

立法會
Legislative Council

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Paper for the House Committee meeting on 22 April 2005

**Report of the Panel on Housing on
disposal of surplus Home Ownership Scheme and
Private Sector Participation Scheme flats**

Purpose

This paper gives a brief account on the deliberations of the Panel on Housing (the Panel) on the disposal of surplus Home Ownership Scheme (HOS) and Private Sector Participation Scheme (PSPS) flats.

Background

2. The Housing Authority (HA) introduced HOS and PSPS in 1978 and 1979 respectively to help eligible households and public housing tenants to purchase flats at discounted prices. HOS flats are constructed and owned by HA. PSPS flats are constructed by private developers in accordance with the specifications stipulated in tenders and sold to the HOS target groups. Since then, 300 000 HOS and PSPS flats have been sold, representing over 13% of the total housing stock in Hong Kong.

3. The economic downturn in 1997 had resulted in a drastic drop in the demand for private residential flats and a sharp fall in property prices. The Government considered that the major downward adjustments in prices of private residential flats brought about an overlap between HOS and private residential market. To address the imbalance between supply and demand of private residential flats and to restore the confidence of the public and investors in the property market, the Government introduced a series of measures, inter alia, cessation of the production and sale of HOS/PSPS flats indefinitely from 2003 onwards. Those HOS/PSPS flats that were completed or under construction would be disposed of through market-friendly means. The unsold and returned HOS/PSPS flats would not be put for sale before the end of 2006. The intention was to send a clear message to the market that the Government was determined to withdraw from its role as property developer and minimize its intervention in the market.

Discussion by the Panel

4. The Panel held a series of meetings in the last legislative session to discuss the disposal of surplus HOS and PSPS flats. Members noted that unsold/returned HOS flats and unsold blocks in partially occupied/sold HOS courts would continue to be sold to Green Form applicants as the land grants concerned restricted the use of these flats to HOS purpose only. However, these flats would not be put up for sale as subsidized housing before the end of 2006. They considered such an arrangement a waste of resources since the suspended sale would not only result in loss of income but also incur substantial costs for maintaining these flats. This would further aggravate the financial hardship faced by HA. In view of the gradual revival of economy, including the property market, and the increased aspiration of home ownership of the public, members called on the Administration to resume sales of unsold/returned HOS flats and unsold blocks in partially occupied/sold HOS courts by phases. They held the view that the impact of resuming sale of these flats on the property market would be small. At the Panel meeting on 3 November 2003, members passed the following motion –

“that this Panel urges the Administration to sell the HOS flats under Lists A and B referred to in LC Paper No. CB(1) 190/03-04(03) to Green Form applicants as soon as possible.”

For ease of reference, the said Lists A and B are attached in the **Appendix**.

5. The subject was discussed again by the Panel in the current session on 12 April 2005, members were disappointed that the Administration had declined to consider resuming sales of the said categories of HOS flats despite repeated requests by the Legislature. To reflect the unanimous view of the Panel in the last and current sessions, members passed the same motion referred to in the preceding paragraph. Some members also considered that the matter should be escalated to a higher level, and that a request should be put to the Chairman of the House Committee to reflect the Panel’s view on resumption of sales of HOS flats to the Chief Secretary for Administration.

Advice sought

6. Members are invited to support the Panel’s request in paragraph 5.

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List A – Individual unsold or returned flats in HOS blocks

Projects	No. of flats
Phase 24A unsold flats	
Lei On Court Stage 1 (Lam Tin)	382
Yu Chui Court Stage 2 (Shatin)	433
Ka Keng Court (Tai Wai)	276
Returned flats in various courts <i>(Position as at 30 September 2003)</i>	4 789
Total :	5 880

List B – Unsold blocks in partially occupied/sold HOS courts

Projects	No. of flats
Kam Fung Court Stage 3 (Ma On Shan)	1 892
Yu Chui Court Stage 3 (Shatin)	1 056
Lei On Court Stage 2 (Lam Tin)	831
Tin Fu Court Block J (Tin Shui Wai)	320
Tin Chung Court Blocks K and L (Tin Shui Wai)	640
Total :	4 739