



## 1. Introduction

1.1 Ever since the re-launch of subsidized sale flats ("SSFs") in 2012, demand for SSFs in Hong Kong has far outstripped supply. For a total of 26 709 SSFs offered for sale since 2012, the number of applications amounted to 1.3 million, with subscription rate reaching over 100 times in certain sale exercises. So far, allocation of local SSFs has been based on balloting since the debut launch of the Home Ownership Scheme ("HOS") in 1976. Under the existing arrangements, as applications lapse after balloting in each round of sale, many aspirant buyers need to apply for SSFs time and again, after repeated failures. Coupled with concerns that random balloting cannot address the genuine needs of families, there are suggestions in the community to review the allocation mechanism of SSFs. In the Legislative Council, allocation mechanism of SSFs has been discussed on at least three occasions in the current term.<sup>1</sup>

1.2 At the request of Hon Wilson OR Chong-shing, the Research Office has conducted an elaborate study on the allocation mechanism of SSFs in Macao and Singapore, as a follow-up study after a concise analysis of such mechanism in seven selected places completed in January 2021.<sup>2</sup> Macao and Singapore were chosen for in-depth study because of (a) comparable levels of socio-economic development with Hong Kong; (b) long history of implementation of SSFs for at least 40 years; and (c) similar challenges in terms of scarce land resources. More importantly, the allocation mechanism of SSFs in both places have undergone major revamps in the past. At present, allocation of SSFs in Macao is point-based with due regard to a set of factors, whereas that in Singapore is a modified balloting system with higher priority accorded to first-time home buyers.

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<sup>1</sup> See GovHK (2018), GovHK (2019b) and GovHK (2019c).

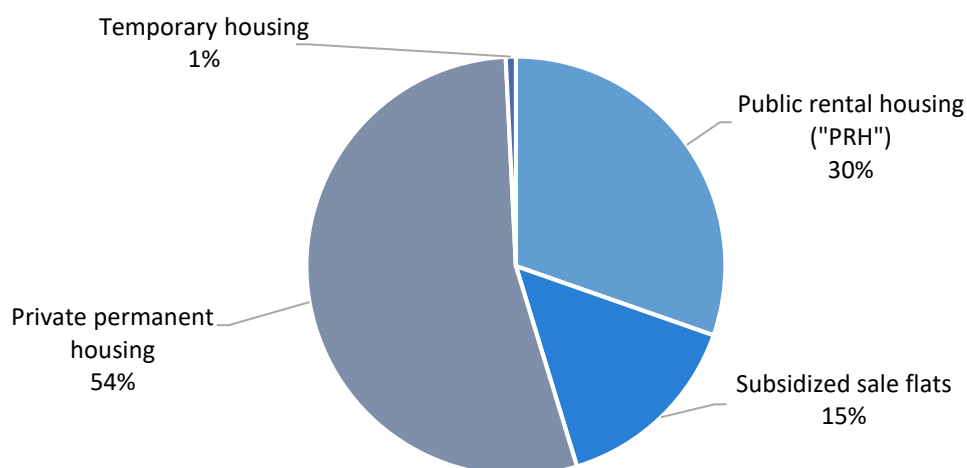
<sup>2</sup> On top of Macao and Singapore, the comparative analysis includes also South Korea, Malaysia, San Francisco and Dublin. For details, see Legislative Council Secretariat (2021).

1.3 This information note begins with a review of recent developments of allocation mechanism of SSFs in Hong Kong, followed by respective discussion on SSF programmes in Macao and Singapore. A summary table on the key features is provided in **Appendix II** for easy reference.

## 2. Allocation mechanism of SSFs in Hong Kong

2.1 Since the launch of HOS in 1976, a total of about 331 000 SSFs were produced up to fiscal year 2002-2003<sup>3</sup>, right before the announcement to halt SSF production by the Government in response to the slump in property prices.<sup>4</sup> The Hong Kong Housing Society ("HKHS") re-launched SSFs in 2012 and the Housing Authority ("HA") re-launched HOS in 2014 amidst growing housing shortage and repositioning of SSFs as an important rung in the housing ladder by the Government.<sup>5</sup> This gives rise to completion of another 25 000 SSFs during 2012-2020. At present, about 407 000 households live in SSFs, taking account of 15% overall households (**Figure 1**).<sup>6</sup>

**Figure 1 – Households by type of accommodation (2020)**



Source: Census and Statistics Department.

<sup>3</sup> Including HOS, Private Sector Participation Scheme, and SSF schemes under HKHS. See Forrest and Yip (2015), Hong Kong Housing Society (2021) and Census and Statistics Department (various years).

<sup>4</sup> See Housing, Planning and Lands Bureau (2002).

<sup>5</sup> See Transport and Housing Bureau (2014).

<sup>6</sup> According to the Government's official statistical classification, the SSF figure includes households living in PRH flats bought through the Tenants Purchase Scheme with premium unpaid. In addition, the SSF figure excludes SSF units that can be traded in open market (i.e. with premium paid or not required), which are classified as private permanent housing.

2.2 While HOS is the largest SSF programme in Hong Kong, HA, HKHS and the Urban Renewal Authority ("URA") have also implemented various other SSF programmes.<sup>7</sup> Most of these programmes share common features such as (a) income and asset caps; (b) not owning residential properties within 24 months preceding application as a prerequisite for application; (c) preferential mortgage arrangements; (d) resale restriction period of five or ten years;<sup>8</sup> and (e) payment of premium as a condition for reselling in open market. As SSFs are typically sold at a discount of around 30%-50% of the prevailing market prices,<sup>9</sup> response to such sale has been very enthusiastic, especially so after 2014 on the back of severe housing shortage and a prolonged real estate boom (**Table 1**).

**Table 1 – Applications for Home Ownership Scheme<sup>(1)</sup>**

Year	Flats allocated (Ratio of flats allocation)		No. of applications received (Subscription rate (times))	
	Green Form	White Form	Green Form	White Form
2014	1 296 (60%)	864 (40%)	11 500 (9)	123 500 (143)
2016 <sup>(2)</sup>	1 842 (50%)	1 842 (50%)	4 100 (2)	48 700 (26)
2017 <sup>(3)</sup>	1 060 (50%)	1 060 (50%)	12 500 (12)	92 100 (87)
2018	4 431		36 000 (16)	235 800 (106)
	(50%)	(50%)		
2019	4 871		50 000 (21)	260 000 (107)
	(50%)	(50%)		
2020	7 047		33 000 (12)	203 000 (48)
	(40%)	(60%)		

Notes: (1) Green Form applicants include tenants of PRH units and others who are eligible for PRH. White Form applicants include households living in private housing, family members of households living in PRH or other SSF units, and owners of TPS units (who must sell their TPS flats after buying SSF).

(2) Joint application exercise between HA and HKHS which included seven resale flats of Greenhill Villa put up for sale in 2013.

(3) Including 63 resale flats from HOS 2014.

Source: Hong Kong Housing Authority.

<sup>7</sup> SSFs implemented by HA include HOS, Private Sector Participation Scheme, Middle Income Housing Scheme, Green Form Subsidised Home Ownership Scheme, Tenant Purchase Scheme and Buy or Rent Option Scheme. SSF programmes under HKHS include Flat for Sale Scheme, Sandwich Class Housing Scheme and Subsidised Sale Flats Projects. URA also launched the Subsidised Sale Flats Scheme in 2015 and the Starter Homes for Hong Kong Residents in 2019.

<sup>8</sup> Ten-year alienation restriction applies to HOS flats sold from 2019 onwards. Most other existing SSFs have a five-year alienation restriction period.

<sup>9</sup> Except for the initial batches prior to HOS Phase 3B, which were priced at a cost-recovery basis.

2.3 More specifically on the **allocation mechanism of SSFs**, it has been largely balloting-based over the past 45 years, yet preference is given to a few priority groups.<sup>10</sup> Taking the recent sale exercise launched in September 2020 as an example, the allocation mechanism has the following features (**Appendix I**):

- (a) **Sequence of flat selection according to application categories:** Applications are divided into different categories based on family characteristics (e.g. whether they have elderly members). Occasionally, special categories are set up for households affected by clearance or redevelopment projects.<sup>11</sup> Higher priority is accorded to buyers in these application categories and they can select flats earlier than other applicants. The sequence differs among sale exercises;
- (b) **Quotas according to application categories and between Green Forms and White Forms:** Quotas are assigned to certain application categories and can vary in each sale exercise. In the recent sale exercises, HA has set aside a quota for families with elderly members and one-person applicants for a reasonable chance to select flats. Moreover, in line with the policy objective to free PRH flats for the needy, a quota within a range of 30%-60% is usually reserved for Green Form applicants.<sup>12</sup> As over-subscription of Green Form applicants is much milder than that of White Form applicants as shown in Table 1, their chance of successful purchase is significantly higher;
- (c) **Balloting:** Computer balloting determines each applicant's flat selection priority within their respective application categories. If the quota for an applicant's category has been used up before his/her turn, the application is unsuccessful; and

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<sup>10</sup> With the exception of the Tenants Purchase Scheme and the Rent or Buy Scheme (of which allocation is according to PRH waiting lists).

<sup>11</sup> Sales arrangements of each HOS sale exercise are reviewed and endorsed by the Subsidised Housing Committee of HA. Similarly, HKHS draws up the sales arrangements of each SSF sale exercise having regard to the prevailing circumstances. See GovHK (2019c) and Transport and Housing Bureau (2019).

<sup>12</sup> Exceptions are URA's SSF programmes, which do not treat Green Form Applicants differently, and the Green Form Subsidised Home Ownership Scheme, which is open to Green Form Applicants only.

- (d) **Additional chance for certain priority groups:** Some applicants fall under two categories. For example, in the sale of HOS flats in 2020, an applicant failing to purchase a flat under the "Priority Scheme for Families with Elderly Members" was still entitled to another round of balloting under the "other family applicants" category. In other words, they were given a ballot under each of the two categories.

2.4 By and large, the existing balloting-based allocation mechanism of SSFs gives rise to a number of policy concerns. *Firstly*, although there is built-in flexibility in balloting to target families with more pressing needs, many needy families are not covered given the small number of priority categories. *Secondly*, the existing mechanism cannot give adequate consideration to those applicants who have repeatedly failed in the earlier sales, especially in the White Form category.<sup>13</sup> Although the quota ratio for White Forms has been adjusted upward in recent years, their chance of success remains slim. *Thirdly*, there are suggestions that the balloting-based allocation mechanism should be reformed. For instance, there is advocacy to consider a wider range of family needs (such as those with children) on the one hand, and boost the chance of those families suffering repeated failures by giving them more ballots or setting up a waiting list on the other.<sup>14</sup>

### 3. Allocation mechanism of SSFs in Macao

3.1 The Macao government began providing SSFs called Economic Housing (Habitação Económica, "EH") after the enactment of the Economic Housing Law (Lei da Habitação Económica) in 1980.<sup>15</sup> While the initial policy objective of EH was to provide affordable sale flats with decent quality to tenants of public rental housing (named as Social Housing (Habitação Social, "SH")) and residents affected by squatter clearance and redevelopment projects, EH was subsequently opened up to other Macao residents in 1999,<sup>16</sup> and the total stock of EH flats reached 36 963 flats by end-2019.

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<sup>13</sup> See 謝偉銓 (2019).

<sup>14</sup> See GovHK (2018), GovHK (2019b), 東方日報 (2019) and 嶺南大學 (2018).

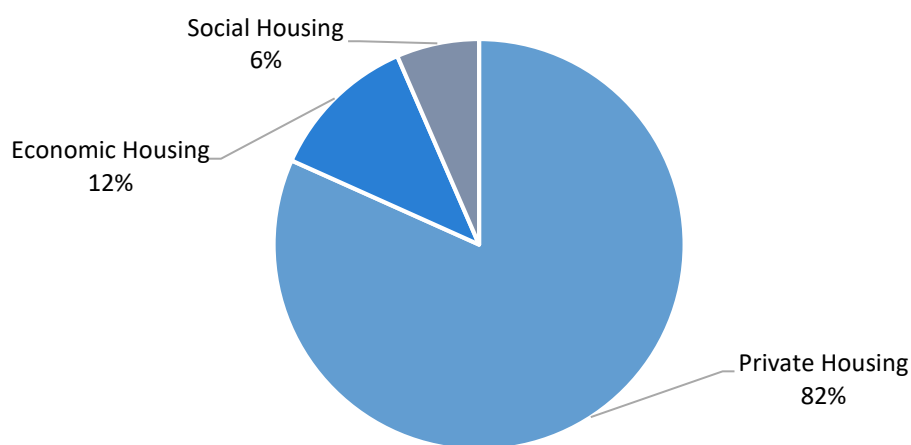
<sup>15</sup> See 澳門特別行政區房屋局 (2021).

<sup>16</sup> See 王于漸等 (2010) and 澳門特別行政區新聞局 (2007).

3.2 Eligibility criteria for EH is broadly similar to HOS in Hong Kong, with income limit, asset limit, non-ownership of any residential property. However, SH tenants in Macao do not enjoy any priority or special treatment in application of EH under the existing regulations effective as from August 2020.<sup>17</sup> Discounts in flat prices of EH were in the range of 50%-61% of market price for EH launched during 2012-2019. EH flats cannot be resold or transferred, and can only be resold to the Housing Department (i.e. Instituto de Habitação) after six years.<sup>18</sup>

3.3 Under the medium to long term housing plan announced in 2020, SH and EH are the top two elements in the housing ladder of Macao, followed by Sandwich Class Housing and Elderly Housing (which are still in planning), and private housing.<sup>19</sup> Based on the latest available information, 12% of households in Macao lived in EH flats in 2016, with another 6% in SH (**Figure 2**).<sup>20</sup> A vast majority of households (82%) lived in private housing, about two-thirds of which were owner-occupied.

**Figure 2 – Households by type of housing in 2016**



Source: Statistics and Census Service (2017).

<sup>17</sup> In the past, the Economic Housing Law allowed the government to set aside flats for SH tenants who were no longer eligible for SH because their incomes had exceeded the limit. However, the government had not reserved any flat for PRH tenants in any Economic Housing sale exercise, citing considerations for the overall demand and resources. The Economic Housing Law no longer features such provision after the amendment in 2020. See 澳門特別行政區房屋局 (2017) and 澳門特別行政區政府 (2020).

<sup>18</sup> This has been effective since 2020. Economic Housing flats bought before the relevant law amendment may be sold in the secondary market subject to the alienation restriction periods effective at the time the flat was bought from the government.

<sup>19</sup> See 澳門特別行政區新聞局 (2020).

<sup>20</sup> As of end-2019, Economic Housing flats and Social Housing flats accounted for 15% and 6% of the housing stock in Macao respectively.

3.4 More specifically on the **allocation mechanism for flats under EH**, the Macao government has attempted several mechanisms since the 1990s, in response to public concerns. Evolution of the mechanism is briefly summarized below:

- (a) **Point-based and cumulative waiting list system during 1995-2010:** The government centralized sale of EH flats in 1995 with the allocation mechanism spelled out in law under Decree No. 26/95/M.<sup>21</sup> Needs of applicants were assessed on the basis of a host of factors such as (i) household income, (ii) housing situation, (iii) duration of residency in Macao, and (iv) presence of elderly or disabled family members. This gives rise to a ranking or waiting list of applicants in terms of overall scores, and those at the front of the list would have higher priority in flat selection. It is noteworthy that the waiting list was cumulative and valid for all sale exercises. Under the first-come first-served principle, unsuccessful applicants in previous sale exercises were always placed before new applications in the waiting list.

However, because of the cumulative nature of the waiting list, those needy families with higher scores in the current sale exercise were placed after unsuccessful applicants with lower scores in previous sale exercises. This led to criticisms that the allocation system could not address those families with the greatest need, and incurred high administrative cost in calculating scores and maintaining a waiting list for all applicants.<sup>22</sup> After a review of the allocation mechanism for both EH and SH which commenced in 2005, the Macao government amended the allocation mechanism for EH in 2011 for more efficient use of public resources.<sup>23</sup>

- (b) **Priority grouping and balloting during 2011-2020:** Under the amended mechanism implemented in August 2011, allocation was based on a mixture of priority grouping and balloting. Applications were first sorted based on household characteristics, with highest priority accorded to nuclear families,

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<sup>21</sup> Before that, EH flats were sold by private developers at government-controlled prices. See 澳門特別行政區房屋局(2020).

<sup>22</sup> See 澳門特別行政區房屋局(2015) and 澳門特別行政區立法會(2011).

<sup>23</sup> See 澳門特別行政區房屋局(2012) and 澳門特別行政區行政長官(2005).

followed by non-nuclear families and singleton applicants. Taking the sale exercise launched in November 2019 as an example, the priority categories in descending order are (i) nuclear family with an elderly or disabled member as signer of the sale and purchase ("S&P") agreement; (ii) nuclear family with an elderly or disabled member; (iii) other nuclear family; (iv) non-nuclear family with an elderly or disabled member as signer of S&P agreement; (v) non-nuclear family with an elderly or disabled member; (vi) other non-nuclear family; (vii) single elderly or disabled applicant; and (viii) other single applicant. The order of applications of the same priority category is determined by computer ballot. The applicant list was valid for one sale exercise only and it lapsed after sale.

The priority grouping system was considered simple and easy to understand. However, there were concerns that too much weight was accorded to household structure. Those lower-priority categories (especially "other non-nuclear family" and single applicants) might not be able to purchase SSFs, regardless of other factors underpinning their housing needs.<sup>24</sup> In the 2019 sale exercise mentioned above, there were 3 011 flats put up for sale. Yet there were as many 3 800 applications in the top two categories (i) and (ii) discussed above, depriving the buying opportunities from applicants in other categories.

There was then a strong call in the Macao community to reform the allocation mechanism. According to a public consultation report published by the Housing Department in June 2016, over 80% of the respondents supported to restore the previous point-based system, believing that it was more scientific and could help target people in greater need of SSFs. That said, there were also concerns over the administrative complexity of the previous system of cumulative waiting list, in addition to the fairness of a system placing excessive emphasis on waiting time.

- (c) **Reverting to a refined point-based system as from August 2020:** In the light of public views, the Macao government re-introduces the point-based system effective as from August 2020. Yet the

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<sup>24</sup> See 澳門特別行政區立法會 (2011).



new point-based system is valid for one sale exercise only, without any element of waiting time. The new system features the key sequence of scoring, ranking and balloting.

**First**, scores of each application are counted with reference to a number socioeconomic factors, such as (i) household structure; (ii) household size; (iii) duration of residency in Macao; (iv) presence of elderly, disabled or minor members; and (v) proportion of Macao permanent residents in the household. The scoring standard was issued in July 2021 and applies to all sale exercises.<sup>25</sup>

**Second**, applications are ranked in descending order of their scores. For those applications with the same score, those with lower per-capita household income are accorded higher priority. In case there are still applications sharing the same queue order, they will be ranked in descending order of the age of applicants, followed by computer ballot at the last resort. The application list lapses once the sale exercise is completed.

3.5 Notwithstanding introduction of the new allocation scheme, no EH flats have been offered for sale in Macao over the past year or so since August 2020. As such, it is too early to assess its policy effectiveness and public feedback.

## 4. Allocation mechanism of SSFs in Singapore

4.1 Singapore introduced its first SSF scheme, namely Home Ownership for the People Scheme, in 1964. Singapore's public housing was designed from the outset to cover the majority of Singaporeans.<sup>26</sup> The **Build-To-Order** ("BTO") scheme is currently Singapore's largest public housing scheme, with flats designed, built and sold directly by the Housing & Development Board ("HDB"). In addition, the Singapore government also offers premium SSF options including the **Design, Build and Sell Scheme** ("DBSS") flats and **Executive Condominiums** ("ECs"), which involve the participation of private developers, to

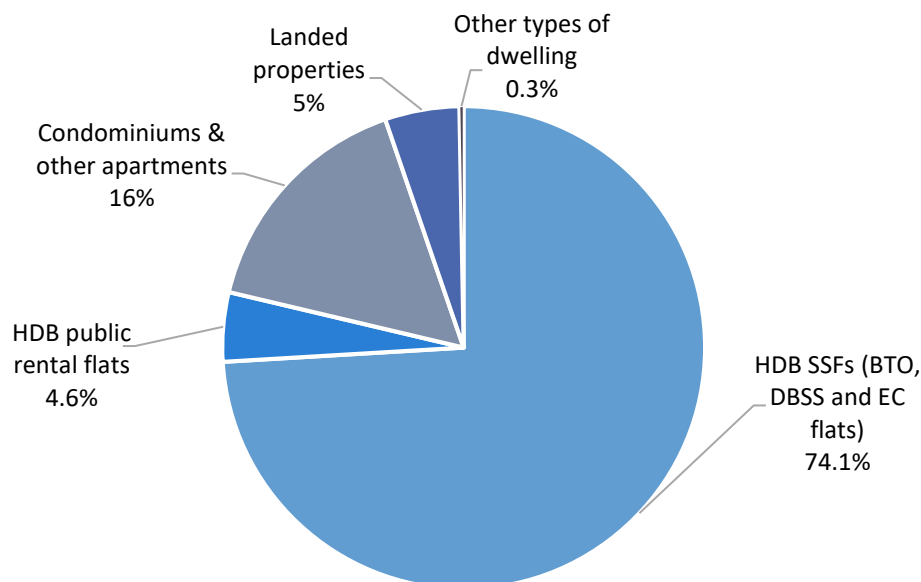
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<sup>25</sup> See 澳門特別行政區政府 (2021).

<sup>26</sup> See Ministry of National Development (2011).

meet the aspirations of different income groups. As at 2020, over 74% of resident households in Singapore stayed in HDB SSFs (**Figure 3**), while about 5% lived in HDB public rental flats.

**Figure 3 – Households by type of accommodation (2020)**



Sources: Singapore Department of Statistics and Housing & Development Board.

4.2 SSF is also a means to promote **family ties** and **ethnic integration** in Singapore, not only meeting housing needs. Quotas and incentives for buying SSFs are thus designed to achieve these social goals. For instance, families with children and multi-generation families, as well as those who wish to live near their aging parents, enjoy higher priorities in SSF allocation. As for singletons, they are only allowed to buy smaller flats, and may only do so after reaching 35 years old. Likewise, all HDB housing blocks have clearly defined racial quotas, which mimic the national racial composition. Both new flats and resale transactions are required to comply with the ethnic quotas.

4.3 More specifically on the **allocation mechanism for BTO flats**, it was initially a waiting list system in 1964, but has undergone a number of changes in recent decades. In **1991**, HDB launched a ballot system titled Booking System that accorded higher success rates to higher-priority applicants in selected sale exercises with high demand.<sup>27</sup> In **1994**, it was replaced by a modified waiting list system known as Registration for Flats System ("RFS"), where applicants

<sup>27</sup> See Chih, H.S. (2010).

were separated into different queues for first-time applicants and up-graders based on their desired flat type and broad geographical zone.<sup>28</sup> In the aftermath of the Asian Financial Crisis in **1997**, the number of applicants on the waiting lists plummeted from 150 000 at the peak to just 7 000, as many applicants backed out amidst severe economic setback. It took HDB five years to clear the huge backlog of unsold SSFs, creating financial burden to the government. In **2002**, in an attempt to preempt another oversupply of SSFs in the future and to ensure a stock of committed buyers, the Singaporean government switched to the BTO system, which ensures that the majority of flats are backed by committed buyers.<sup>29</sup>

4.4 Under the BTO system, potential buyers apply for balloting for flat in proposed sites. Successful applicants can then book and select their preferred location and flat type (i.e. Booking System). Only when total demand exceeds 70% of a proposed project will HDB proceed with construction, which takes around three years to complete.<sup>30</sup> Here are the major features of the current balloting mechanism:

- (a) **Priority schemes catering for social objectives:** For promotion of family ties, HDB has launched priority schemes to give certain types of households more chances in booking a flat. For example, the Married Child Priority Scheme helps a married child and the parents to live with or close to each other for mutual care and support.
- (b) **Quotas assigned to priority groups:** Success rates for applicants to a certain extent hinge on the proportion of flats allocated by HDB to various priority groups. Quotas vary by sizes and types of flats, taking into account housing needs of different types of households. Quotas are generally higher for first-timer families (i.e. those who have not received any housing subsidy from HDB). As an illustration, the maximum quotas for new BTO flats in non-mature estates are summarized in **Table 2** below.

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<sup>28</sup> See Gov.SG (2001).

<sup>29</sup> See Ministry of National Development (2011).

<sup>30</sup> Unsold flats from different BTO sale launches are pooled together and offered for sale later through another scheme called Sale of Balance Flat Scheme. Under the Scheme, flat allocation is also based on ballot. See Housing & Development Board (2021b).

**Table 2 – Priority schemes for purchasing new BTO flats**

Priority scheme	Maximum quota <sup>(1)</sup>	
	First-timer families	Second-timer families
• Parenthood Priority Scheme (For married couples with children)	30%	N.A.
• Multi-Generation Priority Scheme	15%	
• Married Child Priority Scheme (For married child and parents living with or close to each other)	30%	15%
• Third Child Priority Scheme (For families with more than 2 children)	5%	
• Assist Scheme for Second-timers (For divorced/widowed parents)	N.A.	5%
• Tenants' Priority Scheme (For HDB rental tenants)	10%	
• Senior Priority Scheme	40%	

Note: (1) Maximum quota represents the quota ceiling. Actual quota allocation may vary in each sale exercise.

Source: Housing & Development Board (2021c).

- (c) **Balloting with additional chances given to first-time buyers:** Computer ballot determines the position in the queue of each applicant to select flats. For each BTO exercise, HDB shortlists applicants up to 300% of the flats available for sale. Shortlisted flat applicants are then invited to book a flat in sequence of their balloted queue positions. The Singaporean government notes that it is a "ballot matrix" system capable to take into account a range of factors (e.g. whether applicants are first-timer or second-timer families and quotas of different priority schemes). However, there is little publicly available information on how ballot is run within and across applicant groups.<sup>31</sup>

Nonetheless, it is stated clearly that first-time home buyers are given **two chances** in the ballot. For those first-time home buyers who have failed in two BTO applications in non-mature estates, they will be accorded **additional chances** for subsequent applications. For example, if a first-timer family has been unsuccessful in their previous three applications, the family will have four ballot chances in the next application (**Table 3**).

<sup>31</sup> The Research Office has sent an email enquiry to HDB requesting more information. HDB has responded with brief information. Detailed operation of the ballot was not provided.

**Table 3 – Number of ballot chances by number of previous unsuccessful applications**

No. of previous unsuccessful applications	First-timer applicants			Second-timer applicants		
	Basic ballot chance	Additional ballot chance	Total number of ballot chances	Basic ballot chance	Additional ballot chance	Total number of ballot chances
0/1	2	0	2	1	0	1
2	2	1	3	1	0	1
3	2	2	4	1	0	1
4	2	3	5	1	0	1

Source: Housing & Development Board (2021c).

4.5 The combination of priority schemes and balloting appears to be quite effective in helping needy families in Singapore, as almost all first-time buyers are able to buy SSFs within three attempts.<sup>32</sup> Yet this success is also because of ample supply of public housing in Singapore, boosting the chance of buying SSFs. Taking the recent sale exercise launched in May 2021 as an illustration, the subscription rates for 2-room flexi flats and bigger flats were just 1.6 times and 6.1 times respectively, far lower than those in Hong Kong.<sup>33</sup>

## 5. Concluding remarks

5.1 In **Hong Kong**, allocation of SSFs has been largely based on balloting over the past 45 years. Given limited supply of SSFs and lapse of applications after balloting in each round of sale, many aspirant buyers face repeated failures and have to submit applications time and again. Coupled with concerns that random balloting cannot address unique housing needs of families, there have been continued calls in the community to review the allocation mechanism of SSFs.

5.2 In **Macao**, the allocation mechanism of SSFs has undergone several rounds of reforms to address various public concerns. These in particular include a point-based cumulative waiting list system during 1995-2010 and a mixture of priority grouping and balloting system during 2011-2020. While the former system incurred high administration cost, the latter resulted in minimal

<sup>32</sup> See Legislative Council Secretariat (2021).

<sup>33</sup> See Housing & Development Board (2021d).

likelihood of success for certain groups of families. More recently in August 2020, Macao government replaced it with a refined point-based system valid for single sale exercise only, doing away with the waiting-list element. As the government has not launched any sale exercise after the switch of the allocation mechanism, effectiveness of the new system is yet to be seen.

5.3 In **Singapore**, the government has implemented various different systems for allocating SSFs over the past few decades, including waiting list and need-based priority system. The current system implemented since 2002 is a mixture of balloting and need-based priority grouping, with quotas and extra ballots to adjust applicants' chances of allocation in each group of applicants on the one hand, and a variety of priority schemes catering to a variety of family needs on the other. This mixed allocation mechanism, coupled with a more abundant supply of public housing there, seems to be quite effective in helping needy families in Singapore, with almost all first-time buyers able to buy SSFs within three attempts in recent years.

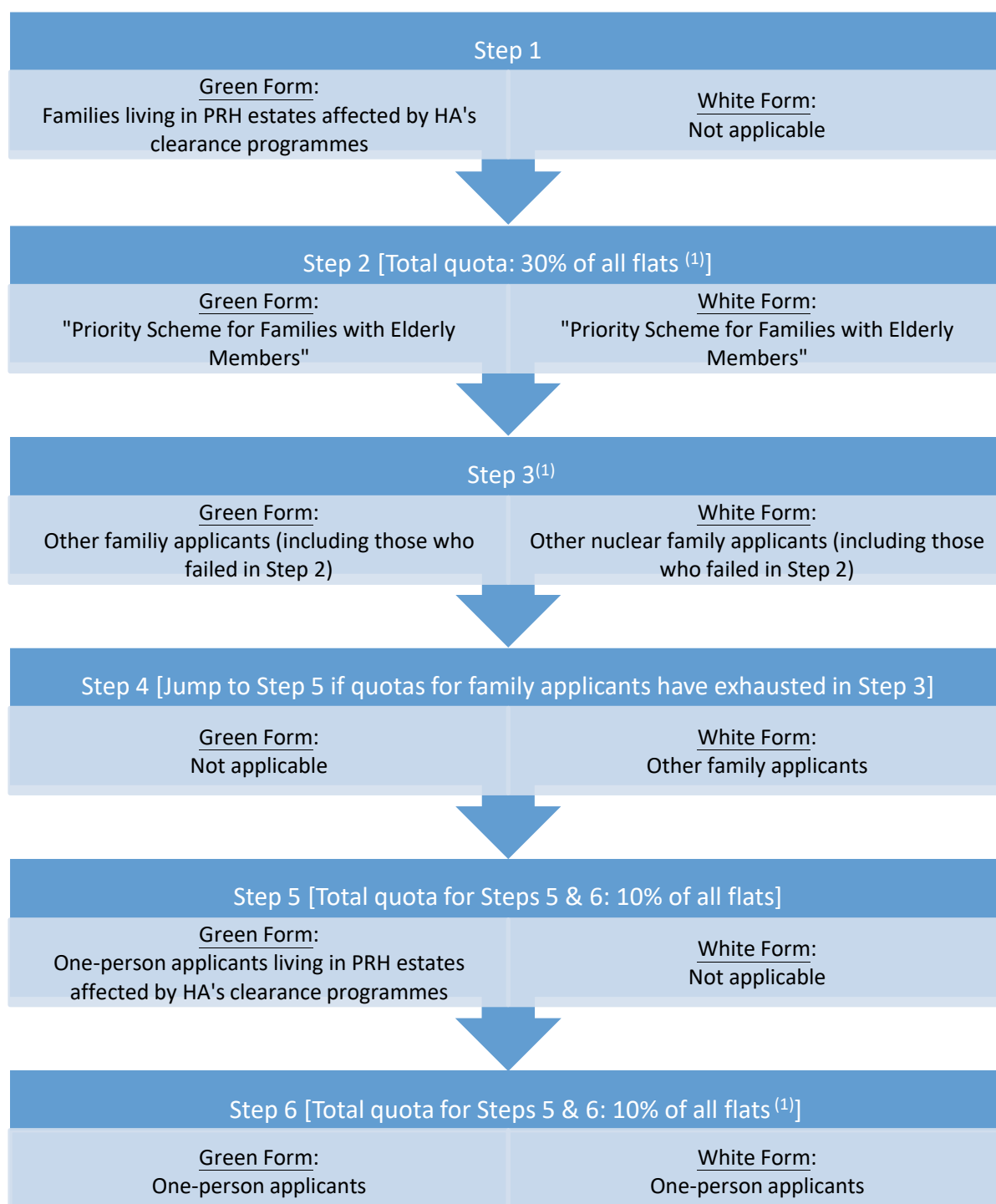
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**Illustration of flat selection order by application category**



Note: (1) A mix of Green Form applicants and White Form applicants are invited in each batch according to the 40:60 ratio. For every five attended applicants, the order of flat selection priority is: (i) one Green Form applicant; (ii) one White Form applicant; (iii) one Green Form applicant; (iv) one White Form applicant; and (v) one White Form applicant.

Source: Hong Kong Housing Authority (2020a).

## Allocation mechanism of subsidized sale flats ("SSFs") in Hong Kong, Macao and Singapore

	Hong Kong	Macao	Singapore
<b>A. Basic facts</b>			
1. Launch year of SSF programme	• 1976	• 1980	• 1960
2. Percentage of households living in SSFs	• 15%	• 12%	• 74%
3. Subscription rate in latest sale exercise	• 33 times (2020)	• 12 times (2019)	• 1.6 times (2-room Flexi flats)/6.1 times (3-room or bigger) (May 2021)
<b>B. Key features (as at June 2021)</b>			
4. Eligibility criteria <ul style="list-style-type: none"> <li>- Citizenship/duration of residency</li> <li>- Minimum income</li> <li>- Maximum income</li> <li>- Asset limit</li> <li>- Residential property ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum 7 years</li> <li>• No<sup>(1)</sup></li> <li>• Yes (White Form only)</li> <li>• Yes (White Form only)</li> <li>• Ownership of local property within 24 months preceding application is not allowed</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum 7 years</li> <li>• Yes</li> <li>• Yes</li> <li>• Yes</li> <li>• Ownership of local property or land within 10 years preceding application is not allowed</li> </ul>	<ul style="list-style-type: none"> <li>• Citizenship required</li> <li>• No</li> <li>• Yes</li> <li>• No</li> <li>• Ownership of local or overseas property within 30 months preceding application is not allowed</li> </ul>
5. Special mortgage arrangements	• Mortgage guarantee provided by HKHS or HA	• No	• Housing loan provided by HDB
6. Conditions for resale in open market <ul style="list-style-type: none"> <li>- Alienation restriction period</li> <li>- Payment of premium</li> </ul>	<ul style="list-style-type: none"> <li>• 5 or 10 years<sup>(2)</sup></li> <li>• Yes (original discount adjusted by changes in market price)</li> </ul>	<ul style="list-style-type: none"> <li>• N.A. (Resale in secondary market is not permitted)</li> </ul>	<ul style="list-style-type: none"> <li>• 5 years (or longer for flats bought under certain schemes)</li> <li>• Yes (fixed amounts depending on type of flat and grants received)</li> </ul>

Notes: (1) Except for URA's Starter Homes for Hong Kong Residents pilot project.

(2) Ten-year alienation restriction applies to HOS flats sold from 2019 onwards. Most other existing SSFs have a five-year alienation restriction period.



## Allocation mechanism of subsidized sale flats ("SSFs") in Hong Kong, Macao and Singapore (cont'd)

	Hong Kong	Macao	Singapore
<b>C. Current allocation mechanism</b>			
7. Ballot/Points system/Waiting List	<ul style="list-style-type: none"> <li>• Ballot</li> </ul>	<ul style="list-style-type: none"> <li>• Points system</li> </ul>	<ul style="list-style-type: none"> <li>• Ballot</li> </ul>
8. Priority groups	<ul style="list-style-type: none"> <li>• Yes, determined by the relevant committee in HA for each sale exercise</li> <li>• Higher priority generally given to family with elderly members</li> </ul>	<ul style="list-style-type: none"> <li>• No, but applicants are awarded points based on a set of criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, 9 priority schemes are set, which are same for all sale exercises</li> <li>• Higher priority given to first-timer families, and families living with or close to aging parents</li> </ul>
9. Priorities granted to priority groups <ul style="list-style-type: none"> <li>- Quota set aside</li> <li>- Flat selection priority</li> <li>- Eligibility to apply for more than one priority group/applicant group to increase the ballot chance</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Yes</li> <li>• Yes, family applicants with elderly members are eligible (based on the 2020 HOS sale exercise)</li> </ul>	<ul style="list-style-type: none"> <li>• N.A.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Not specified</li> <li>• Yes, family applicants with three or more children, or living with/close to aging parents</li> </ul>
10. Scoring criteria (point-based system)	<ul style="list-style-type: none"> <li>• N.A.</li> </ul>	<ul style="list-style-type: none"> <li>• Scoring based on household structure, household size, elderly/disabled/minor members, residency status of household members, etc.</li> <li>• Applicants of the same score are then sorted by income, followed by applicant's age, and finally ballot</li> </ul>	<ul style="list-style-type: none"> <li>• N.A.</li> </ul>
11. Priority given to first-time buyers	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Yes (extra ballot chance)</li> </ul>
12. Priority according to waiting time/past unsuccessful applications	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Yes (extra ballot(s) for previously unsuccessful first-timer applicants)</li> </ul>

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