

## FAQs – Sale of Home Ownership Scheme (HOS) Flats 2014

**1. May applicant and/ or other family member(s) listed in Part I of the application form apply simultaneously for other subsidised housing schemes?**

The applicant and/ or other family member(s) listed in Part I of the application form may do so provided that they meet the eligibility criteria of other schemes. If more than one applications are successful, they can only opt for one of the schemes and all other application(s) have to be cancelled.

**2. How does the White Form applicant fulfill residence rule?**

The White Form applicant must have lived in Hong Kong for at least seven years on the closing date of application and his/her stay in Hong Kong is not subject to any conditions of stay (except the condition on the limit of stay).

**3. What is ‘Priority Scheme for Families with Elderly Members’?**

To strengthen the support for families, Green Form families consisting of two persons or above, and White Form nuclear families (including families composing of (a) husband and wife; (b) parent(s) and child(ren); (c) grandparent(s) and grandchild(ren) whose parents are deceased) with at least one elderly member aged 60 or above will have priority in flat selection if they opt to join the ‘Priority Scheme for Families with Elderly Members’. They have to comply with the following requirements:

- (i) The elderly member must have reached the age of 60 on the closing date of application and live with the applicant;
- (ii) The elderly member must become an owner or a joint owner of the purchased flat. He/ She should have the mental capacity to understand the nature and effect of all documents relating to the application and legal documents, such as Agreement for Sale and Purchase, Deed of Assignment and so on, which he/ she signs;
- (iii) If the elderly member is married, his/ her spouse must also be included in the same application unless supporting documents are submitted to prove that they are legally divorced, or the spouses do not have the right to land in Hong Kong or are deceased;
- (iv) The applicant must sign a Joint Declaration with the elderly member at the time the flat is purchased, undertaking that they are willing to live together in the purchased flat;
- (v) Except for permanent departure, death or other compassionate reasons recommended by the Director of Social Welfare, the name of the elderly

member may not be deleted from the record of owners kept by the Housing Department (HD); and

- (vi) Having opted to join this Scheme, the applicant may not alter his/ her decision afterwards or else his/ her application will be cancelled.

**4. When will the application period start and close?**

The application period will start on 30 December 2014 and close on 12 January 2015. Applications submitted before or after the application period will not be accepted. The closing time is 7 p.m. on 12 January 2015. The office hours of HOS Sales Unit at Podium Level 1 Hong Kong Housing Authority (HA) Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon during the application period is 8:00 a.m. – 7:00 p.m., from Monday to Sunday (including public holidays).

**5. Is it necessary to pay any application fees?**

Applicants are required to pay a one-off application fee of HK\$200. The application fee should be paid by crossed cheque or cashier's order made payable to 'Hong Kong Housing Authority' at the time of submission of application form.

**6. Where should the application forms be submitted after completion?**

White Form applicants should submit duly completed application forms by post or by hand during office hours, together with a crossed cheque or cashier's order for HK\$200 for payment of application fee, to the HOS Sales Unit at Podium Level 1, HA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon.

Applicants who are Public Rental Housing households are required to have their completed application forms verified and endorsed by their respective Estate Offices/ District Tenancy Management Offices and submit them, together with a crossed cheque or cashier's order for payment of the application fee, through their respective Estate Offices/ District Tenancy Management Offices to the HOS Sales Unit. Applicants may also submit the verified and endorsed application forms by post or by hand during office hours, together with a crossed cheque or cashier's order for payment of the application fee, to the HOS Sales Unit at Podium Level 1, HA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon.

Applicants (including households which are affected by the HA's Interim Housing clearance programmes) holding Green Form Certificates should submit their completed application forms and the original copy of Green Form Certificates by

post or by hand during office hours, together with a crossed cheque or cashier's order for payment of the application fee, to the HOS Sales Unit at Podium Level 1, HA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon.

Persons of the following categories should submit their completed application forms during office hours, together with a crossed cheque or cashier's order for payment of the application fee, to the venues indicated below.

- (i) Recipients of Rent Allowance for the Elderly Scheme : to the Rent Allowance for the Elderly Scheme dedicated team at Podium Level 2, HA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon; and
- (ii) Staff of the HD Estate Assistant Grade holding a valid Letter of Assurance issued by the HD : to the Estate Offices/ District Tenancy Management Offices which manage their respective departmental quarters.

#### **7. How do eligible applicants choose their flats?**

After the preliminary vetting procedures, the HD will invite eligible applicants in writing to the HOS Sales Unit at an appointed time to select their flats and complete all the purchasing formalities according to their priority for flat selection. The applicants must continue to meet all eligibility criteria at the time when they go through the purchasing formalities or else their applications will be cancelled, the flats selected by them will be taken back and the application fees paid will not be refunded. When going through the flat purchasing formalities, applicants are required to sign a declaration declaring that all the information provided in the application form is true and correct, and report any changes (including but not limited to income, net asset value, ownership of domestic property, marital status and family composition) which may have occurred since the date of application. Should there be any change in the information which renders the applicants ineligible, the applications will be cancelled, the flats selected will be taken back, and the application fees paid will not be refunded. Flat selection letters will be issued according to the order of priority. Applicants who fail to keep their appointment for flat selection will be overtaken by others lower in the queue. Applicants who fail to turn up at the HOS Sales Unit for flat selection when the quota for Green Form applicants has been exhausted or flat selection has been completed, whichever is the earlier, will have their eligibility for flat selection cancelled. The application fees paid will not be refunded.

When it is their turn to choose a flat, single applicants may choose a flat of any size which is then available for sale.

After a flat has been selected, an applicant has to sign the Agreement for Sale and Purchase within the same day. In case an applicant is not satisfied with the selected flat before signing the Agreement for Sale and Purchase, he/ she may return to the HOS Sales Unit within the same day of flat selection to cancel the selection. He/ She is then permitted to select another flat in the ensuing flat selection session in order of the priority number. If the applicant is not satisfied with the selected flat again, he/ she may be allowed to continue selecting another flat again according to the aforementioned procedure. Upon cancellation of selection, the selected flat will be offered again for selection by all applicants according to their priority in the first flat selection session on the next working day. Should an applicant who has selected a flat fail to turn up at the HOS Sales Unit to sign the Agreement for Sale and Purchase by 5:00 pm within the same day of flat selection, he/ she will be deemed as giving up the selected flat and it shall be taken back for selection by all applicants according to their priority.

#### **8. What kind of ownership is allowed?**

The applicant must become the owner of the flat purchased. The applicant, however, may choose to share the ownership with one of the adult family members listed in the application form provided that the ownership is in the form of joint tenancy not inheritable by a third party. This family member is required to turn up in person with the applicant at the HOS Sales Unit for completion of necessary formalities.

Applicants joining the 'Priority Scheme for Families with Elderly Members' must share the ownership of the flat with one of the elderly members, although they may also choose one of the adult members listed in the same application form as a joint owner at the same time. The elderly member concerned and the family member concerned (if applicable) are also required to turn up in person at the HOS Sales Unit together with the applicant for completion of relevant formalities.

#### **9. How to pay the purchase price?**

The purchaser must, at the time of signing the Agreement for Sale and Purchase at the HOS Sales Unit, make a deposit of not less than 5% of the purchase price (for Green Form purchaser), or 10% (for White Form purchaser), to the HA. After the Occupation Permit for the building(s) concerned has been issued, the HA's appointed solicitor will notify the purchasers in writing to complete the remaining conveyancing formalities and pay the balance of the purchase price within a specified period of time. The purchaser may instruct his/ her own independent

solicitors to act for him/ her to complete the necessary formalities. However, the contents of the deeds will be determined by the HA.

#### **10. What are the fees and charges to be paid upon purchasing a flat?**

The purchaser, when completing the formalities of purchasing a flat, is required to pay fees including but not limited to the following:

- (i) Stamp duty (including the ad valorem stamp duty, doubled ad valorem stamp duty, Buyer's Stamp Duty and Special Stamp Duty, if applicable) (The stamp duty payable for an HOS flat is determined based on the market value of the flat assessed by the Rating and Valuation Department. The market value for stamp duty purpose reflects the alienation restrictions to which the flat is subject. On the other hand, the initial market value of the HOS flat assessed by the HD at the time of sale of the flat is based on the assessment of full market value without any alienation restrictions. Moreover, the purchase price of the HOS flat is a discounted price determined by the HA. Thus, the stamp duty payable for an HOS flat is not assessed based on the initial market value or purchase price of the flat.);
- (ii) Registration fees for registration of the deeds at the Land Registry;
- (iii) Legal costs:
  - (a) The purchaser, unless appointing his/ her own solicitors, is required to pay the legal costs of the solicitors appointed by the HA. The fee rate charged by the HA's appointed solicitors for the current sale exercise will be made known later (Note: The HA's appointed solicitors are acting for the HA only and not for the purchasers.);
  - (b) If the purchaser appoints his/ her own solicitors, he/ she is only required to pay the legal costs of his/ her solicitors;
- (iv) The fees for certified copies of the deeds (including the Government lease, the Deed of Mutual Covenant and other relevant title deeds);
- (v) In the event of the purchaser failing to complete the transaction by the specified date in accordance with the Agreement for Sale and Purchase, the HA shall, without prejudice to any other remedy, be entitled to demand and receive from the purchaser payment of interest on the balance of the purchase price at the rate of 2% per annum above the Best Lending Rate as announced by the Hongkong and Shanghai Banking Corporation Limited;
- (vi) Debris removal fee (if any), decoration deposit (if any) and special fund

- (if any); and
- (vii) Management fee and management fee deposit.

**11. What about mortgage arrangements?**

After signing the Agreement for Sale and Purchase, a purchaser requiring a mortgage loan to pay the balance of the purchase price should apply to a bank or financial institution on the approved list which is available from the HOS Sales Unit for a mortgage loan on special concessionary terms specified by the HA. The application is subject to final approval by the bank or financial institution concerned.