

立法會
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Panel on Development and Panel on Housing

**Minutes of joint meeting
held on Monday, 6 July 2009, at 2:30 pm
in the Conference Room A of the Legislative Council Building**

Members present : Members of the Panel on Development

- Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
- * Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
- Hon Albert HO Chun-yan
- Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
- * Hon James TO Kun-sun
- * Hon CHAN Kam-lam, SBS, JP
- Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
- Hon WONG Yung-kan, SBS, JP
- * Hon Abraham SHEK Lai-him, SBS, JP
- Hon Albert CHAN Wai-yip
- * Hon LEE Wing-tat
- * Hon Alan LEONG Kah-kit, SC
- Hon CHEUNG Hok-ming, GBS, JP
- * Hon KAM Nai-wai, MH
- Hon Cyd HO Sau-lan
- Hon Starry LEE Wai-king
- Hon Tanya CHAN
- Dr Hon Priscilla LEUNG Mei-fun
- Hon IP Kwok-him, GBS, JP
- Dr Hon Samson TAM Wai-ho, JP

Members of the Panel on Housing

- Hon WONG Kwok-hing, MH (Chairman)
- Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
- Hon Fred LI Wah-ming, SBS, JP
- Hon Tommy CHEUNG Yu-yan, SBS, JP
- Dr Hon Joseph LEE Kok-long, SBS, JP
- Hon LEUNG Kwok-hung

Hon CHAN Hak-kan
Hon WONG Kwok-kin, BBS

* Also members of the Panel on Housing

Members absent : Members of the Panel on Development

Dr Hon Philip WONG Yu-hong, GBS
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Members of the Panel on Housing

Hon LEUNG Yiu-chung
Hon WONG Sing-chi

Public officers attending : **For item II**

Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr Thomas CHAN, JP
Permanent Secretary for Transport and Housing (Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

Mr Raymond YOUNG, JP
Permanent Secretary for Development (Planning & Lands)

Mrs Ava NG, JP
Director of Planning

Miss Diane WONG
Principal Assistant Secretary (Planning & Lands)¹

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)¹

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)²

Miss Mandy POON
Legislative Assistant (1)4

Action

I. Election of Chairman

Mr WONG Kwok-hing was elected Chairman of the joint meeting.

II. Land supply for public housing

- (LC Paper No. CB(1) 2072/08-09(01) — Administration's paper on land supply for public housing
- LC Paper No. CB(1) 2072/08-09(02) — Paper on the land supply for public housing prepared by the Legislative Council Secretariat (Background brief)
- LC Paper No. CB(1) 2072/08-09(03) — Referral arising from the meeting between Legislative Council Members and Islands District Council members on 11 June 2009 (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1) 2151/08-09(01) — Referral arising from the meeting between Legislative Council Members and Yuen Long District Council members on 2 July 2009 (Chinese version only) (Restricted to Members)

Relevant paper

- LC Paper No. CB(1)1867/08-09(01) — Submissions from the Society for Community Organizations regarding public housing production and waiting time for public housing flats (Chinese version only)

2. The Chairman said that when the subject of construction programme of public housing was discussed at the meeting of the Panel on Housing on 14 April 2009, members had expressed concern about the adequate supply of land for public rental housing (PRH), particularly beyond the coming five years. As the forward planning of PRH production would hinge on the timely provision of suitable land, where the Development Bureau would have a role to play, members had suggested holding a joint

meeting with the Panel on Development to discuss the subject of land supply for public housing.

3. At the invitation of the Chairman, the Secretary for Transport and Housing (STH) explained the Public Housing Construction Programme (PHCP) while the Permanent Secretary for Development (Planning & Lands) (PS(PL)) highlighted the policy on land supply for public housing.

Land supply for housing

4. Mr LEE Wing-tat expressed dissatisfaction at the present status of land supply for PRH development. Unlike the earlier days when large-scale sites sufficient for several PRH estates to be built at the same time were made available, nowadays only small pieces of land could be identified after lengthy consultation with the districts concerned. Mr IP Kwok-him echoed that instead of making available small pieces of land for PRH development, consideration should be given to allowing for a larger scale of development. He asked if there were any targets for the provision of PRH. STH said that the demand for PRH would vary with population growth, changes in the economy, and rehousing needs etc. A sufficient supply of suitable land for PRH would not only ensure sustainability of development, but also help maintain the Average Waiting Time (AWT) for PRH at around three years. To this end, cleared PRH sites would be retained for public housing development as far as possible as in the case of So Uk Estate. However, the scales of PRH developments would depend on the availability of land, development potential, and public acceptability etc. There were indeed both large and small-scale PRH developments, the former would include the Anderson Road Development and Kai Tak Development. For small-scale PRH developments, residents could share the existing facilities, such as markets and community facilities, within the districts. PS(PL) added that the public would generally prefer a balanced public/private housing mix within a district to lopsided development with a high percentage of PRH, as some opined that the latter might have led to a host of social problems as in the case of Tin Shui Wai.

5. Mr WONG Yung-kan was concerned about the limited supply of PRH units beyond 2014, and enquired about the land policy for PRH development in the next 10 years. Professor Patrick LAU noted that under the Preferred Development Option, it was anticipated that the existing built-up areas could accommodate 70% of the population increase up to 2030, where as the remaining would be provided mainly by the two New Development Areas (NDAs) in the North East New Territories and at Hung Shui Kiu. He enquired about the details of production of PRH flats beyond 2013/2014. He also stressed the need for special housing schemes for elderly residents.

6. In response, STH said that an internal coordinating mechanism was put in place within the Government to monitor land supply for public housing, and to ensure that there was sufficient land supply to meet the demand for PRH. On the other hand, under PHCP, which was a five-year programme to be rolled forward every year, suitable adjustments to housing production would be made according to the latest demand and supply situation every year. Factors, such as land availability, potentials of

development, and public acceptability would be taken into account in the provision of PRH. The Director of Planning (D of P) added that the Preferred Development Option was presented to members in the context of the outcome of the Hong Kong 2030 Study in October 2007. While the overall supply of housing land was anticipated to be adequate to meet the housing needs of the projected population growth up to 2030, there were concerns about possible mismatch between the supply and demand of PRH, as well as local objections against the provision of PRH developments. PS(PL) supplemented that planning for public housing beyond 2014 had been made in respect of NDAs in the North East New Territories and at Hung Shui Kiu. The Administration would also assess the feasibility of PRH development in other potential areas.

7. Noting that the earliest date for population intake in NDAs would be around end-2019, Mr Alan LEONG enquired about the anticipated number of PRH applications received over the next few years. The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) said that the number of PRH applications received in the past few years ranged from 39 000 to 33 000 per year or an average of around 3 000 applications per month. PS(PL) added that the North East New Territories NDA would allow for the development of about 50 000 housing units, with about 40% for PRH and 60% for private housing, depending on further study. As regards the Hung Shui Kiu NDA, PS(PL) said that this was still under planning and the number of units to be provided as well as the earliest date for population intake had yet to be worked out.

8. Mr LEE Wing-tat expressed grave concern about the surge in property prices, particularly in the urban districts, as a result of land prices being manipulated by major developers. He pointed out that the four major developers in Hong Kong were holding a lot of land awaiting development, and they had little incentives to further acquire land through the Application List system. There might be a need for the Administration to review the Application List system. Consideration should be given to replacing it with regular land auctions such that more land would be made available for other developers. He cautioned that if the situation were to continue, property prices would soar despite negative growth in the economy. By way of illustration, a new flat in Wanchai could cost as much as \$13,000 per square foot. As a result, many families could not afford home ownership. This might lead to the recurrence of the situation in the 1990s when the Government had to intervene in the property market. PS(PL) responded that the Administration had no plans to replace the Application List system. STH added that based on the latest statistics, about 50% to 60% of the property transactions in Hong Kong were those priced below \$2 million.

9. Mr Albert CHAN said that the inadequate supply of both public and private housing had been affecting the vast community, in particular the low-income families and the sandwiched class. The problem was becoming worse due to a significant drop in housing production over the past years, following the tight control over land supply. As a result, property prices remained at a high level despite the financial crisis. This was evidenced by the high rental of \$3,000 per month for a cubicle of less than 100 square feet in Tsuen Wan. He further pointed out that while AWT was maintained within three years, the PRH units offered were either very old units or located in the extended urban areas. To this end, efforts should be made to provide more PRH units to

meet the increasing demand while resolving local objections against the provision of PRH developments at the same time. Consideration should be given to relaxing the income and asset limits for PRH to assist the sandwiched class who could not afford private housing but were not eligible for public housing. An overhaul of the existing housing policy might be necessary to meet the demand for public housing. Expressing similar concern, the Chairman also urged for a review of the seven-year residence requirement so that PRH applicants could be allocated PRH flats in a shorter time. STH said that the residence requirement had already been relaxed. Nowadays, the Housing Authority only required half of the family members included in the application to have lived in Hong Kong for seven years at the time of allocation. Children under the age of 18 were deemed to have fulfilled the seven-year requirement if they were born in Hong Kong or one of their parents had lived in Hong Kong for seven years. Meanwhile, families with elderly persons would be provided with enhanced housing arrangements under the Harmonious Families Priority Scheme. The Scheme was well received with over 7 000 applications.

10. Ms Cyd HO said that in planning for PRH supply, the Administration should work out the demand for public housing through surveys on income and housing expenditure. Given that many PRH applicants awaiting allocation were spending a large percentage of their income, some as much as 70%, on private rental housing, consideration should be given to providing subsidy to these families to ease their financial burden. She also enquired about the acceptable rent to income ratio for an average household. STH said that the income and asset limits had all along been used in assessing the eligibility for PRH. PSTH(H) added that these limits were derived using the household expenditure approach that comprised both housing and non-housing expenditures, and had included a 5% contingency. The income and asset limits would be reviewed annually to keep in line with the latest situation. Households which spent a large percentage of their income on rents were mostly those who were not eligible for PRH, or those who preferred to stay in locations which were near to their workplaces.

11. Mr Alan LEONG asked if consideration would be given to re-launching the Home Ownership Scheme (HOS) in future. The Chairman also asked whether the Tenants Purchase Scheme (TPS) could be re-launched since many PRH tenants would prefer to purchase their own PRH flats. STH said that under the repositioned housing policy announced in 2002, the Government was determined to withdraw from its role as property developer and minimize its intervention in the property market. The present housing policy was to provide PRH to low-income families who could not afford private rental accommodation. Therefore, land had not been reserved for the provision of HOS flats. As regards TPS, STH said that there were no plans to review TPS at the present stage. This was because the sale of PRH flats to sitting tenants would have adverse impact on the turnover of flats, thereby lengthening the AWT for applicants on the Waiting List. Besides, PRH flats were meant for low-income families which could not afford private housing, and not to enable better-off tenants to achieve home ownership.

Strengthening ties with the local communities

12. Professor Patrick LAU held the view that the Preferred Development Option could not be implemented if approval had not been obtained from the relevant District Councils (DCs). Besides, more consultation with the DCs concerned would facilitate the collection of more accurate information on the availability of land for PRH development, particularly on the density of development. D of P explained that some DCs had raised objections when they found out that the land zoned for "residential use" within their districts would be used for PRH development.

13. Mr CHEUNG Hok-ming expressed concern about the slow progress in PRH development. He was aware that some DCs had expressed reservation on the proposed provision of PRH development within their districts. For example, the Yuen Long DC (YLDC) had indicated that the land within the Yuen Long town centre should be used for Government facilities or commercial purposes rather than PRH development, which should be relocated to the under-developed parts of Yuen Long. Meanwhile, the Islands DC (IDC) had raised objection against the development of PRH estates at Tung Chung Area 56, which in their view should be relocated to Tung Chung West instead. STH explained that the views of DCs and the local community would be taken into account in the planning of PRH developments. In fact, there had been a number of exchanges with YLDC on PRH developments within the Yuen Long District. At present, there were three sites in Yuen Long which had been earmarked for PRH developments. The plans for the development of PRH estates at Hung Shui Kiu and Au Tau were discussed by YLDC at its meeting on 2 July 2009. A further meeting would be held in August 2009 to discuss the feasibility of increasing the plot ratio of the Hung Shui Kiu project in order to optimize land use. As for the proposed PRH development at Tung Chung Area 56, the Administration had agreed to consider the views put forward by IDC, inter alia, the choice of site and height restrictions. Meanwhile, the study on the overall development of Tung Chung, including that of Tung Chung West which involved land reclamation, was being undertaken by the Civil Engineering and Development Department.

14. Mr WONG Kwok-kin noted with concern that PRH developments were not welcomed in some districts despite the fact that PRH was essential to meet the housing needs of low-income families. He enquired about the reasons for local objections, the means to resolve them as well as the number of sites earmarked for PRH development which had been shelved due to local objections. STH said that continued efforts would be made to address the concerns raised by local community, and an interactive approach would be adopted in the consultation process. PSTH(H) said that local objections against PRH developments were very common nowadays. The Administration was able to resolve most of the objections through protracted negotiations with the DCs concerned, except for the PRH development at Sha Tau Kok which had subsequently been shelved. Given that local objections against PRH developments were mostly associated with the likely impact on property prices of private housing within the districts, Mr WONG enquired if this could be resolved through the provision of HOS rather than PRH. PSTH(H) reiterated that the provision of HOS would involve a change in the existing housing policy.

15. Mr Albert HO held the view that there should be a balanced mix of public and private housing within a district. Therefore, he found it hard to accept local objections against PRH developments which aimed at providing homes to low-income families in Hong Kong. He opined that these objections were discriminatory in nature. He also shared the concern about the inadequate supply of public housing, which would likely worsen with the increase in redevelopment/clearance projects. To this end, consideration should be given to lifting the income and asset limits for clearerees so that they could purchase HOS flats in the secondary property market. This would not only ease the need for rehousing, but also facilitate the redevelopment process. STH said that the provision of housing for clearerees affected by redevelopment was a policy decision, but Mr HO's suggestion would be taken into consideration.

16. Mr Frederick FUNG concurred that there should not be objections in the provision of PRH developments. He stressed the need for the Government to adhere to the three principles in public housing developments. Firstly, PRH should continue to be provided as long as there was a demand. Secondly, sites which were earmarked for the Housing Authority (HA) should be used for the development of public housing. Thirdly, cleared PRH sites should be used for public housing developments and if not, similar sites within the district should be provided for the purpose. The Government should uphold these principles and should not yield to pressure from DCs. Apart from the information on PRH production in the coming five years, more information on the supply of land for public housing should be made available. Mr LEUNG Kwok-hung echoed that there should be a 10-year instead of a five-year PHCP to allow for longer term planning. STH explained that a five-year rolling PHCP was more desirable to enable adjustments to be made in line with the latest development. At members' request, the Administration would provide information on the five-year PHCP and supporting data for The Hong Kong 2030 Study as far as possible.

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17 While acknowledging that some DCs did not support the provision of PRH estates in their districts, Mr WONG Yung-kan said that the Tai Po DC would welcome PRH developments within the Tai Po District. STH said that a partnering approach had been established with DCs in respect of PRH development. In consultation with the Tai Po DC, a suitable site had been identified for the development of a PRH estate in Tai Po. In response to Ms Cyd HO's question on the lack of PRH developments in the Central and the Western District, PSTH(H) advised that efforts had been made to identify suitable sites in the Western District for PRH developments to meet the housing needs of clearerees affected by urban redevelopment.

18. Mr CHAN Kam-lam noted that there would be a total of 19 800 PRH flats in Kwun Tong in the coming five years. With the provision of such a large number of PRH flats in Kwun Tong, this would likely have impacts on local traffic, infrastructure and community facilities. More supporting facilities would be required to accommodate the population intake. He also sought explanation on the limited supply of 400 PRH flats in Kwun Tong in 2013/2014. The Deputy Director of Housing (Development & Construction) (DDH(D&C)) explained that the supply of PRH flats in different districts would depend on the construction programme, and consultation

would be held with DCs concerned. She assured members that sufficient supporting facilities would be provided in Kwun Tong taking into account the Anderson Road Development, as well as the PRH developments at Sau Mau Ping and Po Tat Estate. As for the 400 PRH flats to be provided in Kwun Tong in 2013/2014, DDH(D&C) said that these would be situated at Lei Yue Mun Estate Phase III.

19. Given the already high ratio of PRH flats in the Wong Tai Sin District, Mr CHAN Kam-lam noted that the Wong Tai Sin DC had indicated reluctance to have more PRH developments within the district, which were expected to be increased by another 5 000 in the coming five years. They were concerned that the increase in PRH developments would exert pressure on the district and would not be beneficial to the residents in the long run. DDH(D&C) said that PRH flats to be provided in Wong Tai Sin District would mainly be situated at the Kai Tak Development (KTD). Sufficient supporting facilities would be provided in KTD to accommodate the needs of the increased population. In response to Mr CHAN's further enquiry on whether the Ex-San Po Kong Flatted Factory site would be earmarked for PRH development, DDH(D&C) said that the site had not been included in the housing production programme in the coming five years. Roads and recreational facilities would be considered in the planning for the redevelopment of the Ex-San Po Kong Flatted Factory site.

III. Any other business

20. There being no other business, the meeting ended at 4:00 pm.