

## LCQ3: Figures on subsidised sale flats projects

Following is a question by Hon Tony Tse Wai-chuen and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (January 23):

Question:

In recent years, the various subsidised sale flats projects (subsidised projects) launched by the Hong Kong Housing Authority, the Hong Kong Housing Society and the Urban Renewal Authority have received overwhelming responses and have often been oversubscribed by dozens or even hundreds of times, resulting in slim chances for applicants to purchase flats. It is learnt that quite a number of members of the public have, in recent years, subscribed for the flats of the various subsidised projects for a number of times but in vain, and their home ownership aspirations have turned into feelings of disappointment and even despair. In this connection, will the Government inform this Council:

(1) of the number of applications received from each category of applicants (such as Green Form applicants and White Form applicants), and the number and percentage of each category of applicants who purchased a flat, in each sale exercise for the various subsidized projects launched since 2014;

(2) whether the authorities concerned have kept records on the cumulative number of times in the past that an applicant had made an application but was unsuccessful in purchasing a flat; if so, of the average and highest number of times in respect of the last sale exercise of each type of subsidised projects; if not, the reasons for that, and whether they will start keeping such figures; and

(3) whether the authorities concerned will suitably boost the chance to purchase a flat for those applicants who repeatedly failed to do so, for example, by offering an applicant, whenever the number of times for which he was not invited to select and purchase a flat has accumulated to three, an additional application number when he makes the next application, so that such applicants will have a greater chance to purchase flats; if not, of the reasons for that?

Reply:

President,

My consolidated reply to various parts of the question raised by the Hon Tony Tse is as follows.

According to the Long Term Housing Strategy (LTHS), public rental

housing (PRH) is to serve as a "safety net" for the grassroots who cannot afford private rental housing; while the main purpose of providing subsidised sale flats (SSFs) is to enable low-to-middle-income families to meet their home ownership aspirations, and to provide an avenue for better-off PRH tenants to buy their own homes, thereby releasing their PRH units to those genuinely in need.

To ensure the rational use of public resources, buyers of SSFs have to comply with the income and asset limits, while the pricing of SSFs is fixed in accordance with the new pricing mechanism, which was revised in June 2018. Under the revised pricing mechanism, the price discount based on the market value of SSFs is determined with reference to the affordability of eligible buyers .

Since 2014, the Hong Kong Housing Authority (HA) has put up four batches of sale under new Home Ownership Scheme (HOS) and two batches of sale under Green Form Subsidised Home Ownership Scheme (GSH) involving about 14 700 flats. Amongst HOS applicants, an average of 90 per cent were White Form applicants whilst the percentage shares of buyers from different categories varied in different batches. Sales statistics on the SSFs of HA, the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) are summarised at Annex.

In line with HA's established policy and procedures, its Subsidised Housing Committee (SHC) will annually review the housing and non-housing expenditure required for an ordinary family to purchase a reasonably sized flat in the private sector annually in setting the latest HOS income and asset limits. SHC will then decide on the sale of HOS and GSH flats located at different districts and the selling prices of flats according to the pricing mechanism. Sales arrangements including priority of flat selection for applicants under different categories will also be drawn up based on operational experience and the latest situation in society. Since the resumption of the sale of HOS in 2014, HA has been according the highest priority to applicants affected by the Government's clearance programme(s), followed by applicants with elderly members, family applicants, and so on.

As the income and asset limits of eligible HOS buyers for each year; the locations, the number of flats for sale as well as selling prices of HOS and GSH flats; and the priority of flat selection for various categories of buyers, differ each year, it has been HA's established practice to openly invite applications from eligible applicants of HOS and GSH and announce details of the sales and application arrangements in each sale exercise. Upon receipt of all applications, HA will conduct an open ballot to determine the priority of flat selection for the applicants. Similar sales arrangements are also adopted by HKHS and URA.

HA, HKHS and URA have not kept records of the number of unsuccessful applications submitted by individual SSF applicants mainly because no priority has been accorded to this type of applicants.

According to the findings of HA's surveys on applicants of the Sale of

HOS Flats, each sale exercise covered both first-time applicants as well as those whose applications had been unsuccessful in previous round(s). Taking the Sale of HOS Flats 2017 as an example, among the unsuccessful applicants, 63 per cent claimed that they had not applied for the Sale of HOS Flats 2014 and the Sale of HOS Flats 2016; 19 per cent claimed that they had applied for the Sale of HOS Flats 2014 only; 7 per cent claimed that they had applied for the Sale of HOS Flats 2016 only; while the remaining 10 per cent claimed that they had applied for both. Such information has been uploaded onto HA's website.

As to whether the number of times a buyer has applied for SSFs in the past should be adopted as a criterion for determining the buyer's priority for purchasing, our initial view is that the following factors should be considered:

1. According a higher priority to applicants with more previous applications means a lower priority for applicants of other categories, such as those under the Priority Scheme for Families with Elderly Members and one-person applicants who did not apply in previous round(s). Is this arrangement in line with the principle of allocating public resources to those who with a greater need?
2. According a higher priority to those with more previous applications will attract more applicants for SSFs, including those who are less in need or less interested in purchasing SSFs, to submit their applications earlier in a bid to obtain a higher priority for purchase in the future. This will make it more difficult for families with a greater need for purchasing SSFs.

As mentioned above, HA will review the various arrangements of SSFs from time to time, and take into account views from various parties. Thank you Chairman.