

HA approves implementation arrangements for Sale of Home Ownership Scheme Flats 2024

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

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee today (August 27) approved the average selling prices and sales arrangements for the Sale of Home Ownership Scheme (HOS) Flats 2024 (HOS 2024) as well as the income and asset limits for White Form (WF) applicants.

"Apart from sparing no effort in constructing public rental housing to eligible applicants to shorten their waiting time, the HA has also been actively providing affordable Subsidised Sale Flats (SSFs) for purchase by the eligible applicants to fulfil their home ownership aspiration. Following the launch of HOS 2023 and the Sale of Green Form Subsidised Home Ownership Scheme Flats 2023 offering a total of about 12 000 flats, the HA is going to launch HOS 2024 and start receiving applications in the fourth quarter of 2024," a spokesman for the HA said.

Details of the implementation arrangements for HOS 2024 are as follows:

Flats for sale

The HA will offer five new HOS developments with a total of over 7 100 HOS flats, and a new batch of recovered Tenants Purchase Scheme flats under HOS 2024. While the number of new HOS flats put up for sale this time is slightly below the recent peak of about 9 100 flats in HOS 2023, as some of the projects to be completed in the coming years have been put up for sale in previous sale exercises, it is still above the average number of around 6 900 flats for sale since the last few HOS sale exercises from 2018.

The new HOS developments are located at a wide variety of locations (including Kai Tak, Kwun Tong, Yau Tong, Tung Chung and Tuen Mun), providing choices of flats of different sizes with saleable areas ranging from about 17.3 square metres to about 47.4 sq m (about 186 square feet to about 510 sq ft), catering for the needs of different applicants. Large flats, with saleable areas ranging from about 41.1 sq m to about 47.4 sq m (about 442 sq ft to about 510 sq ft), have been more popular among applicants and account for about a quarter of the total number of flats. (See Annex 1)

Pricing

The HA continues to price HOS flats at an affordable level. The average selling prices of the HOS flats for sale under HOS 2024, if setting the selling prices at an affordable level, are set at a 30 per cent discount from the current assessed market values (i.e. for sale at 70 per cent of the

assessed market values). The selling prices of flats in the five new HOS developments range from \$1.43 million to \$4.67 million with an average selling price of about \$2.7 million.

"Based on the average flat selling price at about \$2.7 million with the assumption that the mortgage loan-to-price ratio is 90 per cent and the flat is mortgaged for a term of 30 years at an interest rate of about 4 per cent, mortgage payment is only about \$11,600 per month. For one to two-person flats, the average selling price is about \$1.7 million and the mortgage payment is only about \$7,300 per month, which will be welcomed by young families and young people," the spokesman said.

Priority for flat selection and quota

The HA will implement the Families with Newborns Flat Selection Priority Scheme (Priority Newborns Scheme) announced under The Chief Executive's 2023 Policy Address as scheduled. A quota of about 40 per cent of the new flats to be offered for sale under HOS 2024 will be set for balloting and priority flat selection by those eligible applicants applying under the Priority Newborns Scheme and Priority Scheme for Families with Elderly Members (Priority Elderly Scheme). Family applicants of SSFs sale exercises with babies born on or after October 25, 2023, will be eligible if their babies are aged 3 or below on the closing date of the application of HOS 2024.

The HA will also refine the arrangements of quota allocation at the same time. In the past, the quota is set according to the total number of flats in all developments under a sale exercise. To provide applicants of different application categories a reasonable chance to purchase flats in different developments, the HA has decided to set the quota on a project-by-project basis according to the respective number of flats in individual new HOS developments. In each development, the quota for the Priority Newborns Scheme and the Priority Elderly Scheme is 40 per cent of the number of flats of the development, and the quota for one-person applicants is 10 per cent of the number of flats of the development. The order of priority for flat selection by eligible applicants will be determined by the application category, quota allocation and ballot results. (See Annex 2)

White Form income and assets limits

At the same time, the HA has also reviewed the WF income and asset limits according to the established mechanism. For family applicants with a household size of two persons and above, the income limit was reduced from \$62,000 per month to \$60,000 per month, and the asset limit was reduced from \$1.47 million to \$1.23 million, making downward adjustments of 3.2 per cent and 16.3 per cent respectively. For one-person applicants, their income and asset limits were reduced to \$30,000 per month and \$615,000 correspondingly.

Since the income and asset limits for HOS application are based on citizens' ability to afford home ownership in the private sector, the WF income and asset limits shall be slightly reduced in response to the

development of the private property market of Hong Kong.