

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Home Ownership Committee

Sale Analysis of Tenants Purchase Scheme Phase 2

PURPOSE

To inform Members of the findings on sale analysis of Tenants Purchase Scheme (TPS) Phase 2.

BACKGROUND

2. As at 26 July 2000, 18 259 (67.23%) out of the 27 161 households in the six estates in TPS Phase 2, viz. Chuk Yuen North, Tin King, Tsui Wan, Tak Tin, Wah Ming and Yiu On Estate, have purchased their public rental flats and become owners. The sale result has been analyzed and the findings are at **Annexes A to E**.

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- Annex A : Sale Analysis by Flat Type/Size
 - Annex B : Sale Analysis by Block Type
 - Annex C : Sale Analysis by Floor Level
 - Annex D : Sale Analysis by List Price
 - Annex E : Demographic Analysis on the Purchasers

FLAT TYPE/SIZE

3. Sale percentage tends to go up with flat size. It ranges from more than 80% for large flats (41 m² and above), to less than 6% for 1-P flats and 16% for 2-P flats. The pattern is similar to that in Phase 1 where over 80% of the large flats was sold, but the sale figure for 1-P and 2-P flats is only 13.67% and 20.55% respectively.

4. Occupants of smaller flats are mainly elderly single persons or couples who have in general a lower demand and desire for home ownership. Their financial position is on average not as good as other households which may have more than one bread winners. Quite some elderlies may live on Comprehensive Social Security Allowance and this weakens the sale of small flats.

BLOCK TYPE

5. Trident blocks are again proved to be more popular than slab blocks. The sale percentage of flats in Trident-3 and Trident-4 blocks is about 70% as compared to 44% in New Slab Blocks. The main reason for the lower sale figure in slab blocks is that all flats are under 35 m² saleable area. This coincides with the findings that large flats are more popular. The non-buyers, even if financially capable, may prefer to remain as rental tenants and wait for other subsidized home ownership opportunities, such as Home Ownership Scheme or Home Purchase Loan Scheme.

FLOOR LEVEL

6. Floor level is apparently not a major determinant for TPS purchase. The difference in sale percentage amongst flats in high floors (above 20th floor), medium floors (11th to 20th floor) and low floors (10th floor and below) is not significant, although the trend shows greater popularity for upper floor flats and is very similar to that in Phase 1. Pricing of TPS flats has taken into account of floor level, and thus flats at lower floor level offer good value-for-money.

LIST PRICE

7. The percentage of sale is found to go up with list price in all the six

Phase 2 estates. Flats of larger size, though more expensive, are more popular. This sale pattern coincides with that in Phase 1.

DEMOGRAPHIC ANALYSIS

8. Joint ownership is again very common. Of the 18 259 flats sold, 74.20% are purchased under joint ownership (71.37% in Phase 1). The percentage of joint-owners with age difference of more than 20 years is 35.26% in urban estates (Chuk Yuen North, Tak Tin and Tsui Wan) and 8.44% in estates in the New Territories (Tin King, Wah Ming and Yiu On). This suggests that joint-ownership by parents and a second-generation family member is more prevalent in urban estates. For joint-ownership with age difference of less than 10 years between the joint-owners, suggesting that the joint-ownership may be by married couples, the percentage is 56.90% in urban estates and 84.20% in estates in the New Territories.

9. The above pattern of father/son joint-ownership (22.47%) and husband/wife joint-ownership (77.53%) in Phase 2 is similar to that in Phase 1 (23.52% and 76.48% respectively), and can be explained with reference to the source of tenants. The tenants of the three urban estates are mostly from redevelopment of older estates and their households have a higher percentage of extended families. On the other hand, the estates in the New Territories are new town estates with many flats let to General Waiting List applicants comprising of young families.

10. Age distribution of owners shows that the largest age group is 38 to 47 years old (39.81%). This is the age group when career becomes mature with family income more stable and predictable. The size of the three age groups, namely 28 to 37, 48 to 57 and 57 & above, are quite close (14.91% to 21.44%), and displays similarity to the pattern in Phase 1 (43.62% for the 38 to 47 group, and 15.13% to 20.48% for the other three groups). For owners aged under 27, the proportion is small in both TPS phases, being 3.96% in Phase 2 and 3.72% in Phase 1.

INFORMATION

11. This paper is issued for Members' information. Members may discuss the paper at the next HOC meeting if they so wish.

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