

**立法會**  
***Legislative Council***

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**Panel on Housing**

**Meeting on 2 February 2009**

**Background brief on the proposal to re-launch the  
Home Ownership Scheme and Tenants Purchase Scheme**

**Purpose**

This paper sets out the development of the proposal to re-launch the Home Ownership Scheme (HOS) and Tenants Purchase Scheme (TPS), as well as gives a brief account of the views expressed by members at Council and Panel meetings.

**Background**

2. The property market, particularly the private residential market, was hard hit as a result of the property slump in 1997. The major downward price adjustment in the private residential flats had brought about an overlap between HOS and private residential market. In response to the change, the Administration announced in November 2000 a major cutback in HOS sales to no more than 20 000 units a year. However, the sale of HOS continued to put additional pressure on the property market due to worsening global economic conditions. In September 2001, the Administration announced the implementation of a moratorium on the sale of HOS flats until end June 2002. At the same time, the Administration undertook a root and branch review of the public housing policy with a view to restoring the confidence of the public and investors in the property market. In November 2002, the Administration announced its re-positioned housing policy to withdraw from its role as property developer by halting the production and sale of subsidized flats and reduce radically its share in the overall housing production. The Government would continue to provide subsidized rental accommodation to low-income families which were unable to afford private rental housing, and would endeavour to keep the average waiting time for public rental housing (PRH) at three years. As a result, the production and sale of HOS flats ceased indefinitely from 2003 onwards. HOS flats that were completed or under construction would be disposed of through market-friendly means. In line with the re-positioned housing policy, the sale of PRH units under TPS was also ceased after the last TPS phase 6B in 2005.

### **Proposal to re-launch HOS and TPS**

3. With the recovery of the local economy since 2003 and property prices continue to rise, there were increasing calls for the re-launching of HOS and TPS to assist low-income families to achieve home ownership. According to the Administration, the re-positioned housing policy aims at minimizing intervention in the operation of the property market and facilitating its steady development. It also allows the Housing Authority (HA) to concentrate its limited resources on providing housing assistance to PRH tenants and over 110 000 needy applicants on the Waiting List (WL). To re-launch HOS or TPS will inevitably divert resources from and affect HA's ability in implementing the public housing programme.

### **Deliberations by the Council and Panel**

4. The proposal to re-launch HOS and TPS has been deliberated by the Council and the Panel on Housing (the Panel). At the Council meeting on 5 December 2007, the following motion moved by Mr CHAN Kam-lam and amended by Mr LEE Wing-tat was carried -

“That, as the private property market has become prosperous again and property prices continue to rise, which puts pressure on the burden of housing on the public, this Council urges the Government to expeditiously review afresh the various subsidized home ownership schemes, including HOS, TPS and Home Assistance Loan Scheme, and proactively consider resuming the construction of an appropriate number of HOS flats and the sale of an appropriate number of PRH flats, and the number may be adjusted according to the needs of the community, land available to HA and its financial situation, with a view to more effectively utilizing housing resources and alleviating the burden of housing on the public as well as allowing the public to meet their housing needs through various channels.”

5. The proposal was also discussed at the Panel meetings on 22 October 2007, 7 January and 7 July 2008. Given the escalating prices of new flats, high land premium in recent land auctions, and the anticipated reduction in flat supply in the next few years, some members supported the revival of HOS to satisfy the increased home ownership aspiration of those who could neither qualify for PRH nor afford private flats, as evidenced by the large number of White Form applications for the overhung HOS flats. They urged the Administration to conduct early consultation on the review of HOS as the lead time for the development of HOS would take at least five to seven years. Other members however took a different view. They agreed that the Government should not intervene with the market, and that flat prices in the private market should be adjusted by market forces. Instead of reviving HOS, consideration should be given to reviving the Home Assistance Loan Scheme to meet the home ownership aspiration of low-income families and the young people. The Government should also secure land, including that in the urban area, to provide sufficient PRH flats to further reduce the waiting time for PRH applicants.

6. Some members also questioned the rationale for halting TPS, which in their opinion, should not affect the private residential market. They pointed out that TPS would help satisfy the home ownership aspiration of low-income families, and the proceeds from which would also finance PRH production, which in return would increase the supply of PRH stock to expedite flat allocation to WL applicants.

7. At the meeting on 7 July 2008, the Panel passed the following motion -

"That this Panel requests HA to resume the sale of PRH flats and HOS flats as early as possible, and formulate a timetable for implementation, so as to improve people's livelihood."

### **Latest development**

8. The Administration intends to brief the Panel on the proposal to re-launch HOS and TPS. The subject has been scheduled for discussion at the Panel meeting on 2 February 2009.

### **Relevant papers**

Minutes of the Housing Panel meeting on 22 October 2007

<http://www.legco.gov.hk/yr07-08/english/panels/hg/minutes/hg071022.pdf>

Administration's paper on Home Ownership Scheme and Tenants Purchase Scheme for the meeting on 7 January 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/papers/hg0107cb1-506-6-e.pdf>

Minutes of the Housing Panel meeting on 7 January 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/minutes/hg080107.pdf>

Administration's paper on Home Ownership Scheme and Tenants Purchase Scheme for the meeting on 7 July 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/papers/hg0707cb1-2057-2-e.pdf>

Minutes of the Housing Panel meeting on 7 July 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/minutes/hg080707.pdf>

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