

Legislative Council Panel on Housing
Follow-up Actions on Outstanding Items

Item 1**Median rent-to-income ratio for public housing flats**

At Panel meeting on 16 July, a Member requested copy of the outline of submissions made by the Housing Authority to the Court in response to the judicial review on public housing rent. The Housing Authority filed appeals against the decision of the Court of First Instance on 25 August 2003. In order not to prejudice the Housing Authority's position in the appeals, our legal counsel had advised that the Housing Authority should keep the submissions as privileged documents until completion of all legal and judicial proceedings. The appeals were heard on 20-21 April 2004. Pending outcome of the appeals and any subsequent legal actions to be undertaken by either party to the litigation, the submissions should remain privileged for the time being.

Item 3**Surplus Home Ownership Scheme (HOS) flats**

At Panel meeting on 3 November, Members asked for an impact assessment on the basis of which the Administration had made its decision not to sell the surplus HOS flats as subsidised housing before the end of 2006.

The Government announced in November 2002 its re-positioned housing policy, spelling out in clear terms the different roles played by the Government and the market in the housing sector. The Statement also underlined the importance of maintaining a free and stable environment for the healthy development of the property market. To achieve this objective, it is incumbent on the Government to maintain a clear, comprehensive and consistent housing policy so as to sustain the confidence of the public and investors in the property market. On this premise, the Government further announced in October 2003 that no unsold and returned HOS flats would be offered for sale as subsidised housing before the end of 2006, which was endorsed by the Housing Authority on 26 November 2003. In coming to a decision of not selling the surplus HOS flats before the end of 2006 as part of a package of measures to help stabilise the property market, the Government had carefully considered all the relevant factors, including the implications on public housing and the private housing market. Given the serious imbalance of supply and demand in the property market at the time, the package of measures was appropriate and necessary.

The statistics for the past 12 months indicate that the property market has picked up, the number of negative equity cases has decreased sharply, and the public and investors have regained confidence in the property market. These findings show that the re-positioned housing policy, under which the Government seeks to minimise its intervention in the market and focus on the provision of subsidised rental housing for eligible low-income families, is heading in the right direction.

Item 4

Number of private residential flats produced through land use change and redevelopment under the past 15 years

We informed the Panel on 18 February 2004 of the number of cases approved for the change of land use to residential purposes and the number of flats involved in the past five years from 1998/99 to 2002/03. The consolidated statistics on flat production through land use change and redevelopment for the past 15 years from 1988/89 to 2002/03 is at the Annex.

Item 5

Review of the existing Housing Authority Standing Orders governing employment of Housing Authority members in a professional capacity

At Panel meeting on 2 February 2004, we informed Members that the Housing Authority would review its existing Standing Orders in the light of public perception of possible conflict of interest arising from the procurement of goods and paid services from Housing Authority members. The review is in progress.

Item 6

Assistance to elderly owners of dilapidated properties

The Panel considered the problems faced by elderly property owners in dilapidated buildings at its meeting on 7 April and suggested a review of the current arrangements and policy. The Housing Authority considered this issue on 19 May 2004. To ensure rational allocation of public housing resources to those in genuine need of subsidised housing, the Housing Authority maintained that the “no domestic property rule” should be upheld.

Nonetheless, in recognition of the daily living problems faced by some elderly owners of dilapidated properties, the Housing Authority has put in place an ex-

gratia scheme allowing them to move into Housing for Senior Citizens flats on a licence basis upon the Social Welfare Department's recommendation under the Compassionate Rehousing Scheme. The elderly property owners concerned can then dispose of their properties in order to meet the eligibility criteria for access to public rental housing. They will be required to pay a licence fee equivalent to normal rent level of the Housing for Senior Citizens and to declare household income and asset annually. Taking account of the Panel's views, the Housing Authority agreed that elderly property owners should be allowed to stay in the Housing for Senior Citizens until they meet the eligibility criteria of the General Waiting List. By then their ex-gratia licence will be converted into public housing tenancy.

Members have also suggested establishment of an inter-departmental group to address the housing and living problems faced by the elderly property owners. In fact, inter-departmental collaboration among the Housing Department, the Social Welfare Department, the Hong Kong Housing Society and the Urban Renewal Authority is already in place to tackle issues in relation to elderly property owners. Meetings are held as and when necessary.

Item 7

Drying facilities in public rental housing

At Panel meeting on 3 May, Members asked about the programme to replace "laundry pole-holder" type drying racks in public housing estates. Members may wish to know that the Housing Authority decided on 19 May 2004 to grant a one-off subsidy to existing public housing tenants for replacing the pole-socket laundry facility with laundry racks on a voluntary basis. Tenants who opt for replacement have to pay \$200, which is about half of the installation cost. The Housing Department will continue to install laundry racks for disabled and elderly tenants free of charge upon request. Laundry racks will be installed in all new public rental housing estates.

**Lease Modifications Involving Change of Land Use
to Residential Purposes Executed from 1988/89 to 2002/03**

	Number of Cases Executed ^{Note 1}	Estimated Number of Flats ^{Note 2}
1988/89	28	5 600
1989/90	26	4 300
1990/91	20	1 600
1991/92	44	5 200
1992/93	29	4 900
1993/94	39	9 600
1994/95	25	5 900
1995/96	27	6 600
1996/97	48	16 400
1997/98	29	13 600
1998/99	18	1 700
1999/00	45	15 200
2000/01	24	5 500
2001/02	31	9 000
2002/03	13	1 100

Note 1 Exclude small houses, Urban Renewal Authority projects and railway property development projects.

Note 2 Number of flats (rounded off to the nearest hundred) estimated at the time when the lease modifications were executed.