

Note to Application for Lifting of Resale Restrictions for Flats Sold Under the Urban Renewal Authority Starter Homes (SH) Pilot Project for Hong Kong Residents

1. Background

The Urban Renewal Authority (“**URA**”) SH Pilot Project was introduced in 2018. A total of 493 units in “eResidence” were sold at discounted prices under the SH Pilot Project. To curb speculative activities, the land grant of the development of “eResidence” (i.e. Conditions of Grant No. 20249 as varied or modified by a Modification Letter dated 14 November 2018 and registered in the Land Registry by Memorial No. 18112200550078) (“**Land Grant**”) imposes conditions on alienation of the SH units.

2. Resale Restrictions

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

(i) Within a period of 5 Years from the date of the First Assignment

Before a period of 5 years has elapsed from the date of the assignment of his/her SH unit from URA to him/her (“**First Assignment**”), unless and until he/she has obtained the prior written approval from URA and complied with the guidelines (if applicable) issued by URA, and paid the Amount (as defined in Part 3) (“**Amount**”) to URA, **no** owner shall sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit or any part thereof or any interest therein (“**Resale Restrictions**”).

The owner shall give a written request for the URA written approval, if he/she intends to sell or assign his/her SH unit. URA will process the request on case-by-case basis. After the owner obtains the written approval from URA, he/she may apply to URA for lifting of the Resale Restrictions. The owner may only sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit as he/she sees fit, after payment of the Amount (as defined in Part 3) to URA and lifting of the Resale Restrictions.

(ii) After 5 Years from the date of the First Assignment

After a period of 5 years has elapsed from the date of the First Assignment, an owner shall be entitled to sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit as he/she sees fit subject to the payment of the Amount (as defined in Part 3) to URA.

(iii) The owner shall pay to URA all necessary administrative costs, valuation costs (if applicable), legal costs and all other expenses for the application for lifting of Resale Restrictions.

3. Assessment of the Amount

The Amount (as defined in Special Condition No.(41)(j)(i) of the Land Grant) means an amount equal to that proportion of full market value, as assessed by URA of a SH unit 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 SH unit from URA to him/her.

The assessment of the Amount which an owner of a SH unit is required to pay is based on the prevailing market value of his/her SH unit (free from the conditions on alienation), and the difference between the purchase price of his/her SH unit ("**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

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

Note: The sale discount of each SH unit 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 SH unit 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 of Starter Home unit*" 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 SH unit 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. (41)(e) or (f) of the Land Grant (as the case may be) and the owner shall be entitled to sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit as he/she sees fit. The owner is advised to arrange for registration of the Confirmation Letter in the Land Registry.

8. Alienation of SH unit

After the First 5 Years, or if the owner has obtained the prior written approval from URA and complied with the guidelines (if applicable) issued by URA within the First 5 Years, the owner is entitled to sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit 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 for the sale of his/her SH unit ("**Agreement**") provided that it is a condition of such Agreement that the Amount shall be paid to URA prior to assignment of the SH unit. To ensure that the Amount can be paid prior to the completion of the assignment, the SH unit 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 SH unit owner is advised to consult his/her solicitors before entering into any Agreement.**

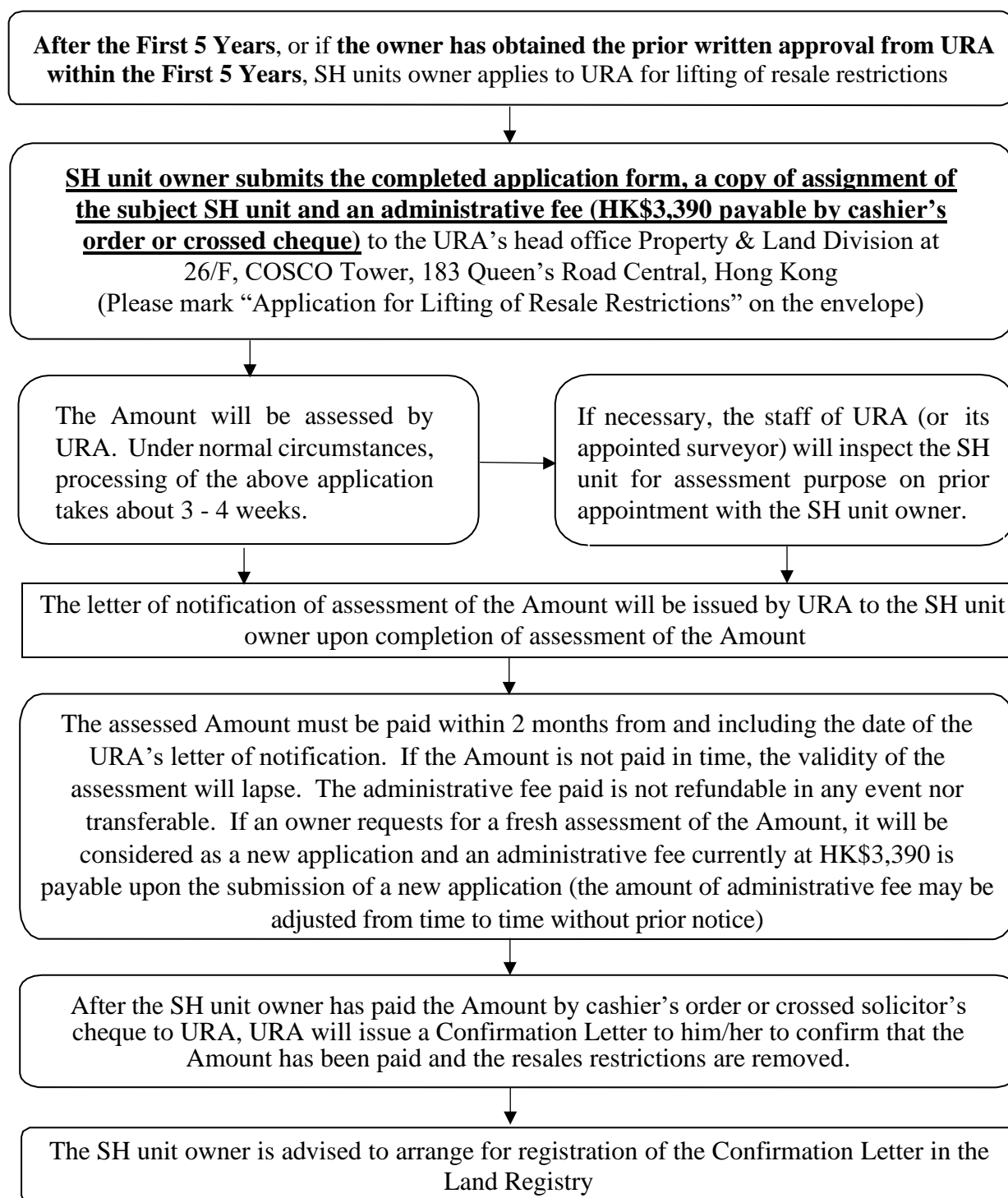
9. Payment of Amount without Alienation of SH unit

After the First 5 Years, or if the owner has obtained the prior written approval from URA and complied with the guidelines (if applicable) issued by URA within the First 5 Years, a SH unit 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. (41)(e) or (f) of the Land Grant (as the case may be) and the owner shall be entitled to sell, assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of his/her SH unit as he/she sees fit. The SH unit owner is then at liberty to retain or sell his/her SH unit 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 SH unit 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 Starter Homes (SH) Pilot Project for Hong Kong Residents



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 :-
Urban Renewal Authority: <https://www.ura.org.hk/en/self-developed-residential-projects/eresidence>

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

Appendix

For Official Use Only	
Our Ref.	:
First Assignment Date	:
Application Date	:

To : Urban Renewal Authority (“URA”)

Starter Homes Pilot Project **Application for Lifting of Resale Restrictions**

Property Address: Flat _____ Floor _____ Tower _____ (Estate) _____ eResidence _____

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.(41)(j)(i) of the land grant in respect of “eResidence” (i.e. Conditions of Grant No.20249) (“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 Starter Homes Pilot Project**” before making this application.

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

- ☐ a copy of assignment of the above property from URA to me/us.
- ☐ 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 :-

- 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;
- the Administrative Fee is not refundable in any event nor transferable;
- 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);
- 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.