

Legislative Council Panel on Housing

**The Government's response to the motion passed under agenda item V.
"Interim Scheme to Extend the Home Ownership Scheme Secondary
Market to White Form Buyers – Initial Assessment"
at the meeting on 5 January 2015**

Subsidised home ownership serves two major functions: (a) to enable low to middle-income families to meet their home ownership aspirations; and (b) to enable better-off public rental housing (PRH) tenants to buy their own homes, thereby releasing their PRH flats for use by those who are in need.

2. Therefore, when the Hong Kong Housing Authority (HA) puts up Home Ownership Scheme (HOS) flats for sale, traditionally the flats are sold to both Green Form (GF) applicants (i.e. PRH tenants and PRH applicants who have passed the detailed eligibility vetting and are due for flat allocation in about a year's time) and White Form (WF) applicants (i.e. those do not satisfy the requirement for GF status but meet the eligibility criteria set by the HA). However, only GF buyers were allowed to purchase subsidised sale flats without premium paid in the HOS Secondary Market in the past.

3. To address the home ownership aspirations of WF applicants, the HA launched the Interim Scheme to Extend the HOS Secondary Market to White Form Buyers (the Interim Scheme) in January 2013 to allow 5 000 WF applicants to purchase flats without premium paid in the HOS Secondary Market. The Interim Scheme provides WF applicants with an additional channel to purchase subsidised sale flats before newly-built HOS flats are released onto the market. As stated in LC Paper No. CB(1)384/14-15(04), according to the initial assessment of the HA's Subsidised Housing Committee (SHC), as at end September 2014, 2 161 applicants achieved home ownership by means of the Interim Scheme. Without the Interim Scheme, these persons might have found it difficult to purchase flats in the private property market. The Interim Scheme has also met the need of sellers and improved the circulation of the HOS Secondary Market. However, the SHC noted that flat prices in the HOS Secondary Market rose more than that in the private market after the announcement of the Interim Scheme, even though there is insufficient evidence to tell how much of the increase was attributable to the Interim Scheme.

4. As a matter of fact, the HA has already adopted a pragmatic approach by implementing one more round of the Interim Scheme in the second half of 2015 in response to WF applicants' strong demand for subsidised sale flats, while at the same time reducing the quota to 2 500 in order to address concerns on possible impact of the Scheme on flat prices. A comprehensive review will be conducted thereafter to decide on the future of the Interim Scheme. Upon completion of the review, the Government will report the outcome of the review to the Legislative Council Panel on Housing.

5. In addition, the 2015 Policy Address also announced a number of initiatives to increase the supply of subsidised sale flats with a view to providing low to middle-income families more options and more home ownership opportunities. The Government will continue to adopt a multi-pronged approach to increase the supply of subsidised sale flats and facilitate the circulation of existing flats, in order to respond to the home ownership aspirations of GF and WF buyers.

**Transport and Housing Bureau
February 2015**