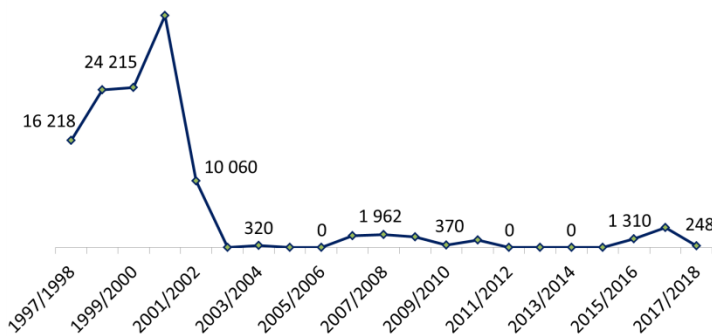




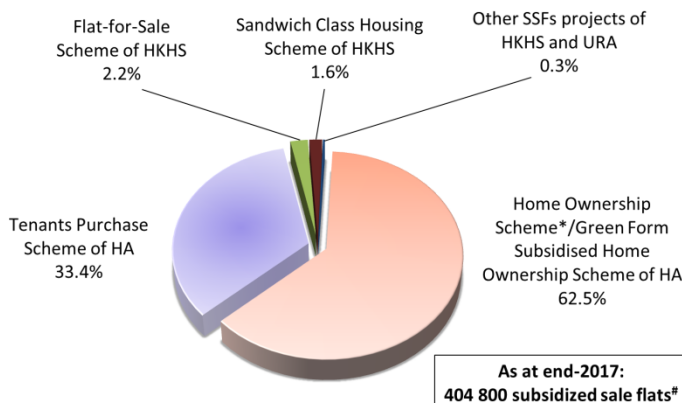
## Subsidized sale flats

ISSH13/18-19

**Figure 1 – Production of subsidized sale flats, 1997/1998 to 2017/2018**



**Figure 2 – Subsidized sale flats by subsidized home ownership scheme in 2017**



Notes: (\*) They include flats under Home Ownership Scheme, Private Sector Participation Scheme, Middle Income Housing Scheme, Mortgage Subsidy Scheme and Buy-or-Rent Option.  
(#) Figure is rounded to the nearest hundred.

**Figure 3 – Extension of the Home Ownership Scheme Secondary Market to White Form buyers**

	Interim Scheme			WSM 2018
	First round	Second round	Total	
Launch year	January 2013	August 2015	-	March 2018
Quota	5 000	2 500	7 500	2 500
Number of applications*	66 200	43 900	110 100	60 500
Over-subscription (times)	12	17	14	23
Number of successful transactions	2 405	1 616	4 021	Not yet available
Take-up rate <sup>#</sup>	48%	65%	54%	Not yet available

Notes: (\*) Figures are rounded to the nearest hundred.  
(#) It is calculated as the number of successful transactions divided by the quota.

## Highlights

- In Hong Kong, about 15% of the households are living in subsidized sale flats ("SSFs"). SSFs refer to those units with premium not yet paid, hence still being subsidized by the Government. They are offered for persons meeting certain eligibility criteria (e.g. income and asset limits) through various subsidized home ownership schemes subject to alienation restrictions.
- In the aftermath of the Asian financial crisis and the subsequent economic downturn, the Government repositioned its housing strategy in 2002 to cease the production of SSFs from 2003 onwards (Figure 1). Various subsidized home ownership schemes were terminated/suspended and those SSFs completed during 2002 to 2004 were only put up for sale by phase several years later. It was not until the early 2010s that the Government resumed the production of SSFs in response to the growing housing demand of low to middle-income families and new SSFs eventually came on stream starting from 2015/2016.
- In 2017, there were about 404 800 SSFs (Figure 2). A majority of SSFs were under Home Ownership Scheme ("HOS")/Green Form Subsidised Home Ownership Scheme ("GSH") (62.5%) and Tenants Purchase Scheme (33.4%) provided by the Hong Kong Housing Authority ("HA"), whereas about 4% were provided by the Hong Kong Housing Society ("HKHS") and the Urban Renewal Authority ("URA").
- Previously, owners of SSFs (except for those under Sandwich Class Housing Scheme) might only sell their flats without payment of premium to Green Form ("GF") buyers (e.g. public rental housing tenants) in the Secondary Market. To facilitate the circulation of SSFs, the Government launched two rounds of Interim Scheme to extend the Home Ownership Scheme Secondary Market to White Form ("WF") buyers (e.g. private housing households meeting certain eligibility criteria) in 2013 and 2015 respectively. Through the two rounds of Interim Scheme, about 110 100 applications were received and 4 021 WF buyers achieved home ownership (Figure 3). Taking into account the continuing demand for SSFs from WF buyers, the Government endorsed in November 2017 regularizing the Interim Scheme as the White Form Secondary Market Scheme ("WSM"), which was rolled out earlier in March 2018 with a quota of 2 500 provided and over 60 000 applications received.

## Subsidized sale flats (cont'd)

**Figure 4 – Sale of subsidized home ownership schemes, 2014-2018\***

Launch year	Scheme	Flats allocated (Ratio of flats allocation)		No. of applications <sup>#</sup> (Rate of over-subscription)	
		GF	WF	GF	WF
Jun 2014	Tin Lee Court (HA)	52 (60)	34 (40)	300 (5)	12 200 (358)
Dec 2014	Sale of HOS Flats 2014 (HA)	1 296 (60)	864 (40)	11 500 (8)	123 500 (142)
Feb 2016	Sale of HOS Flats 2016 (HA and HKHS)	1 842 (50)	1 842 (50)	4 100 (1)	48 700 (25)
Oct 2016	Green Form Subsidised Home Ownership Scheme (HA)	857 (100)	N/A (0)	16 200 (18)	N/A
Mar 2017	Sale of HOS Flats 2017 (HA)	1 060 (50)	1 060 (50)	12 500 (11)	92 100 (86)
Nov 2017	Subsidised Sale Flats Projects 2017 (HKHS)	310 (50)	310 (50)	6 000 (18)	87 600 (282)
Mar and Oct 2018	Sale of HOS Flats 2018 (HA)	4 431 (50) (50)		36 000 (15)	236 000 (105)

Notes: (\*) It does not include the sale of 322 subsidized sale flats provided by the Urban Renewal Authority in 2015/2016.

(#) Figures are rounded to the nearest hundred.

**Figure 5 – Age profile of the applicants in the Sale of HOS Flats 2017\***

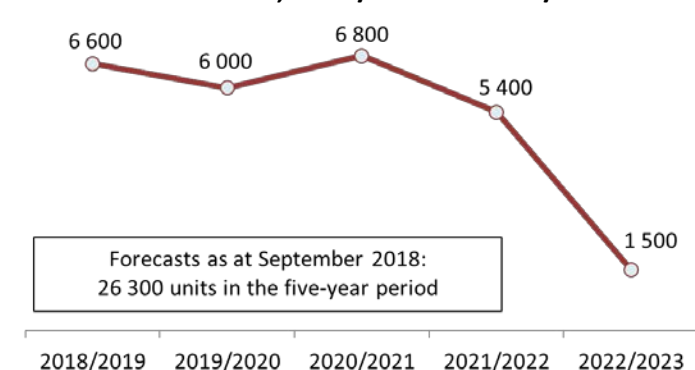
Age	Green Form applicants			White Form applicants		
	1P <sup>#</sup>	Family <sup>+</sup>	Total	1P <sup>#</sup>	Family <sup>+</sup>	Total
< 30	4%	7%	6%	67%	35%	54%
30 – < 40	12%	17%	15%	26%	42%	32%
40 – < 50	10%	21%	18%	5%	15%	9%
50 – < 60	13%	22%	20%	2%	6%	3%
≥ 60	61%	34%	41%	1%	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average age</b>	<b>63</b>	<b>52</b>	<b>55</b>	<b>28</b>	<b>34</b>	<b>30</b>

Notes: (\*) Percentage may not add up to 100% due to rounding.

(#) It refers to one-person applicants.

(+) It refers to family applicants with household size of two or more persons.

**Figure 6 – Estimated production of SSFs under HA and HKHS, 2018/2019 to 2022/2023\***



Note: (\*) Figures are rounded to the nearest hundred.

## Highlights

- Amid rising residential property prices, the sale of SSFs under various subsidized home ownership schemes in the past few years has received a large number of applications and high over-subscription rate, reflecting citizens' strong demand for subsidized housing. Particularly, a much higher over-subscription rate was recorded in WF applications (ranging from 25 to 358) than GF applications (ranging from 1 to 18) (Figure 4). While the ratio of flats allocation between GF and WF applications had been adjusted to 50:50, over-subscription in the latter remained more pronounced. More recently, after the Government revised the pricing mechanism of SSFs and reopened applications for Sale of HOS Flats 2018 with 4 431 SSFs put up for sale, a total of over 270 000 applications were received.
- According to the latest information of HA, WF applicants were generally younger than GF applicants in the sale of HOS Flats 2017, where the average age of the WF applicants was 30, compared with the average age of 55 for GF applicants (Figure 5). When analysed by family type, one-person WF applicants were predominantly below the age of 30 (67%). In contrast, over 60% of one-person applicants in the GF counterpart were at or above 60 years old.
- Based on the latest forecasts, the estimated annual production of SSFs under HA and HKHS (excluding GSH flats) would exhibit a falling trend after 2020/2021 (Figure 6). However, the Government has recently regularized GSH and would identify units from HA's public rental housing projects for GSH flats. To offer additional supply, the Government has indicated that it would launch the "Starter Homes" pilot project with URA for higher-income families who are not eligible for the HOS and yet cannot afford private housing.

Data sources: Latest figures from Census and Statistics Department, Hong Kong Housing Authority, Hong Kong Housing Society and Urban Renewal Authority.

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