

LCQ1: Green Form Subsidised Home Ownership Scheme

Following is a question by the Hon Wendy Hong and a reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (July 12):

Question:

There are views pointing out that due to the "inter-changeability" of the Green Form Subsidised Home Ownership Scheme (GSH) and public rental housing (PRH), the external design and construction materials of GSH flats are exactly the same as those of PRH flats, and more than half of the flats have a saleable area of less than 30 square metres (sq m), with some even less than 20 sq m, making it difficult for them to attract PRH residents to purchase so as to release their PRH flats for those who are on the waiting list. In this connection, will the Government inform this Council:

(1) under the "Sale of GSH Flats 2022", of the number and percentage of flats of less than 20 sq m, and the sale rate of such flats as at the 30th of last month; under the "Sale of GSH Flats 2023" for which applications will soon be invited, of the number and percentage of flats of less than 30 sq m and, among such flats, the number of those of less than 20 sq m;

(2) as it has been reported that the previous sales of GSH flats of less than 20 sq m have been sluggish, whether, in order to attract PRH residents to purchase their homes, the Government will reduce the proportion of small-sized GSH flats, e.g. whether it will consider, where feasible, merging adjacent small flats which have been completed and are ready for sale, so as to increase the supply of flats of over 30 sq m; and

(3) as the Hong Kong Housing Authority indicated in 2021 that it was reviewing the mechanism and timing for converting PRH projects to GSH projects with a view to facilitating, in the long run, the early identification of sites for GSH projects for formulating a flat mix more suitable for GSH buyers, of the progress of the relevant review?

Reply:

President,

To further enhance the housing ladder and to provide better-off public rental housing (PRH) tenants with an additional opportunity to move up the housing ladder, the Hong Kong Housing Authority (HA) launched the Green Form Subsidised Home Ownership Scheme (GSH) Pilot in 2016 by selecting suitable PRH developments under construction for sale to Green Form (GF) applicants. The HA regularised GSH in 2018. In accordance with the pricing mechanism, GSH flats are sold at a discount of 10 per cent more than that determined for the preceding Home Ownership Scheme sale exercise. When the HA regularised GSH in

2018, the HA, after thorough discussions, considered it prudent to put up flats for sale at a more modest pace to reduce the risk of flats being unsold. In fact, before the launch of each GSH exercise, the HA will take into account workflow, past experience and the latest sales situation to consider the suitability of PRH sites for conversion as GSH projects, and the approval of Strategic Planning Committee (SPC) will be sought for each conversion. After obtaining approval from SPC, the GSH proposal, including the developments for sale and the sales arrangements, will be submitted to the Subsidised Housing Committee for approval at appropriate time.

Since the launch of GSH in 2016, the HA had put up a total of about 13 900 GSH flats for sale. Only about 2 000 flats were of saleable area (SA) below 20 square metres (sq m), accounting for only about 15 per cent of the total number of flats for sale. However, there are quite a number of smaller flats in Ching Fu Court and Dip Tsui Court, accounting for 23 per cent of the total number of flats in these two developments. Regarding the sale of GSH Flats 2022 (GSH 2022), the HA has reduced the number of smaller flats. Out of some 4 700 flats in the three developments for sale under GSH 2022, there are only about 500 flats with SA below 20 sq m, accounting for only about 10 per cent of the total number of flats for sale.

Although some smaller flats in Ching Fu Court and Dip Tsui Court were not sold in the previous GSH 2019 and GSH 2020/21 sale exercises, the HA had offered these flats to eligible PRH applicants through Express Flat Allocation Scheme 2022. As for GSH 2022, flat selection commenced in end-March 2023 and completed in mid-June. 98 per cent of the flats under GSH 2022 were sold, with only about 100 unsold flats, the SA of which are below 20 sq m. The unsold GSH flats will generally be put up for sale in the subsequent GSH sales exercises.

Past sales experience indicates that GSH flats of smaller size are less popular. The HA has reviewed the current design process for conversion of PRH sites as GSH developments. On the one hand, we will allow flexibility in design so as to formulate a more suitable flat mix. On the other hand, we will attempt to select suitable GSH developments as early as practicable before the commencement of construction works. In this connection, the HA has revisited potential GSH projects from 2021 and revised the flat mix if technically feasible, thereby reducing the number of smaller flats in the developments under GSH 2022 to about 10 per cent. The HA will follow the above approach in future with a view to formulating a more suitable flat mix in a flexible manner.

The HA is currently finalising the number of flats for sale and the flat mix for the next sale exercise (GSH 2023), and will announce the details at an appropriate time. As for GSH 2023 and subsequent sale exercises, the Chief Executive announced in the 2022 Policy Address that the SA of all subsidised sale flats (SFFs) completed from 2026 to 2027 onwards will be no less than 26 sq m in general. The HA will follow the strategy and direction of the Policy Address and set a minimum size for the newly-built SFFs (including GSH flats). Therefore, GSH 2022 is the last batch of developments with flats of SA below 26 sq m.

Thank you, President.