

香港特別行政區政府  
The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局  
香港花園道美利大廈



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Miss Becky Yu  
Clerk to Panel  
Legislative Council Secretariat  
Legislative Council Building  
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Dear ,

**LegCo Panel on Housing**

**Follow-up to meeting on 2 December 2002**

At the meeting of the LegCo Panel on Housing on 2 December 2002, during discussions of the 'Home Assistance Loan Scheme' (LC Paper No. CB(1) 386/02-03(03)), Members asked for supporting information to show that most of the flats purchased by subsidized housing loan recipients particularly those under the Home Purchase Loan Scheme and Home Starter Loan Scheme are from the second-hand market, as well as the mortgage cum loan repayment to income ratio of beneficiaries under various subsidized housing loan schemes. This letter provides the requisite information.

The Housing Authority and the Housing Society do not keep records of whether the flats purchased by subsidized housing loan recipients are from the primary market or second-hand market. However, available data show that only 8% of the loan recipients of the Home Purchase Loan Scheme have bought uncompleted flats and another 24% have bought flats of not more than five years old presumably also from the primary market. As regards the Home Starter Loan Scheme, only 18% of its recipients have bought uncompleted flats. This would serve as a rough indication that most of the subsidized housing loan recipients purchase flats from the second-hand market.

The income limit for the Home Assistance Loan Scheme has been derived from the prevailing property price of a 10-year old private reference flat of 40 m<sup>2</sup> in the extended urban or New Territories areas. Having regard to the likely non-housing expenditure of the target recipients as revealed by the General Household Survey, the mortgage cum loan repayment of such a typical flat for an eligible family of four persons is estimated to represent on average 34.6% of their total income. As regards the Home Purchase Loan Scheme and the Home Starter Loan Scheme, the median mortgage cum loan repayment to income ratio for the recipients who are subject to income limit were about 37% and 41% respectively for the period of April 2001 to October 2002.

Yours sincerely,

(Ms Wendy Cheung)  
for Secretary for Housing,  
Planning and Lands

c.c. BD/A  
H,SPU  
AD/PH