



Circular

Circular No. 99-05 (CR)

30 April 1999

Sale and Purchase of Flats Under the Home Ownership Scheme & Private Sector Participation Scheme in the Secondary Market (II)

By Circular No. 99-02(CR), practitioners have been advised on property transactions pertaining to the Housing Authority's Secondary Market Scheme for flats under the Home Ownership Scheme (HOS) and the Private Sector Participation Scheme (PSPS). This Circular will advise further on the disposal of flats under the said Schemes on the removal of alienation restrictions.

Under the Housing Ordinance (Cap 283), all flats under the said Schemes have alienation restrictions. On the expiry of ten 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 Restrictions.

Section 17B of the Housing Ordinance provides that any agreement purporting to assign or otherwise alienate such flats in contravention of the requirements of the Housing Ordinance shall be void. Further, section 27A of the Housing Ordinance provides that any person who purports to enter into such an agreement shall commit an offence.

Practitioners who handle the sale and purchase or the leasing of flats under the said Schemes should advise their clients of the requirement to pay premium and related requirements. For details, please consult the Housing Authority.

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