

Legislative Council Panel on Housing
Supplementary Information

Purpose

The Legislative Council Panel on Housing requested the Administration to provide supplementary information on Accelerating the Sale of Unsold Tenants Purchase Scheme (TPS) Flats at the meeting on 28 April 2020. The relevant information is set out below.

Follow-up action

“The Administration was requested to provide the following information:

regarding the Adjusted Replacement Cost Approach adopted for pricing the unsold Tenants Purchase Scheme ("TPS") flats,

- (i) The distribution of the list prices of the unsold TPS flats by geographical areas (e.g. Hong Kong Island, Kowloon and the New Territories);**
- (ii) the criteria or factors (such as floor levels and orientation of flats) and their respective weightings in determining the list prices of the unsold TPS flats; and**
- (iii) the details of calculation of the list prices of the unsold TPS flats.”**

2. The list prices of the flats in TPS estates are set on the basis of the Adjusted Replacement Cost (ARC). First, in setting the overall average price of the flats in a TPS estate, the current replacement cost of the flat (including building cost, project management cost, and funding cost) is adjusted to reflect building age and geographical location, and then added with the land cost payment to the Government. Then, in determining the prices of individual TPS flats, a number of factors (including floor level, orientation, view, surrounding environment and flat layout, etc.) are taken as parameters. Currently, the average list prices of TPS flats by geographical location are as follows –

Geographical Location	Average List Prices of TPS Flats (\$/m²)
Hong Kong Island	Around 18,000 to 21,000
Kowloon	Around 15,000 to 22,000
New Territories	Around 11,000 to 22,000

3. Detailed arrangements for putting up flats recovered from TPS estates for sale, including target buyers, pricing and sales arrangements, are subject to the discussion and decision of the Hong Kong Housing Authority Subsidised Housing Committee (SHC). The relevant arrangements will be announced after SHC has made a decision.

Transport and Housing Bureau
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