

## Prices of secondary HOS flats soared, uni study reveals



Prices of secondary Home Ownership Scheme flats have doubled in seven years, an increase that is 50 percent higher than private flats, research by the Open University has found.

Researchers went through transactions in the HOS secondary market for the past 15 years, focusing on the 50 estates with the most deals. They found the price changes for HOS flats to be more prominent than for the private housing market.

"Before 2013, the increases for private housing and HOS flats were similar, but prices of HOS flats in the secondary market skyrocketed between January and June of 2013 after the government rolled out the white form secondary market scheme," the report said.

"The price increases for HOS flats in the secondary market also topped the increases seen in the private property market, as prices of HOS flats in the secondary market rose by 116 percent from 2013 to June this year, compared with the 51 percent rise in the private property market during the same period."

The report also found that during the time of financial crisis in 2008, prices for private housing dropped nearly 20 percentage points on average, but HOS flats in the secondary market fell only 0.88 percent.

The research team leader, Charles Kwong Che-leung, director of the public and social policy research center, said the price increases in the HOS secondary market were due to a shortage of HOS flats after the introduction of the white form scheme. "Many buyers moved from the private property market to the HOS secondary market. But the HOS secondary market supply did not increase," Kwong said.

Ma Yiu-chung, who also took part in the research, said: "HOS flats are sold at a discounted price. Even if the price of HOS flats doubled, it does not mean prices of HOS flats exceeded that of private housing."

Ma said the matter was "just an issue of demand and supply."

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