person applicants, with GF and WF applicants each taking up 40 per cent and 60 per cent

respectively of the quota, allowing them a reasonable chance to purchase the flats. In case the quota of 900 flats and any remaining recovered TPS flats are not fully consumed after the list of one-person applicants is exhausted, the remaining flats will be allocated back to the "Other Families" category.

Alienation Restrictions

The new HOS flats put up for sale under HOS 2022 will be subject to the revised alienation restrictions as endorsed by the SHC today.

The rescinded HOS flats of Choi Wo Court and Shan Lai Court are subject to the alienation restrictions approved by the SHC on November 16, 2018. The alienation restrictions are already stipulated in the relevant land lease documents (see the gist in Annex 3).

The HKHS's rescinded SSFs put up for resale under HOS 2022 are subject to the alienation restrictions stipulated in the land grants of the respective SSF developments (see the gist in Annex 3).

The recovered TPS flats are subject to alienation restrictions stipulated in the Schedule to the Housing Ordinance (Cap. 283) (see the gist in Annex 3).

Publicity Arrangements

Doll houses and virtual videos of typical flats and building models/artists' impressions on the new HOS developments, exhibition panels and other information on the HOS developments and TPS estates, as well as photos of the interior of samples of recovered TPS flats, will be provided at the HA Customer Service Centre at Lok Fu and on the HA/Housing Department's designated websites starting seven days before the commencement and up to the end of the application period. At the same time, sales booklets for new HOS flats (and sales leaflets for rescinded HOS flats and recovered TPS flats) providing details of sales arrangements and basic information of the developments/estates will also be made available to the public.

Sales brochures for new and rescinded HOS flats (and sales pamphlets for recovered TPS flats) covering greater details of the developments/estates and price lists will be available for public collection and viewing on the HA/HD's designated websites starting seven days before the commencement of the flat selection period. During the flat selection period, photos and video clips of the interiors of all the recovered TPS flats for sale will be provided at the HA Customer Service Centre at Lok Fu and on the HA/HD's designated websites.

Online Application

"We will continue to provide online application (including e-application, e-payment and e-notification), in addition to the paper submission channels (paper form, either in person or by post) for HOS 2022 and WSM 2022. The carry-over application arrangement will also continue in

HOS 2022 under which GF applicants of HOS 2022 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," the spokesman said.

WSM 2022

Taking into account the persistent strong demand from WF applicants under WSM 2020, the SHC decided to maintain the quota for WSM 2022 at 4 500, and the allocation ratio for family and one-person applicants at 9:1. The same eligibility criteria for HOS 2022, including the income and asset limits as well as restrictions on domestic property ownership, will be applicable to WSM 2022 as well.

"Similar to WSM 2020, WSM 2022 will be launched together with HOS 2022. A single application form will continue to be used to cover the two schemes. Applicants may choose to apply for HOS or WSM only or both. Separate balloting will be conducted to determine the priority for flat selection for HOS 2022 and quota allocation under WSM 2022," the spokesman said.

WF Income and Asset Limits for HOS 2022 and WSM 2022

At today's meeting, the SHC also reviewed the WF income and asset limits for HOS 2022 and WSM 2022 according to the established mechanism, and endorsed the WF income and asset limits at \$66,000 per month and \$1.85 million respectively. According to the 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 per month and \$925,000 respectively.