



Circular

Circular No. 00-13(CR)

November 2000

Procedures on the Alienation of HOS Flats

The Authority has often received enquiries on the law and procedures of transactions involving Home Ownership Scheme flats and Private Sector Participation Scheme flats. Under the Housing Ordinance (Cap. 283), all flats under the said schemes have alienation restrictions. On the expiry of 5 years from the date of first assignment by the Housing Authority (in the case of HOS flats) or by the developer (in the case of PSPS flats), owners of such flats can sell or rent the flats after paying a premium to the Housing Authority and obtaining a Letter of Removal of Alienation Restriction. On the expiry of 2 years flats can be sold on the HOS Secondary Market Scheme to qualified persons without paying premium.

To list a flat for sale in the HOS Secondary Market Scheme, a vendor is required to obtain a "Certificate of Availability for Sale" and a qualified purchaser is required to obtain a "Certificate of Eligibility to Purchase" from the Housing Authority. Then the parties may proceed to negotiate the terms and sign the Provisional Agreement for Sale and Purchase ("PASP") prescribed by the Housing Authority. If the prescribed forms are not used, the transaction will be void.

The Housing Authority has reaffirmed that both holders of the estate agent's (individual) licence and the salesperson's licence may sign its prescribed PASP. Where the prescribed PASP is signed by a practitioner, the name, address and Business Registration Number of the estate agency company should be entered on the first page of the PASP, while the licence number of the estate agent or salesperson who has facilitated the deal should be entered clearly on the last page.

For further details, please refer to Circular Nos. 99-02, 99-05, 99-07 and 00-05 (all Circulars are on the Authority's website at <http://www.eaa.org.hk>), or call the Housing Authority Hotline at 2712 8000.

This Circular should be made available for the
information of all staff engaged in estate agency work.