

**Hong Kong Housing Authority ‘Sale of Home Ownership Scheme Flats 2024’ (HOS 2024)  
(including Sale of Recovered Flats from Estates under Tenants Purchase Scheme (TPS))**

**Notes to Purchasers**

**1. Importance Notes**

Before decided to purchase a Home Ownership Scheme (HOS) flat or Recovered Flat from Estates under Tenants Purchase Scheme (TPS), the applicant and the family members listed in the application form must continue to meet the eligibility criteria of HOS 2024. If the Hong Kong Housing Authority (HA) discovers that any application form submitted contains false or incorrect information/statement or representation, the application will be cancelled. Any Agreement of Sale and Purchase (ASP) executed for a HOS flat/recovered TPS flat of the HA purchased as a result of the false or misleading information provided shall be rescinded and all sums paid as deposit under the relevant ASP will be forfeited and any administrative fees paid will not be refunded. The decision of the HA, the Housing Department (HD) and the Hong Kong Housing Society (HKHS) on such false or incorrect information statement or representation shall be final.

- (i) 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 HA’s subsidised sale flat (which shall include a HOS flat/ recovered TPS flat) 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 to imprisonment for 1 year. According to Section 26A of the Housing Ordinance (Cap. 283), where a court convicts a person of an offence under Section 26(2) 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.
- (ii) If the Court convicts another person under Section 26(2) of the Housing Ordinance (Cap. 283) in connection with the purchase of a HA’s subsidised sale flat (which shall include a HOS flat/ recovered TPS flat) 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.

**2. Rescind ASP**

The flat shall not be assigned by the purchaser to any other person or organisation before executing the Deed of Assignment. If a purchaser requests for cancelling the ASP where the HA agrees to the same, the HA shall be entitled to retain a sum equivalent to 5% of the purchase price as consideration for his agreeing to cancel the ASP. Besides, the cancellation of the ASP is subject to the provisions of the ASP including the purchaser being required to pay or reimburse the HA for all legal costs, charges and disbursements (including stamp duty, (if any) and registration fee) in connection with or arising from the cancellation of the ASP.

**3. Paying Purchase Price**

After signing the ASP, for uncompleted building(s), after the Occupation Permit for the building(s) concerned has been issued, the HA or HA’s appointed solicitors will notify the purchasers in writing to complete the remaining conveyancing formalities and pay the balance of the purchase price within

the specified period of time. For completed building(s) (e.g. resale flats and recovered TPS flats), the HA or HA's appointed solicitors shall within 28 days after the date of signing the ASP notify the purchasers in writing in relation to the completion of sale and purchase. The purchasers shall complete the remaining conveyancing formalities and pay the balance of the purchase price within 14 days as specified in the notice.

4. **Mortgage Arrangement**

Purchasers should assess their own financial capability and eligibility for mortgage (if applicable) before entering into purchasing formalities. After signing the ASP, a purchaser requiring a mortgage loan to pay the balance of the purchase price should apply to a bank or financial institution on the approved list (participating bank or financial institution), which is available from the HOS Sales Unit, for a mortgage loan on special concessionary terms specified by the HA; and the mortgage conditions are subject to final approval by the participating bank or financial institution concerned. In the event of the purchaser failing to complete the transaction by the specified date in accordance with the ASP, the HA shall, without prejudice to any other remedy, be entitled to demand and receive from the purchaser payment of interest on the outstanding amount of any part of the purchase price at the rate of 2% per annum above the Best Lending Rate as announced by the Hongkong and Shanghai Banking Corporation Limited.

5. **Staff Housing Loan Mortgage**

A purchaser may obtain a loan to cover the balance of the purchase price under a mortgage from his/her employer who offers a bona fide staff housing mortgage loan scheme provided that prior approval from the Director of Housing is obtained. As the vetting process takes time, the purchaser should make the application as soon as possible. For details, please refer to the reference material on "Staff Housing Loan Mortgage" distributed at the time of purchasing a flat.

6. **Use and Occupation**

All the HOS flats and recovered TPS flats of HA sold should be used only for private residential purposes and subject to the Housing Ordinance (Cap.283), the Restriction on Alienation Clause, the Government Grant and any amendments or modifications thereto. The purchaser shall ensure that the flat shall be occupied by himself / herself and all the members of his / her family named in the Application Form for the purchase of the flat.

If, without obtaining the prior written consent of the HA, any family member, including the purchaser, ceases to actually or permanently live in the flat for whatsoever reason(s) and for whatsoever period(s), the HA has the absolute right to require the purchaser to assign the flat back to the HA free from encumbrances at the purchase price as set out in the ASP less any amount certified by the HA as being the reasonable cost of making good any damage or deterioration to the flat and the costs and expenses for discharging any encumbrance(s) on the flat and for preparing and/or approving the assignment of the flat (the amount of which so determined and certified by the HA shall be final and conclusive). The purchaser shall forthwith upon the written request of the HA (and in any event not later than 28 days from the date of the request or the date as specified by the HA, whichever is the later) execute an assignment (in the form to be prepared or approved by the HA in its sole and absolute discretion) of the flat back to the HA free from encumbrances and on or before the purchaser's execution of the assignment, deliver to the HA vacant possession of the flat at the costs and expenses of the purchaser.

7. **Addition/Deletion of household record**

- (i) 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 purchased flat in future;

- (ii) For families consisting of two persons or above opting to join the 'Priority Scheme for Families with Elderly Members', the applicant and family member(s) listed in the application form are willing to live together with the elderly member in the purchased flat. At least one family member listed in the application form must live in the purchased flat with the elderly member; and
- (iii) Deletion of crucial members<sup>#</sup> can only be effected after the purchase of a flat for two years (as from the date of execution of the Deed of Assignment), unless they get married or are permitted to receive the housing benefits provided by their employers. Except family members of paragraph (ii) above.

<sup>#</sup> crucial member is a member, other than the owner, listed in an application to fulfill the eligibility criteria of the minimum member of two persons for family applicants.

## 8. **Special Restrictions on Purchasers and Their Family Members**

- (i) Successful HOS flat/ recovered TPS flat purchasers and their spouses (including the spouses of purchasers who were unmarried at that time) and family members of paragraph 7(ii) above will be debarred from all subsidised housing schemes administered by the HA, the HKHS or the Urban Renewal Authority (URA) in future;
- (ii) All newborn babies listed in the application forms in which the applicants have successfully purchased subsidised housing through the "Families with Newborns Flat Selection Priority Scheme" are not eligible to participate other "Families with Newborns Flat Selection Priority Scheme" applications again;
- (iii) If the purchaser and/or family members listed in the application form is/ are on the household register/ licence of public rental housing (PRH)/ Rental Estates under the HA or the HKHS, or household record of other subsidised housing schemes, he/ she/ they shall move out from such unit(s) and have his/ her/ their name(s) deleted from the respective household register or record from the date of signing an ASP, please contact relevant Estate Offices/ District Tenancy Management Offices/ relevant organisations for details;
- (iv) If the purchaser and/ or family members listed in the application form is/ are the whole household of sitting PRH/ Rental Estates tenants/ licensees and their spouses have to surrender their PRH/ Rental Estates units to the HA or the HKHS;
- (v) For Light Public Housing (LPH) occupant(s) who successfully purchased a flat as a result of this sale exercise, he/ she/ they shall have his/ her/ their name(s) deleted from the respective household register or record and shall move out from such unit within 60 days from the date of signing the ASP. If the LPH occupant(s) who successfully purchased a flat as a result of this sale exercise are the whole household of sitting LPH occupant(s), the Licencee(s) of the concerned LPH unit(s) shall upon (a) the date of taking over keys of the flat; or (b) the 10<sup>th</sup> working day from the date of execution of the Deed of Assignment of the flat inclusively, whichever is earlier, submit a Notice-to-Quit to the Housing Bureau (HB). The LPH occupant(s) shall terminate the Occupation Licence Agreement of his/ her/ their unit(s) within 60 days and shall return his/ her/ their LPH unit(s) in vacant possession to the HB on or before the day the licence is terminated; and
- (vi) After signing the ASP of a HOS flat/ recovered TPS flat through this sale exercise by the applicant and/or family members listed in the application form, the application(s) for PRH [including Interim Housing (IH)/LPH] from the applicant and all other family member(s) listed

in the application form will be cancelled and no PRH (including IH)/LPH flat will be allocated.

9. Although the purchasers will sign the ASP before the staff of the HA, the staff will only interpret the contents of the ASP to the purchasers and attest their signing of the ASP. The staff will not give the purchasers any legal advice on the ASP or any other matters in connection with the transaction. As a result, before the signing of the ASP, all purchasers are urged to appoint a firm of solicitors of their choice to advise them on matters relating to the purchase of a HOS flat/ recovered TPS flat, such as alienation restrictions, stamp duties, etc., and to act for them in relation to their purchase of the flat. The firm of solicitors will be able to give advice to them at every stage of the purchase.
10. If the purchaser does not appoint a separate firm of solicitors of his/ her choice to act for him/ her in his/ her completion of the purchase, he/ she will execute the assignment at the office of the solicitors of the HA. The solicitors of the HA will only interpret the contents of the assignment to him/ her and attest his/ her execution, and **will not act as the purchaser's solicitors in the transaction, and will not advise the purchaser on the ASP or any other matters in connection with the transaction.** Please refer to the "Arrangement on Appointment of Solicitors" at Annex III for details.
11. The use, occupation and alienation of HOS flats or recovered TPS flats are subject to the Government lease, Deed of Mutual Covenant (DMC), Housing Ordinance and other relevant rules/ requirements set by the HA and the HD, etc.
12. Being an owner you shall be responsible for the works and expenses in relation to the management, repair and maintenance of the common areas (including slopes/ retaining walls (if applicable)) in the HOS development or the related TPS estates under the DMC and Government lease. You will also be responsible for management, repair and maintenance of the public open space or public facilities inside or outside the HOS development or the related TPS estates in case there are such obligations imposed on owners of the HOS development or the related TPS estates under the DMC, Government Lease and/or other covenants.