



## **Flat for Flat Pilot Scheme for Elderly Owners**

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

(Rev.04/2026)

#### **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 designated subsidised sale developments (Appendix I) (“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 <sup>(Note 1)</sup> 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. Applicant shall arrange each enquiry service by himself / herself at his / her own cost.

##### **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 owner(s) and all listed family member(s) of the flat in the designated subsidised sale developments of the HS (Appendix I) 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 date 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 agreement which is still valid and subsisting (including provisional agreement) 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 the estate of any deceased person which includes any domestic properties or 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 private domestic properties, rooftop structures approved by the Buildings Department, domestic building lots and small house grants approved by the Lands Department in Hong Kong.

#### **4. What are the requirements and conditions for issue of Certificate of Availability for Sale (“CAS”) for the sale of flats in the SMS?**

- 4.1 For flats sold under the Flat-for-Sale Scheme (“FFSS”), Subsidised Sale Flats Project (“SSFP”) and Dedicated Rehousing Estates Subsidised Sale Flats Project (“DRE SSFP”), the date of first assignment refers to the date of assignment whereby the HS first sells a flat to a purchaser (the “First Assignment”). In no case shall the date of the First Assignment be construed as the date of occupation of the estate concerned.

- 4.2 For flats specified in the developments of FFSS and SSFP on Appendix II:** Owners of flats sold under FFSS and SSFP completed before 2024 (including resale flats sold to purchasers by the HS) or their authorized agents may, from the third year onwards from the date of the First Assignment, apply to the HS for a CAS for the purpose of selling their flats. If FFSS / SSFP owners have paid the premium and removed the alienation restriction, their flats cannot be sold under SMS.

- 4.3 For flats specified in the developments of SSFP and DRE SSFP on Appendix III:** Owners of flats sold under SSFP completed in or after 2024 and DRE SSFP or their authorized agents may apply to the HS for a CAS at any time from the date of the First Assignment for the purpose of selling their flats. Provided that in the event of the vendor entering into the PASP before the expiry of five years from the date of the First Assignment, the sale price under the PASP, the formal agreement for sale and purchase, and the assignment shall be at a price not more than the price of the flat sold by HS to the purchaser as specified in the First Assignment.
- 4.4 The holder(s) of TDP can purchase a New Flat with saleable area smaller <sup>(Note 1)</sup> 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.
- 4.5 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.
- 4.6 According to the application form for the purchase of the flat, the owner(s) shall use the flat for residential purpose only, and the flat shall be occupied by the owner and all the family member(s) listed on the application form for the purchase of the flat. If the owner(s) is/are found to have breached the live-in requirement concerned, the HS reserves the right to reject the application for CAS.

**5. May an FFSS / SSFP / DRE SSFP owner apply for other housing subsidies after having sold his / her FFSS / SSFP / DRE SSFP flat?**

No (except for owners who participated in the FFPS and were issued a TDP). A FFSS / SSFP / DRE SSFP owner and his / her spouse having sold his / her FFSS / SSFP / DRE 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. Subject to the restrictions mentioned in Sections 4 (where applicable) and 20 of this Application Guide, the purchaser and the seller may negotiate on their own 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.

## 7. How is the premium calculated?

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

The Initial Market Value and the Purchase Price in the above formula are stated in the First Assignment, whilst for the resale flats sold to the purchasers by the HS in the developments of FFSS and SSFP on Appendix II, the Initial Market Value and the Purchase Price are stated in the latest deed of assignment whereby HS last sells a flat to a purchaser (the “Last Assignment”). The prevailing market value is the market value at the time of the payment of premium.

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

Initial Market Value:	\$5,000,000
Purchase Price:	\$3,500,000
Prevailing Market Value:	\$6,000,000

$$\text{Premium} = \frac{\$6,000,000 \times (\$5,000,000 - \$3,500,000)}{\$5,000,000} = \$1,800,000$$

**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 regular 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 SECONDARY MARKET**

### **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(s) that fails to meet the eligibility criteria. The application fee is non-refundable and non-transferrable under any circumstances.

9.1 Application fee for a CEP of HS / Certificate of Eligibility to Purchase (White Form Status) of HA for the purchaser : HK\$900 each

9.2 Application fee for a CAS of HS for the seller : HK\$1,000

***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\$900 per application in the form of a crossed cheque or a cashier's order.

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

The owner(s) applying for a CAS of HS should submit their application forms to FFSS Secondary Market Support Unit together with the following:

- (1) Crossed cheque / cashier's order for payment of the application fee of HK\$1,000;
- (2) A copy of the Deed of Assignment(s); and **should there be any change of ownership, please submit copies of ALL the relevant Deed of Assignment.** Enquiries on obtaining copies of Deed of Assignment shall be made to the relevant mortgagee bank or to the Land Registry. Other relevant documents, such as Deed Poll, etc., if any, must also be submitted; and
- (3) Copies of a water bill and an electricity bill of the flat issued by utility companies within the last six months from the date of the CAS application form.

**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 expiry date for 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 signing of the PASP or upon the issue 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, including 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 purchaser and the seller shall agree with the price of the flat in accordance with the sellable price as stipulated in the CAS. 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 but in any event no later than 7 working days before the signing of the Formal Agreement for Sale and Purchase (for flat purchased through SMS of the HS) 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 issue of the LN.
- 13.3 If prior to the issue 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 The HS will not provide mortgage guarantee to the purchase of flat in the SMS. 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 presence of solicitor in the prescribed form;
- (5) A Letter of Agreement made by the purchaser(s) in the presence of solicitor in the prescribed form (not applicable to the purchase of Kingston Terrace / SSFP / DRE 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 for LN of HS as HK\$1,150 paid in the form of a cheque signed by a solicitors' firm or a cashier's order. As for the latest fee schedule for LN of HA, please contact HOS Secondary Market Scheme Unit of HA for enquiry.

*(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 misleading 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 will revoke the LN issued to any person if he / she is found to provide false or misleading information, statement or representation 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. The applicant may choose to share the ownership with

one of the family member(s) listed in the application form provided that it is a joint tenancy not inheritable by a third party.

## 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, a Formal 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 shall discuss with individual banks for mortgage matters 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 ("participating bank or financial institution"), which is available from the HOS Secondary Market Scheme Unit, for a mortgage loan on special concessionary terms specified by the HA. The mortgage conditions are subject to final approval by the participating bank or financial institution concerned. For details of mortgage loans, please contact the relevant individual participating bank or financial institution directly. The participating banks or financial institutions have entered into a Deed of Guarantee ("DoG")<sup>(Note 3)</sup> with the HA in respect of the HOS Secondary Market Scheme. Some of the mortgage terms are as follows:

- (a) Loan amount: not exceeding 90% of the purchase price or the assessed value, whichever is the less<sup>(Note 3)</sup>;
- (b) Repayment period: not exceeding 30 years<sup>(Note 3)</sup>; and
- (c) Interest rate<sup>(Note 4)</sup>: not higher than 0.5% per annum below the Best Lending Rate quoted by the participating bank or financial institution concerned.

**Note 3:** As provided in the applicable DoG, the maximum mortgage default guarantee period for subsidised sale flats sold by the HA is counted from the date of first assignment of individual flats. The HA Subsidised Housing Committee endorsed on 17 November 2023 the relaxation of the mortgage arrangements for subsidised sale flats. In respect of the mortgage arrangements for the HOS Secondary Market Scheme, the maximum mortgage default guarantee period is extended from 30 years to 50 years for HOS#/GSH flats; and from 25 years to 50 years for TPS flats. For the first 40 years, the HA will provide a mortgage default guarantee to participating banks or financial institutions for a mortgage loan up to 90% of the assessed value or purchase price of the flat (whichever is the lower) for White Form applicants. From 40 years onwards to 50 years, the mortgage default

guarantee provided to participating banks or financial institutions for mortgage loans will be up to 80% of the assessed value or purchase price of the flat (whichever is the lower). In case the loan-to-value (LTV) ratio required is above 80%, the purchaser of a subsidised sale flat could check with the participating banks or financial institutions whether he/ she needs to apply for a mortgage loan under the Mortgage Insurance Programme (MIP) of the HKMC Insurance Limited (HKMCI). To this end, the HA has reached an agreement with the HKMCI that the latter will allow purchasers of subsidised sale flat in the SMS to apply for a mortgage loan under the MIP to obtain mortgage loans up to an LTV ratio of 90% for White Form applicants. Moreover, the maximum mortgage repayment period for HOS#/GSH/TPS flats sold under the HOS Secondary Market Scheme has been extended from 25 years to 30 years. For queries, please contact any participating banks or financial institutions or call the HKMCI at 2536 0136, or browse the HKMCI website:

[https://www.hkmc.com.hk/eng/our\\_business/mortgage\\_insurance\\_programme.html](https://www.hkmc.com.hk/eng/our_business/mortgage_insurance_programme.html) (#including PSPS and BRO Scheme)

Note 4: Participating banks and financial institutions may offer a mortgage plan that makes reference to Hong Kong Interbank Offered Rate or to their existing mortgagors, present owners and new purchasers of Subsidised Sale Flat Scheme flats in the primary market and under the Secondary Market Scheme, in addition to mortgage plan that makes reference to the Best Lending Rate. Please contact the participating banks and financial institutions for details.

- 18.3 The HA does not warrant that the purchaser can obtain the maximum mortgage loan (i.e. 90% of the purchase price or the assessed value, whichever is the lower), or any mortgage loan from any participating banks or financial institutions. Under the DoG entered between the participating banks or financial institutions with the HA, the guarantee period for the mortgage loan counts from the date of First Assignment of the flat. When processing the purchaser's mortgage applications, the participating banks or financial institutions will consider various reference factors including the purchasers' repayment capability, past payback records, the special concessionary terms as specified in the DoG and etc. In these circumstances, the purchasers must contact the participating banks or financial institutions concerned as early as possible for details of mortgage arrangements before effecting the purchase.
- 18.4 If the purchaser wishes to mortgage with other bank / financial institution, which is not the participating banks or financial institutions on the approval list, 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.
- 18.5 The list of participating banks or 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 issue 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 registration of the deeds in the Land Registry;
- 19.3 Legal 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 also required to pay:

- 19.5 The fee for registration of the mortgage deed in the Land Registry; and
- 19.6 Legal fee of the mortgagee's 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 and DRE 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 for flats specified in the developments of FFSS and SSFP on Appendix II:

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 20.2.3(a) below.

20.2.3 The purchaser(s) shall agree to adopt and abide by the provisions regarding the periods of 5-year and 2-year resale restrictions. If the purchaser(s) wish to assign or let their flat, he / she must follow the procedures of the HS as follows:

- (a) Before the expiry of 5 years from the date of First Assignment: The purchaser shall 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 Leases. 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) After the expiry of 2 years from the date of First Assignment: The purchaser may sell his / her flat in the SMS to eligible persons confirmed by the HS without payment of premium.
- (c) After the expiry of 5 years from the date of First Assignment: The purchaser may sell the flat in the SMS in accordance with 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. 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.
- (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 <sup>(Note 2)</sup> of the flat stated in the First Assignment or, for resale flats sold to the purchasers by the HS, in the Last 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 <sup>(Note 2)</sup> into its current value:

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

20.3 Assigning or letting for flats specified in the developments of SSFP and DRE SSFP on Appendix III:

20.3.1 **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 subject to the relevant resale restrictions on an individual flat basis.

20.3.2 The purchaser(s) shall agree to adopt and abide by the provisions regarding the periods of 15-year and 5-year resale restrictions. If the purchaser(s) wish to assign or let their flat, he / she must follow the procedures of the HS as follows:

- (a) Before the expiry of 5 years from the date of First Assignment: The purchaser may sell his / her flat in the SMS to eligible persons confirmed by the HS without payment of premium at a price not more than the price of the flat sold by HS to the purchaser as specified in the First Assignment.
- (b) After the expiry of 5 years from the date of First Assignment: The purchaser may sell his / her flat in the SMS to eligible persons confirmed by the HS without payment of premium.
- (c) After the expiry of 15 years from the date of 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 as referred to in sub-paragraph (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 of the flat stated in the First Assignment by applying the following formula.

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

20.4 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 Lease. Except with the prior approval from the HS and in conformity with the conditions imposed by HS and set out in the concerned Government Lease, the purchaser prior to payment of premium as mentioned in the preceding paragraph 20.2.3(d) and 20.3.2(d) shall not secure any other form of mortgage or increase the amount of the mortgage loan.

20.5 Mortgage arrangement : The purchaser may also secure a loan from the staff housing loan scheme provided by his / her employer as the first / second mortgage to cover the balance of the purchase price, provided that prior written consent from the HS has been obtained and the legal charge shall be in such form and containing such provisions as HS shall approve or require.

**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) Within two years from the date of the assignment (“the restriction period”) of the flat purchased by the buyers in the HOS Secondary Market, the flat cannot be sold under the HOS Secondary Market Scheme of the HA. Owners shall not apply for the CAS for the flat from the HA during the restriction period. The HA will not issue any CAS to the owner of the flat within the restriction period.
- (b) 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 (e) below. **Please note that the HA has since 2007 ceased to accept any offer to sell the HOS flats to the HA.**
- (c) 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).
- (d) 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 (e) below.
- (e) 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 (b) and (d) 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 <sup>(Note 5)</sup> 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 5:** 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.

- (f) 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(e) shall not secure any other form of mortgage financing or refinancing, including increasing 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 participating bank or financial institution which entered into the DoG with the HA and if default on mortgage payments before paying off the mortgage loan, the participating bank or 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 participating bank or financial institution will, pursuant to the DoG, make a claim against the HA for the payment of all the above arrears that the purchaser(s) owe. The HA shall under the DoG pay the same to the participating bank or financial institution. In relation to the payments made by the HA to the participating bank or financial institution, the HA will then recover such payments and the interest from the purchaser(s).

## 22. Warning

- 22.1 Any application(s) for CEP / Certificate of Eligibility to Purchase (White Form Status), CAS and/or LN which is found to contain false or misleading information shall be cancelled, that any approval given on the basis of the false or misleading information shall be null and void, and that all monies thus paid shall be forfeited. The decision of the HS, the HA and the HD shall be final as to whether any such statement or application is false.
- 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 (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 <sup>(Note 6)</sup> 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 <sup>(Note 6)</sup> as specified in the same Schedule and to imprisonment for 6 months.)

Note 6 : 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 Any person who induces or causes HS to approve the relevant eligibility in connection with the purchase of a flat under the SMS, or causes the owner(s) to carry out the sale and purchase transaction by any deception or dishonest means (including the provision of false or inaccurate or misleading information or statement(s) or representation in the application form) could be held criminally liable for, among other crimes, fraud under Section 16A of the Theft Ordinance (Cap. 210) and Section 36 of the Crimes Ordinance (Cap. 200), and be punishable by imprisonment once convicted.

22.6 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. Enquiries

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 contained in the application form is used by HS and/or HA for processing the applications for CEP / Certificate of Eligibility to Purchase (White Form Status) / CAS / LN under the Secondary Market. The information provided may also be used by HS, HA and HD and relevant Government bureaux / departments for conducting statistical surveys and researches and to contact the applicants for such purposes. The personal data in the application form, including the declaration by the applicant and his / her listed family member(s) authorizing the collection and comparison / checking of their personal data, are provided by the applicant and his / her listed family member(s) on a voluntary basis. However, if insufficient information is provided, the HS, HA and/or HD may not be able to process the application. In that case, the application fee paid will not be refunded and cannot be transferred.
- 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 and HD for the processing of the application under the Secondary Market and for the purpose of carrying out the checking / verification and matching procedures. Such procedures include: (a) vetting the application and determining the eligibility of the applicant and his / her listed family member(s), (b) checking whether the applicant and his / her listed family member(s) have applied for other subsidised housing schemes, (c) giving approval to the applications under the Secondary Market, and handling any subsequent changes in family circumstances, property ownership, mortgage arrangements, sale of property etc., (d) the data are also used to prevent the purchaser and his / her listed family member(s) (including their spouses) from participating in any other subsidised housing scheme administered by the HS / HA / URA in future and (e) preventing applicant and his / her listed family member(s) from enjoying double housing benefits.
- 24.3 When assessing the eligibility to apply and purchase of the applicant and his / her listed family member(s), the HS, HA or HD may compare and match the personal data provided in the application form with the relevant personal data collected (manually or otherwise) for other purposes in order to ascertain whether such information is false or misleading, and may take appropriate action against the person(s) concerned on the basis of the result of the data comparison and matching. The applicant and his / her listed family member(s) should also authorize the HS, HA and HD to disclose, verify and match the information concerned with other government departments, public / private organizations / companies. Furthermore, the applicant and his / her listed family member(s) should agree that any government departments, public / private organizations / companies may disclose the applicant's and listed his / her family members' personal data in their possession to the HS, HA and HD for the purpose of comparing and matching the information provided in the

application form. The personal data provided may also be used by HS, HA and HD and relevant Government bureaux / departments for conducting statistical surveys and researches. The applicant and his / her listed family member(s) should also agree that the information provided will be passed to the HS / HA Hotline / 1823 for answering his / her enquiries.

24.4 The HS and its authorized officers, while collecting the personal data required for the verification of such contained in the application form, may for the purpose of processing the application(s) for CEP / CAS / LN under the SMS or its direct related usage, transfer the personal data on the application form to other divisions / offices of HS, other service providers, relevant government departments (including but not limited to the HD, Housing Bureau, Lands Department and Rating & Valuation Department), public / private organizations / companies and any other third party in possession of the personal data of the applicant and his / her listed family member(s).

24.5 For the purposes stated above, the HS, HA and HD may disclose the personal data provided by the applicant and his / her listed family member(s) in the application form / on the CEP / Certificate of Eligibility to Purchase (White Form Status) / LN to other government bureaux / departments, relevant public / private organizations / companies to check such data with these parties.

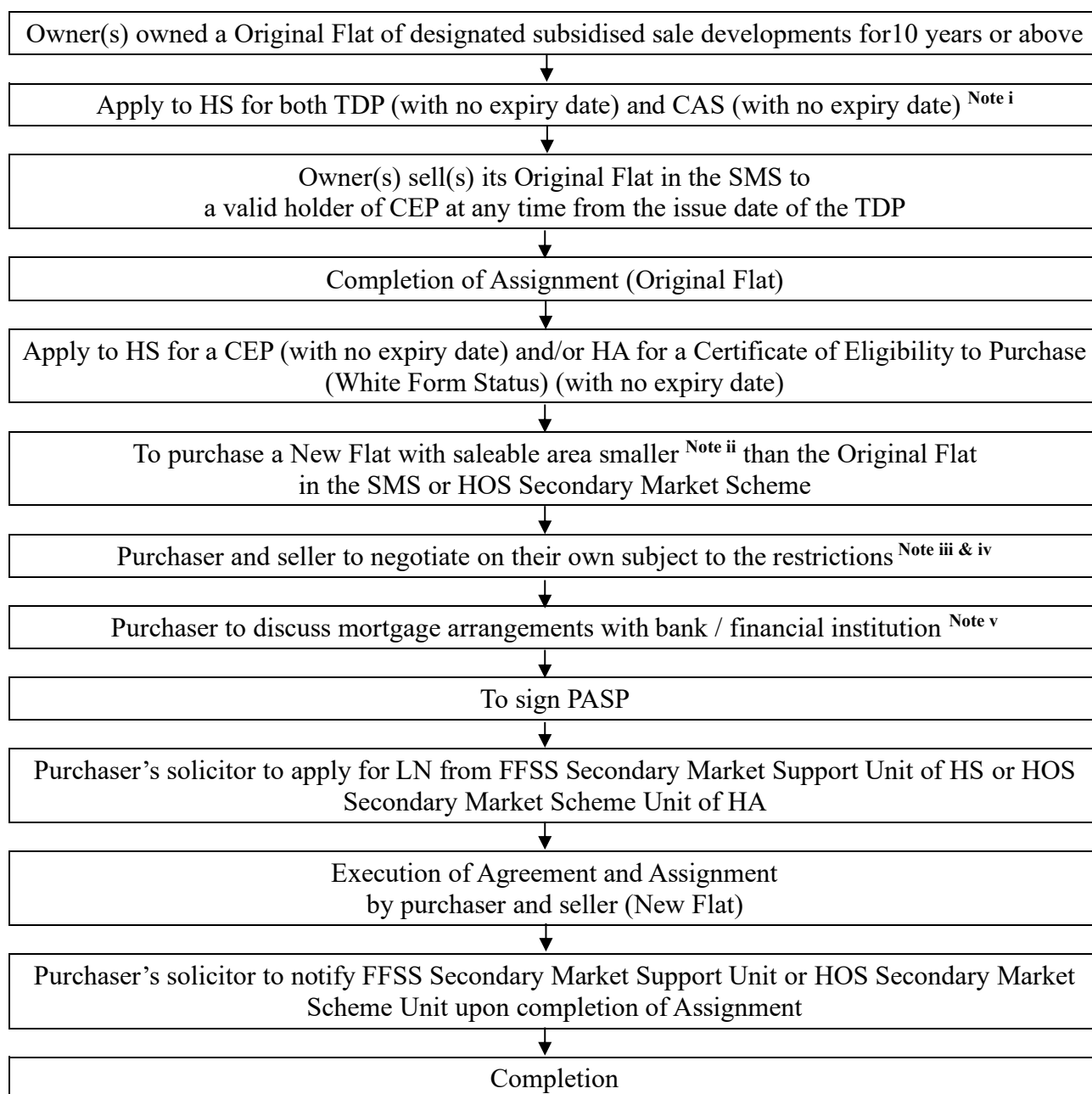
24.6 The personal data provided in the application form are for application under the Secondary Market. Pursuant to the Personal Data (Privacy) Ordinance (Cap. 486), the applicant and his / her listed family member(s) are entitled to request for access to and/or correction of the personal data in the application form. Any such requests can be directed by post or by fax (Fax No. : 2811 8700) to the Senior Manager, Planning and Development Section, 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 charged for such requests.

## **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. Applicant shall arrange each enquiry service by himself / herself at his / her own cost.

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 : For flats sold under the SSFP that are completed in or after 2024 and DRE SSFP as specified in Appendix III, in the event of the vendor entering into the PASP before the expiry of five years from the date of the First Assignment, the sale price under the PASP, the formal agreement for sale and purchase, and the assignment shall be at a price not more than the price of the flat sold by HS to the purchaser as specified in the First Assignment.

Note v : 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.

## Appendix I

### Designated Developments under Flat-for-Sale Scheme for the participation of 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

### Designated Developments under Subsidised Sale Flats Project for the participation of Flat for Flat Pilot Scheme for Elderly Owners

District		Developments	Completion Date
New Territories	Tsing Yi	Greenview Villa	2015

## Appendix II

### Developments under Flat-for-Sale Scheme

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

### Developments under Subsidised Sale Flats Project completed before 2024

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 completed before 2024 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

### Appendix III

Development(s) under Dedicated Rehousing Estates Subsidised Sale Flats Project

District		Developments	Completion Date
New Territories	Hung Shui Kiu	Eminence Terrace I	2024
	Fanling	Sierra Terrace	2025

#### **Points to Note:**

The owner(s) of Dedicated Rehousing Estates Subsidised Sale Flats Project could sell the subject property to eligible purchasers via Flat-for-Sale Scheme Secondary Market at any time from the date of the First Assignment. In the event of the vendor entering into the PASP **before the expiry of five years** from the date of the First Assignment, the sale price under the PASP, the formal agreement for sale and purchase, and the assignment shall be at a price not more than the price of the flat sold by HS to the purchaser as specified in the First Assignment.