

Estimated Expenditure for Managing Surplus Home Ownership Scheme (HOS) Flats

Type of Flats	No. of Flats	Disposal Arrangement	Cost Incurred (in \$ Million) ⁽¹⁾		Expected Costs (in \$ Million)		
			From date of completion / buy-back to end of March 2005		From April 2005 to December 2006		
			Management Fee	Government Rent	Management Fee	Government Rent	Touching-up Costs ⁽³⁾
Returned flats ⁽²⁾	5 392	For sale to Green Form applicants after the end of 2006	46.9 M	18.7 M	50.9 M	20.3 M	N/A
Unsold flats in sold / partially sold HOS courts	6 082		80.9 M	32.4 M	54.9 M	21.9 M	5.0 M
Kingsford Terrace	2 010	For sale as HOS flats in 2007	1.8 M	2.3 M	5.5 M	7.0 M	1.6 M
Flats in unsold HOS developments	3 040	To be decided	31.1 M	2.2 M	8.6 M	1.3 M	2.5 M
Total No. of Surplus Flats	16 524	Total Expenditure	160.7 M	55.6 M	119.9 M	50.5 M	9.1 M
			216.3 M		179.5 M		

(1) The cost figures are calculated on the basis of the average expenditure for various types of flats according to their time of completion or buy-back.

(2) As at 28 February 2005.

(3) New flats in sold or partially sold HOS courts and Kingsford Terrace, which the Housing Authority bought back in August last year, will require simple touching-up works such as surface and occasional minor repairs before their sale in future. As to the 3 040 flats in unsold HOS developments, if there is no other appropriate alternative way of disposal and the flats are to be sold as HOS flats after the end of 2006, touching-up works will also be necessary. On the other hand, the 5 000 odd returned flats would require more substantial refurbishment due to previous occupation. Given that this cost item is necessary irrespective of timing of sale, it is not included above as a withholding cost.