



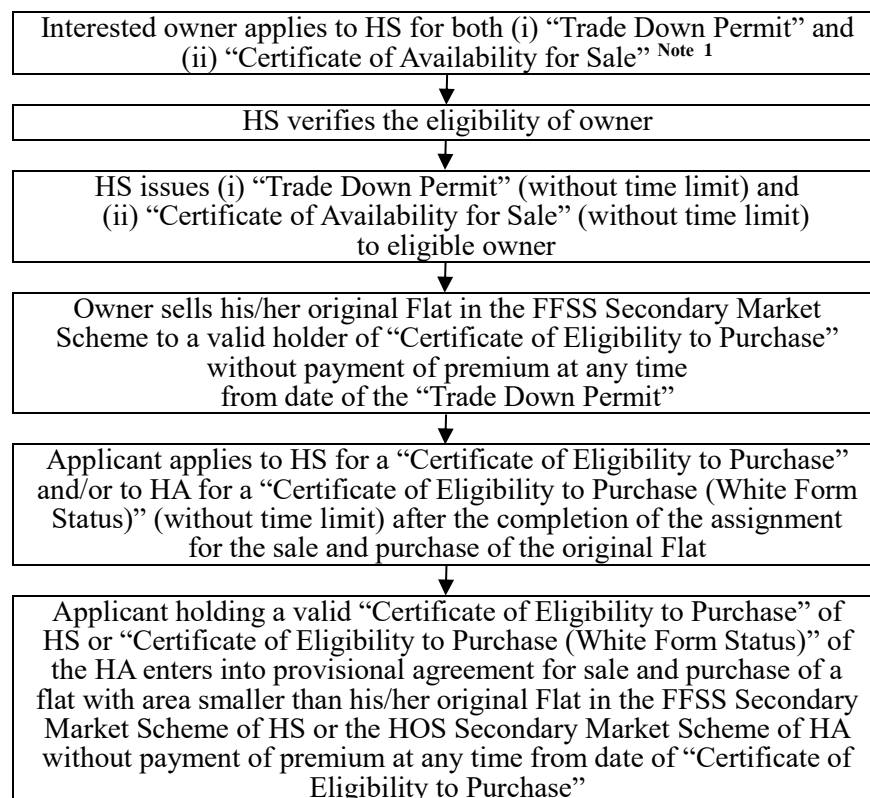
## **“Flat for Flat Pilot Scheme for Elderly Owners” Introduction Leaflet**

### **1 Background**

1.1 The Hong Kong Housing Society (“HS”) has launched the “Flat for Flat Pilot Scheme for Elderly Owners” (“Flat for Flat Pilot Scheme”) in 2019. This Flat for Flat Pilot Scheme aims to facilitate the circulation of subsidized sale flats by allowing owners aged 60 or above who have owned a flat of designated subsidised sale developments of HS with premium unpaid (“the Flat”) for ten years or above to sell their original Flat in HS’s Flat-for-Sale Scheme Secondary Market Scheme (“FFSS Secondary Market Scheme”) with premium unpaid and then purchase a flat with area smaller than their original Flat (“New Flat”) in HS’s FFSS Secondary Market Scheme or Hong Kong Housing Authority’s (“HA”) Home Ownership Scheme Secondary Market Scheme (“HOS Secondary Market Scheme”).

### **2 Summary**

#### **2.1 Key mode of operation**



Note 1 If owner had already successfully obtained a “Certificate of Availability for Sale” prior to Flat for Flat Pilot Scheme and has not used this certificate, the said owner needs to apply for the “Trade Down Permit” only but not the “Certificate of Availability for Sale”. See below paragraph 2.3.

- 2.2 The Flat for Flat Pilot Scheme is applicable to the following HS's subsidised sale developments with premium unpaid:
- "Flat-for-Sale Scheme" flats: Healthy Village Phase I, Healthy Village Phase II, Ka Wai Chuen Phases III & IV, Clague Garden Estate, Broadview Garden, Cronin Garden, Verbena Heights, Bo Shek Mansion, Lakeside Garden, Kai Tak Garden Phases I & II and Kingston Terrace.
- 2.3 Interested owner must first apply to HS for both "Trade Down Permit" and "Certificate of Availability for Sale". Owner who is currently holding a valid "Certificate of Availability for Sale" is only required to fill in the Certificate Number of the valid "Certificate of Availability for Sale" at the designated space on page 1 of the "Trade Down Permit" application form upon application to HS.
- 2.4 Upon completion of vetting on eligibility, HS will issue the "Trade Down Permit" and "Certificate of Availability for Sale" (if applicable) to eligible owner.
- 2.5 Owner who holds a "Trade Down Permit" and "Certificate of Availability for Sale" issued by HS can sell his/her original Flat in the FFSS Secondary Market Scheme to a valid holder of "Certificate of Eligibility to Purchase" without payment of premium at any time from date of "Trade Down Permit".
- 2.6 For the sale transaction on the FFSS Secondary Market Scheme under the Flat for Flat Pilot Scheme, owner shall be subject to prevailing policy and operation mechanism of the FFSS Secondary Market Scheme.
- 2.7 **Owner will have to arrange for the accommodation by himself/herself at his/her 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 in the FFSS Secondary Market Scheme or HOS Secondary Market Scheme).**
- 2.8 After completion of the assignment for the sale and purchase of the original Flat, applicant can apply to HS for a "Certificate of Eligibility to Purchase" and/or HA for a "Certificate of Eligibility to Purchase (White Form Status)".
- 2.9 The holder of "Certificate of Eligibility to Purchase (White Form Status)" of the HA can enter into a Provisional Agreement for Sale and Purchase of a flat in respect of which a "Certificate of Availability for Sale" has been issued by the HA and subject to the following in respect of flats sold by the HA under the Green Form Subsidised Home Ownership Scheme ("GSH"):
- (a) Except as provided in sub-clause (b) below, the holder of this Certificate shall not be eligible to purchase a flat sold by HA under GSH;
  - (b) The holder of this Certificate shall be eligible to purchase a flat in King Tai Court after the expiry of five years from the date of first assignment of the flat.

- 2.10 Owner who holds a valid “Certificate of Eligibility to Purchase” can purchase a New Flat which is smaller <sup>Note 2</sup> than the original Flat through the FFSS Secondary Market Scheme of HS or HOS Secondary Market Scheme of HA without payment of premium at any time from the date of “Certificate of Eligibility to Purchase”, and such New Flat so purchased shall be for co-occupation by all the owner(s) and the listed family members. For purchase of New Flat, owners are also required to apply for a Letter of Nomination to the HS (for flats purchased through the FFSS Secondary Market Scheme) or to the HA (for flats purchased through the HOS Secondary Market Scheme) and further provide (i) the original “Trade Down Permit” (with the saleable area of the original Flat stated), (ii) saleable area of the New Flat and (iii) no domestic property declaration made at the date of application of Letter of Nomination. The “Trade Down Permit” will be kept by the HS or HA.
- 2.11 For any purchase transaction on the FFSS Secondary Market Scheme or HOS Secondary Market Scheme under the Flat for Flat Pilot Scheme, owner shall be subject to prevailing policy and operation mechanism of the FFSS Secondary Market Scheme or HOS Secondary Market Scheme (as the case may be).
- 2.12 The “Certificate of Eligibility to Purchase”:
- 2.12.1 **is non-transferrable or non-inheritable and applicable to the holder of the “Certificate of Eligibility to Purchase” only.**
- 2.12.2 **will be void if the owner or any one of the listed family members (see below paragraph 3.1.4) purchases any domestic property in Hong Kong during the period from 24 months preceding the date of application for “Trade Down Permit” and up to the time of signing provisional agreement for sale and purchase of the New Flat, even if the property is subsequently sold during the said period.**
- 2.13 Owner and potential purchasers/sellers on the FFSS Secondary Market Scheme or HOS Secondary Market Scheme shall pay their respective portion of stamp duty as agreed between the parties for each transaction carried out under the Flat for Flat Pilot Scheme. In addition to the stamp duty for each transaction, owner may be required to pay, including but not limited to, the following fees as they go through the procedure for the sale and purchase arrangements:
- Commission fee charged by estate agent(s) for the conveyancing work (if the transaction was completed through estate agent(s)); and
  - Legal fee charged by lawyers for handling the conveyancing

---

Note 2 Such “trade down” 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. The information is available from the Rating and Valuation Department property information at a cost of HK\$9 per enquiry online services or HK\$20 per enquiry in person (current rate subject to adjustment from time to time).

arrangements (if lawyers were engaged for handling the conveyancing of properties).

- 2.14 The Flat for Flat Pilot Scheme is subject to the terms and conditions stated in the relevant Government Land Grants, Modification Letters, Government Lease, Housing Ordinance, “Trade Down Permit”, “Certificate of Availability for Sale” and “Certificate of Eligibility to Purchase” issued by HS and/or “Certificate of Eligibility to Purchase (White Form Status)” issued by HA to applicant(s), and the terms and conditions as stipulated by relevant government departments from time to time. In the event of any controversies or inconsistencies between the terms and conditions stated in the “Trade Down Permit”, “Certificate of Availability for Sale” and “Certificate of Eligibility to Purchase” and the terms and conditions as stipulated by relevant government departments in respect of the Flat for Flat Pilot Scheme from time to time, then those terms and conditions as stipulated by relevant government departments in respect of the Flat for Flat Pilot Scheme from time to time shall prevail over the terms and conditions stated in the “Trade Down Permit”, “Certificate of Availability for Sale” and “Certificate of Eligibility to Purchase” issued by HS and/or “Certificate of Eligibility to Purchase (White Form Status)” issued by HA applicable to applicant(s).

### **3 Owners – Eligibility Criteria and Procedures**

#### **3.1 General Eligibility Criteria**

- 3.1.1 All owners and listed family members must be 60 years of age or above on the date of submitting the application form; and
- 3.1.2 Owner must have owned the title of the Flat (from the date of signing the Deed of Assignment in respect of the Flat) for 10 years or above on the date of submitting the application form; and
- 3.1.3 The Flat is still subject to the restrictions on alienation of the Government Land Grant and the Modification Letter(s) (flat with premium unpaid); and
- 3.1.4 **Except for the original Flat, neither the applicant nor any member of the family listed in the application form has, during the period from 24 months preceding the date of submitting the application and up to the time of signing the provisional agreement for sale and purchase of the New Flat:**
- (a) owned or co-owned any domestic property in Hong Kong or any interest in such kind of property; or
  - (b) entered into any agreement (including provisional agreement for sale and purchase) to purchase any domestic property in Hong Kong; or
  - (c) owned more than 50% of the shares in a company in Hong Kong which directly or through a subsidiary company owned any domestic property in Hong Kong; or

- (d) been a beneficiary of any domestic property (including land) in Hong Kong; or
- (e) assigned any domestic property in Hong Kong or any interest in such property 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 property in Hong Kong in which the applicant/listed family member(s) owned more than 50% of the shares.

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

### 3.2 Summary of the Application Procedure

- 3.2.1 Now open for application.
- 3.2.2 Owner who is interested in applying for “Trade Down Permit” and “Certificate of Availability for Sale” shall post the completed and signed application form(s) together with the application fee to “Hong Kong Housing Society”, 29/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong. Please indicate **“Flat for Flat Pilot Scheme for Elderly Owners”** on the cover of the envelope.
- 3.2.3 Application fee for “Trade Down Permit” and “Certificate of Availability for Sale” are HK\$250 and HK\$810 respectively. The fee must be paid by crossed cheque or cashier’s order payable to **“HONG KONG HOUSING SOCIETY”**. Cash, gift cheque, post-dated cheque, bank draft or E-cheque will not be accepted. Please write the name of owner(s) on the back of the cheque or cashier’s order.
- 3.2.4 For the application for “Certificate of Eligibility to Purchase”, please refer to the **“Certificate of Eligibility to Purchase (Flat for Flat Pilot Scheme for Elderly Owners) Application Guide”**.

### 3.3 Important Notes for Owners

- 3.3.1 There is no asset limit for owner.
- 3.3.2 There is no limit on the number of listed family members. Addition and/or deletion of joint owners and/or family member is allowed, subject to compliance with the prevailing change of ownership and addition/ deletion policy.
- 3.3.3 **Owner must arrange for accommodation by himself/herself at his/her 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 in the FFSS Secondary Market Scheme or HOS Secondary Market Scheme).**

- 3.3.4 For the procedures and details on the application and issuance of “Trade Down Permit”, “Certificate of Availability for Sale” and “Certificate of Eligibility to Purchase”, please refer to the “Flat for Flat Pilot Scheme for Elderly Owners” application form and application guide for owners.
- 3.3.5 The “Certificate of Eligibility to Purchase” will be void if the applicant or any one of the listed family members (see 3.1.4) buys a domestic property in Hong Kong during the period from 24 months preceding the date of application for “Trade Down Permit” and up to the time of signing the provisional agreement for sale and purchase of the New Flat, even if the property is subsequently sold during the said period.
- 3.3.6 **A “Trade Down Permit” 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 FFSS Secondary Market Scheme or HOS Secondary Market Scheme.** Within the restriction period, owner can only sell the New Flat in the open market by payment of premium. As to when the premium can be made for a HOS flat, applicants should take reference to the alienation restrictions on the individual court of the HA.
- 3.3.7 The “Trade Down Permit” and “Certificate of Eligibility to Purchase” are not transferrable or inheritable and applicable to the holder(s) of the Permit and Certificate only. In the event of any holder(s) of the said Permit/Certificate passing away before the execution of any Provisional Agreement for Sale and Purchase for purchase of New Flat under the Flat for Flat Pilot Scheme, the said Permit/Certificate shall be void.

#### **4 Enquiries**

- 4.1 Visit HS’s website:  
<https://www.hkhs.com/en/application/subsidised-sale-housing/id/196> ; and
- 4.2 Call the enquiry hotline at 8102 0889 (8:30 am to 12:30 pm and 1:30 pm to 5:30 pm from Monday to Friday, excluding Saturdays, Sundays and public holidays).

The information contained in this Leaflet is not legally binding on HS. HS shall not be liable for any loss suffered by any person arising out of his/her reliance on this Leaflet. HS reserves the right to make amendments to any content in this Leaflet without prior notice.

October 2019