

**Memorandum for the Subsidised Housing Committee of
the Hong Kong Housing Authority**

**Fees and Charges for 2022/23 on Various Schemes
Under the Housing Authority's Subsidised Housing Initiatives**

PURPOSE

This paper seeks Members' approval to revise the fees and charges for various schemes under the Housing Authority (HA)'s subsidised housing initiatives^{Note} for 2022/23.

RECOMMENDATION

2. Members are recommended to **approve** the revised fees and charges for 2022/23 as proposed in **Annex**. Subject to Members' approval, the proposed fees and charges will come into effect on **1 April 2022**.

BACKGROUND AND REVIEW

3. Applicants and owners of various schemes under HA's subsidised housing initiatives have to pay fees and charges for services rendered by HA. In general, the formulation of charging is on full cost recovery basis. Members approved by presumption (Paper No. SHC 14/2021 refers) the freezing of the fees and charges for 2021/22 in line with the fee review moratorium on Government fees and charges for the provision of goods and services to the general public. The Government's fee review moratorium ended on 31 December 2021. The annual review for 2022/23 is now due and its outcome will take effect from 1 April 2022.

Note Various schemes under HA's subsidised housing initiatives include Home Ownership Scheme, Private Sector Participation Scheme, Tenants Purchase Scheme, Home Assistance Loan Scheme, Home Purchase Loan Scheme, Secondary Market Scheme and Green Form Subsidised Home Ownership Scheme.

4. We have reviewed the fees and charges for various schemes taking into account changes in costs for administering the schemes since the last review. The calculated full costs at 2022/23 price level are close to the existing fees for most of the schemes, and are higher than the existing fees for a few schemes. In line with the principle of full cost recovery, we therefore propose maintaining the fees and charges for items (1) to (8) and increasing the fees and charges for items (9) to (11) for 2022/23. The proposed fees and charges for various schemes for 2022/23 are shown at **Annex**.

WAIVER OF FEES

5. It is the established policy that fees and charges (except for fees in items (9) to (11) at **Annex**) for various schemes under HA's subsidised housing initiatives may be waived in case of genuine hardship as a result of change in family circumstances such as death of the main income earner. The authority for approving such cases has been delegated to the subject Assistant Director.

FINANCIAL, STAFFING AND INFORMATION TECHNOLOGY (IT) IMPLICATIONS

6. Based on our estimation of the volume of services required, the estimated fees and charges receivable in 2022/23 under the various subsidised housing schemes are about \$27.63M. Since the fees and charges for a few items are slightly higher than the full cost, the amount of surplus for all services is estimated at around \$59,500, representing 0.22% of the estimated fees and charges receivable. The actual amount of fees receivable and the corresponding surplus/subsidy involved will depend on the actual volume of services required by applicants. There is no additional staffing or IT implication.

LEGAL IMPLICATIONS

7. There is no legal implication.

PUBLIC REACTION

8. Since the services are one-off in nature and the charging of which is generally based on the full-cost recovery principle, it is anticipated that the proposed fees and charges for 2022/23 will be acceptable to the users concerned.

PRESUMPTION

9. If no objection or request for discussion is received by the Committee Secretary **by noon on 24 March 2022**, Members' approval will be presumed and appropriate action will be taken.

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(Strategy Division)
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Proposed Fees and Charges with effect from 1 April 2022

Home Ownership Scheme/ Private Sector Participation Scheme/ Tenants Purchase Scheme/ Green Form Subsidised Home Ownership Scheme (where appropriate)	Existing Charge (2021/22) (\$)	Proposed Charge (2022/23) (\$)
(1) Consent to Change Mortgage Arrangement ^{Note 1}	1,950	1,950
(2) Consent to Assign ^{Note 1}	2,850	2,850
(3) Buying Back – at original purchase price	3,890	3,890
(4) Withdrawal – owner fails to execute the assignment for item (3)	1,710	1,710
(5) Buying Back – at assessed market value less original discount	6,600	6,600
(6) Withdrawal – owner fails to execute the assignment for item (5)	3,400	3,400
(7) Assessment of Premium for removal of alienation restriction ^{Note 2} /Assessment of Market Value less original discount within the resale restriction period	6,230	6,230
(8) Refinancing	4,000	4,000
Secondary Market Scheme/Home Ownership Scheme/Green Form Subsidised Home Ownership Scheme (where appropriate)		
(9) Certificate of Eligibility to Purchase	770	840
(10) Certificate of Availability for Sale/Certificate of Eligibility to Sell/Letter of Acceptance to Sell	810	870
(11) Letter of Nomination	920	1,010

Note 1 Under the current practice, the fees will also apply to applications from existing loan recipients under Home Assistance Loan Scheme and Home Purchase Loan Scheme.

Note 2 The administrative fee of \$6,230 is deductible from the premium payable if payment is made within the specified period in the Notice of Premium Assessment.