

**For discussion  
on 5 March 2018**

## **Legislative Council Panel on Housing**

### **Review of the Green Form Subsidised Home Ownership Scheme Pilot Project**

#### **PURPOSE**

This paper informs Members of the outcome of the review conducted by the Hong Kong Housing Authority (HA) on the Green Form Subsidised Home Ownership Scheme (GSH) pilot project, and HA's decision to regularise GSH.

#### **BACKGROUND**

2. In the 2015 Policy Address, the then Chief Executive (CE) proposed that HA identify suitable flats among its public rental housing (PRH) developments under construction for sale to Green Form (GF) applicants<sup>1</sup> in the form of a pilot scheme, with prices set at a level lower than those of Home Ownership Scheme (HOS) flats. HA agreed to implement a pilot scheme, details of which are summarised at **Annex A**.

3. In May 2015, HA selected a PRH development (i.e. King Tai Court) in San Po Kong involving 857 flats as the GSH pilot site. Pre-sale was launched in October 2016, with the average selling price at 40% discount from the assessed market value (as compared with the usual 30% discount for HOS flats). All the flats were sold by 20 February 2017<sup>2</sup>. King Tai Court was completed in June 2017.

4. HA has undertaken to conduct a review of the pilot to consider the way forward.

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<sup>1</sup> Mainly PRH tenants and PRH applicants who have passed the detailed eligibility vetting and obtained a GF Certificate.

<sup>2</sup> HA resold 11 rescinded flats in end-July/early-August 2017.

5. King Tai Court attracted 16 198 applications, including 12 394 family applications (77%) and 3 804 one-person applications (23%), representing an over-subscription rate of around 18 times.

Type of applicants	Family type					
	1P		Family		Total	
	No.	%	No.	%	No.	%
HA's PRH tenants	3 426	90%	11 772	95%	15 198	94%
Others <sup>#</sup>	378	10%	622	5%	1 000	6%
<b>Total</b>	<b>3 804</b>	<b>100%</b>	<b>12 394</b>	<b>100%</b>	<b>16 198</b>	<b>100%</b>

# : Including tenants of the Hong Kong Housing Society (HKHS)'s rental estates, GF Certificate holders and recipients of Rent Allowance for Elderly Scheme.

----- More details of these GSH buyers are at **Annex B**.

## HA'S DECISIONS

### Review of the GSH Pilot Project

6. At its meeting on 30 January 2018, HA's Subsidised Housing Committee (SHC) reviewed the GSH pilot project and decided to regularise GSH. SHC's assessment and considerations are set out below.

#### *Enriching the housing ladder*

7. The CE's 2017 Policy Address and the Government's Long Term Housing Strategy (LTHS) have set out the vision of enriching the housing ladder. LTHS also states that the Government will consider how to expand the forms of subsidised home ownership and, where appropriate, introduce supplementary schemes of subsidised sale flats (SSFs).

8. **The GSH pilot has provided an alternative avenue for GF applicants to achieve home ownership**, especially for those who may find HOS flats unaffordable. A majority of GSH buyers (80%) had not applied in the 2014 and 2016 Sale of HOS Flats exercises. Without GSH, such buyers might not have become home owners even with the regular HOS flat sale programme. GSH can therefore help bridge the gap between PRH and HOS. **Regularising GSH is conducive to enriching the housing ladder**, in line with the policy direction under LTHS and the Policy Address.

### ***Facilitating turnover of PRH units without reducing supply***

9. Tenants of HA's PRH and HKHS's rental estates who have purchased GSH flats will surrender their rental units for allocation to those waiting for PRH. For other GF buyers (such as PRH applicants who have passed the detailed eligibility vetting), their home ownership aspirations can be addressed earlier, thus enabling HA to allocate PRH units to other applicants with more pressing needs. **Given this "one-for-one" arrangement, while GSH will not increase the supply of PRH, it will not reduce the supply of PRH.**

10. While it would take some time to recover and refurbish the PRH units for re-allocation, as with the sale of HOS flats to GF buyers, **GSH serves the dual functions of meeting the ownership aspirations of GF buyers and addressing the needs of PRH applicants.**

### ***Keen demand from GF applicants for SSFs***

11. **There has been persistently strong demand from GF buyers for home ownership**, as indicated from their response to the sale of new HOS flats and King Tai Court –

<b>Launch Date</b>	<b>Scheme</b>	<b>Quota/flats allocated to GF buyers</b>	<b>No. of GF applications received</b>	<b>Rate of over-subscription (times)</b>
June 2014	Tin Lee Court <sup>3</sup>	52 <sup>#</sup>	287	4.5
December 2014	Sale of HOS Flats 2014	1 296 <sup>#</sup>	11 507	7.9
February 2016	Sale of HOS Flats 2016 <sup>4</sup>	1 842 <sup>^</sup>	4 123	1.2
October 2016	GSH	857	16 198	17.9
March 2017	Sale of HOS Flats 2017 <sup>5</sup>	1 060 <sup>^</sup>	12 528	10.8

# : The ratio of quota allocation between GF and White Form (WF) applicants was 60:40.

^ : The ratio of quota allocation between GF and WF applicants was 50:50.

The number of applications for GSH flats and the over-subscription rate were both higher than that of recent HOS sale exercises. Such enthusiastic

<sup>3</sup> Including one rescinded flat in Tin Chung Court, Tin Shui Wai.

<sup>4</sup> The 2016 exercise was jointly run with HKHS.

<sup>5</sup> Including 63 rescinded flats from the five HOS developments put up for pre-sale in the Sale of HOS Flats 2014.

response might also be attributable to the prime location of the GSH project King Tai Court and the higher discount for GSH (40%) as compared with HOS (30% in recent exercises).

12. Apart from the sale exercises for newly-built HOS flats, GF applicants also have access to SSFs with premium unpaid in the Secondary Market. About 74% of those unsuccessful GSH applicants indicated that they would apply again if new project(s) would be launched, while only 59% and 22% indicated that they would apply for new HOS flats and purchase flats in the HOS Secondary Market respectively –

<b>Intention to apply</b>	<b>GSH (if any)</b>	<b>New HOS flats</b>	<b>Flats in the HOS Secondary Market</b>
Yes	74%	59%	22%
No	6%	17%	57%
Don't know/Not yet decided	20%	24%	21%
<b>Total</b>	100%	100%	100%

Source : Data compiled from HA's survey findings<sup>6</sup>

13. HA reviewed the Interim Scheme to Extend the HOS Secondary Market to WF Buyers and regularised it as the White Form Secondary Market Scheme (WSM) in November 2017. As revealed from the review findings, while the launch of WSM may displace some GF buyers from the Secondary Market, the continuing supply of GSH flats at a lower price than HOS flats could help mitigate this potential displacement effect.

### ***Implementation of the “Well-off Tenants Policies”***

14. As seen from **paragraph 13 of Annex B**, some 12% of the GSH buyers who were HA's PRH tenants were “well-off” tenants paying additional rents. The regularisation of GSH will provide an additional avenue for “well-off” tenants to address their home ownership aspirations and hence facilitate the implementation of the “Well-off Tenants Policies”. This is also consistent with the vision of helping those relatively better-off PRH tenants to move up the housing ladder under the CE's 2017 Policy Address.

<sup>6</sup> The survey was conducted by telephone interviews during June to July 2017. A total of 813 applicants were successfully enumerated, of which 306 were successful buyers. The overall response rate of the survey was 77%.

## Implementation Arrangements of GSH

15. HA has also endorsed the following implementation arrangements for GSH upon regularisation.

### *General approach*

16. Despite the successful experience of King Tai Court, HA considers that this may not necessarily be replicated in all aspects at other sites, given its prime location (i.e. San Po Kong) and the small number of flats (i.e. 857 flats) involved. While the PRH development in Fo Tan with some 4 000 units was identified as a technically feasible site, the simultaneous sale of such a large number of flats in one single site appears to be unprecedented, as compared with the sale exercises of SSFs in recent years and the typical private market practice of selling flats in much smaller batches.

17. In light of the above concerns, **HA considers it prudent to implement GSH at a more modest pace to gather experience, reduce risk of unsold flats and minimise impact on the waiting time for PRH applicants.** Taking into account these views and the fact that an HOS sale exercise involving around 4 400 flats has been scheduled for launching in the first quarter of 2018, HA is re-assessing the Fo Tan site and other options with a view to launching the first regularised GSH sale exercise in around the end of 2018.

### *Site selection*

18. In selecting sites for conversion to GSH in future, HA has endorsed making reference to the following principles previously adopted for the GSH pilot –

- (a) while the site may include certain public facilities, it should not contain public facilities that will incur very high management and/or maintenance fees;
- (b) the conversion of a PRH site to GSH development should not result in substantive changes to the original planning;
- (c) the site should preferably be a standalone one, or can be easily carved out from a PRH development; and

- (d) PRH development that will be completed shortly is not suitable.

### *Eligibility criteria*

19. The GSH pilot adopted the same definition of GF applicants currently applicable to HOS, i.e. mainly sitting PRH tenants and PRH applicants who have passed the detailed eligibility vetting and obtained a GF Certificate. This definition has been in place for many years and is widely accepted by the public. HA has endorsed continuing to adopt the eligibility criteria under the GSH pilot.

### *Price setting mechanism*

20. The price setting mechanism for the GSH pilot is based on two guiding principles: affordability of GF applicants and the selling price should not be lower than the cost such that the sale exercise would not incur a financial loss to HA (details at **Annex A**).

21. Affordability of GSH flats of King Ting Court was premised on the established HOS pricing mechanism, and was achieved in two ways –

- (a) as King Tai Court's flats were originally PRH units which were designed and built to "no-frills" standards, their market values were assessed to be lower than those of private housing units that were otherwise comparable. Specifically, the average "assessed market value" of King Tai Court units of \$101,500 per sq.m. (or \$9,430 per sq.ft.)<sup>7</sup> of saleable area, was 10% to 20% lower than the market value of some private and HOS developments in the vicinity; and
- (b) further to this lower market value, HA added another discount of 40% to meet the affordability criteria based on the income limit for PRH application for a four-person household at **Annex A**. As a result, the actual selling prices of the King Tai Court's flats were over 50% below the market prices of

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<sup>7</sup> As at July 2016. See paragraph 15 of Paper No. SHC 44/2016 of the Subsidised Housing Committee of the Hong Kong Housing Authority.

some nearby developments.

Members considered that the competitive pricing and the relatively higher level of discount had contributed towards the overwhelming response of the GSH pilot.

22. In respect of paragraph 21(a), since future flats built by HA will continue to be “no-frills”, their market values will continue to be lower than those of private housing units that are otherwise comparable. As for paragraph 21(b), HA notes that the method used for determining the affordability of GF buyers for King Tai Court has made reference to the PRH income limit. This is not in line with the established method used for HOS, which makes reference to the HOS income limit for WF applicants and does not have a separate assessment for the affordability of GF buyers. Yet, response to the past HOS sale exercises indicates that the prices of HOS flats are affordable to GF buyers as well. In light of the above observations, HA has endorsed using a simpler approach of fixing the discount of GSH flats at 10% more than the discount determined for the latest HOS sale exercise launched by HA. This will ensure that GSH flats will be more affordable to GF buyers than HOS flats offered for sale to GF (and WF) buyers around the same time. The additional discount is also in line with the concept that GSH is a step in the housing ladder between PRH and HOS.

23. The selling prices and sales arrangements for each GSH project will continue to be approved by HA before inviting applications. Further adjustments may be considered during such discussions, in light of developments.

### ***Resale restrictions***

24. The resale restrictions under the GSH pilot are more stringent than those applicable to HOS (details at **Annex A**). Specifically, in the case of GSH, during the first five years from the date of first assignment, HA will exercise its power as stipulated in the Schedule to the Housing Ordinance (Chapter 283) to nominate GF applicants when the flat owners offer their flats to HA for sale, whereas for HOS, HA will not exercise its power of nomination. During the third to fifth years of the first assignment from HA, if GSH owners wish to sell their flats in the Secondary Market, they may only sell to GF buyers, as opposed to HOS owners who may sell their flats to both

GF and WF buyers in the Secondary Market. As from the sixth year, GSH owners, as with HOS owners, may sell their flats in the Secondary Market without payment of premium or in the open market upon payment of premium.

25. HA agrees that more stringent resale restrictions than those under the HOS should continue to be imposed on GSH. SHC will further consider this issue when drawing up the arrangements for the first regularised GSH sale in around the end of 2018.

### *Recovery of PRH units*

26. Among the 857 buyers of King Tai Court, 800 were HA's PRH tenants. A total of 804 PRH units<sup>8</sup> have been recovered from GSH buyers, with an average recovery period of around 70 days. HA notes that as of end-December 2017, refurbishment works have been completed for over 600 flats, at an average of around 48 days.

27. According to existing practice, HA will terminate the tenancies of PRH units of SSFs buyers (including both HOS and GSH flats) within 60 days after the latter have taken over the SSFs purchased, with an allowance for extension up to 30 days<sup>9</sup>. HA will then refurbish the recovered flats for allocation to PRH applicants. However, there are no specific requirements on when SSFs buyers should take over the flats purchased after completion of assignment. HA notes from the sale of King Tai Court that there were individual buyers who took over their GSH flats only after a considerable period of time had lapsed from the date of assignment. This would inevitably delay the recovery of PRH units.

28. To ensure timely recovery of PRH units for allocation to PRH applicants, HA has endorsed that the above 60-day period should count from and inclusive of (a) the date buyers take over their flats; or (b) the 10<sup>th</sup> working day from the date of assignment<sup>10</sup>, whichever is earlier. The

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<sup>8</sup> Some households may occupy more than one PRH unit under one tenancy. Upon purchase of SSFs, they would be required to surrender all PRH units under their tenancy to HA. Hence, HA may recover more than one PRH unit from a GSH buyer.

<sup>9</sup> Tenants have to pay an occupation fee equal to triple the normal rent plus rates (for market rent payers at the time of termination of tenancies, the occupation fee payable should be equivalent to market rent or triple the normal rent plus rates, whichever is higher).

<sup>10</sup> The 10<sup>th</sup> working day should count from and inclusive of the date of assignment.



commencement of the 60-day period may be postponed under special circumstances which are beyond control of the buyers (e.g. to allow for rectification of defects before the owners concerned can take over their flats), subject to the approval of the respective Housing Manager. The above arrangement will also be extended to cover future SSFs launched by HA and HKHS.

### ***Refurbishment of recovered flats***

29. Recovered flats need to be refurbished before they can be re-allocated. According to HA's existing performance indicator, the average turnaround time for vacant flat refurbishment should take no more than 44 days. In recent years, over 12 000 PRH units were recovered annually, including flats surrendered by buyers of SSFs. Due to shortage of labour in the industry, at this point HA has difficulty further compressing the refurbishment period. Nevertheless, HA will continue to explore all possible ways to shorten the refurbishment period.

### ***Priority for flat selection for “well-off” tenants***

30. There are suggestions that priority could be given to “well-off” tenants during flat selection to increase the incentive for them to surrender their PRH units. As both “well-off” tenants and “non-well-off” tenants will have to surrender their PRH units to HA after buying SSFs, HA considers it not equitable to give further priority to “well-off” tenants. Moreover, the impact of this incentive on “well-off” tenants is uncertain.

## **WAY FORWARD**

31. HA will proceed with the necessary preparation work with a view to launching the sale of the next GSH project in around the end of 2018.

**Transport and Housing Bureau  
February 2018**

**Summary of implementation details of the Green Form Subsidised Home Ownership Scheme pilot project  
as endorsed by the Hong Kong Housing Authority**

**Principles for site selection**

1. While a site may include certain public facilities, it should not contain public facilities that will incur very high management and/or maintenance fee.
2. The conversion of a public rental housing (PRH) site to Green Form Subsidised Home Ownership Scheme (GSH) development should not result in substantive changes to the original planning.
3. The site should preferably be a standalone one, or can be easily carved out from a PRH development.
4. PRH development that will be completed shortly is not suitable.

**Eligibility criteria**

5. Same definition of Green Form (GF) applicants as currently applicable to Home Ownership Scheme (HOS) sale<sup>1</sup>.
6. Tenants allocated PRH units via the Express Flat Allocation Scheme will not be eligible for GSH within three years from the commencement of their PRH tenancies.

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<sup>1</sup> Categories of persons eligible for GF status in buying HOS flats –

- (a) PRH tenants;
- (b) PRH applicants who have passed the detailed eligibility vetting;
- (c) carees affected in clearance exercises initiated by the Government with PRH eligibility and victims of natural disasters with PRH eligibility;
- (d) PRH tenant's splitting/divorce cases with PRH eligibility;
- (e) Urban Renewal Authority carees (displaced tenants with PRH eligibility);
- (f) former PRH tenants holding a Letter of Assurance issued by the Housing Department whose eligibility for allocation of PRH flat has been established;
- (g) junior civil servants opting for HOS flats under Civil Service Public Housing Quota, whose eligibility has been established;
- (h) recipients of the Rent Allowance for the Elderly Scheme; and
- (i) staff of Estate Assistant grade of the Housing Department holding a valid Letter of Assurance issued by the Housing Department.

## **Mortgage guarantee**

7. Hong Kong Housing Authority (HA) will provide mortgage guarantee for up to 30 years from the date of the first assignment with a maximum repayment period of 25 years.

## **Price setting mechanism**

8. GSH flats will be sold at a discount to the “assessed market price”, which takes into account sale transactions of residential properties in the open market for both private and HOS developments in the vicinity, as well as the differences between such developments and GSH flats in terms of building age, location, design, facilities, etc. The discount will in general be higher than that applicable to HOS flats.
9. The discount will be set at a level such that at least 50% of the flats will be affordable to target applicants based on the following assumptions –
  - (i) a mortgage-to-income ratio of 40%;
  - (ii) a loan repayment period of 20 years;
  - (iii) a mortgage loan-to-price ratio of 95%; and
  - (iv) a household income at the eligibility limit for applying PRH for a four-person household.
10. The selling price should in general not be lower than the cost, which includes the development costs (consisting of construction costs, direct staff costs and overhead), land costs, and administration and sales-related expenses.

## **Resale restrictions**

11. Resale of GSH flats will be subject to the restrictions as stated in the Schedule to the Housing Ordinance (Chapter 283).
12. When a GSH flat owner offers to sell his flat to HA during the first five years of the first assignment from HA –
  - (i) HA will not buy back the GSH flat;
  - (ii) HA will exercise the power under the Housing Ordinance to

nominate GF buyers to buy the flat at the price stipulated by the Housing Ordinance (i.e. the original price of the flat sold by HA within the first two years from the first assignment; and prevailing market price as assessed by the Director of Housing less the original discount between the third to the fifth year);

- (iii) the GSH flat owner will identify eligible GF buyers through his own means, including through estate agents, for nomination by HA;
  - (iv) if HA does not receive any application for nomination within six months, or if after nomination is made the assignment of flat is not completed within four months, whichever is the latest, the GSH flat owner concerned can sell his flat in the open market upon payment of premium.
13. During the third to fifth years of the first assignment from HA, a GSH flat owner may sell his flat to a GF buyer in the HOS Secondary Market.
14. After five years of the first assignment from HA, the GSH flat owner may either sell the flat in the HOS Secondary Market to a person nominated by HA (both GF and WF buyers) or sell his flat in the open market upon payment of premium.

### **Premium arrangements**

15. The established formula for calculating the premium payable for lifting the resale and other alienation restriction of SSFs as set out in the Schedule to the Housing Ordinance will be adopted for GSH.

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## Profile of buyers of the Green Form Subsidised Home Ownership Scheme pilot project

Detailed analysis of profile of the 857 buyers of the Green Form Subsidised Home Ownership Scheme (GSH) pilot (King Tai Court) are summarised in the ensuing paragraphs.

### BUYERS' PROFILE

#### (a) Category of buyers

Category of buyers	Number
Tenants of the Hong Kong Housing Authority's (HA's) public rental housing (PRH) units	800
Tenants of the Hong Kong Housing Society's (HKHS's) rental estates	28
PRH applicants who have passed the detailed eligibility vetting	16
Junior civil servants whose eligibility under the Civil Service Public Housing Quota Scheme has been established	12
PRH residents eligible for PRH allocation due to divorce/splitting	1
<b>Total</b>	<b>857</b>

Source : Data compiled from administrative records

#### (b) Household size

2. Some 89% were family applicants and 11% were 1-person applicants. The majority (74%) of the GSH buyers were 2-person and 3-person households. The average household size of family-applicant buyers was 2.7.

Family type	Household size	GSH buyers
1P	1 person	11%
Family	$\geq 2$ persons	89%
	<i>2 persons</i>	49%
	<i>3 persons</i>	25%
	<i>4 persons</i>	11%
	$\geq 5$ persons	4%
<b>Total</b>		<b>100%</b>
<b>Average for family applicants (persons)</b>		<b>2.7</b>

Source : Data compiled from administrative records

3. For reference, the average household size of successful Green Form (GF) buyers under Sale of HOS Flats 2014 and 2016 were 2.7 and 2.8 respectively.

**(c) Age**

4. The average age was 53. The average age of one-person buyers was slightly higher than that of family buyers (56 versus 53).

Age	GSH buyers		
	1P	Family	Total
< 30	4%	6%	6%
30 – < 40	26%	20%	21%
40 – < 50	14%	17%	16%
50 – < 60	11%	16%	16%
60 – < 70	11%	23%	21%
70 – < 80	9%	12%	12%
≥ 80	24%	6%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average (years)</b>	<b>56</b>	<b>53</b>	<b>53</b>

Source : Data compiled from administrative records

5. For reference, the average age of successful GF buyers in Sales of HOS 2014 and 2016 were 60 and 50 respectively.

**(d) Monthly household income**

6. The median monthly household income is \$25,000.

Household income	GSH buyers		
	1P	Family	Total
< \$10,000	21%	2%	4%
\$10,000 – < \$20,000	32%	17%	19%
\$20,000 – < \$30,000	26%	33%	32%
\$30,000 – < \$40,000	15%	24%	23%
\$40,000 – < \$50,000	6%	14%	13%
≥ \$50,000	–	10%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Median</b>	<b>\$18,000</b>	<b>\$27,000</b>	<b>\$25,000</b>

Source : Data compiled from HA's survey findings

- : Nil

(e) **Financial arrangements**

7. A majority of buyers had taken out mortgage loans to finance their flat purchase –

<b>Method of payment</b>	<b>GSH buyers</b>
With mortgage loan	96%
Full payment	4%
<b>Total</b>	<b>100%</b>

Source : Data compiled from HA's survey findings

8. For those who had taken out mortgage loans, savings were the major source of funding, while some claimed that they got support from their children/parents –

<b>Source of funding<sup>#</sup></b>	<b>GSH buyers who had taken out mortgage loan</b>
Savings	87%
Financial support from children	17%
Financial support from parents	12%
Financial support from friends/relatives	9%

Source : Data compiled from HA's survey findings

# : Multiple answers were allowed

9. The average mortgage repayment period was 22 years –

<b>Mortgage repayment period</b>	<b>GSH buyers who had taken out mortgage loan</b>
< 15 years	6%
15 – < 20 years	9%
20 – < 25 years	16%
25 years	69%
<b>Total</b>	<b>100%</b>
<b>Average (years)</b>	<b>22</b>

Source : Data compiled from HA's survey findings

10. The average loan-to-price ratio was 86% –

<b>Loan-to-price ratio</b>	<b>GSH buyers who had taken out mortgage loan</b>
< 70%	12%
70% – < 80%	11%
80% – < 90%	18%
90% – ≤ 95%	59%
<b>Total</b>	<b>100%</b>
<b>Average (%)</b>	<b>86%</b>

Source : Data compiled from HA's survey findings

11. The median mortgage-to-income ratio was 33% –

<b>Mortgage-to-income ratio</b>	<b>GSH buyers who had taken out mortgage loan</b>
< 20%	13%
20% – < 30%	29%
30% – < 40%	23%
40% – < 50%	16%
≥ 50%	18%
<b>Total</b>	<b>100%</b>
<b>Median</b>	<b>33%</b>

Source: Data compiled from HA's survey findings

**(f) Length of residence in PRH**

12. Among buyers who were HA's PRH tenants, the average length of residence in PRH was 22 years, with over half (53%) having resided for 20 years or more.

<b>Length of residence in PRH<sup>#</sup></b>	<b>GSH buyers who were HA's PRH tenants</b>
< 5 years	10%
5 – < 10 years	13%
10 – < 15 years	14%
15 – < 20 years	10%
20 – < 25 years	13%
25 – < 30 years	6%
≥ 30 years	34%
<b>Total</b>	<b>100%</b>
<b>Average (years)</b>	<b>22</b>

Source : Data compiled from HA's survey findings

# : Including HA's PRH and rental housing of HKHS



**(g) Whether paying additional rents**

13. Among buyers who were HA's PRH tenants, some 12% were "well-off" tenants paying additional rents.

Whether paying additional rents	GSH buyers who were HA's PRH tenants		
	1P	Family	Total
Yes	9%	13%	12%
= 1.5 x rent	7%	9%	9%
= 2 x rent	2%	3%	3%
= market rent	-	-	-
No	91%	87%	88%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source : Data compiled from administrative records

- : Nil

14. For reference, among those successful GF buyers who were HA's PRH tenants under Sale of HOS Flats 2014 and 2016, some 17% and 10% were "well-off" tenants paying additional rents respectively.

**(h) Participation in previous HOS sale exercises**

15. The majority (80%) of the GSH buyers had neither applied for the Sale of HOS Flats 2014 nor the Sale of HOS Flats 2016. Only a small proportion (4%) had submitted applications for both sale exercises.

Whether had applied for Sales of HOS Flats 2014 and 2016	GSH buyers		
	1P	Family	Total
Neither one	67%	81%	80%
Sale of HOS Flats 2014 only	25%	11%	13%
Sale of HOS Flats 2016 only	2%	4%	4%
Both	6%	3%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source : Data compiled from administrative records

## VIEWS OF GSH BUYERS

### Reasons for applying for GSH and factors influencing choice of flats

16. The top two reasons for applying for GSH were the desire to improve living conditions and aspiration for home ownership.

Reasons for applying for GSH <sup>#</sup>	GSH buyers
To improve living conditions	46%
Aspiration for home ownership	27%
Size of accommodation too small	23%
Prices of GSH flats generally more reasonable/affordable	15%
To plan for children's accommodation in future	12%
To live closer to office/school/relatives	7%

Source : Data compiled from HA's survey findings

# : Multiple answers were allowed

17. Location and flat price were the two most determining factors influencing choice of flats.

Factors influencing choice of flats <sup>#</sup>	GSH buyers
Location	51%
Flat price	50%
Ancillary transport facilities	28%
Flat size	20%
To be close to office/school/relatives	14%

Source : Data compiled from HA's survey findings

# : Multiple answers were allowed

## CHARACTERISTICS OF PRH UNITS RECOVERED FROM GSH BUYERS

### (a) Location and flat type

18. Among the 857 GSH buyers, 800 were HA's sitting PRH tenants. Over half (59%) were living in the Urban region at the time of application. Distribution of PRH units surrendered by GSH buyers by region and flat type are as follows –

<b>Location</b>	<b>Number of PRH units recovered</b>
Urban	471 (59%)
Extended Urban	221 (28%)
New Territories	109 (14%)
Islands	3 (* )
<b>Total</b>	<b>804</b>

Source : Data compiled from administrative records

\* : Less than 0.5%

<b>Type</b>	<b>Number of PRH units recovered</b>	<b>Flats of King Tai Court purchased by HA's PRH tenants</b>
Type A (For 1/2 persons)	26 (3%)	113 (14%)
Type B (For 2/3 persons)	286 (36%)	219 (27%)
Type C (For 3/4 persons)	303 (38%)	236 (30%)
Type D (For 4/5 persons)	189 (24%)	232 (29%)
<b>Total</b>	<b>804</b>	<b>800</b>

Source : Data compiled from administrative records

### (b) Age of PRH units recovered

19. The average age of the PRH units that GSH buyers resided in at the time of application was 25 years. The figure was higher for those from family buyers than one-person buyers (25 versus 20). Some 14% of buyers previously resided in relatively new PRH units with less than 10 years of age.

<b>Age of HA's PRH units resided in at the time of application</b>	<b>GSH buyers who were HA's PRH tenants</b>		
	<b>1P</b>	<b>Family</b>	<b>Total</b>
< 10 years	22%	13%	14%
10 – < 20 years	36%	22%	23%
20 – < 30 years	12%	15%	14%
30 – < 40 years	19%	39%	37%
≥ 40 years	11%	11%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average (years)</b>	20	25	25

Source : Data compiled from administrative records

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