

## Legislative Council Panel on Housing

### Disposal of Surplus Home Ownership Scheme (HOS)/ Private Sector Participation Scheme (PSPS) Flats

#### Purpose

This paper briefs Members on progress of the proposed arrangements for disposing of the surplus flats under the Home Ownership Scheme (HOS) and the Private Sector Participation Scheme (PSPS).

#### Background

2. We consulted Members on 18 March 2003, vide paper CB(1) 1129/02-03(04) on proposed options for the disposal of surplus HOS/PSPS flats. Since then, we have been exploring, examining and evaluating the feasibility and implications of all those options. We have held discussions with the concerned and relevant Government bureaux and departments. The following paragraphs report their current progress.

#### Stock of Surplus HOS/PSPS Flats

3. As at end September 2003, there are about 25 000 surplus HOS/PSPS flats falling under the following three categories:

(a) *List A: Individual unsold or returned flats in HOS blocks  
(5 880 flats)*

This category includes unsold new flats and flats in various completed courts bought back by the Housing Authority.

(b) *List B: Unsold blocks in partially occupied/sold HOS courts  
(4 739 flats)*

These blocks, including two blocks in Tin Chung Court where foundation remedial works have been completed, are part of existing HOS developments but because of their completion at a later stage, have not been put up for sale.

(c) *List C: Unsold HOS/PSPS developments completed or under construction (14 744 flats)*

There are seven HOS and two PSPS projects under this category.

## Disposal Arrangements

### *Flats under Lists A and B*

4. Due to lease restrictions, unsold or returned HOS flats will continue to be sold under HOS to Green Form applicants. To give a clear signal of our determination to minimize the Government intervention in the market, the Secretary for Housing, Planning and Lands announced on 15 October 2003 that the Government would propose to the Housing Authority not to offer unsold and returned HOS flats for sale as subsidised housing before the end of 2006.

### *Flats under List C*

5. For the disposal of the surplus HOS/PSPS flats under List C, progress of various options is detailed as follows:

(a) *Lease modifications for the two PSPS projects*

Under the Conditions of Sale for these two PSPS projects, the developer can only sell the flats to purchasers nominated by the Housing Authority. Any changes of uses other than PSPS flats would have to be agreed by both the Government and the developer. The Government has already commenced negotiations with the developers concerned with a view to modifying the lease to enable the latter to dispose of the flats. The developer of the Hunghom Peninsula project has filed a writ with the court on the ground that change of the HOS policy has affected the sale arrangements of the project.

(b) *Sale to the Hong Kong Housing Society for re-housing purposes*

The Housing Authority is still exploring this option with the Housing Society.

(c) *Use as Government departmental quarters*

We have held discussions with concerned Government bureaux and departments on the option of re-provisioning some of the existing departmental quarters for the disciplined services. We will continue to explore this option.

(d) *Use as guesthouses for Mainland visitors*

We are exploring the feasibility of converting two surplus HOS blocks with 744 units, namely King Hin Court and Block A of Yau Mei Court, to guesthouses or similar uses. We issued an invitation for Expression of Interest on 17 October 2003 to gauge the interest of the market. The deadline for response is 14 November 2003. The Housing Authority will analyse the response and consider the viability of this option before taking it forward.

(e) *Conversion to public rental housing*

The Housing Authority converted Hiu Lam Court with 2 100 flats to public rental housing in May 2003.

#### Way Forward

6. As announced by the Secretary for Housing, Planning and Lands on 15 October 2003, the Government would propose to the Housing Authority that no unsold and returned HOS flats would be offered for sale as subsidised housing before the end of 2006. For flats under List C, we will continue to take follow-up actions as outlined in paragraph 5 above.

Housing, Planning and Lands Bureau  
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List A ? Individual unsold or returned flats in HOS blocks

Projects	No. of flats
<b>Phase 24A unsold flats</b>	
Lei On Court Stage 1 (Lam Tin)	382
Yu Chui Court Stage 2 (Shatin)	433
Ka Keng Court (Tai Wai)	276
<b>Returned flats in various courts</b> <i>(Position as at 30 September 2003)</i>	4 789
<b>Total :</b>	5 880

List B Unsold blocks in partially occupied/sold HOS courts

Projects	No. of flats
Kam Fung Court Stage 3 (Ma On Shan)	1 892
Yu Chui Court Stage 3 (Shatin)	1 056
Lei On Court Stage 2 (Lam Tin)	831
Tin Fu Court Block J (Tin Shui Wai)	320
Tin Chung Court Blocks K and L (Tin Shui Wai)	640
Total :	4 739

List C ? Unsold HOS/PSPS projects completed or under construction

Projects	No. of flats	Remarks
King Hin Court (Ngau Chi Wan)	344	Completed
Yau Mei Court (Yau Tong)	3 872	Completed
Ko Cheung Court (Yau Tong)	2 800	Completed
Kwai Chung Ph. 7	800	Completed
Tung Tao Court (Aldrich Bay)	1 216	Scheduled phased completion in Nov. 2003 and Jan. 2004
Kwai Yung Court (Kwai Chung)	512	Scheduled completion in Mar. 2004
Lam Tin Ph. 6	720	Scheduled completion in Apr. 2004
Hunghom Peninsula (PSPS)	2 470	Completed
Kingsford Terrace (PSPS) (Ngau Chi Wan)	2 010	Completed
<b>Total :</b>	<b>14 744</b>	