

LCQ20: White Form Secondary Market Scheme

Following is a question by the Hon Leung Man-kwong and a reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (March 20):

Question:

The Hong Kong Housing Authority (HA) endorsed in 2017 the regularisation of the White Form Secondary Market Scheme (WSM). In this connection, will the Government inform this Council:

(1) of the number of applicants who succeeded in applying for a Certificate of Eligibility to Purchase (CEP) in each round of WSM since its regularisation, and the percentage of such applicants in the overall number of applicants; among the applicants who succeeded in applying for a CEP in respect of each round of WSM, of the number and percentage of those who succeeded in purchasing a flat subsequently, together with a breakdown by application category (i.e. family applicants and one-person applicants);

(2) of the number of Letter of Nomination issued by the HA in respect of each round of WSM since its regularisation, together with a breakdown by month; and

(3) whether it has considered increasing the quota for each round of WSM; if so, of the details; if not, the reasons for that?

Reply:

President,

In response to the question raised by the Hon Leung Man-kwong, our reply is as follows:

(1) and (2) In response to the aspirations of low-and middle-income families to buy their own homes, the Hong Kong Housing Authority (HA) launched two Interim Schemes to extend the Home Ownership Scheme Secondary Market Scheme to White Form buyers in 2013 and 2015 so as to enrich the housing ladder. After a review and taking into account the sustained demand for subsidised sale flats from White Form buyers, the HA endorsed the regularisation of the Interim Scheme as the White Form Secondary Market Scheme (WSM) from 2018.

WSM 2018 was launched in March 2018 with a quota of 2 500, which was increased to 3 000 in WSM 2019 and 4 500 in WSM 2020. The quota for WSM 2022 and WSM 2023 remained at 4 500, including 4 050 for family applicants and 450 for one-person applicants.

Under the WSM, successful applicants will be invited to apply for a Certificate of Eligibility to Purchase (CEP). The holder is entitled to purchase a subsidised sale flat with premium not yet paid within the 12-month validity period and apply for a Letter of Nomination (LN) within one month from the date of the Provisional Agreement for Sale and Purchase. After obtaining the LN, the applicant can enter into the formal Agreement for Sale and Purchase and the Deed of Assignment to complete the transaction.

For WSM 2018 to WSM 2022, information on the number of application, number of CEP and number of LN (successful purchasers), etc, with breakdown by family applicants and one-person applicants in each exercise is set out at Annex.

(3) The HA has extended the maximum mortgage default guarantee period and repayment period for the Secondary Market Scheme earlier and we are closely monitoring the situation of the secondary market after the implementation of such arrangements. When we launch the WSM in the future, we will take into account different factors, including the demand of White Form applicants towards subsidised sale flats, the secondary market and the market environment as a whole in order to review and determine the quotas for WSM.