

HA approves sales arrangements for recovered Tenants Purchase Scheme flats

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee (SHC) today (July 28) approved the new arrangements for the sale of recovered Tenants Purchase Scheme (TPS) flats and additional incentives to encourage sitting TPS tenants to purchase the flats in which they reside.

"The recovered TPS flats will be put up for sale in the annual Home Ownership Scheme (HOS) and Green Form Subsidised Home Ownership Scheme (GSH) sale exercises (i.e. twice a year) to eligible Green Form applicants under the existing TPS pricing mechanism and alienation restrictions," a spokesman for the HA said.

"During the sale exercise, prices of recovered TPS flats put up for sale will not be revised in accordance with the usual biennial price review, but will remain the same throughout that particular sale exercise," the spokesman said.

"Those flats which remain unsold at the end of each exercise will be carried over to the next immediate exercise."

Currently, sitting tenants of the 39 TPS estates may still opt to purchase the flats in which they reside and will enjoy a special credit during the first two years of their tenancies. In order to encourage sitting TPS tenants to buy the flats in which they reside, the SHC approved to provide an additional discount of 17.5 per cent for one year starting from September 1, 2020, to sitting TPS tenants who no longer enjoy any special credit.

For sitting TPS tenants whose transactions of TPS flats are in progress when the additional discount is introduced, they are allowed to rescind the transactions without forfeiting the intention money (i.e. \$2,500) they have already paid to the HA if they wish to enjoy the newly introduced discount.

"We aim to put up the recovered TPS flats for sale in the GSH 2020 sale exercise (i.e. around end-2020)," said the spokesman.

"After two sale exercises (i.e. one GSH and one HOS sale exercise), we will review the sale of recovered TPS flats to consider necessary improvements (e.g. whether target buyers should be extended beyond Green Formers), and whether a special transfer programme for sitting TPS tenants should be devised, so as to expedite the sale of the remaining rental flats from TPS estates," the spokesman added.

In the 2019 Policy Address, the Chief Executive proposed that the HA make active preparations with a view to accelerating the sale of the unsold flats in the 39 TPS estates.

As at end-June 2020, for the around 41 000 flats (i.e. 22 per cent) of the approximately 184 000 TPS flats remaining unsold, close to 450 recovered TPS flats can be put up for sale. Currently, the average list prices of TPS flats range from around \$11,000 per square metre to \$22,000 per sq m, representing around 15 per cent to 18 per cent of the assessed market value.