

Section A

Chapter 6: Home Ownership Scheme

The Home Ownership Scheme (HOS) becomes a regular part of the government's housing policy. The Hong Kong Housing Authority (HA) is responsible for producing the new HOS flats and working out the implementation details. Application for the Sale of Home Ownership Scheme Flats 2024 (HOS 2024) commenced on 3 October 2024.

Flats for Sale

The following three categories of flats put up for sale under HOS 2024:

(1) New HOS Flats

A total of 7 132 flats in five new HOS developments, namely Kai Ying Court in Kai Tak, Ko Hei Court in Yau Tong, On Pak Court in Kwun Tong, Siu Wu Court in Tuen Mun and Yu Hing Court in Tung Chung.

(2) Rescinded HOS Flats for Resale

A total of 67 rescinded flats as at 31 July 2024 from Kam Chun Court (in Ma On Shan) sold under HOS 2020; Kei Wah Court (in North Point), Kai Yan Court (in Kai Tak), Kwun Shan Court (in Ma Tau Kok), On Sau Court (in Kwun Tong), Chiu Ming Court (in Tseung Kwan O) sold under HOS 2022; and Siu Tsui Court (in Tuen Mun) sold under HOS 2023 as well as any additional rescinded flats from the above seven HOS developments as identified up to about two months before commencement of flat selection.

(3) Recovered Tenants Purchase Scheme (TPS) Flats (for Green Form (GF) applicants only)

At the meeting on 16 June 2023, Subsidised Housing Committee (SHC) of HA endorsed regularizing the sale of recovered TPS flats. The target buyers will be those with Green Form status, as well as eligible applicants under Express Flat Allocation Scheme (EFAS). SHC will continue to put up recovered TPS flats for sale in HOS or GSH sale exercises. Any TPS flat which remains unsold at the end of an HOS or GSH sale exercise will be put up for sale in the following EFAS exercise. SHC will put up a reasonable number of recovered TPS flats for sale under HOS 2024. The final number and detailed flat list to be drawn up around three months before flat selection of HOS 2024.

Pricing

The average selling prices of the five new HOS developments and the rescinded flats for resale will be at a 30 per cent discount from the assessed market value, i.e. for sale at 70 per cent of assessed market values. The existing pricing mechanism for sitting tenants purchasing their TPS flats (i.e. the Adjusted Replacement Cost approach) will be adopted for sale of recovered TPS flats to GF applicants. As at July 2024, the list prices of the unsold TPS flats in the 39 estates range from about \$140,000 to \$1,280,000, and the discounts range from 79 per cent to 84 per cent of assessed market values. The final price range will depend on the recovered TPS flats that will be put up for sale under this sale exercise.

Eligibility

The Subsidised Housing Committee of the Hong Kong Housing Authority (HA) endorsed on 26 April 2023 the revised eligibility for purchase of subsidised sale flats (SSF) that public rental housing (PRH) tenants or Rental Estate tenants of the Hong Kong Housing Society (HKHS) applying to purchase SSFs as GF applicants would be subject to the same restrictions on ownership of domestic property in Hong Kong applicable to White Form (WF) applicants.

Under the revised eligibility criteria, PRH tenants and Rental Estate tenants of HKHS who apply to purchase SSF as GF applicants should not have owned domestic properties in Hong Kong during the period from 24 months preceding the closing date for submitting the application up to the time of purchase. In addition, fixed-term licensees of the HA will no longer be eligible for purchasing SSFs as GF applicants. If the relevant fixed-term licensees fulfil the relevant eligibility, they can apply to purchase SSFs as WF applicants.

Families with Newborns Flat Selection Priority Scheme

HOS 2024 will be the first SSF sale exercise for implementation of the scheme. Starting from HOS 2024, the HA will reserve a quota of 40 per cent of flats for balloting and priority flat selection by eligible applicants of the scheme and the “Priority Scheme for Families with Elderly Members” in each SSF sale exercise. Family applicants of SSF sale exercises with babies born on or after 25 October 2023 will be eligible if their children are aged three or below on the closing day of the application of a particular sale exercise.

Definition of Green Form Applicants

The following categories of persons can apply to purchase an HOS flat under Green Form (GF) status:

- (a) Households of PRH units under the HA (tenants under conditional tenancies or monthly licensees of HA Transitional Rental Housing units or fixed-term licensees of the HA are not allowed to submit application);
- (b) Households of Group A Rental Estates (Rental Estates) or Elderly Persons Flats under the HKHS (households of Group B Rental Estates or monthly licensees of HKHS Transitional Rental Housing units or fixed-term licensees of the HKHS are not allowed to submit application);
- (c) Persons falling into one of the following categories who are holders of valid “Green Form Certificate (GFC) – Applicable to Sale of Home Ownership Scheme Flat Only” issued by the Housing Department (HD)/ Urban Renewal Authority -
 - (i) PRH applicants who have passed the detailed vetting and whose eligibility for allocation of PRH has been established;
 - (ii) Persons under Civil Service Public Housing Quota whose eligibility has been established (Note: The breach of any conditions of application as stipulated in the circular memorandum for Civil Service Public Housing Quota issued by Civil Service Bureau by any person listed in the application form may result in the cancellation of the application. In that case, any application fee paid will not be refunded and cannot be transferred. Once the applicants have successfully purchased a flat under this sale exercise through signing an Agreement of Sale and Purchase (ASP) of a HOS flat/ recovered TPS flat under this sale exercise, any remaining GFC(s) and/ or Certificate of Eligibility to Purchase will be cancelled.);
 - (iii) Clearees affected in clearance exercises initiated by the Government and victims of natural disasters whose PRH eligibility has been established;
 - (iv) Clearees affected in urban renewal projects whose PRH eligibility has been established;
 - (v) PRH residents whose eligibility for allocation of PRH flat has been established due to divorce/ splitting; and
 - (vi) Former PRH tenants holding a Letter of Assurance (LA) issued by the HD whose eligibility for allocation of the PRH flat has been established.

- (d) Recipients of Rent Allowance for the Elderly Scheme (RAES) administered by the HA, provided that they or any member of the family have not breached any clause of their Rent Allowance Agreement.

Applicants under GF Status must satisfy the following requirements:

- (a) The applicant must be at least 18 years old on the closing date of application and must become the owner of the flat purchased;
- (b) The applicant and all family members, if married, must apply together with their spouses (with the exception of those divorcee(s), or the spouses do not have the right to land in Hong Kong or are deceased);
- (c) Neither the applicant nor any member of the family listed in the application form has, during the period from 24 months preceding the closing date for submitting the application and up to the time of purchase or signing the ASP for a HOS flat, owned or co-owned any domestic property in Hong Kong or any interest in such kind of property;
- (d) The applicant or any member of the family has not breached any clause of the Tenancy Agreement of their PRH unit, has not accrued 16 or more valid points under the Marking Scheme for Estate Management Enforcement in Public Housing Estates, and has not been issued Notice-to-Quit to terminate the tenancy; and
- (e) Those who have purchased a flat or have obtained a loan or subsidies under any subsidised home ownership schemes, as well as their spouses (including the spouses of purchasers and loan/subsidies receivers who were unmarried at that time). Even if the relevant owner/ borrower has sold the flat or repaid the loan, he/ she, as well as his/ her spouse, are not eligible to apply. Other family members will not be bound by this restriction provided that they meet the eligibility criteria.

Definition of White Form Applicants

The following categories of persons can apply to purchase a HOS flat under White Form (WF) status:

- (a) Households living in private housing;
- (b) Family member(s) of households living in PRH units under the HA or Rental Estates under the HKHS or any subsidised housing scheme units; and
- (c) On the closing date of application for this Scheme, flat owners and their authorised family member(s) under the HA's Tenants Purchase Scheme (TPS) for less than 10 years (from the date of Assignment of his/her TPS flats with the HA) can apply for the purchase of a flat under the current sale exercise, with no restriction on income and net asset limits. However, they must comply with the "restrictions on domestic property ownership". This arrangement does not apply to those owners of TPS flats, the ownership of which were obtained by virtue of their Green Form status through previous restricted sale exercises of vacant TPS flats or resale in HOS Secondary Market or open market or GSH and HOS Sales Scheme. The applicant is subject to the following conditions:
 - (i) Flat owners and all authorised family member(s) under the TPS flats must apply as a whole. The applicant can be the owner/ joint-owner/ family member of the relevant TPS flat.
 - (ii) The purchase of a flat under the current sale exercise is conditional upon the owner(s) being able to complete the formalities for execution of the deed of assignment of the TPS flat currently owned and occupied within three months from the date of signing the ASP for the purchase of a HOS flat, or within the one-off extension of three months as may be granted by the HA before attending the formalities for the completion of the sale and purchase and paying the balance of the purchase price of the HOS flat purchased. In case the formalities for execution of the deed of assignment of the TPS flat could not be completed after a lapse of three months or within such extended period as granted by the HA, the respective ASP shall be null and void and the deposit paid for purchasing the HOS flat will be refunded without interest after deduction of administrative and legal charges by the HA. The HA may re-sell the HOS flat to other applicants. Please note: the applicant and his/ her family member(s) shall be responsible for any expenses incurred from the sale of the TPS flat. They shall arrange accommodation on their own during the period from the completion of the sale of the TPS flat that they are occupying to

the intake of the HOS flat purchased by them. The HA and the HD shall not be held responsible for any expenses or loss so incurred.

- (iii) Even if the applicant or the family member(s) listed in the application own(s) two TPS flats, only one flat under this sale exercise may be purchased. Upon successful purchase of a flat, they must sell both of their TPS flats in compliance with paragraph above within the specified period.

The applicants under WF Status must satisfy the following requirements:

- (a) The applicant must be at least 18 years old and must become the owner of the flat purchased, and must have lived in Hong Kong for at least seven years on the closing date of application. The applicant and his/ her family member(s) listed in the application form are not subject to any conditions of stay in Hong Kong (except the condition on the limit of stay). Person(s) not having the right to land in Hong Kong cannot be included in the application form;
- (b) The applicant and all family members, if married, must apply together with their spouses (with the exception of those divorcee(s), or the spouses do not have the right to land in Hong Kong or are deceased);
- (c) Neither the applicant nor any member of the family listed in the application form has, during the period from 24 months preceding the closing date for submitting the application and up to the time of purchase of signing the ASP for a HOS flat, owned or co-owned any domestic property in Hong Kong or any interest in such kind of property; and
- (d) Those who have purchased a flat or have obtained a loan or subsidies under any subsidised home ownership schemes, as well as their spouses (including the spouses of purchasers and loan/subsidies receivers who were unmarried at that time). Even if the relevant owner/ borrower has sold the flat or repaid the loan, he/ she, as well as his/ her spouse, are not eligible to apply. Other family members will not be bound by this restriction provided that they meet the eligibility criteria.

Sales Arrangements of HOS Flats

Application for the sale of HOS 2024 commenced on 3 October 2024. The main features of the sales arrangements include the followings:

- Open for application by GF and WF applicants with the ratio for quota allocation between GF and WF applicants at 40:60. If the allocated quota for White Form applicants for a particular application category is not fully utilised, the remaining quota will be allocated to Green Form applicants of the same application category and vice versa.
- Refine the current arrangement for quota allocation by setting the quota on project-by-project basis according to the respective number of flats in individual new HOS development.
- The HA sets a quota of about 40% flats of each new HOS development for family applicants applying under the “Priority Scheme for Families with Elderly Members” and “Families with Newborns Flat Selection Priority Scheme”, i.e. total of 2,900 HOS flats. The HA also sets a quota of about 10% flats, i.e. total of 700 HOS flats for one-person applicants. These quotas set only apply to flats of new HOS development.
- Applicants may choose either to submit paper-based application forms by post or by hand or to submit online applications for HOS 2024. For GF applicants who are living in the public rental housing estates of the HA or the rental estates of the HKHS and submit online application, their respective estate offices will contact them and verify their household information after receiving their online applications. The estate offices concerned will prepare hard copies of the application forms and the applicants and all family members aged 18 or above are required to sign the application forms (excepted completed digital signing via “iAM Smart+”) and return them with the copies of their HKIC or Hong Kong Birth Certificate (for persons aged below 11) to their respective estate offices for further processing.
- Application fee is \$290 for HOS 2024.
- For the priority order in flat selection, family or one-person applicants living in PRH estates affected by the HA’s announced clearance programme are allowed to select flats before family or one-person applicants of other Green Form categories and all White Form categories respectively. One-person applicants

will be invited to select the remaining 700 flats, irrespective of size, after family applicants have selected their flats.

- PRH tenants rehoused through the HA's Express Flat Allocation Scheme exercise must apply by using Green Form within 3 years from the date of tenancy commencement of their PRH units. They will be treated as if they were WF applicants in terms of flat selection priority and will be put under the White Form queue (they can choose to buy a HOS flat only). Any flats purchased by this category of GF applicants will be counted against the WF quota. Upon signing the Deed of Assignment of their purchased flats, this category of GF applicants, similar to other GF applicants, have to surrender their PRH units to the HA.
- The income and asset limits for WF applicants have been set according to the established methodology and reviewed before each sale exercise of HOS flats.
- The Income and Asset Limits applicable to the WF applicants of HOS 2024 are as follows:-

Household Size	Total Monthly Household Income Limit (HK\$) (Note 1)	Total Net Household Asset Value Limit (HK\$)
1 person	30,000	615,000
2 persons or above	60,000	1,230,000

Note 1: Employees' contributions to the Mandatory Provident Fund or Mandatory Provident Fund Schemes Authority's Recognised Occupational Retirement Schemes, calculated at the statutory rate of 5% or the actual contribution amount, with a cap of HK\$1,500 and whichever is the less are deductible from a household's income for the purpose of vetting the applicant's eligibility (voluntary contribution from employee is not deductible).

- Flats to be sold for the first time under HOS 2024 are subject to alienation restrictions stipulated in the terms of the Deed of Assignment and the terms, covenants and conditions contained in the Government Lease. The following alienation restrictions will apply to the owners for the above flats:

	Alienation Restrictions
Within the first five years from the date of the first Deed of Assignment of the flat from the HA to an owner (the first assignment):	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at a price not more than the original purchase price (Note 2) under the first assignment.
From the sixth to the fifteenth year from the date of the first assignment:	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price.
After fifteen years from the date of the first assignment:	<ul style="list-style-type: none"> • The owner may sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price. • The owner may also sell or let the flat in the open market after payment of premium.

The premium which the owner is required to pay is calculated based on the prevailing market value of the flat without alienation restrictions, and the percentage difference between the original purchase price of the flat and its initial market value as specified in the first assignment. In other words, the premium is calculated by applying the discount of the original purchase price to the prevailing market value (Note 3).

Note 2: Original purchase price is equal to the sale price and means the price of the flat as specified in the first assignment.

Note 3: The details of calculation of premium will be subject to the terms of the Deed of Assignment and the terms, covenants and conditions contained in the Government lease and the terms of the land documents when purchasing the flat.

- Resale flats at Kam Chun Court under HOS 2024 are subject to alienation restrictions stipulated in the terms of the Deed of Assignment and the terms, covenants and conditions contained in the Government Lease. The following alienation restrictions will apply to the owners for the above flats:

	Alienation Restrictions
Within the first two years from the date of the first Deed of Assignment of the flat from the HA to an owner (the first assignment):	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at a price not more than the original purchase price (Note 2) under the first assignment.
From the third to the tenth year from the date of the first assignment:	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price.
After ten years from the date of the first assignment:	<ul style="list-style-type: none"> • The owner may sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price. • The owner may also sell or let the flat in the open market after payment of premium.

The premium which the owner is required to pay is calculated based on the prevailing market value of the flat without alienation restrictions, and the percentage difference between the original purchase price of the flat and its initial market value as specified in the first assignment. In other words, the premium is calculated by applying the discount of the original purchase price to the prevailing market value.

- Resale flats at Kei Wah Court / Kai Yan Court / Kwun Shan Court / On Sau Court / Chiu Ming Court / Siu Tsui Court under HOS 2024 are subject to alienation restrictions stipulated in the terms of the Deed of Assignment and the terms, covenants and conditions contained in the Government Lease. The following alienation restrictions will apply to the owners for the above flats:

	Alienation Restrictions
Within the first five years from the date of the first Deed of Assignment of the flat from the HA to an owner (the first assignment):	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at a price not more than the original purchase price (Note 2) under the first assignment.
From the sixth to the fifteenth year from the date of the first assignment:	<ul style="list-style-type: none"> • The owner has to sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price.
After fifteen years from the date of the first assignment:	<ul style="list-style-type: none"> • The owner may sell the flat in the HOS Secondary Market to a person nominated by the HA without payment of premium and at his/her own negotiated price. • The owner may also sell or let the flat in the open market after payment of premium.

The premium which the owner is required to pay is calculated based on the prevailing market value of the flat without alienation restrictions, and the percentage difference between the original purchase price of the flat and its initial market value as specified in the first assignment. In other words, the premium is calculated by applying the discount of the original purchase price to the prevailing market value.

- Recovered TPS flats to be sold under HOS 2024 are subject to alienation restrictions stipulated in the terms of the Deed of Assignment and the provisions in the Housing Ordinance (Cap. 283) and its subsequent amendments. The following alienation restrictions will apply to owners for the recovered TPS flats:

	Alienation Restrictions
Within the first two years from the Date of First Assignment (Note 4):	<ul style="list-style-type: none"> The owner may sell the flat back to the HA at the purchase price specified in the Deed of Assignment.
Between the third to the fifth year from the Date of First Assignment:	<ul style="list-style-type: none"> The owner may sell the flat back to the HA at the buyback price to be assessed by the HA, which is the assessed market value at the time of offer deducting the original purchase discount. If the HA declines to accept the buyback application, the owner may sell the flat in the open market subject to the payment of a premium to the HA. The owner may also sell or let the flat to an eligible purchaser in the HOS Secondary Market without payment of a premium to the HA and at his/her own negotiated price.
After five years from the Date of First Assignment:	<ul style="list-style-type: none"> The owner may sell the flat in the open market subject to payment of a premium to the HA. The owner may also sell or let the flat to an eligible purchaser in the HOS Secondary Market without payment of a premium to the HA and at his/her own negotiated price.

Upon receipt of an application of offer to sell to the HA, the HA reserves the right to accept the assignment of the recovered TPS flat to the HA or to decline the offer in accordance with the prevailing policy. Under the current policy, the HA will not accept any application/ offer to sell a recovered TPS flat back to the HA from an owner after 5-year alienation restrictions period from the Date of First Assignment.

Note 4: The Date of First Assignment refers to the date of the first Deed of Assignment of a particular TPS flat from the HA to a purchaser.

- The HA will decline all buyback offers for the HOS flats sold from 2007 onwards.
- The provision of mortgage guarantee in respect of loans granted by banks and other authorised financial institutions for the purchase of HOS flats will be continued.
- A one-year defects liability period from the date of assignment of individual newly built HOS flats is provided.
- A structural safety guarantee of 10 years from the date of building completion for HOS flats will be offered. For new HOS flats, the date of building completion for the purpose of the Structural Safety Guarantee will be the date of the Occupation Permit issued by the Independent Checking Unit under Permanent Secretary for Housing (PS(Housing)) in respect of the buildings concerned.