

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



**Housing, Planning and Lands  
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Clerk to LegCo Panel on Housing  
Legislative Council Secretariat  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong  
(Attn: Miss Odelia Leung)

**Legislative Council Panel on Housing**  
**Special Meeting on 23 October 2003**

At Panel meeting on 23 October, Members asked for information on the withholding costs for surplus Home Ownership Scheme flats. I enclose a table showing the withholding costs incurred by surplus Home Ownership Scheme flats from the date of completion or buy-back to end March 2004 and projected costs from April 2004 to end 2006 for the returned and unsold flats in existing Home Ownership Scheme courts.

Yours sincerely,

( Miss Joey LAM )  
for Secretary for Housing, Planning and Lands

## Estimated Costs for Withholding Home Ownership Scheme Flats from Sale

Type of Flats	Disposal Option	Costs incurred (in \$ Million)			Expected costs (in \$ Million)		
		From date of completion/buy-back to March 2004			From April 2004 to December 2006		
		Management Fee <sup>(c)</sup>	Government Rent	Touching-up Costs	Management Fee	Government Rent	Touching-up Costs
Returned flats	For sale to Green Form applicants after 2006	19.4 M <sup>(1)</sup>	7.6 M	N.A.	75.3 M <sup>(1)</sup>	30.7 M	N.A. <sup>(3)</sup>
Unsold flats in sold / partially sold HOS courts		52.0 M <sup>(1)</sup>	20.7 M	N.A.	90.4 M <sup>(1)</sup>	32.4 M	5.0 M <sup>(3)</sup>
Flats in unsold HOS developments	Different disposal options are being considered for implementation as and when ready	18.1 M <sup>(2)</sup>	4.4 M	N.A.	N.A. <sup>(4)</sup>	N.A. <sup>(4)</sup>	N.A. <sup>(4)</sup>
<b>Total Costs</b>		<b>89.5 M</b>	<b>32.7 M</b>	<b>-</b>	<b>165.7 M</b>	<b>63.1 M</b>	<b>5.0 M</b>
		<b>122.2 M</b>			<b>233.8 M</b>		

(1) The management fees for returned and unsold flats in sold/partially sold HOS courts are calculated on the basis of the management fees charged under the terms of the Deed of Mutual Covenants executed for the various courts. As the flats, whether in sold blocks or unsold blocks, form part of existing HOS courts, the Housing Authority as their owner is obliged to pay the full amount of management fees for them in accordance with the Deed of Mutual Covenants. The average management fee is \$450 per flat per month.

(2) The average cost of managing the flats in unsold HOS developments is about \$150 per flat per month, mainly used for security services.

(3) New flats in sold/partially sold HOS courts only require simple maintenance works such as surface and occasional minor repairs. The average estimated touching-up cost for each flat is around \$820. With 6 082 flats in this category, the total one-off touching-up cost is about \$5 million. On the other hand, the 5 000 odd returned flats would require more substantial refurbishment due to previous occupation, at about \$7,500 per flat. Given that this cost item is necessary irrespective of their timing of re-sale, such cost is not a holding cost for surplus HOS flats.

(4) Options for disposing of flats in unsold HOS developments are being considered. Practicable options will be implemented expeditiously. Hence, no projections of their future holding costs have been made.