



Flat for Flat Pilot Scheme for Elderly Owners

Certificate of Eligibility to Purchase / Certificate of Availability for Sale Application Guide

(Rev.04/2024)

GENERAL INFORMATION

1. Background

- 1.1 The Hong Kong Housing Society (“HS”) has launched the “Flat for Flat Pilot Scheme for Elderly Owners” (“FFPS”) in the subsidised sale developments of HS with premium unpaid.
- 1.2 The FFPS allows owners aged 60 or above owning flats under the Flat-for-Sale Scheme (“FFSS”) (“Original Flat”) of the HS for 10 years or above to sell their Original Flat in HS’s Flat-for-Sale Scheme Secondary Market Scheme (“SMS”) with premium unpaid and then purchase one flat with saleable area smaller ^(Note 1) than the Original Flat (“New Flat”) in SMS of the HS or with “White Form Status” in Home Ownership Scheme (“HOS”) Secondary Market Scheme of the Hong Kong Housing Authority (“HA”).
- 1.3 Applicants with “White Form Status” in HOS Secondary Market Scheme of HA may purchase flats of Home Ownership Scheme, Private Sector Participation Scheme (“PSPS”), Tenants Purchase Scheme (“TPS”) and King Tai Court of Green Form Subsidised Home Ownership (“GSH”) Pilot Scheme under the HOS Secondary Market Scheme of the HA.

Note 1 : It shall be defined in terms of saleable area only, which is based on the saleable area of the property stored in the property records of the Rating and Valuation Department (“R&V”). The information is available from R&V property information at a cost of \$9 per enquiry online services or \$20 per enquiry in person (current rate subject to adjustment from time to time).

2. Objective

To facilitate the circulation of subsidised sale flats so as to utilize public housing resources more efficiently.

3. Who are eligible to apply?

- 3.1 All FFSS owners and all listed family member(s) must be aged 60 or above.
- 3.2 Applicant who holds a Trade Down Permit (“TDP”) issued by HS.
- 3.3 Applicant had sold the Original Flat with the assignment for sale and purchase

executed via the FFPS.

3.4 Except for the Original Flat, neither the owners nor any listed family members has during the period from 24 months preceding the date of submitting the application for the TDP and up to the time of signing the Provisional Agreement for Sale and Purchase (“PASP”) of the New Flat:

- (a) owned or co-owned any domestic properties in Hong Kong or any interest in such kind of properties; or
- (b) entered into any agreements (including PASP) to purchase any domestic properties in Hong Kong; or
- (c) owned more than 50% of the shares in a company which directly or through a subsidiary company owned any domestic properties in Hong Kong; or
- (d) been a beneficiary of any domestic properties (including land) in Hong Kong; or
- (e) assigned any domestic properties in Hong Kong or any interest in such properties in Hong Kong (the date of assignment means the date of execution of the Deed of Assignment); or
- (f) withdrawn from any company which owned any domestic properties in Hong Kong in which the applicants / listed family members owned more than 50% of the shares.

Domestic properties include any domestic properties, uncompleted domestic properties, rooftop structures approved by the Buildings Authority, domestic building lots and small house grants approved by the Lands Department in Hong Kong.

4. What kind of flats may be sold in the SMS?

Owners of flats sold under FFSS and Subsidised Sale Flats Project (“SSFP”) (including resale flats sold to purchasers by the HS) or their authorized agents may, from the third year onwards from the date of first assignment, apply to the HS for a Certificate of Availability for Sale (“CAS”) for the purpose of selling their flats. If FFSS / SSFP owners have paid the premium and removed the alienation restriction, their flats may not be sold under SMS.

The holder(s) of TDP can purchase a New Flat with saleable area smaller ^(Note 1) than the Original Flat in the SMS of the HS or HOS Secondary Market Scheme of the HA after completion of assignment for sale and purchase of their Original Flat.

If the owner(s) has/have obtained a valid CAS before joining the FFPS, it is not necessary to re-apply CAS, it is only required to apply TDP.

5. May an FFSS / SSFP owner apply for other housing subsidies after having sold

his/her FFSS / SSFP flat?

No (except for owners who participated in the FFPS and were issued a TDP). A FFSS / SSFP owner and his/her spouse having sold his/her FFSS / SSFP flat may not apply for any housing subsidies.

6. How are prices negotiated?

Transactions in the SMS of the HS are done more or less the same way as in the open market. The purchaser and the seller may negotiate prices freely or conduct the transaction through an estate agent. On the basis of the information provided in the CAS produced by the seller, and using the formula set out below, the purchaser can work out the discount rate for calculation of the premium payable when the flat is sold, rented out or assigned in any other way in open market in the future. The purchaser can then roughly assess the market value of the flat by reference to the transaction prices of other properties in the same district in the open market and make a deduction based on the discount rate to allow for his/her responsibility for premium payment in the future.

Transactions in the HOS Secondary Market Scheme of the HA are done more or less the same way as in the open market. The purchaser and the seller may negotiate on their own or conduct the transaction through an estate agent. HOS flats are sold subject to the Government Lease and for TPS/PSPS, King Tai Court and some HOS flats, subject also to the Schedule under Housing Ordinance (“the Schedule”). Flats which are subject to the Schedule can only be sold from the third year of the date of the first assignment, at freely negotiated price. For HOS flats which are first offered for sale by the HA from 2019 to 2021, (i) within the first two years of the date of the assignment, the flat can be sold at a price not more than the original purchase price under the first assignment; and (ii) from the third year onwards, the flat can be sold at freely negotiated price. For HOS flats which are first offered for sale by the HA from 2022 and thereafter, (i) within the first five years of the date of the first assignment, the flat can be sold at a price not more than the original purchase price under the first assignment; and (ii) from the sixth year onwards, the flat can be sold at freely negotiated price. Flat owners should refer to the first assignment to ascertain whether their flats are subject to the Schedule. On the basis of the information provided in the CAS produced by the seller, and using the formula set out below, the purchaser can work out the discount rate for calculation of the premium payable when the flat is sold, rented out or assigned in any other way in open market in the future. The purchaser can then roughly assess the market value of the flat by reference to the transaction prices of other properties in the same district in the open market and make a deduction based on the discount rate to allow for his/her responsibility for premium payment in the future.

Example : If a FFSS / SSFP / HOS flat has a current market value of about \$2,500,000 and a discount rate of 45%, the value of the flat would be about \$1,375,000, i.e. 55% of the market value.

7. How is the discount rate calculated?

$$\text{Discount rate for calculation of premium} = \frac{\text{Initial Market Value} - \text{Purchase Price}^{(\text{Note 2})}}{\text{Initial Market Value}} \times 100\%$$

The initial market value and the purchase price in the above formula are recorded in the Deed of First Assignment or, for resale flats, the latest Deed of Assignment.

Example: The Deed of First Assignment of a FFSS / SSFP / HOS flat gives the following data:

Initial Market Value: \$2,500,000

Purchase Price: \$1,375,000

$$\text{Discount rate for calculation of premium} = \frac{\$2,500,000 - \$1,375,000}{\$2,500,000} \times 100\% = 45\%$$

If a FFSS / SSFP / HOS flat owner applies to the HS / HA for the payment of premium, the amount of premium payable will be assessed according to the following formula:

Premium = market value at the time of the payment of premium x discount rate

Note 2: For flats of Broadview Garden of HS purchased by means of “immediate mortgage” in HOS Phase 12B, the purchase price refers to the list price stated in the Deed of Assignment and not the actual sale price.

For flats purchased by means of an “immediate mortgage” in HOS Phases 13B to 16B and flats purchased under the Tenant Purchase Scheme (“TPS”), the purchase price refers to the list price stated in the Deed of Assignment but not the actual sale price.

APPLICATION PROCEDURES FOR THE PURCHASE / SALE OF FLATS IN THE SMS

8. Where can Certificate of Eligibility to Purchase (Flat for Flat Pilot Scheme for Elderly Owners) application forms be obtained from the HS and the HA?

Both the purchaser and the seller are required to apply to the HS for the requisite documents, such as a Certificate of Eligibility to Purchase (“CEP”) for the purchaser and a CAS for the seller. Application forms are obtainable from the HS FFSS Secondary Market Support Unit at G/F., Dragon Centre, 23 Wun Sha Street, Tai Hang, Hong Kong, or download relevant application forms from the HS website at :

(<https://www.hkhs.com/en/application/flat-for-flat-pilot-scheme-for-elderly-owners>).

Application Forms of Certificate of Eligibility to Purchase (White Form Status) for the purchase of HOS Secondary Market Scheme are obtainable from the HA at HOS Secondary Market Scheme Unit at Room 202, 2/F, Lung Cheung Office Block, 138 Lung Cheung Road, Wong Tai Sin, Kowloon. (Enquiry Telephone Number: 3162 0680)

9. Is it necessary to pay any fees at the time of application?

Applicants are required to pay an application fee. The application fee shall be paid in the form of a crossed cheque or a cashier’s order (cash, gift cheque, post-dated cheque, bank draft or E-cheque will not be accepted) payable to the “Hong Kong Housing Society”

which should be submitted together with the application form; for the application of Certificate of Eligibility to Purchase (White Form Status) under the HA, the application fee shall be paid in the form of crossed cheque or cashier's order payable to the "Hong Kong Housing Authority". After screening and vetting, the HS/ HA may reject any application that fails to meet the eligibility criteria. Irrespective of the outcome of the application, the application fee paid will not be refunded.

9.1 Application fee for a CEP of HS / Certificate of Eligibility to Purchase (White Form Status) of HA for the purchaser : HK\$870 each

9.2 Application fee for a CAS for the seller : HK\$900

The HS/HA reserves the right to revise or adjust the application fee at any time without prior notice.

10. Where should the application forms for CEP of HS / Certificate of Eligibility to Purchase (White Form Status) of HA be returned?

10.1 Applicants must submit the following documents in person or by mail to FFSS Secondary Market Support Unit of HS and/or HOS Secondary Market Scheme Unit of HA (intends to purchase a flat of HA), addresses are listed in paragraph 8 above:

- (1) Duly completed and signed respective application form;
- (2) Copy of the TDP;
- (3) Copies of the Hong Kong Identity Cards of applicant and all listed family members;
- (4) Copy of the assignment of the Original Flats sold by virtue of the FFPS; and
- (5) Application fee of HK\$870 per application in the form of a crossed cheque or a cashier's order.

10.2 On receipt of the aforesaid documents, the HS will issue an acknowledgement receipt to the applicant informing him/her of the application number, which should be quoted in all future correspondence.

11. Where should the application forms for CAS be returned?

Owners of FFSS applying for a CAS should submit their application together with an application fee of HK\$900 paid in the form of a crossed cheque or a cashier's order and a copy of the Deed of Assignment to FFSS Secondary Market Support Unit. Enquiries on obtaining copies of Deed of Assignment may be made to the relevant mortgagee bank or to the Land Registry. Should there be any change of ownership, please submit copies of all the relevant Deed of Assignment.

On receipt of the application with the application fee, the HS will issue an acknowledgement receipt to the applicant informing him/her of the application number, which should be quoted in all future correspondence.

12. Under what circumstances shall the TDP holder(s) obtained CAS/CEP of HS and/or Certificate of Eligibility to Purchase (White Form Status) of HA re-apply the certificate(s)?

- 12.1 There is no time limit on the validity of the CAS and CEP/Certificate of Eligibility to Purchase (White Form Status) under the FFPS.
- 12.2 If the owner(s) has/have obtained TDP and CAS, and change of ownership has been made before selling the Original Flat, the respective owner(s) must **re-apply** CAS and pay the necessary fee again. Please note that HS may revoke the TDP previously issued to the TDP holder(s) (as the case may be) if change of ownership has been made by the owner(s) prior to the sale of the Original Flat. HS shall not be responsible for any loss suffered by the TDP holder(s).
- 12.3 **The TDP and CEP/Certificate of Eligibility to Purchase (White Form Status) are non-transferrable or non-inheritable and applicable to the holder(s) only.** In the event of any holder(s) of the said TDP/CEP/ Certificate of Eligibility to Purchase (White Form Status) passing away before execution of any PASP for purchase of New Flat under the FFPS, the said TDP/CEP/ Certificate of Eligibility to Purchase (White Form Status) shall be null and void.
- 12.4 If a transaction is rescinded after the issuance of Letter of Nomination (“LN”) but both parties still wish to make a transaction in the Secondary Market, they **must re-apply** a fresh CAS/CEP/ Certificate of Eligibility to Purchase (White Form Status) from HS/HA and pay the necessary fee again.

13. How to complete a transaction?

- 13.1 The purchaser and the seller are required to produce to each other or the estate agent valid supporting documents, such as a valid CEP/ Certificate of Eligibility to Purchase (White Form Status) on the part of the purchaser and a CAS on the part of the seller, before the PASP is signed. The PASP must be in the prescribed form specified by the HS or HA.
- 13.2 The solicitor representing the purchaser(s) will apply to the FFSS Secondary Market Support Unit of the HS or HOS Secondary Market Scheme Unit of the HA for a LN within one month from the date of the PASP for confirmation of the eligibility of the purchaser(s), and that the purchaser(s) shall sign the formal Agreement for Sale and Purchase and the Deed of Assignment to complete the transaction only after the issuance of the LN.
- 13.3 If prior to the issuance of LN there should be any change of status as to render the purchaser ineligible for applying or if the purchaser should receive any subsidies provided by the HS or HA, the purchaser will not be issued a LN.
- 13.4 Purchaser shall discuss with banks for mortgage matters by himself/herself.
- 13.5 Other legal procedures for the execution of the Agreement for Sale and Purchase and Deed of Assignment are largely similar to those required for property

transactions in the open market. Both parties may appoint their own solicitors to represent them in completing the transaction.

- 13.6 Upon completion of the transaction, the solicitor representing the purchaser should notify the FFSS Secondary Market Support Unit for flat purchased through SMS of the HS or HOS Secondary Market Scheme Unit for flats purchased through the HOS Secondary Market Scheme of HA within 10 days.
- 13.7 The purchaser shall not assign or sell any interest in the property or in the Provisional/Formal Agreement for Sale and Purchase to a third party before the transaction is completed.
- 13.8 **Owner(s) will have to arrange the accommodation by himself/herself/ themselves at his/her/their own costs during the transitional period (i.e. from the completion of the sale of the Original Flat up to the completion of the assignment for sale and purchase of the New Flat under the FFPS).**

14. How to apply for a LN for the applicant as purchaser of the New Flat?

- 14.1 For purchase of the New Flat with the applicant as the purchaser, application for a LN should be made by the solicitor representing the purchaser to the HS or HA, enclosing the following to the FFSS Secondary Market Support Unit of HS or HOS Secondary Market Scheme Unit of HA:
 - (1) The original CEP/ Certificate of Eligibility to Purchase (White Form Status) of the purchaser;
 - (2) The original CAS of the seller;
 - (3) The original TDP of the purchaser;
 - (4) A Statutory Declaration in support of the Application for a LN duly declared by the purchaser(s) in the prescribed form;
 - (5) A Letter of Agreement made by the purchaser in the presence of solicitor in the prescribed form (not applicable to the purchase of Kingston Terrace / SSFP flats and the HOS flats of HA);
 - (6) Acknowledgement Letter (resale restriction of two years);
 - (7) Property record of Rating & Valuation Department showing the saleable area of the New Flat;
 - (8) A photocopy of the PASP in the prescribed form;
 - (9) Undertaking by Solicitors for Application for LN (only applicable to the purchase of flats under HOS Secondary Market Scheme of HA); and
 - (10) An application fee of HK\$1,040 paid in the form of a cheque signed by a solicitors' firm or a cashier's order.

(The HS/HA reserves the right to revise or adjust the application fee at any time without prior notice)

- 14.2 Up to the date of signing the PASP, the purchaser and the family members listed in the application form must still meet the application criteria.
- 14.3 If any person is found to provide false or incorrect information/ statement or representation in his/her application for a CEP/ Certificate of Eligibility to Purchase (White Form Status), the HS or HA will not issue a LN.
- 14.4 The HS or HA may take legal action against any person if he/she is found to provide false or incorrect information/ statement or representation to HS or HA after the LN is issued.

15. May an applicant apply at the same time for the purchase of SSFP flats offered by the HS and for other subsidised housing?

No.

FINANCIAL AND CONVEYANCING ARRANGEMENTS

16. Is joint ownership allowed?

Yes. The applicant of CEP/ Certificate of Eligibility to Purchase (White Form Status) must be the owner of the New Flat. Besides, one of the family members listed in the application form can be the co-owner provided that it is a joint tenancy.

17. How do purchasers obtain legal title to their flats?

When making a transaction in the Secondary Market, the purchaser and the seller have to produce valid supporting documents and a LN issued by the HS or HA. Moreover, the estate agent concerned and the solicitors representing the two parties are required to use prescribed forms specified by the HS or HA, including a PASP, an Agreement for Sale and Purchase and a Deed of Assignment. Legal documents other than these will be considered null and void, and the purchaser's title will consequently be affected. Any amendments to the clauses of the prescribed forms shall require the HS or HA's prior approval and written consent.

18. How to arrange for a mortgage?

18.1 The HS will not provide mortgage guarantee to the purchase of flat in the SMS, the purchasers can approach any bank for mortgage loan and the bank should undertake to adopt the standard prescribed forms for mortgage deed specified by the HS.

18.2 Purchasers of flats in the HOS Secondary Market Scheme of HA requiring a mortgage loan to pay the balance of the purchase price should apply to a bank or financial institution on the approved list, which is available from the HOS Secondary Market Scheme Unit, for a mortgage loan on special concessionary terms specified by the HA. The conditions are subject to final approval by the bank or financial institution concerned. The participating banks or financial institutions

on the list have entered into a Deed of Guarantee (DoG) with the HA. Some of the mortgage terms are as follows:

- (a) Maximum loan amount may be not exceeding 90% of the purchase price or the assessed value, whichever is the less;
- (b) Maximum repayment period of 30 years; and
- (c) Interest rate^(Note 3) at a maximum of the Best Lending Rate quoted by the bank or financial institution concerned minus 0.5% per annum.

Note 3: Participating banks and financial institutions may offer mortgage plan that makes reference to Hong Kong Interbank Offered Rate or Best Lending Rate. Please contact the participating banks and financial institutions for details.

- 18.3 The actual amount of loan, repayment period, interest rate and other terms of the mortgage loan will be subject to the approval of the banks/financial institutions on a case by case basis according to the circumstances of the purchaser. The HA does not warrant that the purchaser can obtain a mortgage loan which is equivalent to 90% of the purchase price or any mortgage loan from any banks or financial institutions.
- 18.4 If the purchaser wishes to mortgage with other bank/financial institution, which has not entered into a DoG with the HA, the purchaser is required to obtain prior approval from the Director of Housing for such mortgage arrangement. The purchaser is reminded to allow sufficient time to apply to the Housing Department (“HD”) for processing of the relevant approval in order to avoid any possible delay in the mortgage arrangement and an administrative fee is required for the concerned application. Please contact the bank or financial institution concerned for enquiries on mortgage arrangement directly.
- 18.5 The list of participating banks/financial institutions for HOS Secondary Market Scheme is subject to change without prior notice.
- 18.6 Before mortgage is arranged, the purchaser must obtain prior approval from the HA if he/she has accepted Home Mortgage Loan Scheme offered by his/her employer to pay for the balance of the purchase price.
- 18.7 Purchasers should assess one’s own financial capability and eligibility for mortgage before entering into purchasing formalities.

19. What fees are incurred when completing the conveyance formalities?

Apart from the application fees paid to the HS and/or HA for issuance of the supporting documents and the LN mentioned above, the purchaser and seller, just as in the execution of any assignment in the open market, are required to pay their respective fees as follows:

- 19.1 Stamp duty, which is calculated on the basis of the market value assessed by the Rating and Valuation Department for the purpose of collecting stamp duty. It is not based on the purchase price of the flat;

- 19.2 Registration fee for the conveyance documents;
- 19.3 General conveyance fees charged by the solicitors with respect to the flat; and
- 19.4 The estate agent's commission (if the transaction is negotiated through an estate agent).

If the purchaser requires a mortgage loan to finance the purchase of the flat, he/she is required to pay:

- 19.5 A registration fee for the Mortgage Deed; and
- 19.6 Legal fee to the financial institution or to the solicitor for arranging for the mortgage loan.

20. Are purchasers bound by any special provisions (for flats under SMS of the HS)?

New Flat purchased in the SMS (including FFSS and SSFP) shall be used, assigned or let in accordance with the HS requirements and the relevant application criteria. The main conditions are:

20.1 Use

The New Flat shall be used only for residential purposes and for self-occupation by the purchaser and the family member(s) listed in the application form.

20.2 Assigning or letting

20.2.1 A TDP holder must undertake that within two years from the date of the assignment of the New Flat (“the restriction period”), the New Flat cannot be sold under the SMS. Within the restriction period, owner can only sell the New Flat in the open market by payment of premium.

20.2.2 In the Letter of Agreement to be submitted according to paragraph 14(14.1) (5) above, the purchaser(s) shall agree to adopt and abide by the provisions regarding the periods of 5-year and 2-year resale restrictions and the method of fixing the buy-back price contained in paragraphs 1(1) and 1(2) of the Waiver Letters (if any) and paragraphs (2) and (3) of the Supplemental Waiver Letters (if any) issued by the Director of Lands including the calculation of buyback price mentioned in sub-paragraph (a) below. If the purchaser(s) wish to assign or let their flat from the third year onwards from the date of first assignment, he/she must follow the procedures of the HS as follows:

- (a) To notify the HS in writing to sell the flat back to HS, the HS has absolute right to purchase the flat back. The buyback price is calculated on the basis of original purchase discount. The calculation of the market value, will be made reference to the transaction price of similar developments. Besides, The HS will deduct from the buyback price any amount unpaid and interests under the approved mortgage and other deductible amounts as specified in the

Government Land Grants. Under the current HS's policy, the HS would not accept any offer for sell-back of a flat under FFSS and SSFP.

If any event that HS is not desirous of purchasing the property within 28 days of receiving the owner's notice of sale, the owner may sell or otherwise dispose of the property in the open market subject to payment to Government a sum of money equal to the proportion on the full market value of the property as specified in the Deed of Assignment, and was not paid by the purchaser at the time of the assignment to the owner (refer to the calculation in the sub-paragraph (d) below).

- (b) The purchaser may sell his/her flat in the SMS to eligible persons confirmed by the HS without payment of premium after two years from the date of assignment.
- (c) Under the current policy, the HS would not accept any offer for sell-back of a flat in respect of which the 5-year alienation restriction period has elapsed. After 5 years from the date of first assignment, the purchaser may sell the flat in the SMS as mentioned in the sub-paragraph (b) above, or assign or let the flat in the open market after payment of a premium calculated in accordance with sub-paragraph (d) below.
- (d) The premium which the purchaser must pay prior to assigning or letting his/her flat as referred to in sub-paragraphs (a) and (c) above is assessed on the basis of the prevailing unrestricted full market value of the flat and the initial market value and the purchase price ^(Note 2) of the flat stated in the first assignment or, for resale flats, in the latest assignment between the HS and the purchaser by applying the following formula. In other words, the premium payable is calculated by converting the discount in the original purchase price into its current value:

$$\text{Premium} = \text{Prevailing Market Value} \times \frac{\text{Initial Market Value} - \text{Purchase Price}^{\text{(Note 2)}}}{\text{Initial Market Value}} \times 100\%$$

20.2.3 Mortgage : The purchaser may secure a first mortgage to cover the balance of the purchase price of the flat in accordance with provisions of the concerned Government Land Grant. Except with the prior approval from the HS, the purchaser prior to payment of premium as mentioned in the preceding paragraph 20.2.2(d) shall not secure any other form of mortgage or increase the amount of the mortgage loan.

20.2.4 Mortgage arrangement : The purchaser of FFSS's or SSFP's flat may also secure a loan from the staff housing mortgage loan scheme provided by his/her employer as the first/second mortgage to cover the balance of the purchase price, provided that prior approval and written consent from the HS has been obtained.

21. Are purchasers bound by any special provisions (for flats under HOS Secondary Market Scheme of HA)?

Flats purchased in the HOS Secondary Market Scheme shall be used, assigned or let in accordance with the terms and conditions of the Housing Ordinance / the Government lease and the relevant application criteria. The main conditions are:

21.1 Use — The flat shall be used only for residential purposes and for self-occupation by the purchaser and the family member(s) listed in the application form. Only the spouse and child(ren) aged under 18 of the owner or joint-owner are allowed to add to the household register of the flat in future.

21.2 Assigning or letting —

- (a) For flats sold subject to the Schedule under Housing Ordinance, the purchaser may offer to sell the flat back to the HA. If the HA declines the offer, the HOS owner is free to assign or let the flat in the open market after payment of a premium calculated in accordance with sub-paragraph (d) below. **Please note that the HA has since 2007 ceased to accept any offer to sell the HOS flats to the HA.**
- (b) The purchaser may without being required to pay a premium sell the flat in the HOS Secondary Market Scheme to the eligible applicants confirmed by the HA (from the third year from the date of the first assignment for flats sold subject to the Schedule under Housing Ordinance; and from the date of the first assignment for other flats).
- (c) After a specified period (5 years for flats sold subject to the Schedule under Housing Ordinance, and 10 years or 15 years for other flats as required under the respective Government Lease) from the date of the first assignment, the purchaser may assign or let the flat in the open market after payment of a premium calculated in accordance with sub-paragraph (d) below.
- (d) The premium which the purchaser must pay prior to assigning or letting his/her flat in the open market as referred to in sub-paragraphs (a) and (c) above is assessed on the basis of the prevailing unrestricted full market value of the flat and the Initial Market Value and the Purchase Price ^(Note 4) of the flat stated in the first assignment or, for resale flats, in the last assignment from HA to a purchaser by applying the following formula. In other words, the premium payable is calculated by converting the discount in the original purchase price into its current value:

$$\text{Premium} = \text{Prevailing Market Value} \times \frac{\text{Initial Market Value} - \text{Purchase Price}}{\text{Initial Market Value}} \times 100\%$$

Note 4: For flats purchased by means of an “immediate mortgage” in HOS Phases 13B to 16B and flats purchased under the TPS, the purchase price refers to the list price stated in the Deed of Assignment but not the actual sale price.

- (e) Any unlawful alienation or letting or parting with possession of the flat

purchased under HOS Secondary Market Scheme or any agreement for such alienation letting or purported letting or parting with possession shall be void. Any person having committed such act(s) has committed an offence and is liable to a fine of HK\$500,000 and to imprisonment for one year.

- 21.3 Mortgage — The purchaser may secure a first mortgage to cover the balance of the purchase price of the flat in accordance with conditions mentioned in Item 18 above. Except with the approval of the Director of Housing, the purchaser prior to payment of premium as mentioned in the preceding paragraph 21.2(d) shall not secure any other form of mortgage or increase the amount of the mortgage loan.

After purchase of a flat under the HOS Secondary Market Scheme, should the purchaser(s) mortgage the flat to the bank/financial institution which entered into the Deed of Guarantee with the HA and if default on mortgage payments before paying off the mortgage loan, the bank/financial institution concerned will sell the flat. Should the sale proceeds of the flat fail to cover the full outstanding balance of the mortgage and all the interest, legal costs, administration fees, etc. payable under the mortgage, the bank/financial institution will, pursuant to the Deed of Guarantee, make a claim against the HA for the payment of all the above arrears that the purchaser(s) owe. The HA shall under the Deed of Guarantee pay the same to the bank/financial institution. In relation to the payments made by the HA to the bank/financial institution, the HA will then recover such payments and the interest from the purchaser(s).

22. Warning

- 22.1 If any application form submitted contains false or incorrect information/ statement or representation, the application will be cancelled. The eligibility of such application previously established on the basis of the false or misleading information will be revoked and fees paid will not be refunded. The decision of the HS, the HA and the HD on such false or incorrect information/ statement or representation shall be final.
- 22.2 Under Section 26(2) of the Housing Ordinance (Cap. 283), any person who makes any statement to the HA in respect of any matter relating to the purchase of a subsidised sale flat (SSF) (which shall include a flat in the HOS Secondary Market Scheme) or in providing any information to HA in respect of such matter, which he knows to be false or misleading as to a material particular shall be guilty of an offence and liable on conviction to a fine of HK\$500,000 and imprisonment for 1 year. According to Section 26A of the Housing Ordinance (Cap. 283) in relation to the purchase of such flat by him, the Court shall order either (a) that the flat purchased by the offender, be transferred to the HA or the HA's nominee; or (b) the offender forfeit to the HA a sum equivalent to the difference between the purchase price and the market value of the flat without any restriction as to alienation as at the date of the conviction.
- 22.3 If the court convicts another person under Section 26(2) of the Housing Ordinance (Cap. 283) in connection with the purchase of a subsidised sale flat (which shall include a flat in HOS Secondary Market) by the purchaser, the Court may, according to Section 26B of the Housing Ordinance (Cap. 283), order either (a) that the flat

be transferred to the HA or the HA's nominee; or (b) the purchaser to forfeit to the HA a sum equivalent to the difference between the purchase price and the market value of the flat without any restriction as to alienation as at the date of the order.

- 22.4 According to Section 22 of the Housing Ordinance (Cap.283), staff of HD are empowered to enter and inspect the flat. Pursuant to Section 29 of the Housing Ordinance (Cap. 283), any person who obstructs staff of HD in the exercise of any power or the performance of any duty conferred or imposed under the Housing Ordinance shall be guilty of an offence and liable on conviction to a fine at level 3 as specified in Schedule 8 of the Criminal Procedure Ordinance (Cap.221) and to imprisonment for 6 months. According to Section 25 of the Housing Ordinance (Cap.283), staff of HD are empowered to require the owner or occupier of the flat to provide specified particulars. Any owner or occupier who refuses to provide the particulars required shall be guilty of an offence and liable on conviction to a fine at Level 4 ^(Note 5) as specified in the same Schedule 8 and to imprisonment for 3 months; any owner or occupier who knowingly makes a false statement furnishing the particulars required shall also be guilty of an offence and liable to a fine at Level 5 ^(Note 5) as specified in the same Schedule and to imprisonment for 6 months.)

Note 5 : As at the date of compilation of this Application Guide, the maximum fines at Level 3, Level 4 and Level 5 are HK10,000, HK\$25,000 and HK\$50,000 respectively.

- 22.5 Applicants should note that the only payment required by the HS or HA for processing an application under the SMS / HOS Secondary Market is the application fee. If applicants are approached by any person who offers to assist in their application in return for remuneration, whether monetary or otherwise, they should report immediately to the Police, the Independent Commission Against Corruption ("ICAC"), the HS or HA. Furthermore, it is an offence for any person to offer any bribe or inducement to staff of HS or civil servant. Any such attempt will result in the application concerned being cancelled, and legal action may be taken by ICAC or the Police.

23. Enquires

For enquiries, please contact the FFSS Secondary Market Support Unit at 2839 7373. The HS provides information about the name of developments of SMS on the internet (website: <https://www.hkhs.com/en/application/flat-for-flat-pilot-scheme-for-elderly-owners>). For enquiries of HOS Secondary Market Scheme, please contact HOS Secondary Market Scheme Unit at 3162 0680 of the HA.

24. Notes concerning the Collection of Personal Data

- 24.1 The personal data in the application form, including the declaration by the applicant and his/her listed family members authorizing the collection and comparison/matching of their personal data, are provided by the applicant and his/her listed family members on a voluntary basis. If insufficient information is provided, the HS/HA may not be able to process the application. In that case, the application fee will not be refunded.
- 24.2 The personal data provided by the applicant and his/her listed family member(s) in the application form will be used by the HS/HA for the purpose of preventing the

applicant and his/her listed family member(s) from enjoying double housing benefits and for the purpose of carrying out the relevant matching procedures. Such procedures include: vetting the application and determining the eligibility of the applicant and his/her listed family member(s), checking whether the applicant and his/her listed family member(s) has/have applied for other subsidized housing schemes, approving the applications under those schemes, and handling any subsequent changes in family circumstances, property ownership, mortgage arrangements, sale of property, etc. The data may also be used in the future to prevent the purchaser and his/her listed family member(s) (including their spouses) from participating in any other subsidized housing scheme administered by the HS/HA.

24.3 For the purposes stated above, the HS/HA may disclose the personal data provided by the applicant and his/her listed family member(s) in the application form to government bureaus or other government departments and relevant public/private organizations or check such data with these parties.

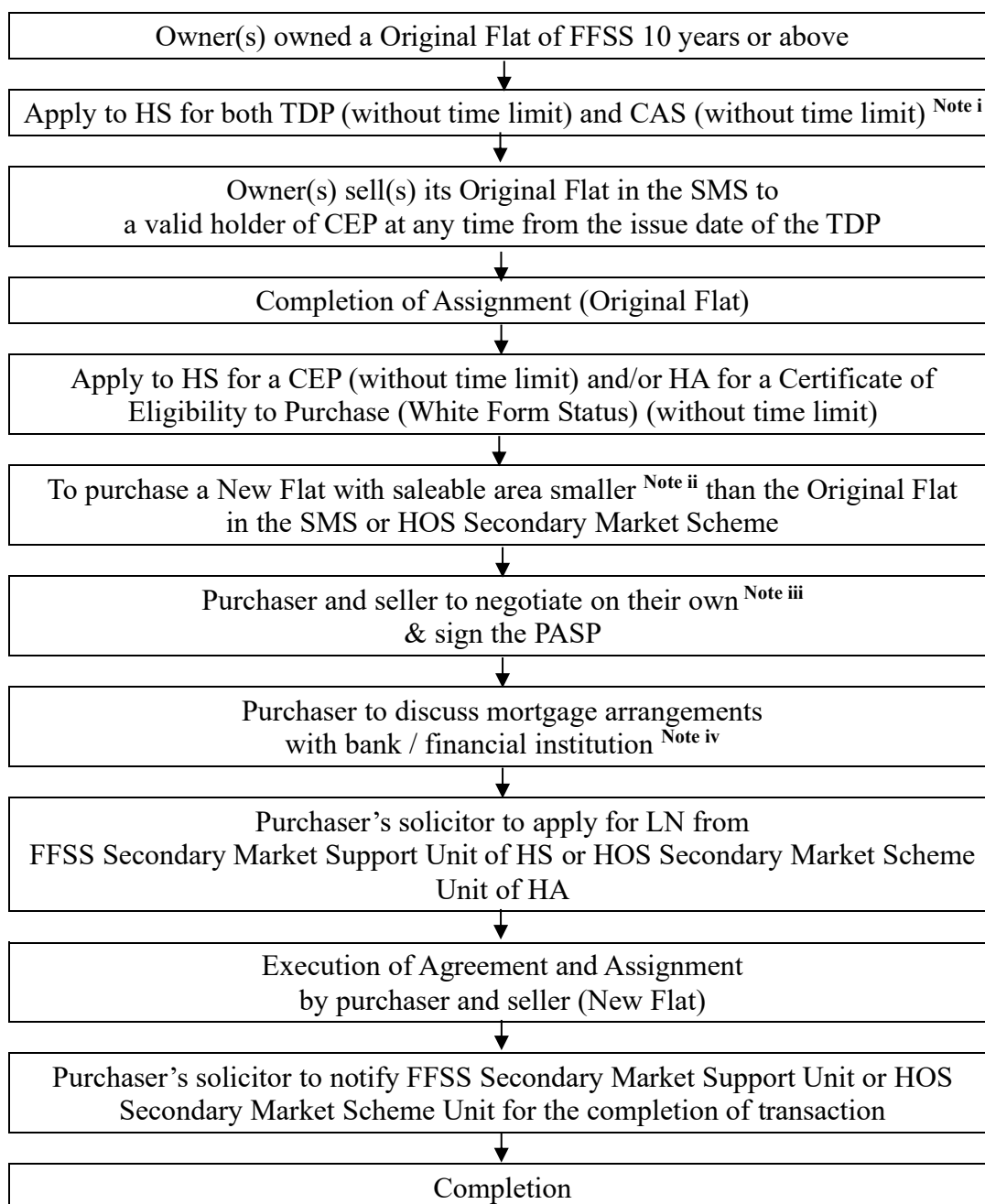
24.4 Pursuant to the Personal Data (Privacy) Ordinance (Cap. 486), you are entitled to request for access to and/or correction of the personal data in the application form. Any such requests can be directed by post or by fax (Fax No. : 2811 8700) to the Hong Kong Housing Society, G/F., Dragon Centre, 23 Wun Sha Street, Tai Hang, Hong Kong or by post or by fax (Fax No. : 2761 6363) to the Departmental Data Protection Officer of the HA Headquarters, 33 Fat Kwong Street, Kowloon. A fee may be payable for such request for data access.

25. Points to Note

25.1 This Application Guide is solely for explaining the sale and purchase mechanism of the Flat for Flat Pilot Scheme for Elderly Owners and has no legal effect in itself.

25.2 The HS reserves the right to amend, correct or revise this Guide without prior notification.

Mode of Operation for Flat for Flat Pilot Scheme for Elderly Owners



Note i : Owner(s) has/have obtained a CAS before joining the FFPS is/are not required to re-apply CAS, it is only required to apply TDP.

Note ii : It shall be defined in terms of saleable area only, which is based on the saleable area of the property stored in the property records of the Rating and Valuation Department ("R&V"). The information is available from R&V property information at a cost of \$9 per enquiry online services or \$20 per enquiry in person (current rate subject to adjustment from time to time).

Note iii : Purchasers bear the liability to pay the premium to Government/ Housing Authority if the New Flat will be sold, let or otherwise dispose of in open market in the future.

Note iv : HS will not provide mortgage guarantee to purchase of flats in SMS. Purchasers should assess one's own financial capability and eligibility for mortgage before entering into purchasing formalities.

Developments under the Flat for Flat Pilot Scheme for Elderly Owners

District		Developments	Completion Date
Hong Kong	North Point	Healthy Village (Phases 1 & 2)	1993 / 1997
Kowloon	Hung Hom	Ka Wai Chuen (Phases 3 & 4)	1990 / 1993
	Sham Shui Po	Cronin Garden	1995
	Wong Tai Sin	Kai Tak Garden (Phases 1 & 2)	1998 / 2001
New Territories	Tsuen Wan	Clague Garden Estate	1989
	Tsuen Wan	Bo Shek Mansion	1996
	Tsing Yi	Broadview Garden	1991
	Tseung Kwan O	Verbena Heights	1997
	Sai Kung	Lakeside Garden	1997
	Tuen Mun	Kingston Terrace	2002

Flat-for-Sale Scheme Developments under the SMS

District		Developments	Completion Date
Hong Kong	North Point	Healthy Village (Phases 1 & 2)	1993 / 1997
Kowloon	Hung Hom	Ka Wai Chuen (Phases 3 & 4)	1990 / 1993
	Sham Shui Po	Cronin Garden	1995
	Wong Tai Sin	Kai Tak Garden (Phases 1 & 2)	1998 / 2001
New Territories	Tsuen Wan	Clague Garden Estate	1989
	Tsuen Wan	Bo Shek Mansion	1996
	Tsing Yi	Broadview Garden	1991
	Tseung Kwan O	Verbena Heights	1997
	Sai Kung	Lakeside Garden	1997
	Tuen Mun	Kingston Terrace	2002

Subsidised Sale Flats Project Developments under the SMS

District		Developments	Completion Date
New Territories	Tsing Yi	Greenview Villa	2015
	Sha Tin	Greenhill Villa	2020
	Tseung Kwan O	Mount Verdant	2019
	Tuen Mun	Terrace Concerto	2020

Points to Note :

The owner(s) of Subsidised Sale Flats Project could sell the subject property to eligible purchasers via SMS only after a period of **2 years has elapsed** from the date of the First Assignment