

**THE HONG KONG HOUSING AUTHORITY**

**Memorandum for the Home Ownership Committee  
and Management and Operations Committee**

**Long Term Housing Strategy Review**

**Expansion of ‘Transfer Block’ Scheme**

**PURPOSE**

This paper seeks Members’ views on the proposal in the Long Term Housing Strategy (LTHS) Review to expand the existing ‘transfer block’ scheme.

**BACKGROUND**

2. The LTHS Review proposes that the Housing Authority (HA) should consider widening the existing ‘transfer block’ scheme to provide more opportunities for home purchase among both existing and qualified prospective tenants, subject to both demand and available supply.

**PRESENT POSITION**

3. To promote home ownership among public housing tenants and encourage better-off tenants to vacate their rental units through the purchase of Home Ownership Scheme (HOS) flats, the HA has implemented since 1984 a scheme to transfer new rental blocks to the HOS for sale to Green Form (GF) applicants. The number of flats put on sale under this scheme is dependent on the availability of surplus public rental housing (PRH) flats not reserved for committed categories. So far, 40 blocks with about 25,000 flats

have been sold under the scheme. These flats are sold at prices slightly lower than those of HOS to reflect the differences in fittings and finishes.

4. The HA has also endorsed a proposal in its HOS Review completed in early 1996 to grant a monthly mortgage subsidy during the first three years to Comprehensive Redevelopment Programme (CRP) tenants who choose to buy, rather than rent, new flats in reception estates. Under this proposed mortgage subsidy arrangement, CRP tenants would purchase flats in the 'transfer blocks' in the usual way but the HA would assist home buyers in the payment of their mortgage loan through a monthly grant.

5. Following the HOS Review, the HA steered that more should be done to promote home ownership among public housing tenants so as to increase the turnover, and hence re-allocating the limited PRH resources to households in genuine need. The transfer of more rental blocks to HOS for sale will help to meet the demand for home ownership from GF applicants and increase the mobility of existing tenants.

## **LTHS REVIEW PROPOSAL**

6. In considering the proposed expansion of the existing 'transfer block' scheme, Members may wish to deliberate on the demand and supply of 'transfer blocks' as set out in the following paragraphs.

### **Demand**

7. The demand for 'transfer blocks' is confined to GF applicants, i.e. CRP tenants, existing PRH tenants, GF certificate holders, carees and junior civil servants. They are more selective and recent sales show that almost all GF applicants now have chances to buy because of large number of drop-out applicants. If the scheme is to be expanded, care must be taken to select only suitable blocks for sale. Meanwhile, priority to buy may be accorded to sitting tenants of the same district in order to enhance the scheme's attractiveness to them.

## **Supply**

8. At present, the 'transfer block' scheme makes use of the rental blocks not required by the committed categories in order not to jeopardise the CRP and other clearance programmes. If the scheme is to be expanded, there is a need to identify suitable 'transfer blocks' according to a set of selection criteria. Members may wish to consider whether the existing principle of not jeopardising the rehousing needs from the HA's clearance, waiting list and redevelopment pledges should be relaxed to make available more 'transfer blocks' for sale.

## **DISCUSSION**

9. At the next joint meeting of the Home Ownership Committee and the Management and Operations Committee to be held on 17 March 1997, Members will be asked to discuss and give their views on the LTHS Review proposal to expand the existing 'transfer block' scheme.

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