

# **Information Paper for LegCo Panel on Housing**

## **Formulation of Housing Policies**

### **PURPOSE**

The purpose of this paper is to inform Members of the way in which housing policies are formulated.

### **FORMULATION OF POLICIES**

2. The Housing Bureau is responsible for formulating, co-ordinating and monitoring the implementation of housing policies. Its activities are summarised in the six Key Result Areas shown at Annex A.

3. The Housing Authority is a statutory body established under the Housing Ordinance (Cap. 283) in 1973. As the major public housing provider in Hong Kong, the Housing Authority devises and implements public housing policies and programmes under the strategic policy framework set by the Government. Major public housing schemes currently operated by the Housing Authority are shown at Annex B.

4. The Housing Society, incorporated by the Housing Society Incorporation Ordinance (Cap. 1059) in 1951, is an independent, not-for-profit organisation with the aim of providing quality and affordable housing to meet the needs of the community. Major public housing schemes currently operated by the Housing Society are shown at Annex C.

5. In formulating housing policies and initiatives, the Government takes into consideration views expressed by different sections of the community.

## **LONG TERM HOUSING STRATEGY**

6. The housing policy objective of the Government is clear. A White Paper on Long Term Housing Strategy (the White Paper) was published by the Housing Bureau in February 1998 after wide public consultation. We remain committed to achieving the objectives set out in the White Paper, i.e. to help all households gain access to adequate and affordable housing, and to promote home ownership. In fact, we have implemented all the specific initiatives set out in the White Paper, as well as other new ones to respond to recent new developments. As a result of efforts in the past three years, we have seen, for example, fairer and more rational allocation of public housing resources, shorter waiting time for public rental housing, a wider choice of affordable home ownership opportunities, enhanced level of consumer protection in property transactions and a more transparent system for land disposal.

7. Although the Long Term Housing Strategy has provided a solid framework for meeting housing needs in the public and private sectors, individual targets and assumptions may change over time (as stated in the White Paper). Hence, while we have a clear picture of the overall strategy, we must combine long term strategic planning with responsiveness to short term problems.

## **HOUSING PRODUCTION**

8. In 1997-98, the Asian financial turmoil adversely affected the economy of Hong Kong and resulted in property prices falling sharply within a short period of time. Owing to the changes in the economic environment, the Chief Executive pointed out in the 1998 Policy Address that the number of flats to be built by the private sector each year would be determined by market demand and commercial considerations. For the public sector, the Government would continue to provide housing for people who were unable to find an adequate and affordable home in the open market. In early 2000, we reached agreement with the Housing Authority to introduce more flexible means of providing housing assistance by reducing the production of 21,000 subsidised home ownership flats for the period from 2003-04 to 2006-7 and increasing

the provision of housing loans correspondingly. As stated in the 2000 Housing Policy Objective Booklet, our current pledge is to provide 50,000 housing assistance opportunities each year, including public rental housing, subsidised home ownership flats and loans for purchasing flats in the private sector, to needy families.

9. The 2000 Housing Policy Objective Booklet refers to sites being monitored by the Housing Bureau, which have the potential, if fully realised, for 730,000 flats over the eight year period between 2000-01 and 2007-08. The Government does not already have a pool of formed land which lasts for eight years. The figure represents only a long-term land formation programme aimed to provide adequate land supply for housing where necessary. It is not a flat production target. We will continue to rely on market forces and commercial decisions of private developers to determine how much land is sold or bought in a particular year, and the number of flats to be produced. The number of flats to be purchased in any one year remains the decision of individual families.

## **HOME OWNERSHIP SCHEME SALES PROGRAMME**

10. It is the Government and the Housing Authority's policy that the Home Ownership Scheme (HOS) should assist families which cannot afford to buy a decent self-contained home in the private sector without some assistance. The Housing Authority has always been maintaining a balanced sales programmes by spreading out its HOS sales during years of high production and adjusting the balance between rental and sales projects. The Financial Secretary's recent remark that actual HOS sales would not exceed 20,000 new units a year all the way through to 2003-04 is in line with the Housing Authority's most recent housing production forecast<sup>(1)</sup>.

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<sup>(1)</sup> The Financial Secretary is the Chairman of the Steering Committee on Land Supply for Housing. On 23 November 2000, he delivered a speech on housing at the Concordia Hong Kong Foundation Fund Raising Dinner.

## **DISSEMINATION OF INFORMATION AND CONSULTATION NETWORK**

11. It is important for the Government to send clear signals to the community, including our commitment to the long-term supply of land and infrastructure for housing. The Government will continue to promulgate and report on the progress of housing proposals and initiatives in the annual Policy Address exercise.

12. In formulating policies and initiatives, it is equally important for the Government to continue to take the public pulse through and to exchange views with different sections of the community. In this connection, the Housing Bureau, together with the Housing Authority/Housing Department and the Housing Society, will continue to discuss major housing issues with Members of the Legislative Council<sup>(2)</sup>. We will also continue to maintain liaison with relevant public organisations, professional bodies, District Councils, housing concern groups, academics/commentators and private developers, etc.

**Housing Bureau  
Government Secretariat  
January 2000**

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<sup>(2)</sup> In 2000, Secretary for Housing has answered a total of 48 questions relating to housing matters at the LegCo sittings. The Government has also exchanged views with LegCo Members at 34 Panel and sub-committee meetings and case conferences.

**Housing Bureau**

**Key Result Areas**\*

- (1) To assess housing demand.
- (2) To monitor the supply of land and supporting infrastructure for housing, and maintain a flat production programme.
- (3) To create the conditions to enable the private sector to make the fullest possible contribution towards meeting the demand for housing.
- (4) To formulate policy for the implementation of subsidised home ownership schemes and loan schemes.
- (5) To formulate policy to provide public housing at reasonable rents to people who cannot afford any other type of housing.
- (6) To formulate policy to address the housing requirements of groups in special needs.

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\* As indicated in the 2000 Housing Policy Objective Booklet

**Major public housing schemes operated by the Housing Authority**

Public rental housing

Interim housing

Home Ownership Scheme

Private Sector Participation Scheme

Mortgage Subsidy Scheme

Tenants Purchase Scheme

Buy or Rent Scheme

Home Purchase Loan Scheme

**Major public housing schemes operated by the Housing Society**

Public rental housing

Flat for Sale Scheme

Sandwich Class Housing Main Scheme

Sandwich Class Housing Loan Scheme

Home Starter Loan Scheme