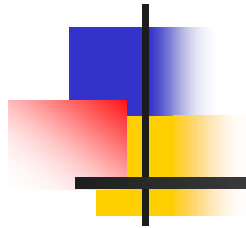


My Home Purchase Plan



**Transport and Housing Bureau
January 2012**



Background

- Announced in the 2010/11 Policy Address that the Government would, in collaboration with the Hong Kong Housing Society (HKHS), introduce the “My Home Purchase Plan” (MHPP) to provide “no-frills” small and medium sized flats to eligible households.
- The 2011/12 Policy Address introduced various enhancement measures to the MHPP.



Objective

- To help households which have the long-term ability to purchase a flat but do not have enough savings for the down payment to rent a MHPP flat first and save up for the future home purchase plan.



Positioning

- The MHPP is a buffering measure for home buyers to achieve home ownership.
- It is positioned above the “New Home Ownership Scheme” (New HOS), offering another option on the housing ladder.
 - Targets of New HOS: households with monthly income of up to \$30,000
 - Targets of MHPP: households with monthly income of up to \$40,000



Key features

- To provide “no-frills” small and medium sized flats
- HKHS to implement, with land to be provided by the Government.
- A maximum tenancy of five years, no rental adjustment during the tenancy period. Tenants may terminate the tenancy any time with two-month prior notice to HKHS.
- Tenants may purchase the flat they rent, other flats under the MHPP, or flats in the private market within a prescribed period. They will receive a purchase subsidy at 50% of the net rent they have paid, for part of the down payment.



Enhancement measure 1:

To provide an option of “buy-or-rent”

- Apart from the “rent-and-buy” mode, we will offer a “buy-or-rent” option which allows participants to buy their MHPP flats direct at market price without going through a rental period.
- After the introduction of the “buy-or-rent” option, all MHPP flats can be sold at the outset instead of having to wait for two years after the first admission of tenants as originally proposed.



Enhancement measure 2:

To set a “ceiling price” for the flat

- Under the MHPP, the initial market selling price will serve as the ceiling price of that flat.
- This will help ensure that the home purchase plan of participants opting for the “rent-and-buy” arrangement will not be disrupted by soaring property prices . This will also help participants to set more specific saving targets.



To retain the option of “rent-and-buy”

- For participants who opt for the “rent-and-buy” arrangement, if they purchase a MHPP flat within the prescribed period:
 - When the prevailing market price is higher than the “ceiling price”, they will be guaranteed to purchase the flat at the “ceiling price” which was fixed at the outset.
 - When the prevailing market price is lower than the “ceiling price”, they may purchase the MHPP flat at the prevailing market price.

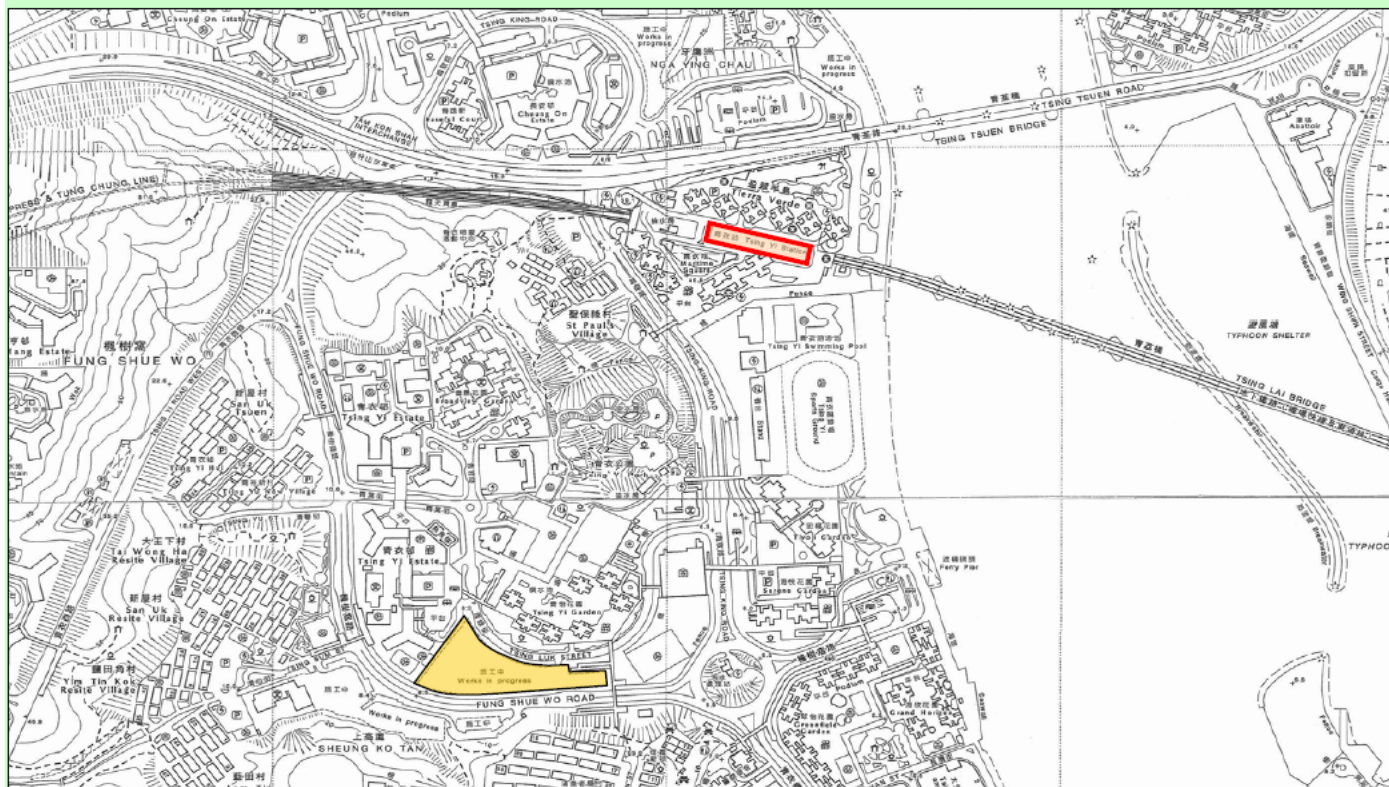


Latest position

- The Government has already earmarked sites for the provision of about 5 000 MHPP flats.
- The first two MHPP projects will be at Tsing Luk Street of Tsing Yi and the Sha Tin Area 36C respectively.

The Tsing Yi Project

- Location: Tsing Luk Street, Tsing Yi



Tsing Luk Street Site at
TYTL 138, Tsing Yi



Tsing Yi MTR Station



The Tsing Yi Project (Cont'd)

- Provides around 1 000 “no-frills” small and medium sized flats, including:

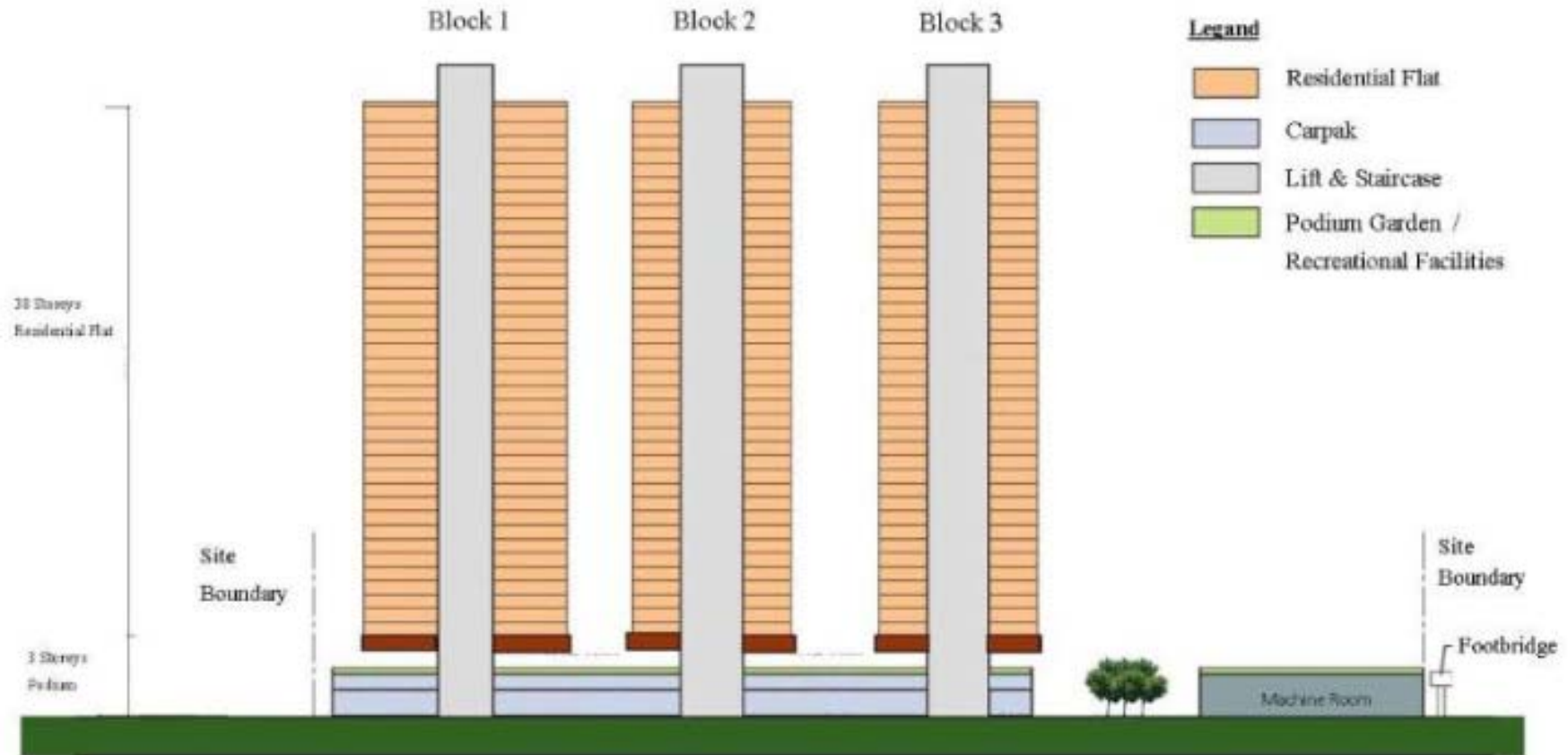
Flat type	Proportion	Saleable area (sq ft)
One bedroom flats	15%	About 400
Two bedroom flats	77%	About 530
Three bedroom flats	8%	About 690



The Tsing Yi Project (Cont'd)

- The development comprises three 38-storey residential tower blocks, 3-level podium with carparks, landscaped area and recreational facilities.

The Tsing Yi Project (Section Plan)



(Preliminary design)

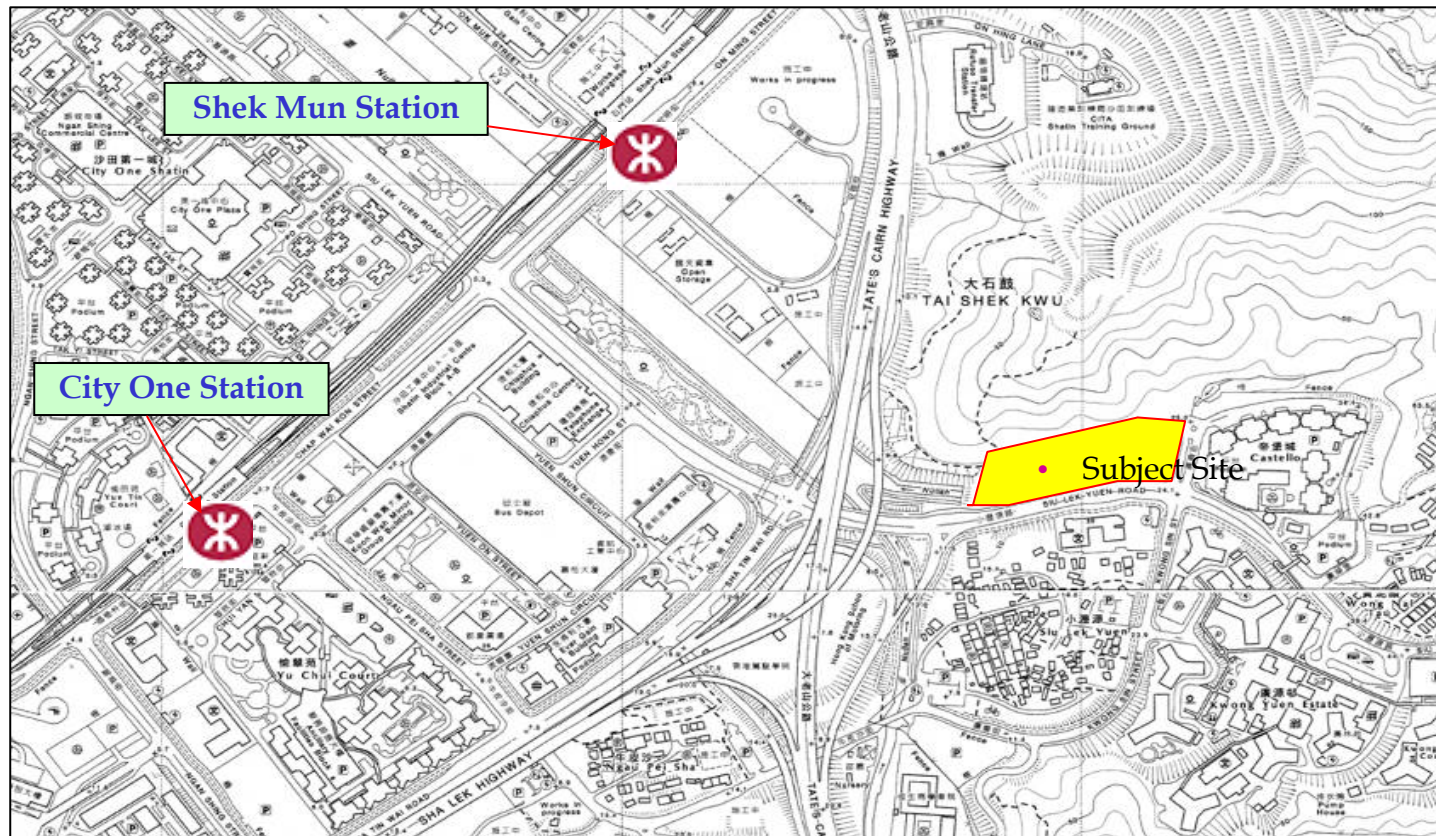


The Tsing Yi Project (Cont'd)

- Kwai Tsing District Council has been consulted.
- Building plans submitted by HKHS have been approved by the Buildings Department.
- Additional piling works which commenced in July 2011 are scheduled for completion in April 2012.
- Tendering for the superstructural works is underway and tender is expected to be awarded in early 2012.
- Project to be completed in 2014.
- HKHS plans to invite application for pre-letting in Q4, 2012.

The Sha Tin Project

- Location: Sha Tin Area 36C





The Sha Tin Project (Cont'd)

- Provides around 700 “no-frills” small and medium sized flats.
- Tentative average flat size (saleable area): 480 sq ft.



The Sha Tin Project (Cont'd)

- HKHS will have to conduct studies on the need to carry out slope stabilization and long term maintenance works for the site.
- Have to go through land grant process.
- Details will be announced in due course.

Thank You!