



## **THE HONG KONG HOUSING AUTHORITY**

### **Memorandum for the Building Committee and Home Ownership Committee**

#### **Home Ownership Scheme Blocks Purchasers' Choice on Standard of Fittings and Provisions**

#### **PURPOSE**

To inform Members the withdrawal of the pilot scheme for Purchasers' Choice on Standard of Fittings and Provisions.

#### **BACKGROUND**

2. Members agreed to implement pilot projects for the Purchasers' Choice Scheme, Papers No. BC 34/2000 and HOC 31/2000 refer. Details are as follows-

<b>Choice of Fittings</b>	<b>Pilot Project</b>	<b>Block Type</b>	<b>No. of Flats</b>
Basic Shell and Upgraded	Tai Wo Hau Phase 6	Concord	512
Basic Shell and Standard	North West Kowloon Reclamation Site 10 Phase 1	New Cruciform	2,358
Basic Shell and Upgraded	Eastern Harbour Crossing Site Phase 1	New Cruciform	2,550

3. Members were advised previously that by October 2001 the impact of the Purchasers' Choice on the tender price under the pilot schemes and the proportion of the different options would be known so that a decision could be made on the extent of implementation on future projects.

4. However, delays to the development programme have occurred. Currently, Tai Wo Hau Phase 6 is under construction while building tenders for Northwest Kowloon Reclamation Site 10 Phase 1 have been received. Building tenders for Eastern Harbour Crossing Site Phase 1 are expected to be returned in November 2001.

### **CONSIDERATION**

5. Under the Purchasers' Choice Scheme, an 18-month notice has to be made prior to completion so as to enable the contractor to fit out the flats according to the owners' choice. In view of the moratorium on the sale of HOS flats, the three projects can no longer be sold in advance and the purchasers are unable to exercise their options on the standard of fittings and provisions. Hence, it is proposed that the Purchasers' Choice Scheme be abandoned.

6. In the case of the Eastern Harbour Crossing Site Phase 1 project, a Tender Addendum will be issued to delete the Purchasers' Choice upgraded option and replace it with a standard fitting out provision. For the Northwest Kowloon Reclamation Site 10 Phase 1 project and the Tai Wo Hau Phase 6 project, the contractors will be instructed to proceed with the standard option for all flats.

### **RECOMMENDATION**

7. It is recommended that Members approve the withdrawal of the Purchasers' Choice Scheme, and revert the pilot projects to standard fitting out provisions.

## **PRESUMPTION**

8. It is not thought that Members will object to the recommendation at paragraph 7 above. If no objection or request for discussion is received by the Committees' Secretary **by noon on 31 October 2001**, Members' approval will be presumed.

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File Ref. : HD(AR) 55/697/1  
Date : 17 October 2001