

Section A

Chapter 7: Green Form Subsidised Home Ownership Scheme

In his 2015 Policy Address, the Chief Executive proposed to the Hong Kong Housing Authority (HA) that suitable flats should be identified among its public rental housing (PRH) developments under construction for sale to Green Form (GF) applicants in the form of a pilot scheme, with prices set at a level lower than those of Home Ownership Scheme (HOS) flats. This scheme will help GF applicants achieve home ownership while releasing more PRH flats for allocation to those awaiting for PRH allocation.

HA selected the PRH development at San Po Kong (i.e. King Tai Court) as the first Green Form Subsidised Home Ownership Pilot Scheme project. The first batch of a total of 857 Green Form Subsidised Home Ownership Pilot Scheme flats were put up for pre-sale in October 2016 and only GF applicants were eligible for purchase. All flats offered under the Scheme were sold by February 2017. HA's Subsidised Housing Committee (SHC) endorsed the regularisation of Green Form Subsidised Home Ownership Scheme at its meeting on 30 January 2018.

Application for Sale of Green Form Subsidised Home Ownership Scheme (GSH) Flats 2022 (GSH 2022) commenced in September 2022, about 4,693 flats at Ching Tao Court, Ko Wang Court and Kam Pak Court put up for sale.

Eligibility

The Subsidised Housing Committee of the HA endorsed on 26 April 2023 the revised eligibility for purchase of subsidised sale flats (SSF) that 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 of HOS with effective from the "Sale of Home Ownership Scheme Flats 2023" (HOS 2023). Under the revised eligibility criteria, PRH tenants and Rental Estate tenants of the 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 of HOS.

The following categories of persons can apply to purchase a flat of GSH 2022 under GF status:

- (a) Households of PRH units under the HA (tenants under conditional tenancies, tenants allocated PRH units through the HA's Express Flat Allocation Scheme within three years from the date of commencement of their tenancies or monthly licencees of HA Transitional Rental Housing units 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, tenants allocated rental units through the HS's Express Flat Allocation Scheme For Group A Rental Estate within three years from the date of commencement of their tenancies or monthly licencees of HKHS Transitional Rental Housing units are not allowed to submit application);
- (c) Households who are affected by HA's announced Interim Housing (IH) clearance programme and holding with a valid "Green Form Certificate (GFC) - Applicable to Sale of Green Form Subsidised Home Ownership Scheme Flats Only" issued by the Housing Department (HD);

- (d) Persons falling into one of the following categories who are holders of valid “GFCs - Applicable to Sale of Green Form Subsidised Home Ownership Scheme Flats Only” issued by the HD/ Urban Renewal Authority (URA) –
- (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 or Special One-off Housing Allocation for Junior Civil Servants whose eligibility has been established;
 - (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.
- (e) Recipients of the Rent Allowance for the Elderly Scheme administered by the HA.

Applicants must satisfy the following requirements:

- (a) The applicant must be at least 18 years old on the closing date of application;
- (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). For divorce case, the divorcee must present the certificate of making Decree Nisi Absolute (Divorce) and the date of divorce must be on or before the closing date of application;
- (c) The applicant or any member of the family has not breached any clause of the tenancy agreement/ occupation licence/ any terms and conditions of their fixed-term licence 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/ occupation licence/ fixed-term licence; 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

The main features of the sales arrangements for GSH 2022 include the followings:

- In addition to the paper-based submission, applicants can complete the online application and pay the application fee through the HA/HD website. For GF applicants who are living in HA’s or the HS’s public housing estates or rental estates, staff of their respective Estate Offices/ District Tenancy Management Offices/ Rental Estates Office will contact the applicants and verify their household information and the eligibility of application after receiving the online application forms. Applicants and all family members aged 18 or above should sign and return the online application forms to their respective Estate Offices for further processing.

- To simplify the application procedure, applicants who opted joining the next HA's Subsidised Sale Flats Sale Exercise of the application form of Sale of Home Ownership Scheme Flats 2022 (HOS 2022) will be carried over the valid GF applications to GSH 2022 provided that they meet the eligibility criteria of GSH 2022. The applicants do not need to submit a separate application and pay the application fee for GSH 2022.
- For the priority order in flat selection, family or one-person applicants living in PRH estates affected by the HA's announced clearance programme or the HA's announced Interim Housing clearance programme are allowed to select flats before family or one-person applicants respectively.
- The HA sets a quota of 1,400 GSH flats for applicants applying under the "Priority Scheme for Families with Elderly Members" and also sets aside 500 GSH flats for one-person applicants.

Alienation Restriction

1. Green Form Subsidised Home Ownership Pilot Scheme flats (King Tai Court)

The following alienation restrictions apply to the sale of flats at King Tai Court in future:

- (a) Within the first two years from the date of the first Deed of Assignment of the flat from the HA to an owner (first assignment):

The owner has to offer to sell the flat to the HA. The HA will not buy back the flat, but will exercise the power under the Housing Ordinance (Cap. 283) to nominate a buyer. The flat is to be assigned to a nominee of the HA at the original purchase price in accordance with the procedures and requirements as from time to time stipulated by the HA. The HA will issue a Certificate of Eligibility to Sell (CES) certifying the flat owner's eligibility to find an eligible purchaser (who needs to be a buyer holding a Green Form Certificate of Eligibility to Purchase (GF CEP holder)) and the flat owner has to identify at his/ her own costs and expenses an eligible purchaser who will apply to the HA for nomination. If (i) no application for nomination is made to the HA or if all submitted applications are unsuccessful with no Letter of Nomination (LN) being issued by the HA within 6 months from the date of receipt of the offer to sell the flat to the HA; or (ii) after a LN has been issued by the HA the assignment of the flat is not completed within 4 months from the date of LN, whichever is the later, the flat owner may sell the flat in the open market after payment of premium. If the flat owner does not wish to sell the flat in the open market, he/ she may make a new offer for sale of the flat to the HA.

- (b) Between the third to the fifth year from the date of first assignment:

The flat owner may either:

- sell the flat in the HOS Secondary Market to a GF CEP holder nominated by the HA without payment of premium and at his/her own negotiated price; or
- offer to sell the flat to the HA. The HA will not buy back the flat, but will exercise the power under the Housing Ordinance (Cap. 283) to nominate a buyer. The flat is to be assigned to a nominee of the HA at the price assessed by the Director of Housing (which is the market price as assessed by the Director of Housing at the time when the offer to sell the flat to the HA was made, less the original discount when the flat was purchased from the HA) in accordance with the procedures and requirements as from time to time stipulated by the HA. The flat owner will need to apply for assessment of the price of the flat and pay the required administrative fee. The HA will issue a CES certifying the flat owner's eligibility to find an eligible purchaser (who needs to be a GF CEP holder), and the flat owner has to identify at his/ her own costs and expenses an eligible purchaser who will apply to the HA for nomination. If (i) no application for nomination is made

to the HA or if all submitted applications are unsuccessful with no LN being issued by the HA within 6 months from the date of receipt of the offer to sell the flat to the HA, or (ii) after a LN has been issued by the HA the assignment of the flat is not completed within 4 months from the date of LN, whichever is the later, the flat owner may sell the flat in the open market after payment of premium. If the flat owner does not wish to sell the flat in the open market, he/ she may make a new offer for sale of the flat to the HA.

(c) After five years from the date of first assignment:

The flat owner may either:

- 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; or
- sell the flat in the open market after payment of premium.

The HA will not accept any offer to sell from a Green Form Subsidised Home Ownership Pilot Scheme flat owner after five years from the date of first assignment.

2. Sale of Green Form Subsidised Home Ownership Scheme Flats 2018 (GSH 2018) (Lai Tsui Court)

The following alienation restrictions apply to the sale of flats at Lai Tsui Court:

(a) Within the first two years from the date of first assignment:

The owner has to offer to sell the flat to the HA. The HA will not buy back the flat, but will exercise the power under the Housing Ordinance (Cap. 283) to nominate a buyer. The flat is to be assigned to a Green Form (GF) buyer to be nominated by the HA at the original purchase price in accordance with the procedures and requirements as from time to time stipulated by the HA. The owner is required to pay the required administrative fee for the application for offer to sell.

(b) Between the third to the fifth year from the date of first assignment:

- The owner may either offer to sell the flat to the HA or sell the flat in the HOS Secondary Market to a GF buyer to be nominated by the HA without payment of premium and at his/her own negotiated price.
- If the owner offers to sell the flat to the HA, the HA will not buy back the flat, but will exercise the power under the Housing Ordinance (Cap. 283) to nominate a buyer. The flat is to be assigned to a GF buyer to be nominated by the HA at the price assessed by the Director of Housing (which is the market value as assessed by the Director of Housing at the time when the offer to sell the flat to the HA was made, less the original discount when the flat was purchased from the HA) in accordance with the procedures and requirements as from time to time stipulated by the HA. The owner will need to pay for the administrative fee for the application for offer to sell and for assessment of the price of the flat.

(c) After five years from the date of first assignment:

- The owner may sell the flat in the HOS Secondary Market to a GF buyer to be nominated by the HA without payment of premium and at his/her own negotiated price.
- The owner may also sell the flat in the open market after payment of premium.

Upon receipt of an application for offer to sell to the HA, the HA reserves the right to accept the assignment of the flat to the HA (instead of to a nominee of the HA) or to decline the offer, in accordance with its prevailing policy.

The HA will not accept any offer to sell from a flat owner of GSH 2018 after five years from the date of first assignment.

3. Sale of Green Form Subsidised Home Ownership Scheme Flats 2019 (GSH 2019) and 2020/21(GSH 2020/21)

A purchaser who wishes to assign or let the flat after becoming an owner under the Deed of Assignment will be subject to the terms of the Deed of Assignment and the terms, covenants and conditions contained in the Government lease. For GSH flats which are first offered by the HA under GSH 2019 and GSH 2020/21, the HA will not buy back or nominate a buyer (except HOS Secondary Market) to buy the GSH flats, and the following alienation restrictions will apply to the owners:

(a) Within the first two years from the date of first assignment:

The owner has to sell the flat in the HOS Secondary Market to a GF buyer nominated by the HA without payment of premium and at a price not more than the original purchase price under the first assignment.

(b) Between the third to the tenth year from the date of first assignment:

The owner has to sell the flat in the HOS Secondary Market to a GF buyer nominated by the HA without payment of premium and at his/her own negotiated price.

(c) After ten years from the date of first assignment:

- The owner may sell the flat in the HOS Secondary Market to a GF buyer nominated by the HA without payment of premium and at his/her own negotiated price.
- The owner may also sell the flat in the open market after payment of premium.

4. GSH flats which are first offered by the HA under GSH 2022 and GSH sales exercises thereafter

HA's Subsidised Housing Committee (SHC) endorsed to tighten the alienation restrictions of GSH flats at its meeting on 6 January 2022. The SHC decided to lengthen the period where the owners can only sell at not more than the original purchase price in the HOS Secondary Market from the first two years since the date of first assignment to the first five years since the date of first assignment and lengthen the restriction period for sale in the open market from the first ten years since the date of first assignment to the first fifteen years since the date of first assignment for GSH flats first offered for sale, starting from GSH 2022.

5. Remarks

- The HA will decline all buyback offers for the GSH flats sold from 2016 onwards.
- The provision of mortgage guarantee in respect of loans granted by banks and other authorised financial institutions for the purchase of GSH flats has been continued.
- A one year defects liability period from the date of assignment of individual flats is provided.
- A structural safety guarantee (SSG) of 10 years from the date of building completion for GSH flats will be offered. For new GSH 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 Transport and Housing (Housing) in respect of the buildings concerned.
- 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 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.

- Please refer to the HA/HD website (www.housingauthority.gov.hk) for details of the premium payment procedures.