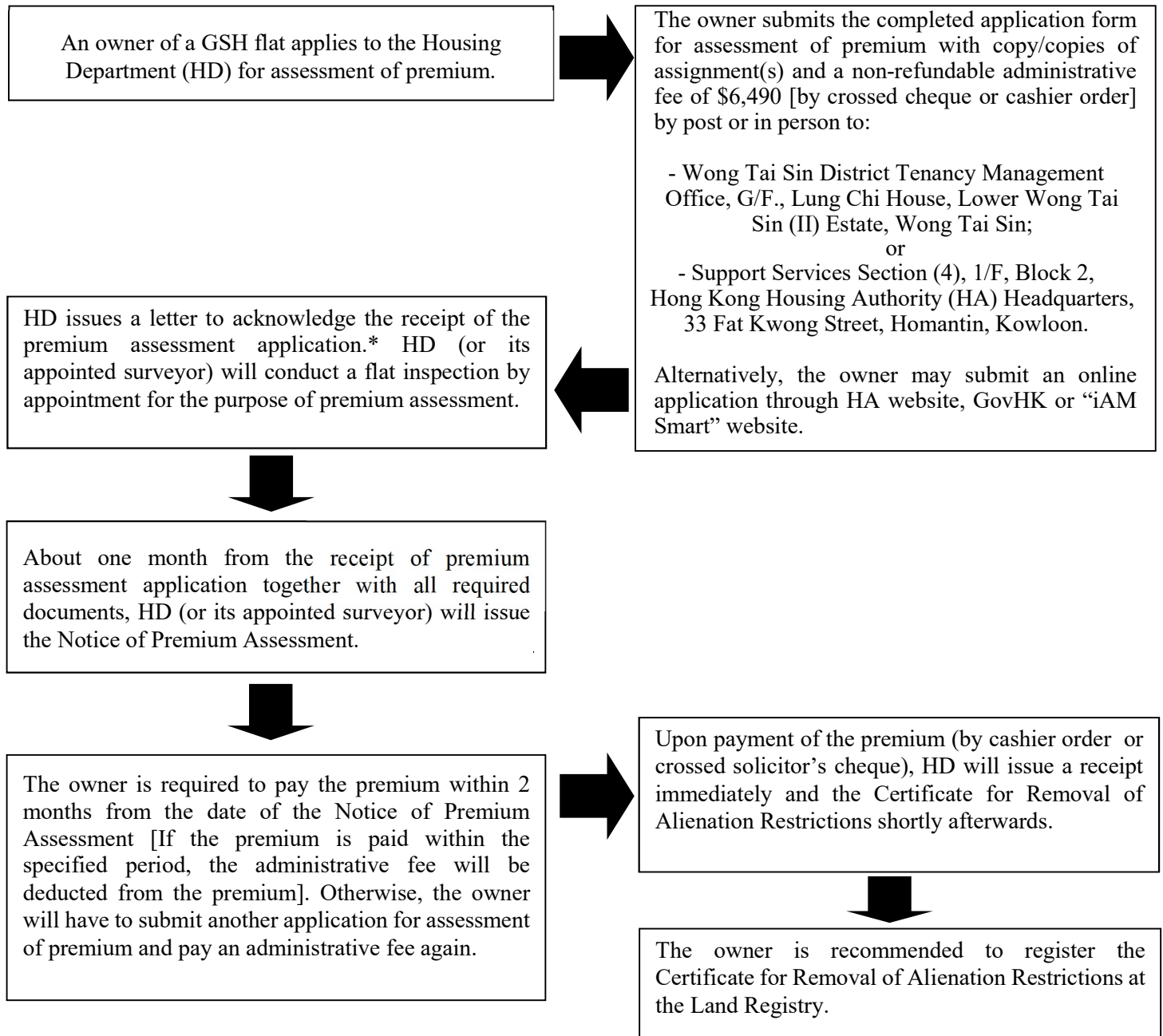


**Premium Payment Procedures for
Green Form Subsidised Home Ownership Pilot Scheme (GSH) Flats – King Tai Court**



Attention

No matter the flat is within 5-year alienation restriction period or not, the owner can only enter into agreement for sale and purchase (including provisional/ formal agreement) provided that it is a condition of such agreement that the premium as assessed by the Director of Housing be paid prior to the assignment and within 28 days of the date of the agreement or within such period as may be otherwise stipulated by the Director of Housing. Any person who sells, lets or otherwise alienates the flat before payment of the assessed premium commits an offence under the Housing Ordinance and is liable to a fine of \$500,000 and to imprisonment for 1 year and such assignment or alienation will also be void.

- Notes:
- (i) This leaflet only serves as a brief introduction to the procedures and arrangements for assessment and payment of premium for HOS flats and does not itself carry any legal effect.
 - (ii) HA reserves the right to modify, alter or amend this leaflet without prior notice.
 - (iii) Administrative fee is subject to annual review. Revised administrative fee, if any, will take effect on 1st April each year. The amount of administrative fee payable shall be determined by reference to the date of the postal stamp for postal application or by reference to the issuance date of acknowledgment for online application.

Green Form Subsidised Home Ownership Pilot Scheme Flats – King Tai Court

Alienation Restrictions and Premium Payment Arrangements

Background

The Green Form Subsidised Home Ownership Pilot Scheme (GSH) was introduced by the Housing Authority (HA) to provide subsidised sale flats at prices lower than those of the traditional Home Ownership Scheme (HOS) flats. This scheme will help Green Form applicants achieve home ownership while releasing more public rental housing (PRH) flats for applicants awaiting PRH allocation. To curb speculative activities, HA imposes alienation restrictions on GSH flats. The discount rate that GSH owners enjoyed when purchasing their flats will form the basis for premium assessment for removal of the alienation restrictions.

Alienation Restrictions (for King Tai Court only)

All GSH flats offered for sale by HA or for alienation by eligible owners to eligible purchasers through nomination procedures are subject to alienation restrictions as stipulated in the Schedule to the Housing Ordinance (Cap. 283). The existing alienation restriction period is 5 years ^(Note 1). Flats subject to alienation restrictions are not allowed to be sold, let or otherwise alienated in the open market.

After 5 years from the date of first assignment, the owner may either:

- sell the flat in the HOS Secondary Market ^(Note 2) to a person nominated by HA without payment of premium and at his/her own negotiated price; or
- sell the flat in the open market after payment of premium.

HA will not accept any offer to sell from a GSH owner after 5 years from the date of first assignment.

Entering into Agreement for Sell and Purchase, Sell/Let or Mortgage

For flats of which the 5-year alienation restriction period has expired, is it possible for the owner to enter into an ASP before making an application for premium assessment?

Yes. For flats of which the 5-year alienation restriction period has expired, a flat owner may enter into ASP (including provisional/formal agreement) before making an application for premium assessment, provided that it is a condition of such agreement that the premium as assessed by the Director of Housing be paid prior to the assignment and within 28 days of the date of the agreement or within such period as may be otherwise stipulated by the Director of Housing. Any person who sells, lets or otherwise alienates a flat in the open market before payment of the assessed premium will be in breach of the Housing Ordinance (Cap. 283) and is liable to a fine of \$500,000 and to imprisonment for 1 year. Such assignment or alienation will also be void.

^(Note 1) Alienation restriction period is counted from the date of first assignment which refers to the date when HA first assigns a flat to a purchaser. For a GSH flat purchased by an eligible purchaser from an eligible owner through HA's nomination, the basis for identifying the date of first assignment shall remain the same and should not be interpreted as the date of the assignment when the eligible purchaser purchases the flat.

^(Note 2) For more information regarding the sale of flats in the HOS Secondary Market, please refer to the Application Guide for the HOS Secondary Market.

Is it possible for the owner to mortgage the flat for payment of the premium?

As with the case of selling a flat, it is, generally speaking, not allowable to mortgage a flat before payment of the premium or without the prior approval of the Director of Housing. However, flat owners may make arrangements with their solicitors and banks to execute the mortgage deed on the day when the Certificate for Removal of Alienation Restrictions takes effect. Any person who mortgages his/her flat before payment of the premium or without the prior approval of the Director of Housing will be in breach of the Housing Ordinance (Cap. 283), and the said mortgage deed will also be void.

Is it possible to pay the premium without selling the flat?

Yes. Owners can pay the premium without selling their flats. Upon payment of the premium, the owners will be issued a Certificate for Removal of Alienation Restrictions, which enables them to sell, let or otherwise alienate their flats freely in the open market.

Calculation of Premium

How is the premium assessed?

The premium is assessed with reference to the prevailing market value of the flat without alienation restrictions, the initial market value and purchase price ^(Note 3) of the flat as specified in the first deed of assignment and calculated by using the following formula as stipulated in the Schedule to the Housing Ordinance (Cap. 283). In other words, the premium is calculated by applying the original discount of the purchase price to the current value:

$$\text{Premium} = \text{Prevailing Market Value} \times \frac{(\text{Initial Market Value} - \text{Purchase Price})}{\text{Initial Market Value}}$$

For example :

$$\text{Prevailing Market Value} = \$4,500,000$$

$$\text{Initial Market Value} = \$420,000$$

$$\text{Purchase Price} = \$252,000$$

$$\text{Premium} = \$4,500,000 \times \frac{(\$420,000 - \$252,000)}{\$420,000}$$

$$= \$4,500,000 \times 40\%$$

$$= \$1,800,000$$

^(Note 3) The “initial market value” and “purchase price” in premium calculation are based on such value as specified in the first deed of assignment. It is also stipulated in the deed of assignment of a GSH flat purchased by an eligible purchaser from an eligible owner through HA’s nomination that premium calculation shall be based on such value in the first deed of assignment.

Application Procedures

How to apply for assessment of the premium?

In accordance with the Schedule to the Housing Ordinance (Cap. 283), if flat owners wish to alienate their flats when the 5-year alienation restriction period from the date of first assignment has expired, owners should submit the completed **application form for assessment of premium for flats of which the 5-year alienation restriction period has expired (Form HD1065E)** to the Housing Department (HD).

Application forms for assessment of premium are available free of charge at the District Tenancy Management Office of King Tai Court and the Support Services Section (4) of HD or can be downloaded from HA website. Alternatively, the flat owners may submit an online application. HD (or its appointed surveyor) will assess the prevailing market value of the flat and calculate the amount of premium payable.

Will an administrative fee be charged?

Yes. An administrative fee, currently at \$6,490, (Administrative fee is subject to annual review. Revised administrative fee, if any, will take effect on 1st April each year. The amount of administrative fee payable shall be determined by reference to the date of the postal stamp for postal application or by reference to the issuance date of acknowledgment for online application) payable to “Hong Kong Housing Authority” by crossed cheque/cashier order should be submitted. The address of the property concerned should be stated on the back of the cheque/cashier order. If the premium is settled within the specified period, the administrative fee will be deducted from the premium.

Where should the application form be submitted?

Flats exceeding 5 years from the date of first assignment

The completed application form, together with the administrative fee and a copy/copies of the deed(s) of assignment, should be delivered to or sent by post to the Support Services Section (4) at 1/F, Block 2, Housing Authority Headquarters or Wong Tai Sin District Tenancy Management Office.

For online application, it is only applicable to the owners who hold an activated “iAM Smart+” account with digital signing function or a valid personal digital certificate. The owners may complete and submit the online application through the HA website, GovHK or “iAM Smart” website and deliver or send the administrative fee by crossed cheque/cashier order to the Support Services Section (4) at 1/F, Block 2, Hong Kong Housing Authority Headquarters, 33 Fat Kwong Street, Homantin, Kowloon.

Will the Certificate for Removal of Alienation Restrictions be issued after the payment of premium?

Yes. Upon payment of premium (only cashier order or solicitor’s crossed cheque will be accepted) by a flat owner, HD will issue a Certificate for Removal of Alienation Restrictions certifying that the premium stipulated in the Schedule to the Housing Ordinance (Cap. 283) has been paid, and the alienation restrictions on the flat concerned have been removed. The flat owner is recommended to register the Certificate for Removal of Alienation Restrictions at the Land Registry.

Premium Assessment

Who is responsible for the assessment of premium?

Assessment of premium will be carried out by HD (or its appointed surveyor).

Validity Period of the Assessed Premium

For how long will the assessed premium remain valid?

Currently, the assessed premium is valid for 2 months. If the assessed premium is not settled within the validity period, the assessment shall lapse. Any subsequent request for premium assessment will have to be made by submitting a fresh application together with an administrative fee. Any future changes in the validity period will be set out in the Notice of Premium Assessment.

Channels for Lodging an Objection/Appeal

What should I do if I disagree with the prevailing market value assessed by HD (or its appointed surveyor)?

The flat owners who disagree with the prevailing market value assessed by HD (or its appointed surveyor) may lodge an objection in writing to the Support Services Section (4) of HD or its appointed surveyor within 28 days from the date of the Notice of Premium Assessment. Pursuant to the Housing Ordinance (Cap. 283), the flat owners may also lodge a formal appeal to the Lands Tribunal within 28 days from the date of the Notice of Premium Assessment. Late objections/appeals will not be accepted. The above procedure and objection/appeal period apply both to the initial premium assessment and subsequent review.

If the flat owners have already lodged an appeal with the Lands Tribunal, can HD (or its appointed surveyor) revise the assessed premium before the case is heard?

Yes. HD (or its appointed surveyor) may revise the assessed premium at any time before the Lands Tribunal has made a determination.

Having lodged an objection with HD (or its appointed surveyor) or an appeal with the Lands Tribunal, can the flat be sold, let, alienated or mortgaged?

Before concluding the objection/appeal, flat owners may sell, let, alienate or otherwise mortgage the flat after payment of the premium within the time limit specified in the Notice of Premium Assessment. However, upon concluding the objection/appeal, if the assessed premium is reduced, the reduced amount will be refunded to the owner. On the other hand, if the assessed premium is increased, the owner will be required to pay the increased amount to HA.

Enquiries

For enquiries, please call HA hotline at 2712 2712 or visit HA website:

<http://www.housingauthority.gov.hk>

For further information or assistance, please contact the respective District Tenancy Management Offices, or the Support Services Section (4) at 1/F, Block 2, Hong Kong Housing Authority Headquarters, 33 Fat Kwong Street, Homantin, Kowloon.