

# **Pamphlet**

## **Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

*July 2016*



**HONG KONG  
HOUSING SOCIETY**  
香港房屋協會

## **1. BACKGROUND AND OBJECTIVE OF REDEVELOPMENT OF BUILDINGS DEVELOPED UNDER THE CIVIL SERVANTS' CO-OPERATIVE BUILDING SOCIETY SCHEME AND THE GOVERNMENT BUILT HOUSING SCHEME (THE "PILOT SCHEME")**

1.1 Some flat owners of buildings developed under the Civil Servants' Co-operative Building Society ("CBS") and the Government Built Housing Scheme ("GBHS") have called for Government's intervention to facilitate the redevelopment of CBS/GBHS buildings mainly for the following reasons :-

- (a) CBS/GBHS buildings possess redevelopment potential as they are generally located in the urban area and of moderate building height. Redevelopment of CBS/GBHS sites can release additional floor areas, increase the supply of flat, thereby alleviating the acute shortage of residential units; and
- (b) CBS/GBHS buildings are generally old, with many aged over 50 years. The lack of modern-day building facilities, such as lift provision, has posed access problems for elderly owners.

1.2 The Hong Kong Housing Society ("HKHS"), in collaboration with the Government, has completed a study on the redevelopment of CBS/GBHS buildings and has come up with a Pilot Scheme to facilitate redevelopment of CBS/GBHS buildings for more HKHS's Subsidized Sale Flats ("SSF").

1.3 The proposed Pilot Scheme may provide CBS/GBHS flat owners another channel to dispose of their flats for redevelopment and a chance to purchase units with modern facilities and lift services in the Secondary Market of HKHS Flat-for-Sale Scheme ("FFSS") or SSF Projects if they have such a need.

1.4 The Pilot Scheme of redevelopment of the CBS/GBHS sites would also help increase the supply of SSF.

1.5 The commencement date of the Pilot Scheme: 29<sup>th</sup> July 2016.

## **2. APPLICATION REQUIREMENTS**

The following principles should be complied with in order to meet the criteria of the Pilot Scheme.

2.1 The Pilot Scheme shall be initiated by CBS/GBHS flat owners by application to HKHS on a demand-led basis.

2.2 In each application, the CBS/GBHS flat owners should have acquired the relevant titles to their properties.

- 2.3 In each application, all CBS/GBHS flat owners with 100% ownership of the undivided shares of the CBS/GBHS building(s) shall consent to and fully participate in the Pilot Scheme for redevelopment.
- 2.4 The total CBS/GBHS site area or amalgamation of adjoining CBS/GBHS sites capable of joint development should be not less than 1,400m<sup>2</sup> (15,000ft<sup>2</sup>).

### **3. PRINCIPLES OF THE PILOT SCHEME**

- 3.1 The area of the site or amalgamation of adjoining sites should be not less than 1,400m<sup>2</sup> (15,000ft<sup>2</sup>).
- 3.2 HKHS shall bear the financial outcome of the SSF project independently, on a “no loss” basis, i.e. the income of the project shall be sufficient to cover all the costs and expenses of the project which shall include but not limited to:-
- (a) Acquisition price offer payable to the Applicants;
  - (b) Land premium for removal of Restriction on Alienation (“RoA”) of the concerned units payable to Government;
  - (c) Land premium for lease modification for redevelopment payable to Government; and
  - (d) Development costs including construction costs, marketing cost, stamp duty, administrative cost and all other expenses.
- 3.3 The gain in plot ratio is justified for redevelopment on economy of scale and financial viability grounds (at least financially break-even when approving the project).
- 3.4 The acquisition price to be offered to CBS/GBHS flat owners shall be conditional upon:-
- (a) Binding Agreements signed by all the owners with 100% ownership with the undivided shares of the CBS/GBHS building(s) within a reasonable period, say 6 months; and
  - (b) Completion of sale and purchase by all the owners with 100% ownership of the undivided shares of the CBS/GBHS building(s).

- 3.5 HKHS shall purchase individual CBS/GBHS flats from the owners at the following price:
- (a) CBS/GBHS flats still **subject to RoA: market price of CBS/GBHS flat (on a subject to RoA basis)** to be assessed by independent valuer, **i.e. the Existing Use Value (“EUV”) and HKHS shall be responsible to pay to the Government the outstanding land premium for removal of RoA** upon completion of the Assignments of their CBS/GBHS flats. Under the “no loss” principle, HKHS may offer an acquisition price slightly above the EUV (about 10% above the EUV) for acquisition of that CBS/GBHS flat.
  - (b) CBS/GBHS flats **NOT subject to RoA** (i.e. the CBS/GBHS flat owner has already paid the outstanding land premium to the Government for removal of RoA): **market price of CBS/GBHS flat (on a subject to RoA basis)** to be assessed by independent valuer, **i.e. EUV, together with an amount equivalent to the amount of the outstanding land premium for removal of RoA payable by a CBS/GBHS flat owner** in respect of a CBS/GBHS flat of similar size and EUV within the same CBS/GBHS building to the Government as determined by independent valuer. Under the “no loss” principle, HKHS may offer an acquisition price slightly above the EUV (about 10% above the EUV) for acquisition of that CBS/GBHS flat.
- 3.6 HKHS may upon request grant the CBS/GBHS flat owners a non-transferable Special Status to purchase a unit in the HKHS’s FFSS or SSF Secondary Market within two years from the date of the completion of Assignments. The decision of the HKHS of whether or not to grant this special status shall be final and conclusive and not subject to review. For the avoidance of doubt, this Special Status would only be granted to the CBS/GBHS flat owners who are ex-members of the relevant dissolved CBS or ex-underlessees of the relevant GBHS or their beneficial successors who have acquired the titles of the CBS/GBHS flats. Other CBS/GBHS flat owners who have acquired the unit in the open market would not be offered the Special Status.

#### **4. PROCESS OF THE PILOT SCHEME**

- 4.1 Applicants shall ensure that the joint application submitted by them satisfies the application requirements as stated in Para 2.2 and Para 2.3 above with regard to dissolution of the CBS/GBHS and consensus and participation of 100% ownership of undivided shares before submission.
- 4.2 Interested owners are required to jointly submit one duly completed and signed application form (attached to this pamphlet) and provide the relevant information including the nomination of Coordinator(s) to HKHS. Extra copies of the application form, if necessary, could be made for filling in the required information.

- 4.3 In assessing an application, if HKHS discovers that a particular site under an application duplicates with the site under another application, e.g. Facilitating Services (Pilot Scheme) and/or Demand-led Redevelopment Project (Pilot Scheme) of the Urban Renewal Authority, HKHS will require the Coordinator(s) as stated in the application to reply in writing within a specified time as to their final choice of application to be considered. If HKHS does not receive any written reply from the Coordinator(s) within the specified time, all such purported duplicated applications might not be considered by HKHS.
- 4.4 In deciding whether to select any particular application for further processing, HKHS will consider whether the application requirements stated in Para 3 are satisfied, the available manpower and financial resources of HKHS at the relevant time and any other relevant factors which considered necessary by HKHS, including but not limited to the property ownership structure of the buildings, financial viability assessment, etc.. HKHS does not bind itself to accept any application and reserves the right to reject or decline any application at any time at its sole discretion. A written notification will be issued within 3 months from the date of receipt of a duly completed and signed application form, indicating whether the application is accepted for further processing by HKHS.
- 4.5 Upon notification of acceptance of the application for further processing, the Applicants shall authorize HKHS in writing to act on their behalf to apply to:
- 4.5.1 Civil Service Bureau (“CSB”) for the issuance of waiver letters to allow the owners to enter into agreements for sale and purchase of their properties prior to payment of land premium to remove the RoA in respect of the properties; and
  - 4.5.2 Lands Department (“LandsD”) for the assessment of land premium for removal of the RoA.
- 4.6 The Applicants shall jointly appoint one solicitor firm as their own legal consultant and shall prove their titles at their own cost and expenses to the satisfaction of HKHS within such time limit as HKHS may consider appropriate in its absolute discretion.
- 4.7 HKHS shall verify the titles of the Applicants’ properties and appoint independent valuer to assess the EUV of individual flats, land premium to remove RoA, acquisition price to be offered to Applicants and estimate of the land premium for lease modification for redevelopment.

- 4.8 Upon receipt of the waiver letter and the offer of land premium for RoA, the Applicants shall sign and deliver the waiver letter to HKHS for further handling and HKHS shall evaluate the financial viability of the Pilot Scheme before making formal offers to the Applicants.
- 4.8.1 If the project is found financially not viable, the application will not be considered further.
- 4.8.2 If the project is financially viable, HKHS will, within 1 month, make offers of acquisition price to the Applicants for consideration.
- 4.9 If the acquisition offers are agreeable by all the Applicants, HKHS shall request its solicitors to prepare the formal Agreement for Sale and Purchase (“ASP”) for signing and returning by the Applicants. HKHS shall counter-sign the ASP after receiving the ASP duly signed by all the owners of 100% ownership with the undivided shares of the CBS/GBHS building(s).
- 4.10 HKHS will arrange for completion of the transaction by execution of the completion of Assignments and apply to LandsD for lease modification to facilitate the redevelopment. The Applicants shall follow the completion procedures as shall be determined by HKHS in its absolute discretion.
- 4.11 Upon request of the Applicants at least 30 days before completion of the Assignments, the Applicants who have made such requests may be granted a non-transferable Special Status to purchase a unit in the HKHS’s FFSS or SSF Secondary Market within two years from the date of the completion of Assignments.

*(Please refer to the flow chart in Appendix A)*

## **5. PAYMENT OF FEES & EXPENSES**

- 5.1 Each party shall bear his/her own legal costs and expenses incidental to the proof or verification of titles of the properties, the preparation and completion of the ASP and the subsequent Assignment.
- 5.2 HKHS shall pay the stamp duty chargeable to the ASP and the subsequent Assignment in accordance with the Stamp Duty Ordinance (Cap.117). HKHS shall also bear the registration fee for the Waiver letter, the ASP, the subsequent Assignment and the discharge of the RoA of the Property.
- 5.3 All fees (including the administrative fee) in connection with the assessment of the land premium imposed by the Government shall be borne and paid by HKHS.

## **6. WITHDRAWAL / TERMINATION APPLICATION**

HKHS will reject or terminate the application at any stage if any of the following situations arises:

- 6.1 The Application does not comply with the requirements stated in Para 2 and/or Para 3.
- 6.2 The project is found not financially viable.
- 6.3 There are title defects of the CBS/GBHS properties that HKHS will not be able to check and confirm all these titles.
- 6.4 There are less than 100% CBS/GBHS flat owners accepting the acquisition offer and executing the Agreements as well as the Assignments.

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**Disclaimer:**

This pamphlet is issued for the purpose of general reference only. The information contained herein is with reference to the principles and practice of the Hong Kong Housing Society prevailing at the date of issue of the pamphlet. It shall not constitute any offer or representation on the part of the Hong Kong Housing Society or give rise to any expectation whatsoever and shall not be relied on as such. Each application will be considered on its own merits having regard to all factors and circumstances. The Hong Kong Housing Society has the absolute discretion in reviewing the principles stated herein from time to time and reserves its right to add to, amend or delete the whole or any part of this pamphlet.

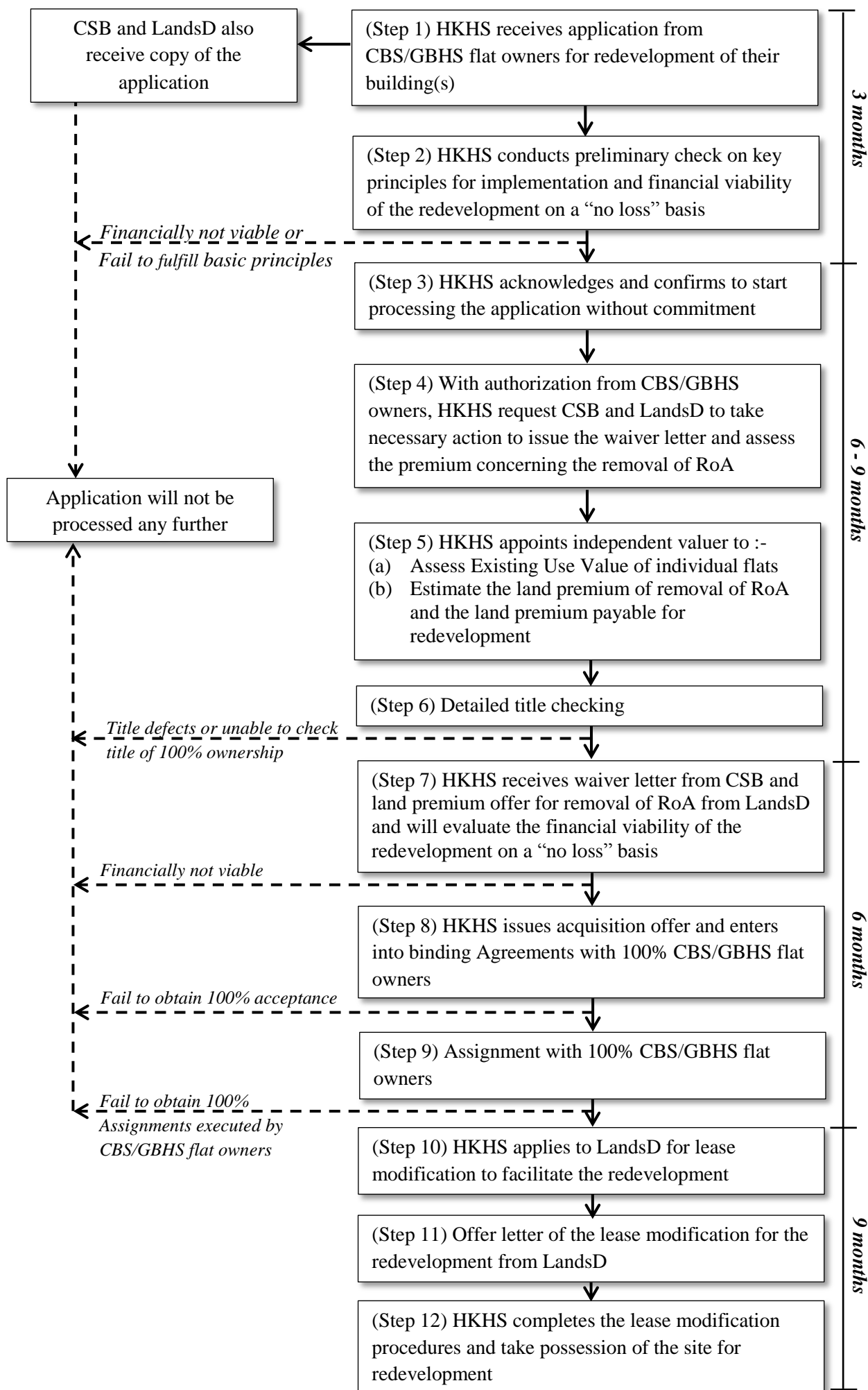
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**Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

**Enquiry Hotline No: 2839 2083**

**Hong Kong Housing Society Contact Telephone No: 2839 7888**

**Process of the Pilot Scheme – Flow Chart**





**Hong Kong Housing Society**

**Application Form for**

**Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

Date of receipt of application
Application No.

**Notes for Submission of Application Form**

1. Interested owners of flats developed under the Civil Servants' Co-operative Building Society Scheme ("CBS") and the Government Built Housing Scheme ("GBHS") are welcome to apply to the Hong Kong Housing Society ("HKHS") for implementation of the Redevelopment of Buildings Developed under the CBS and the GBHS (the "Pilot Scheme").
2. Applicants should note that HKHS will only consider an application which satisfies all the application requirements (the "Application Requirements") stated in Para 2 of the Pilot Scheme Pamphlet (the "Pamphlet").
3. Applicants should read the Pamphlet, the Notes for Completing Application Form and the Notes to Applicants Relating to the Collection of Personal Data before completing and signing this application form and giving the acknowledgement therein.
4. Duly completed and signed application forms shall be put in a sealed envelope marked "Confidential-Application for Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)" and be returned to the HKHS (Address: Hong Kong Housing Society, 29/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong).
5. No fee needs to be paid for submission of the application form.
6. If an Applicant signs the application form, it means that the Applicant has already read and understands the Pamphlet, the Notes for Completing Application Form and the Notes to Applicants Relating to the Collection of Personal Data and agrees to give the acknowledgement in Section III of the Application Form.
7. Processing Procedures and Notes for Applicants:
  - a. Upon receipt of an application form, the HKHS will verify the information provided therein to check if the Applicants have satisfied all the Application Requirements.
  - b. An application will not be considered any further if it cannot satisfy any of the Application Requirements.
  - c. The application which fulfills all the Application Requirements will be assessed in accordance with the process set out in Para 4 in the Pamphlet.

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Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme  
and the Government Built Housing Scheme  
(Pilot Scheme)

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**Hong Kong Housing Society**

**Application Form for**

**Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

Date of receipt of application
Application No.

**Notes for Completing Application Form**

1. Name, address and corresponding lot number of each building situated on the site under application should be entered in the "List of CBS / GBHS and Buildings on the Site under Application" in Section I of this application form. For example, if a site under application consists of three buildings, the names, address and corresponding lot numbers of all of the three buildings should be filled in the List.
2. All Applicants shall sign this application form.
3. If a property is co-owned by more than one person/company, all registered owners, who are the persons / companies recorded in the land register of the Land Registry as owners of the property shall sign in Section III in this application form.
4. For each corporate registered owner, if any, the application form shall be signed by a duly authorized director and stamped with company chop. The name of the signing director should be stated in the application form.
5. If an application form is signed by an attorney of a registered owner, a properly certified copy of the relevant power of attorney shall be attached.
6. If a registered owner has passed away, the Applicant for the property shall be the executor of the will of the deceased or the administrator of the estate of the deceased, to whom grant of probate or administration was granted by the court and whose name has been registered in the land register of the Land Registry.
7. The "Coordinator" in Section IV shall be an owner-applicant nominated by the Applicants. If necessary, the HKHS may get in touch with the Coordinator for arranging site inspection, obtaining further information, or seeking clarifications of the information provided in the application form.

**Notes to Applicants Relating to the Collection of Personal Data**

**1. Purpose of Collection**

The personal data provided by applicants will be used by the HKHS for the purpose of assessing their application for the Pilot Scheme and other purposes incidental to such assessment. The provision of personal data is on a voluntary basis but if any applicant does not provide sufficient personal data, the HKHS may not be able to process his/her application and the application may not be considered further. Please ensure that the data provided are accurate. If there are any changes in the data provided, please notify the HKHS in writing immediately.

**2. Classes of Transferees**

The personal data provided by applicants will be made available to appropriate persons of the HKHS on a need-to-know basis. Apart from this, they may only be disclosed to the parties listed below:

- a. Government departments and companies, organizations/persons (including but not limited to Civil Service Bureau, Lands Department, Housing Department, Housing Authority, Urban Renewal Authority) if they are involved in the process of assessment of the application; or
- b. Persons/organizations, the disclosure to whom is authorized by or consented to by applicants; or
- c. Persons/organizations, the disclosure to whom is authorized or required by law.

**3. Access to Personal Data**

Applicants have the right of access to and correction of their personal data. The right of access includes the right to obtain a copy of the personal data subject to payment of a fee.

**4. Enquiries**

Enquiries concerning the personal data collected by the HKHS and the request for access and correction should be addressed to:

HKHS Planning & Development Section  
29/F, World Trade Centre, 280 Gloucester Road, Causeway Bay  
Tel: 2839 7888 Fax: 2882 3400

Hong Kong Housing Society

**Application Form for**

**Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

Date of receipt of application

Application No.

Please read the Notes to Applicants Relating to the Collection of Personal Data of this form **before** completing this application.

**Section I: List of CBS / GBHS and Buildings on the Site under Application**

*(Please make additional photocopies to provide the relevant information if necessary)*

Name of CBS (before dissolution) / GBHS	Corresponding Lot Number(s)	Address of Individual Buildings
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

This application comprises \_\_\_ pages in total (i.e. including this page and all pages of the duly completed and signed Sections II, III and IV).



**Hong Kong Housing Society**

**Application Form for**

**Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)**

Date of receipt of application

Application No.

**Section III: Acknowledgment and Signature**

*(The owner-applicant(s) of each individual CBS/GBHS unit shall sign this Section III. Please make additional photocopies to provide the relevant information if necessary)*

- (1) I/We fully understand the contents of this form and confirm that all the information provided therein by me/us is true and correct. I/We fully understand and agree that this application covers all the building listed in the "List of CBS / GBHS and Buildings on the Site under Application" in Section I and "List of Properties under Application" in Section II and that when considering this application, the HKHS will treat it as one single inseparable application. Should there be any changes to the information provided after the submission of this form, I/We shall inform the HKHS in writing at once.
- (2) I/We agree to provide such other information or supporting documents as the HKHS may require in processing this application.
- (3) I/We fully understand and agree that the HKHS reserves the absolute right and discretion to decline this application at any time or stage of application and the HKHS shall not be liable to any person for doing so. I/We also agree that this application form and all supporting documents provided by me/us in relation to this application will not be returned to me/us irrespective of whether this application is successful or not.
- (4) I/We hereby give consent to the HKHS, in assessing my/our application, to compare and match the personal data on this form with relevant personal data collected for any other purpose (manually or in any other ways) so as to verify if the personal data provided are false and misleading, and to base upon such personal data to process the related application.
- (5) I/We acknowledge and agree that the person(s) who provided in Section IV of this application form will be the Coordinator(s) of this application.
- (6) I/We acknowledge and agree that this application is made under the terms and conditions of the Pamphlet and Notes for Completing Application Form.
- (7) I/We confirm that I/we read and fully understand the Notes to Applicants Relating to the Collection of Personal Data before completing this application.

Name of CBS (before dissolution) / GBHS:

Corresponding Lot Number(s):

Address of the individual unit:

Signature of the Applicant(s) / Authorized Representative of the Applicant(s) / Company Directors with Company Chop

Name:

HKID No/Passport No/Company No:

Hong Kong Housing Society

Application Form for

Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme and the Government Built Housing Scheme (Pilot Scheme)

Date of receipt of application

Application No.

**Section IV: Particulars of the Coordinator(s) of the Application for the Pilot Scheme**

*(Coordinator should be an owner-applicant nominated by the Applicants. There should be at least one Coordinator for each CBS/GBHS. Please make additional photocopies to provide the relevant information if necessary)*

**Coordinator (1)**

Name:

Name of CBS (before dissolution) /  
GBHS:

Telephone No:

Correspondence Address:

\_\_\_\_\_  
Signature of Coordinator

\_\_\_\_\_  
Date

**Coordinator (2)**

Name:

Name of CBS (before dissolution) /  
GBHS:

Telephone No:

Correspondence Address:

\_\_\_\_\_  
Signature of Coordinator

\_\_\_\_\_  
Date

**Coordinator (3)**

Name:

Name of CBS (before dissolution) /  
GBHS:

Telephone No:

Correspondence Address:

\_\_\_\_\_  
Signature of Coordinator

\_\_\_\_\_  
Date