

Note to Application for Lifting of Resale Restrictions for Flats Sold Under the Urban Renewal Authority Subsidised Sale Flat (SSF) Scheme

1. Background

The first Urban Renewal Authority (“URA”) SSF Scheme was introduced in 2016. A total of 322 flats in "煥然壹居" were sold at discounted prices under the SSF Scheme. To curb speculative activities, the land grant of the development of "煥然壹居" (i.e. Conditions of Grant No. 20169 as varied or modified by a Modification Letter dated 24 November 2015 and registered in the Land Registry by Memorial No. 15112501580011) (“**Land Grant**”) imposes conditions on alienation of the SSFs.

2. Resale Restrictions

Alienation of SSF by an owner is subject to the following conditions as contained in the Land Grant :-

(i) Within a period of the First 2 Years from the date of First Assignment

If any owner shall be desirous of selling or otherwise disposing of his/her SSF during the 2-year Period (being a period of 2 years from the date of the assignment of his/her SSF from URA to him/her (“**First Assignment**”), he/she shall give a written offer to sell back his/her SSF to URA pursuant to Special Condition No. 34(d)(i) of the Land Grant at the original purchase price less the following: (a) any amount due or to become due for principal and interest under any approved mortgage; (b) reasonable cost of making good any damage or deterioration to his/her SSF; (c) all outgoings in respect of his/her SSF up to but excluding the date of delivery of vacant possession of his/her SSF to URA; and (d) the legal costs and other expenses, fees, and any stamp duty payable in respect of assignment by the owner.

If URA does not serve upon the owner a written notice of its intention to buyback his/her SSF within 28 days of its receipt of the owner’s written offer, the owner may apply to URA for assessment of the Amount (as defined below, and shall be entitled to sell, assign, mortgage, charge, demise, underlet or otherwise dispose of his/her SSF as he/she sees fit subject to the payment of the Amount to URA.

(ii) Exceeding Two Years

After the expiry of the 2-year Period, an owner shall be entitled to sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SSF as he/she sees fit subject to the payment of the Amount to URA.

(iii) The owner shall pay to URA all necessary administrative costs, valuation costs (if applicable), legal costs and all other expenses.

3. Assessment of the Amount

The Amount (as defined in Special Condition No. (34)(j)(i) of the Land Grant) means an amount equal to that proportion of full market value, as assessed by URA of a SSF at the time of payment of such proportion which is the same proportion of the full market value as specified in the First Assignment which was not paid by the owner named in the First Assignment at the time of the assignment of the SSF from URA to him/her.

The assessment of the Amount which an owner of SSF is required to pay is based on the prevailing market value of his/her SSF (free from the conditions on alienation), and the difference between the purchase price of his/her SSF (“**Purchase Money**”) and its full market value (“**Full Market Value**”) as specified in the First Assignment. The Amount is calculated as follows:

$$\text{Amount} = \text{Prevailing Market Value} \times \frac{(\text{Full Market Value} - \text{Purchase Money})}{\text{Full Market Value}}$$

For example:

| | |
|---|---------------|
| Prevailing Market Value | : \$8,000,000 |
| Full Market Value (at the time of purchase) | : \$6,700,000 |
| Purchase Money | : \$5,800,000 |

$$\begin{aligned}\text{Amount} &= \$8,000,000 \times \frac{(\$6,700,000 - \$5,800,000)}{\$6,700,000} \\ &= \$1,074,627\end{aligned}$$

Note : The sale discount of each SSF may not be the same. The calculation of the Amount is based on the Purchase Money and Full Market Value specified in the First Assignment.

4. Application for Lifting of Resale Restrictions

The completed application form (Appendix), administrative fee and a copy of the First Assignment of the subject SSF shall be delivered to the URA’s Head Office **Property and Land Division** at **26/F COSCO Tower, 183 Queen’s Road Central, Hong Kong**. (Please mark “*Application for Lifting of Resale Restrictions*” on the envelope).

5. Administrative Fee

An administrative fee of **HK\$3,390** (cashier’s order or crossed cheque made payable to “**Urban Renewal Authority**”) shall be submitted by the owner together with the completed application form. The address of the subject SSF shall also be written on the back of the cashier’s order or crossed cheque. URA may adjust the amount of administrative fee from time to time without prior notice and the administrative fee paid is not refundable in any event nor transferable.

6. Validity Period of Assessment

The Amount assessed by URA will be valid for two months from and including the date

of the URA's letter of notification of assessment. If the Amount is not paid within this 2-month period, the validity of assessment will lapse. If an owner requests for a fresh assessment of the Amount, it will be considered as a new application and an administrative fee currently at **HK\$3,390** is payable upon the submission of a new application.

7. Confirmation Letter for Removal of Alienation Restrictions

After the assessed Amount has been paid (by cashier's order or crossed solicitor's cheque) by the owner, a Confirmation Letter for Removal of Alienation Restrictions ("**Confirmation Letter**") will be issued by URA confirming that the owner has paid the Amount to URA in accordance with Special Condition No. (34)(d)(iii) or (e) of the Land Grant (as the case may be) and the owner shall be entitled to sell, assign, mortgage, charge, demise, underlet or otherwise dispose of his/her SSF as he/she sees fit. The owner is advised to arrange for registration of the Confirmation Letter in the Land Registry.

8. Alienation of SSF

After the 2-year Period, or if URA does not exercise its option to buyback a SSF offered by its owner to URA within the 2-year Period, the owner is entitled to sell, assign, mortgage, charge, demise, underlet or otherwise dispose of his/her SSF as he/she sees fit subject to the payment to URA of the Amount.

Notwithstanding that an owner has not made payment to URA of the Amount, he/she may enter into an agreement for sale and purchase of his/her SSF ("**Agreement**") provided that it is a condition of such Agreement that the Amount shall be paid to URA prior to assignment of the SSF. To ensure that the Amount can be paid prior to the completion of the assignment, the SSF owner (as vendor) shall have the assessment of the Amount completed (i.e. after receiving URA's letter of notification of assessment of the Amount) before entering into the Agreement, or alternatively, ensure that the Agreement stipulates the fact that the assessment of the Amount has yet to be completed by URA. **A SSF owner is advised to consult his/her solicitors before entering into any Agreement.**

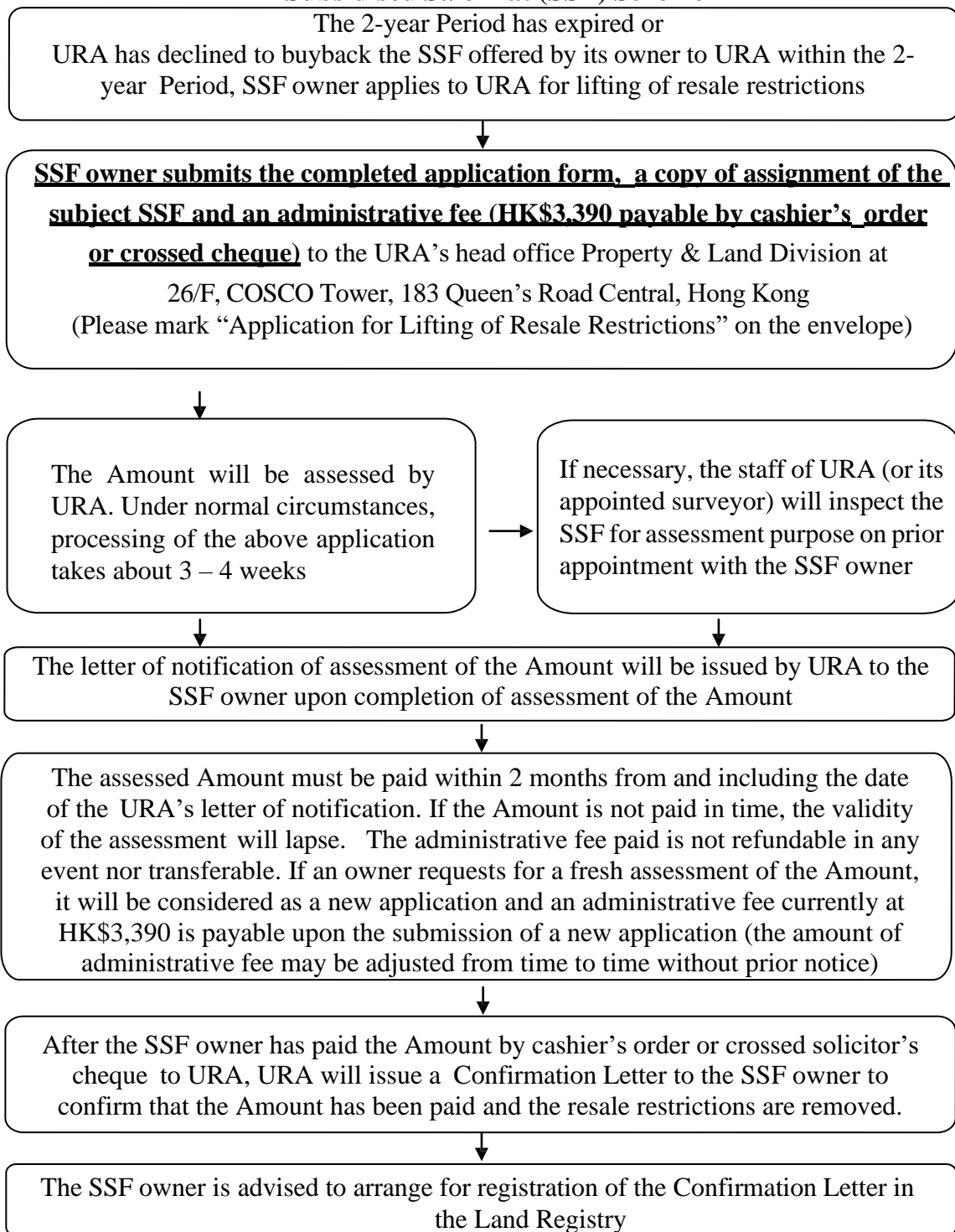
9. Payment of Amount without Alienation of SSF

After the 2-year Period has expired or any time after URA does not exercise its option to buyback a SSF offered by its owner to URA within the 2-year Period, a SSF owner can apply to URA for an assessment of the Amount. Once the assessed Amount is paid, a Confirmation Letter will be issued by URA confirming that the owner has paid the Amount to URA in accordance with Special Condition No. (34)(d)(iii) or (e) of the Land Grant (as the case may be) and the owner shall be entitled to sell, assign, mortgage, charge, demise, underlet or otherwise dispose of his/her SSF as he/she sees fit. The SSF owner is then at liberty to retain or sell his/her SSF at any time he/she sees fit.

Notes :-

- (i) This information leaflet is prepared solely for the purpose of explaining the procedures of lifting the resale restrictions of SSF and payment of the Amount, and shall have no legal effect.
- (ii) URA reserves the right to revise, or otherwise amend or rectify the content of this information leaflet without prior notice.
- (iii) In the event of any dispute as to the contents of this information leaflet, the English version is to prevail.

Procedures for Lifting of Resale Restrictions under Subsidised Sale Flat (SSF) Scheme



Enquires and Application Form for Lifting of Resale Restrictions

Enquiries : If you have any enquiries, please call 6792 9249. This information leaflet and Application Form for Lifting of Resale Restrictions can be downloaded from the following websites:

- (a) Urban Renewal Authority: <https://www.ura.org.hk/en/self-developed-residential-projects/kai-tak-development/subsidised-sale-flat-ssf-scheme-units>
- (b) 煥然壹居 - URA Kai Tak: <https://urakaitak.hk/en/Home.aspx>

Notes : Urban Renewal Authority reserves the right to revise from time to time the administrative fee and the procedures for payment of Amount

For Official Use Only

Our Ref. :

First Assignment Date :

Application Date :

To : Urban Renewal Authority ("URA")

Subsidised Sale Flats Scheme
Application for Lifting of Resale Restrictions

Property Address: Flat_____Floor_____Tower_____ (Estate)_____ 煥然壹居_____

I/We would like to apply to URA for lifting of resale restrictions and the assessment of the Amount (as defined in Special Condition No. (34)(j)(i) of the land grant in respect of "煥然壹居" (i.e. Conditions of Grant No. 20169) ("Land Grant")) in respect of the above property. I/We have read the contents of the **"Note to Application for Lifting of Resale Restrictions for Flats Sold under the Urban Renewal Authority Subsidised Sale Flat Scheme"** before making this application.

To facilitate the processing of this application, I/we attach the following:

1. ☐ a copy of assignment of the above property from URA to me/us.
2. ☐ a crossed cheque / cashier's order (No. _____) payable to **"Urban Renewal Authority"** for payment of the Administrative Fee, currently at **HK\$3,390** (Please state the address of the above property on the back of the crossed cheque / cashier's order).

I/We understand and agree that:

- (a) if any of the above mentioned document or the Administrative Fee is not enclosed here, my/our application is invalid and will not be processed further;
- (b) the Administrative Fee is not refundable in any event nor transferable;
- (c) with prior arrangement, access to the above property for an internal inspection for the purpose of assessing the Amount will be given to your staff (or your appointed surveyor);
- (d) my/our application is subject to the **"Notes to Applicants"** overleaf.

Signature : _____

Name of Owner(s) /
Applicant(s) in
Block Letters : _____Address : _____
(if different from the above)Daytime Contact
Tel No. : _____ Date : _____

Notes to Applicants

1. Please send the completed and signed application form, other requested information and the crossed cheque/cashier's order for payment of the Administrative Fee to:

Urban Renewal Authority
Property and Land Division
26/F, COSCO Tower
183 Queen's Road Central
Hong Kong

2. After receiving this application form, the requested information in full and the Administrative Fee, URA will send an acknowledgement letter to the applicant and proceed with processing of the application. If the requested information is incomplete, the application will not be processed until all required information have been received.
3. Administrative Fee is not refundable nor transferable in any event.
4. The personal data provided by means of this application will be used by URA for processing the application for lifting of resale restrictions. The provision of personal data by means of this application is voluntary. However, if the applicant does not provide sufficient information, URA may not be able to process this application.
5. The personal data the applicant provides by means of this application may be disclosed to any relevant Government bureaux and departments for the purpose mentioned in paragraph 4 above.
6. Pursuant to the Personal Data (Privacy) Ordinance (Cap.486), the owner(s) / applicant(s) are entitled to request access to and correction of his/her personal particulars contained in the Application Form. Any such requests shall be made in writing and directed by post to General Manager, Property and Land, Urban Renewal Authority, 26/F, COSCO Tower, 183 Queen's Road Central, Hong Kong (Please indicate "Request for Personal Data" on the envelope). A fee may be charged for such requests.