

**Legislative Council Panel on Housing**

**Housing-related Initiatives in the 2008-09 Policy Agenda**

**Introduction**

On 15 October 2008, the Chief Executive delivered his 2008-09 Policy Address. This paper provides the details of the coming year's new and ongoing housing-related initiatives as stated in the Policy Address and the Policy Agenda.

**New Initiatives**

**Standardizing the definition of "saleable area"**

2. Flat purchase is an important investment decision in life. Clear information on residential developments facilitates prospective flat buyers to make proper choices. To address the problem whereby individual real estate developers defined the term "saleable area" differently in the past, the Transport and Housing Bureau has standardized the definition of "saleable area" for uncompleted first-hand residential properties in consultation with the representatives from all relevant sectors, including the Real Estate Developers Association of Hong Kong (REDA), the Consumer Council (CC) and the Estate Agents Authority (EAA). The standardized definition of "saleable area" includes only the area of the unit, the balcony and the utility platform. Other areas of the property, such as bay windows, will be separately listed out item by item but should not be included as part of the "saleable area".

3. The Government made amendments to the relevant clauses in the Lands Department's Consent Scheme (Consent Scheme) on 10 October 2008 to make the standardized definition of "saleable area" a requirement under the Consent Scheme. The standardized definition of "saleable area" is applicable to the pre-sale of uncompleted first-hand residential properties approved under the Consent Scheme on or after 10 October 2008. As some of the uncompleted first-hand residential properties to be launched for sale on or after 10 October 2008 were granted the pre-sale consent before that date, the sales brochures and price lists of those properties may present the floor area information using the old definition according to the relevant approval. It is believed that after a transitional period, such situation will not recur.

4. Also, REDA issued a set of new guidelines and a standardized price list template (see **Annex**) on 10 October 2008, requiring its members to adopt the standardized definition and presentation of “saleable area” in the sales brochures and price lists of uncompleted first-hand residential properties approved as from 10 October 2008. EAA issued a practice circular to estate agents on the same day requiring them to provide prospective flat buyers with comprehensive and accurate information on the floor areas of units. CC and EAA will step up publicity and education for the public and the estate agents to promote and enhance their understanding of the standardized definition and presentation of “saleable area”. The “Notes to Purchasers of First-hand Residential Properties” will be updated to draw buyers’ attention to the information on “saleable area”. We will closely monitor the implementation of the aforementioned measures.

## **Investing for a Caring Society**

### **Install as far as practicable lifts/escalators connecting common areas in hillside public housing estates and lifts in low-rise public housing blocks without lifts to facilitate access of residents**

5. To facilitate access of residents living in hillside public rental housing (PRH) estates and public housing blocks without lifts, the Housing Authority (HA) is considering spending \$950 millions to install lifts or escalators in the common areas or the housing blocks in these PRH estates in the coming five years. The lift and escalator installation scheme comprises three parts, including:

- To improve the connection of common areas in hillside PRH estates: The HA will consider installing 37 lifts and escalators in the existing hillside estates having regard to the estate topography, the population of the elderly and mobility-handicapped tenants in the estates, the project feasibility and the residents’ views. Among those are three lifts that have already been installed in Kwai Chung Estate this year. When planning and building new estates in the future, the HA will also take into account the estate topography and estate environment when designing suitable access, staircases, lifts or escalators in the estates to provide residents with access to all areas within the estates, and to the estate entrances to facilitate residents’ access to public transport.

- To improve lift installations for residential blocks: In the coming five years, the HA will install lifts in buildings aged over 28 years, seven-storeyed high and without lift services. As the addition of lifts in completed blocks involves complex engineering works and techniques, the HA has to consider a number of factors, including the loading requirement brought by the works towards building structure, whether there is enough space in the building to accommodate lift tower and the impact of the works on the underground public utilities. Upon the completion of the feasibility study, the HA has tentatively identified 32 blocks in 11 aged PRH estates for the installation of a total of 43 lifts. One of these lifts will be installed in the east wing of Hing Wai House of Tai Hing Estate by end 2008. The HA has also commenced the design works for the addition of lifts for housing blocks without lift services in Choi Hung, Wo Lok, Fuk Loi and Wah Fu Estates etc.
- To replace lifts aged 30 or above: To ensure safe and smooth daily operation of the lifts, the HA will replace the lifts taking into account such factors as the age of lifts and extent of wear-and-tear. When carrying out the lift replacement programme, the HA will also retrofit an entrance on each floor of those aged housing blocks not provided with lift services on every floor. The HA expects that about 700 lifts in 33 PRH estates will be replaced in the coming five years.

## **Ongoing Initiatives**

### **Quality City And Quality Life**

#### **Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources**

6. We appreciate the rising public aspiration for environmental conservation and a better living environment. The HA will continue to strive to promote the Strategy for Sustainable Construction, with a view to providing a green and healthy living environment for PRH residents and reducing the emission of carbon dioxide. In designing and building new PRH estates, the HA will continue to implement the following measures:

- carrying out “micro-climate” studies and applying computer simulation techniques to collect scientific data such as wind speed, air flow, day-light penetration to work out the best disposition, location and orientation for the estates, in order to allow the residents to enjoy the best of the natural environment;
- boosting the ratio of green space as far as possible through planting on rooftops and external walls of domestic blocks, and the roof of covered walkways etc.;
- implementing an environmental-friendly procurement policy which specifies the use of renewable, recyclable and environmental-friendly building materials;
- utilizing renewable energy, such as installing solar-powered lamp posts in landscaped areas, and installing solar photovoltaic system on covered walkway and roofs of domestic blocks to provide power supply for some of the communal facilities;
- adopting the Central Compactor System to compress refuse for convenient disposal and transportation, and better hygiene;
- applying the newly-developed Common W-trap Drain Pipe System to ensure that water is stored in the traps, thus preventing the transmission and spread of odour, bacteria and virus from other floors of the building through drain pipes;
- utilizing the latest design of power installation to ensure that basic lift service is still available during inspection and testing of the power system;
- adopting the new Twin Tank System and proper cleansing arrangements to ensure that supply of fresh/flushing water during the cleansing of water tanks.

## **Investing for a Caring Society**

### **Maintaining supply of PRH for needy applicants with an average waiting time of around three years**

7. The thrust of the Government’s subsidized housing policy is to provide subsidized rental housing to low-income families who cannot afford private

rental accommodation with an average waiting time (AWT) of around three years. In the coming year, we would continue to strive to keep the AWT pledge. As at end August 2008, the AWT for PRH was 1.9 years for general applicants<sup>1</sup> and 1.2 years for elderly one-person applicants. In the next five years, the HA will build some 15 000 new PRH units per year. We estimate that this level of new production, together with the about 16 000 PRH flats estimated to be recovered from the existing stock every year, would allow us to continue to meet the AWT pledge. The Government would continue to ensure that there is a sufficient supply of land for the HA to implement a sustainable PRH programme.

### **Preparing for the conduct of the first rent review of PRH under the new rent adjustment mechanism in 2010**

8. The Housing (Amendment) Ordinance 2007 (the Amendment Ordinance) introduced a new income-based PRH rent adjustment mechanism and came into force on 1 January 2008. To provide an appropriate starting point for the new rent adjustment mechanism to operate effectively, the HA reduced the PRH rent by 11.6% in August 2007. Subsequent adjustment will be made on the basis of this reduced level and the rate of change will be determined by the rate of change in the income index over the first and second periods of each rent review as defined in section 16A(8) of the Housing Ordinance (Cap. 283).

9. In compiling the income index, the HA will use income data collected from its Survey on PRH Household Income. The Survey collects monthly household income data from randomly sampled PRH households each month<sup>2</sup> through a declaration arrangement. In accordance with section 16A(7) of the Housing Ordinance, the Commissioner for Census and Statistics (the Commissioner) shall compute the concerned income index for each rent review. In preparation for the first rent review in 2010, we are in regular liaison with the Commissioner in respect of his computation of the index. We expect the computation results of the first rent review to be available around May 2010. Rent adjustment, if any, is expected to take place two to three months after then taking into account the time required by the HA to consider the matter and the need to give one month's notice to PRH tenants.

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<sup>1</sup> The AWT pledge does not apply to non-elderly one-person PRH applicants.

<sup>2</sup> A random sample of some 2 000 PRH households would be drawn each month, meaning a total sample of some 24 000 PRH households a year. No PRH household would be selected for more than once within a period of 12 months.

## **Implementing a set of enhanced public housing arrangements to promote mutual family support and care for the elderly**

10. To help establish a family-based support network in PRH estates, the HA has implemented five enhanced public housing measures since October 2007. The five enhanced measures are the Families with Elderly Persons Priority Scheme, Special Scheme for Families with Elderly Persons, Harmonious Families Addition Scheme, Harmonious Families Transfer Scheme and Harmonious Families Amalgamation Scheme. Response to these measures since implementation has been satisfactory. The numbers of households benefited under these arrangements as at September 2008 are as follows:

<b>Enhanced Public Housing Arrangements</b>	<b>Number of Households Benefited</b>
Families with Elderly Persons Priority Scheme	3 547
Special Scheme for Families with Elderly Persons	
Harmonious Families Addition Scheme	2 039
Harmonious Families Transfer Scheme	170
Harmonious Families Amalgamation Scheme	144
<b>Total</b>	<b>5 900</b>

To encourage mutual support among family members and promote care for the elderly, the HA will continue to review the progress of these arrangements and make further improvements.

## **Facilitating the implementation of an elderly housing project by the Hong Kong Housing Society on Tanner Road, North Point**

11. The Chief Executive mentioned in the Policy Address in 2007 that the Senior Citizens Residence Scheme of the Hong Kong Housing Society (HKHS) was well received, and that it was necessary to continue the comprehensive home care approach by expanding the scheme.

12. In response to the 2007 Policy Address' commitment aforementioned, HKHS proposed to Government to modify the lease of the site of its former Tanner Hill Estate in North Point for developing a new elderly housing project (the Project). The Project will comprise about 700 elderly rental flats, together with various recreational, elderly-related and ancillary supporting facilities, including a residential care home for the elderly (RCHE), a Day Care Centre for the Elderly, a medical centre, shops, a restaurant and a multi-purpose hall. The tenure of tenancy of the elderly flats may include both short-term leases as well as lease-for-life arrangement to meet the different needs of the elderly.

13. Government has approved HKHS' proposal in principle, subject to the proposed basic terms and conditions for the lease modification to be finalised by the District Lands Conference. For the elderly flats, HKHS will have to pay the full market value land premium reflecting the lease (not sale) of the housing units to elders aged 60 or above. For those Government, Institution or Community facilities with the support of relevant policy bureaux, such as the proposed RCHE and the Day Care Centre for the Elderly, HKHS will pay nominal premium, as provided for under the relevant policies. For all other facilities, such as recreational facilities, the medical centre, the shops and the restaurant, HKHS will pay full market value land premium. We will continue to assist HKHS in bringing forward the Project in conjunction with the relevant bureaux and departments.

### **Developing the Infrastructure for Economic Growth**

#### **Disposing of surplus Home Ownership Scheme flats in a smooth and orderly manner**

14. The HA has formulated plans to sell approximately 16 600 unsold and returned Home Ownership Scheme (HOS) flats in batches in an orderly manner from 2007 to 2009. These flats are sold in two phases per year to Green Form and White Form applicants with around 2 000 to 3 000 flats in each phase. The sale exercises of Phases 1 to 3 were smoothly concluded in May 2007, December 2007 and June 2008 respectively. A total of 9 358 flats were sold. Phase 4 was launched in September 2008 offering a total of 3 221 flats (640 flats in Tung Tao Court, Stage II, Shau Kei Wan; 344 flats in King Hin Court, Wong Tai Sin; 1 284 flats in Kam Fung Court, Ma On Shan; and 953 flats scattered in various courts throughout the territory). Eligible applicants will begin flat selection at the end of October 2008. It is expected that Phase 4 sale exercise will be completed in January 2009. According to the announced sales programme, about 4 100 surplus HOS flats will be offered for sale in two phases in 2009. The HA will continue to take note of the market situation, and make timely and appropriate adjustments to the sales programme should there be any significant changes.

### **Transport and Housing Bureau October 2008**

## 標準價單範本

### Standardized Price List Template

樓盤名稱 Name of Development, 期數(如有) Phase (if any), 地區 Location)

單位 (Unit)		A	B	C
實用面積 (包括露台及工作平台) (平方呎) Saleable Area (including balcony and utility platform) (sq.ft.)		905 (露台: 22) (工作平台: 12)	755 (露台: 22) (工作平台: 12)	605 (露台: 22) (工作平台: 12)
另	窗台 (平方呎) Bay Window (sq.ft.)	40	30	20
	冷氣機房 (平方呎) A/C Plant Room (sq.ft.)	15	15	15
單位有蓋面積 (平方呎) Unit Covered Area (sq.ft.)		960	800	640
單位所分攤的公用地方面積 (平方呎) Apportioned Share of Common Area (sq.ft.)		240	200	160
建築面積 (平方呎) Gross Floor Area (sq.ft.)		1,200	1,000	800
[單位其他面積 (平方呎)] [Other Area of the unit (sq.ft.)] • 如天台、平台、冷氣機平台等其他面積應分別列出。 • Area of other items of the unit such as roof, flat roof or A/C platform should be listed separately.				
樓層 (Floor)		訂價 (Price) (\$)		

準買家請參閱發展商所提供售樓書內有關上述資料之詳情。

- Prospective purchasers please refer to the sales brochure provided by the developer for further details of the above information.
- 實用面積包括露台面積及工作平台面積。  
Saleable Area includes area of the balcony and utility platform.
- 單位有蓋面積包括實用面積、窗台(如有)及冷氣機房(如有)面積。  
Unit Covered Area includes the Saleable Area, area of bay window (if any) and A/C plant room (if any).
- 建築面積包括單位有蓋面積及單位所分攤的公用地方面積。  
Gross Floor Area includes the Unit Covered Area and the apportioned share of common area of the unit.

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附註詳見於後頁  
See Remarks overleaf

附註 (Remarks):

1. 單位所分攤的公用地方面積包括住宅之各樓層之電梯大堂、電梯槽、機電房、垃圾房、會所面積等等 (如有把面積計算在內)。  
Apportioned Share of Common Area includes lift lobbies, lift shafts, electrical meter rooms, refuse room, clubhouse area etc (if such area is included in calculation of Apportioned Share of Common Area of the Unit).
2. 有關之建築圖則、分區計劃大綱圖、政府租契及已/待批核之大廈公契等各項文件之副本, 均可向售樓處免費查閱。  
Copies of the related Building Plans, Outline Zoning Plan, Government Lease and the approved/draft DMC are available for free inspection at the sales office(s).
3. 單位樓面至樓面高度 (指該樓層之石屎地台面與上一層石屎地台面之高度距離)。  
Floor-to-floor height (refer to the height between the top surface of the structural slab of a floor and the top surface of the structural slab of its immediate upper floor).
4. 層數較高單位由於結構牆較低層單位稍薄, 因而室內空間或會稍為增多。  
The internal space of units on upper floors may be slightly larger than those of the same type on the lower floors due to reduced thickness of structural walls on those upper floors.
5. 詳細之訂正圖則以政府有關部門最後批准之圖則為準。  
All plans are subject to final approval by the relevant Government Authorities.
6. 本價目表 / 付款辦法 / 有關之優惠隨時調整, 恕不另行通知。  
All prices, payment terms and contents of this price list are for information only and are subject to change without prior notice.
7. 有關本發展項目之公眾休憩用地/設施之管理/維修責任, 請參閱發展商提供之售樓說明書內「參考(如有) 資料」所載政府租契/公用契約/大廈公契之相關條款。  
For details of the management/maintenance responsibilities of the public open space/facilities of the development, please refer to the relevant terms of the Government Lease/Deed of Dedication/Deed of Mutual Covenant stated in the "Information for Reference" section of the sales brochures provided by the developer.
8. …… (其他條款按個別樓盤情況自訂)  
……(Other terms and conditions etc depending on each development)