

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2010-11**

**Director of Bureau : Secretary for Transport and Housing
Session No. : 8**

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**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2010-11**

**Director of Bureau : Secretary for Transport and Housing
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Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
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**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)001

Question Serial No.

1262

Head: 62 Housing Department

Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

After the implementation of the "Quota and Points System" (QPS) for public rental housing (PRH) allocation, the waiting time of non-elderly one-person applicants for PRH has become longer. Will the Administration allocate provisions for the review and improvement of the current QPS so as to shorten the waiting time of young singleton applicants? Alternatively, will the Administration deliberate on other measures to help young people meet their housing needs?

Asked by: Hon. CHAN Hak-kan

Reply:

The Hong Kong Housing Authority (HA) introduced the QPS for non-elderly one-person applicants in September 2005 to rationalise and re-prioritise the allocation of PRH to non-elderly one-person applicants to enable the HA to focus its resources on applicants with the most pressing housing needs. The HA reviewed the effectiveness and operation of the QPS in July 2007 and confirmed that the QPS had a positive impact on the rational allocation of public housing resources for more needy applicants, as well as agreed that the QPS should continue.

Under the current system, non-elderly one-person applicants can choose to apply together with his/her family members as general family applications. They may also apply through enhanced housing arrangements such as Harmonious Families Addition Scheme and Harmonious Families Priority Scheme so that they can live with and take care of their elderly parents. Those with pressing need for housing may apply for PRH through the Express Flat Allocation Scheme, or through compassionate rehousing with recommendations by the Social Welfare Department.

We will continue to monitor the operation of the QPS under existing resources.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)002

Question Serial No.

1256

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

In recent years, an increasing number of buildings under the Tenants Purchase Scheme have fallen into disrepair. In this connection, what were the expenditures involved in the past three financial years (i.e. from 2007-08 to 2009-10) for conducting the Planned Survey by the Administration? Has additional provision of resources been made in 2010-11 to cater for the related work?

Asked by: Hon. CHAN Hak-kan

Reply:

The Hong Kong Housing Authority (HA) has provided a seven-year Structural Safety Guarantee for all Tenants Purchase Scheme (TPS) estates. During the guarantee period, HA is responsible for all repair and maintenance works relating to structural components, including repair works for spalling and cracking, etc., in order to ensure the overall structural integrity of the buildings. When HA sold the TPS flats, it made a one-off contribution equivalent to \$14,000 per residential unit to the Maintenance Fund of each TPS estate to meet the expenses of post-sale maintenance works in common areas.

The Independent Checking Unit (ICU) of the Housing Department will continue to carry out the planned survey similar to the blitz operation undertaken by the Buildings Department which aims to implement large-scale clearance operation of unauthorised building works and repairs for buildings in Home Ownership Scheme courts and TPS estates. The survey aims to identify unauthorised and dangerous building works and to inspect conditions of internal common areas, the external walls and drainage pipes. Upon completion of the survey, the ICU, under delegated authority from the Director of Buildings, will carry out enforcement actions in accordance with the Buildings Ordinance and issue advisory letters or statutory orders to require the owners or owners' corporations to demolish the unauthorised building works, demolish dangerous structures or carry out repair works within a specified period of time (usually two months) for improvements to the buildings. Over the past five years, ICU has completed surveys to the external walls of 160 buildings which included 58 buildings under the TPS. No serious problems of disrepair have been identified. As a result, no repair orders were required to be issued. The surveying work forms part of the normal duties of the ICU. We do not have a breakdown of the expenditure and manpower involved in carrying out this particular duty.

There is no additional provision of resources made in 2010-11 to cater for the related work but we will internally deploy manpower resources to ensure there would be sufficient resources to cope with the workload.

Signature

Name in block letters

Thomas C Y CHAN

Post Title

Permanent Secretary for
Transport and Housing (Housing)

Date

18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)003

Question Serial No.

1257

Head: 62 Housing Department Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

What is the progress of the assessment exercise on surrendering prime public housing sites to the Government? How many sites are involved? What are their locations and areas? What are the manpower resources involved and the expenditure incurred in the exercise?

Asked by: Hon. CHAN Hak-kan

Reply:

The Hong Kong Housing Authority (HA) has no intention at present to return any of its planned public rental housing (PRH) sites to the Government. With the objective to maintain the average waiting time of PRH applicants at around three years, cleared public housing sites will be retained for PRH development as far as possible. The Government reviews regularly the land supply for public housing, the progress of public housing development projects and the amount of public housing flat production to meet the above-mentioned objective. In 2010-11, a provision of about \$1.9 million has been reserved for the related work, which includes the salary and staff-on-cost of the equivalent of two staff.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)004

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

0336

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

With regard to the “monitoring of sales information provided by developers to purchasers of uncompleted residential units”, it is mentioned in the Budget that the sale of uncompleted flats will be further regulated and the transparency of flat sales will be enhanced. What are the details of the measures? When will the measures be announced?

Asked by: Hon. CHAN Kam-lam

Reply:

The Transport and Housing Bureau (THB) is exploring further measures to strengthen the regulation of the sale of private uncompleted first-hand residential properties, including strengthening the regulation of show flats and the transparency of the floor numbering information in sales brochures in the light of the outcome of the Buildings Department's review on floor numbering. THB will announce those measures in due course.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)005

Question Serial No.

0337

Head: 62 Housing Department Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

How many surplus subsidised sale flats are still being held by the Hong Kong Housing Society as at February 2009-10? Will consideration be given to putting up these flats for sale in the near future and what are the details if there is such a plan?

Asked by: Hon. CHAN Kam-lam

Reply:

As at February 2010, the Hong Kong Housing Society (HKHS) had a stock of 838 surplus Sandwich Class Housing Scheme (SCHS) flats. HKHS put up for sale 464 flats on 3 March 2010. Having considered the favourable market response to the 464 flats being put up for sale, HKHS had further discussed with the Transport and Housing Bureau and decided to launch the remaining 374 SCHS flats on 15 March 2010 to meet the market need.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)006

Question Serial No.

0338

Head: 62 Housing Department Subhead (No. & title):

Programme: (4) Rehousing of Occupants upon Clearance

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

- a) Please provide, for the years 2007-08 and 2008-09, the numbers of people and households affected by squatter clearances or emergency clearances, and their breakdowns in percentages according to the provision of public rental housing, interim housing and other subsidies concerning rehousing by the Administration.
- b) What is the percentage of the said affected households which have been rehoused locally?

Asked by: Hon. CHAN Kam-lam

Reply:

- a) According to the records of the Lands Department (LandsD) and the Housing Department (HD), the numbers of households and people affected by squatter clearances or emergency clearances in 2007-08 were about 230 and 590 respectively. Excluding the clearances who did not want to apply or were not eligible for rehousing, about 80 households (170 people) submitted rehousing applications which were referred by the LandsD to the HD for follow-up. The percentages of eligible clearances who were offered public rental housing, interim housing and other subsidies concerning rehousing were 76%, 19% and 5% respectively.

The numbers of households and people affected by squatter clearances or emergency clearances in 2008-09 were about 340 and 1 260 respectively, among which about 120 households (230 people) applied for rehousing. The percentages of eligible clearances who were offered public rental housing, interim housing and other subsidies concerning rehousing were 80%, 16% and 4% respectively.

- b) The HD does not have breakdowns for households which have been rehoused locally.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)007

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

0657

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding processing plans for alteration and addition works within 60 days under the key performance measures in respect of building control, the actual attainment rate was 100% of the estimated target in both 2008 and 2009. In this connection,

- a) is there room for improvement in enhancing the internal processes? If yes, what are the details? If no, what are the reasons?
- b) can the processing time be shortened for plans which are straightforward so as to expedite the works and improve the performance? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

- a) Independent Checking Unit (ICU) of Housing Department approves plan within 60 days according to the Buildings Ordinance. This is in line with the practice of Buildings Department. During the process, ICU needs to consult relevant government departments including Fire Services Department, Planning Department, Lands Department, etc. before approval. When considering the plan, we would also discuss, amend, clarify with and request submission of supplementary information from Authorised Person or Registered Structural Engineer who submit the plan. We welcome feedback from the industry and the public, in order to improve the plan approval process.
- b) While the performance pledge is set at 60 days, ICU always endeavours to complete the process as soon as possible. Depending on the content of plans, ICU will approve simple plans promptly.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)008

Question Serial No.

1414

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

In tackling the issue of dilapidated buildings, the Administration estimated that 200 reports from members of the public would be attended to while nil repairs order would be issued in 2010. Subsequent to the building-collapse disaster at Ma Tau Wai Road, the community is much more concerned about the maintenance of old buildings. In this regard, the Administration is requested to elaborate on the above figures, the procedures of issuing repairs orders and the specific details of the orders.

Asked by: Hon. IP LAU Suk-yee, Regina

Reply:

Under the provisions of the Buildings Ordinance, where any building has been rendered dangerous or liable to become dangerous due to dilapidation, the Building Authority may issue a repairs order to the owner of the building to require repair or improvement works to be carried out within a specified period to ensure building safety. Minor building maintenance problems are generally not sufficient ground for issuing repairs orders. From 2003 to 2007, the Independent Checking Unit (ICU) of the Housing Department has issued six repairs orders.

In 2009, ICU received 197 reports from members of the public on dilapidated buildings. After investigation, all these reports were found related to minor building defects only. No serious problems of disrepair have been identified. As such, there was no repairs order issued for last year. The estimate for 2010 is based on the actual figures in 2009.

Apart from the above, ICU will annually carry out the planned survey for buildings in Home Ownership Scheme courts and Tenants Purchase Scheme estates. If serious problems of disrepair are identified, ICU will issue repairs order in accordance with the Buildings Ordinance to require building owner to carry out necessary improvement works.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)009

Question Serial No.

1415

Head: 62 Housing Department Subhead (No. & title):

Programme: (3) Appeal Panel (Housing)

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

It is estimated that 2 640 appeal cases will be received in 2010, which represents a substantial increase of 28% over the 2 063 cases received in 2009. What are the reasons for the increase? What are the categories of appeals received in 2009 and which categories of appeals are expected to increase in 2010?

Asked by: Hon. IP LAU Suk-yee, Regina

Reply:

Currently, most of the appeals are related to rent arrears. Despite the government having paid rent for public housing tenants from August to September 2009, there is a substantial increase in the number of appeals received in 2009 compared with 2008. Considering that the foundations of economic recovery in 2010 are not yet firm and the external environment is still fraught with uncertainties, we expect the number of notice-to-quit issued by the Hong Kong Housing Authority to tenants will increase in 2010, resulting in a corresponding increase in the number of appeal cases.

The categories of appeals received in 2009 are as follows:

	<u>No. of cases</u>	<u>Percentage of total cases</u>
Rent arrears	1 688	(81.8%)
Non-occupation of the flat / Unauthorised occupation of the flat	173	(8.4%)
Others (including divorce, redevelopment, Marking Scheme and storage of illicit drugs, etc.)	202	(9.8%)
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Total	2 063	

Regarding the estimated number of appeals in 2010, we only have an estimate on the total caseload and do not have a forecast on individual categories.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)010

Question Serial No.

1416

Head: 62 Housing Department Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

The Administration will “monitor the progress on supply and timely availability of public housing sites” in 2010-11. In this respect, would the Administration advise us of:

- a) the current progress on the land supply for public housing; and
- b) the meaning of “timely” availability and the criteria for the assessment of it.

Asked by: Hon. IP LAU Suk-ye, Regina

Reply:

With the target to maintain the average waiting time of public housing at around three years, the Government will regularly monitor the land supply for public housing.

- a) The supply of land for public rental housing (PRH) for the forthcoming five years is stable. According to the Hong Kong Housing Authority (HA)'s current five-year Public Housing Construction Programme, about 74 000 PRH flats can be built from the forecasted land supply for public housing in the coming five years starting from 2009-10. HA estimates that this level of production, together with the PRH flats estimated to be recovered every year, would allow it to meet the objective of maintaining the average waiting time for PRH at around three years.
- b) The Government will regularly monitor the land supply for public housing. “Timely” availability of public housing land means allowing all issues including planning and infrastructure problems to be adequately addressed, to ensure an adequate and stable supply of land for HA to construct on average about 15 000 units each year. The criteria for assessment is based on the Government's target of maintaining the average waiting time for PRH at around three years.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)011

Question Serial No.

1473

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Will the Administration increase the manpower and resources for enhancing the collection and release of data on housing supply in the primary market to enable the general public to have a better grasp of the relevant information? How will the effectiveness on the enhancement of market transparency by releasing the relevant data on a regular basis be assessed?

Asked by: Hon. CHAN Hak-kan

Reply:

The Transport and Housing Bureau, and the former Housing, Planning and Lands Bureau, has been providing data on flat supply in the primary market on a quarterly basis in its website since November 2004. The data provided include the number of private residential flats which commenced construction in a year, the number of flats completed in that year, and the estimated supply of private residential flats in the coming few years. The quarterly figures were widely reported in the media. We will deploy our manpower and resources flexibly to ensure that we can continue to effectively provide the data on a quarterly basis in our website.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)012

Question Serial No.

1476

Head: 62 Housing Department Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

What is the progress of the orderly sale of the surplus subsidised sale flats of the Hong Kong Housing Society?
What factors are taken into account in determining the sale timetable and prices?

Asked by: Hon. CHAN Hak-kan

Reply:

As at February 2010, the Hong Kong Housing Society (HKHS) had a stock of 838 surplus Sandwich Class Housing Scheme (SCHS) flats. HKHS put up for sale 464 flats on 3 March 2010. Having considered the favourable market response to the 464 flats being put up for sale, HKHS had further discussed with the Transport and Housing Bureau and decided to launch the remaining 374 SCHS flats on 15 March 2010 to meet the market need.

In determining the prices of these flats, HKHS has considered the prices of comparable flats in the market and the affordability of eligible applicants.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)013

Question Serial No.

0691

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

The Budget (para. 28 of the Budget Speech) has put forward the revitalisation of the Home Ownership Scheme (HOS) Secondary Market and other property-sale measures to assist potential home buyers. Will the Government consider relaxing the eligibility criteria for purchasing second-hand HOS flats and proposing other measures to help first-time home purchasers? What are the resources involved?

Asked by: Hon. CHAN Kin-por

Reply:

The Housing Department is actively exploring possible means to revitalise the HOS Secondary Market, and will review areas such as the objectives and positioning of the Secondary Market Scheme (SMS) and affordability, etc. We would also explore how application procedures could be streamlined so as to facilitate the turnover of the HOS SMS flats. Proposals will be submitted to the Hong Kong Housing Authority (HA) for discussion later. We need to consider and look into factors such as whether the proposals could help those who can afford and are in genuine need of purchasing their own homes in the long run, whether the supply and demand in the HOS market can be effectively matched, and the HA's financial liabilities and risks, etc. No additional expenditure and manpower will be incurred at this stage while the review is underway.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)014

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

3193

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Has the Government set aside financial resources for exploring the resumption of the construction of Home Ownership Scheme flats? If yes, what are the financial resources involved? If no, what are the reasons?

Asked by: Hon. CHAN Kin-por

Reply:

It was a significant decision of the Administration to cease the production of Home Ownership Scheme (HOS) units a few years ago, and as such the HOS would not be hastily relaunched.

At present, there are more than 300 000 HOS flats. Over 60 000 flats are tradable in the open market, and over 250 000 are flats with premium not yet paid and tradable in the Secondary Market. These HOS flats may appeal to the public as 70% of them are located in the urban and extended urban areas, and are priced around \$2 million. Facilitating the turnover of these flats will increase the supply of small flats. The Housing Department is actively exploring possible means to revitalise the HOS Secondary Market. Proposals will be submitted to the Hong Kong Housing Authority for discussion later.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)015

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

0820

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

In respect of the "assessment of the feasibility of returning prime public housing sites to the Government having regard to the need to maintain the average waiting time for family applicants at about three years", please advise us of the following:

- a) The present average waiting time for general families is 1.8 years and for the next five years (i.e. 2010-11 to 2014-15) the Housing Department (HD) is able to achieve the target of maintaining the average waiting time at about three years. In this connection, how does HD assess "the need to maintain the average waiting time" and what factors are included in the assessment?
- b) What are the criteria for assessing the feasibility of returning prime public housing sites to the Government and when will the assessment be made?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

- a) According to the Hong Kong Housing Authority (HA)'s five-year Public Housing Construction Programme (PHCP), the anticipated new public rental housing (PRH) production during the five-year period starting from 2009-10 is about 74 000 flats, averaging about 15 000 flats per year. Together with the PRH flats estimated to be recovered every year, it is expected that this production level would meet the objective of maintaining the average waiting time for PRH at around three years. We will continue to closely monitor the demand situation and to roll forward the PHCP every year to maintain the average waiting time at around three years.
- b) With the objective to maintain the average waiting time of PRH applicants at around three years, cleared public housing sites will be retained for PRH development as far as possible. The Government reviews regularly the land supply for public housing, the progress of public housing development projects and the amount of public housing flat production to meet the above-mentioned objective, which is also the basic principle under which the feasibility of returning prime public housing sites to the Government is to be assessed.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)016

Question Serial No.

2098

Head: 62 Housing Department Subhead (No. & title):

Programme: (1) Building Control and (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

It is mentioned in the Budget Speech (para. 28) that "...The Hong Kong Housing Authority will actively explore means to revitalise the HOS Secondary Market". Would the Administration advise this Committee of: the measures that are being examined to revitalise the Home Ownership Scheme (HOS) Secondary Market; the time span estimated for the completion of the above study as well as that for the final implementation of relevant measures; and the expenditure incurred and the manpower resources involved in the entire study.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Housing Department is actively exploring possible means to revitalise the HOS Secondary Market, and will review areas such as the objectives and positioning of the Secondary Market Scheme (SMS) and affordability, etc. We would also explore how application procedures could be streamlined so as to facilitate the turnover of the HOS SMS flats. Proposals will be submitted to the Hong Kong Housing Authority (HA) for discussion later. We need to consider and look into factors such as whether the proposals could help those who, in the long run, can afford and are in genuine need of purchasing their own homes, whether the supply and demand in the HOS market can be effectively matched, and the HA's financial liabilities and risks, etc. No additional expenditure and manpower will be incurred at this stage while the review is underway.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)017

Question Serial No.

2099

Head: 62 Housing Department

Subhead (No. & title):

Programme: (4) Rehousing of Occupants upon Clearance

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding the serious building-collapse incident that took place earlier at Ma Tau Wai, would the Administration advise this Committee: of all the measures implemented by the Housing Department to assist the affected occupants; whether any review of this operation for victim relief has been conducted by the Housing Department, and if yes, any needed improvements, and if no, the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Regarding the building-collapse incident that took place earlier at Ma Tau Wai, the Housing Department had, upon receipt of referrals from the Lands Department, promptly arranged for affected occupants admission to the reception flats in Shek Lei Estate as transit accommodation pending long-term rehousing.

The Housing Department also deployed its staff on a number of occasions to meet with affected occupants to listen to their practical difficulties and circumstances, as well as to explain to them in detail the arrangements for transit accommodation, and the procedures for and policies on rehousing to public rental housing (PRH) and interim housing. We also set up an advisory centre in Shek Lei Estate to answer victims' enquiries, and deployed staff to provide assistance to the victims.

We expedited the verification of the eligibility of affected occupants with rehousing referrals, and allocated PRH flats to eligible occupants who were recommended compassionate rehousing, or who had been confirmed to have been permanently evacuated from their original dwellings.

The Housing Department had proactively followed up on the incident, maintained communication with the occupants and processed their rehousing applications as soon as possible throughout the entire process. In future emergencies and clearances, we will keep up our effort and continue to work with concerned departments to address the transit and long term housing needs of those affected.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)018

Question Serial No.

2796

Head: 62 Housing Department Subhead (No. & title):

Programme: (3) Appeal Panel (Housing)

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

According to the indicators of the Programme, there was a drastic surge in the number of appeal cases received by the Administration in 2009-10, but the numbers of hearing sessions, hearings and appeals heard fell sharply. Would the Government advise on the following:

- (a) Given the continuous increase in the number of cases, why was there no corresponding increase in the numbers of the hearings and appeals heard in 2009-10?
- (b) At present, how many outstanding appeal cases are not yet processed?
- (c) What is the longest waiting time among the outstanding cases from the date of appeal to hearing? What is the average waiting time?
- (d) Does the Administration conclude that the outstanding appeal cases this year (i.e. 2010-11) can be cleared by increasing the sessions and number of hearings? If no, has the Administration considered deploying more resources to tackle the problem?
- (e) For those tenants pending appeal, will the Administration suspend the execution of its decision to terminate their tenancies so that they can remain in their flats until the appeals have been heard? If no, what are the reasons?

Asked by: Hon. WONG Kwok-kin

Reply:

- (a) The hearing sessions in 2008 included hearings of backlog cases. Since most of the backlog cases have been completed in 2008, there is a reduction in the number of hearing sessions and hearings in 2009, which were arranged mainly for cases received in the year.
- (b) As at 28 February 2010, there were 253 appeal cases pending hearing.
- (c) Of the appeal cases pending hearing mentioned above, the case with the longest waiting time was received in February 2009. The appellant of this case was temporarily unable to attend the hearing on medical grounds. As at 28 February 2010, the average waiting time for these outstanding cases was around six weeks.
- (d) Although it is our estimate that the number of appeals may increase in 2010, we believe the existing level of manpower resources is adequate to ensure normal operation of the Appeal Panel and additional resources is not required.

- (e) By virtue of section 21(2) of the Housing Ordinance (Cap. 283), a person upon whom a notice-to-quit has been served under section 19(1)(b) and who has appealed against the notice under section 20, shall not be deemed to be a trespasser until his appeal has been determined. Hence, for a tenant whose appeal has yet to be determined, the Hong Kong Housing Authority will suspend the execution of its decision to terminate the tenancy and allow the tenant to stay in the flat and will enforce the decision to terminate the lease after the appeal tribunal has made the determination.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)019

Question Serial No.

2122

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

It is mentioned in the Budget Speech (paragraph 153(1)): "Paying two months' rent for around 700 000 public housing tenants. The Government will pay the base rent for tenants who are required to pay extra rent to the Hong Kong Housing Authority. For non-elderly tenants of the Hong Kong Housing Society's Group B estates, the Government will pay two-thirds of their rent. This measure will involve expenditure of approximately \$1.8 billion". In this respect, would the Administration advise the Committee of: the relevant procedures for the implementation of the above-mentioned relief measures; and the estimated earliest time for the implementation of the respective relief measures (i.e. when will the tenants receive the rent assistance)?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Transport and Housing Bureau will seek funding approval from the Legislative Council Finance Committee (FC) in due course. Subject to the FC's approval, the Hong Kong Housing Authority and the Hong Kong Housing Society will start the necessary preparatory work. It is expected that the proposed measure could be implemented in two months' time after the necessary approval and will take effect after mid-2010.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)020

Question Serial No.

2123

Head: 62 Housing Department Subhead (No. & title):

Programme: (2) Private Housing and (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

For the studies on housing-related policies conducted and to be conducted by the Administration, would the Administration advise us in detail of the studies that were conducted over the past two years (i.e. from 2008-09 to 2009-10) as well as the amount of funding for each of the studies, and the studies planned to be conducted in the next two years as well as the estimated expenditure for each of the studies?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

To help strengthen our ability to collect and analyse statistics related to the private residential property market, the Transport and Housing Bureau earmarked \$2.1 million in 2008-09 for commissioning studies by outside organisations in this regard. In the coming two years, we will not seek additional resources but will deploy our existing resources flexibly as required to effectively collect and analyse statistics on the private residential market.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)021

Question Serial No.

2124

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

With regard to “closely monitoring, in association with the Real Estate Developers Association of Hong Kong (REDA), Consumer Council and the Estate Agents Authority (EAA), the adequacy and transparency of sales information provided by developers to purchasers of uncompleted residential units” under the Matters Requiring Special Attention, would the Administration tell us: the details of the work in the past year (i.e. 2009-10); the manpower and expenditure involved in the past year (i.e. 2009-10) and expected to be involved next year; and whether cases of non-compliance with the code of practice on sales were found and received? If yes, please provide the relevant figures and the nature of non-compliance. Will the Administration consider increasing the number of surprise inspections as well as introducing further legislation to regulate the sales methods and information of uncompleted residential units?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

In 2009-10, the Transport and Housing Bureau (THB) continued to monitor the sales of uncompleted first-hand residential properties to see if they had complied with the Lands Department's Consent Scheme (the Consent Scheme) requirements and/or the guidelines of the REDA. In this regard, THB examined the sales brochures and price lists of private uncompleted first-hand residential properties and referred cases of non-compliance with the Consent Scheme requirements and/or REDA's guidelines to the Lands Department and/or REDA for appropriate follow up actions. Also, THB sought the assistance of the EAA to conduct surprise visits on the sales sites of private uncompleted first-hand residential properties, to help monitor whether developers had provided prospective flat buyers with sales brochures and price lists.

The monitoring of the sales of private uncompleted first-hand residential properties is an on-going function of THB, and forms part of the duties of a team under Deputy Secretary for Transport and Housing (Housing). We do not have a breakdown on the expenditure for this particular duty.

According to Lands Department's record, there was one case which had breached the Consent Scheme requirements in 2009-10. The developer of an uncompleted residential property had not provided the required property information in the sales brochures as specified under the Consent Scheme. Lands Department issued a warning letter to the developer concerned on possible withdrawal of the pre-sale consent. The developer had subsequently taken rectification measures.

THB will continue to monitor the sales of private uncompleted first-hand residential properties in 2010-11, and through the support of the EAA, will continue to conduct surprise visits on the sales sites of private uncompleted first-hand residential properties. The number of surprise visits will depend on actual need.

THB is exploring further measures to strengthen the regulation of the sale of private uncompleted first-hand residential properties. If the existing measures cannot achieve the expected effect, we do not rule out the possibility of adopting more severe administrative or legislative measures to tackle the problems.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)022

Question Serial No.

2125

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

It is mentioned in the Matters Requiring Special Attention that the Department will "liaise with the Estate Agents Authority (EAA) to enhance the professionalism and service standard of estate agents". Will the Administration advise us of: the concrete measures taken to enhance the professionalism and service standard of estate agents; whether the effectiveness of these measures has been assessed; and the number of successful applicants who passed the qualifying examinations to become licensed estate agents, and the number of licensees whose licences were revoked by the EAA and the reasons for such revocation in the past three years?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Measures taken by the EAA to enhance the professionalism and service standard of estate agents include enhancing the depth and raising the pass standard of the qualifying examinations for estate agent's licences and salesperson's licences, implementing the Continuing Professional Development (CPD) Scheme, introducing the CPD Mark, launching intensive training courses for new entrants, enhancing order at the sale sites of first-hand residential developments and their vicinity, stepping up inspections of estate agency shops, stepping up work relating to the investigations of complaints and disciplinary actions, and ensuring the provision of accurate information by estate agents when selling first-hand residential properties, etc. EAA reviews the effectiveness of these measures from time to time and introduces new measures as necessary. In the past three years, 8 893 persons passed the qualifying examinations and successfully obtained estate agent's and salesperson's licences. During the same period, two licensees were considered by EAA to be not fit to continue to hold a licence because of serious professional misconduct and convictions for criminal offences respectively, and their licences were revoked.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)023

Question Serial No.

0927

Head: 62 Housing Department Subhead (No. & title):

Programme: (3) Appeal Panel (Housing)

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

- (a) What were the breakdowns of the appeals received in each of the past two years (i.e. 2008 and 2009)? Why was there a substantial increase in the number of appeals received in 2009 compared with that in 2008?
- (b) Despite the substantial increase in the number of appeals received in 2009 compared with that in 2008, why were there fewer hearing sessions and hearings?
- (c) Of the appeals heard in the past two years (i.e. 2008 and 2009), what were the numbers and percentages of successful appeals for each year?

Asked by: Hon. LEUNG Yiu-chung

Reply:

- (a) The breakdown of appeals received in 2008 and 2009 are as follows:

	<u>2008</u>		<u>2009</u>	
	<u>No. of cases</u>	<u>Percentage of total cases</u>	<u>No. of cases</u>	<u>Percentage of total cases</u>
Rent arrears	1 104	(74.2%)	1 688	(81.8%)
Non-occupation of the flat/Unauthorised occupation of the flat	143	(9.6%)	173	(8.4%)
Others (including divorce, redevelopment, Marking Scheme and storage of illicit drugs, etc)	241	(16.2%)	202	(9.8%)
Total	1 488		2 063	

Since currently, most of the appeals are related to rent arrears, we believe that the number of appeals is affected mainly by the overall economic situation. The substantial increase in the number of appeals in 2009 may therefore be related to the global financial tsunami in late 2008 which has adversely affected the local economy.

- (b) More hearing sessions and hearings were arranged in 2008 compared with 2009 because the cases processed in 2008 included backlog cases. Since most of the backlog cases have been completed in 2008, there is a reduction in the number of hearing sessions and hearings in 2009, which were arranged mainly for cases received in the year.
- (c) The number of notice-to-quit cancelled or amended by the appeal tribunals respectively in 2008 and 2009 are 368 (50% of the total of 737 cases heard) and 220 (46% of the total of 478 cases heard).

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)024

Question Serial No.

0989

Head: 62 Housing Department

Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding the provision of support services for housing-related matters and infrastructure projects, how can the Administration enhance the efficiency of service through the use of information technology? What is the amount of resources expected to be allocated to the development of the information technology concerned in 2010-11, and how does it compare with that of 2009-10?

Asked by: Hon. TAM Wai-ho, Samson

Reply:

In addition to the use of networked computers equipped with common commercial softwares to meet the operational requirements, we will make use of the Housing Department's existing information technology resources such as Geographic Information System, etc to enhance the efficiency in the delivery of support services under Programme (5). As the expenses involved were borne by the Hong Kong Housing Authority, there is no need to allocate extra resources under Head 62 (Housing Department) to develop relevant information technology projects specifically for this area of work.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)025

Question Serial No.

1109

Head: 62 Housing Department Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

The authority over building control delegated to the Housing Department has concurrently been extended to cover the Hong Kong Housing Authority's retail and carparking premises divested in November 2005, i.e. the project managed by the Link Management Limited (LML) at present. However, there have been repeated irregularities in respect of the properties under the management of LML, including deferred payment of government rent and the person-in-charge of LML not holding an estate agent's licence. Please list out the cases of irregularities involving LML and the follow-up actions taken by the Housing Department in the previous year (i.e 2009-10).

Asked by: Hon. FANG Kang, Vincent

Reply:

Under delegated authority from the Director of Buildings, the Independent Checking Unit (ICU) of the Housing Department exercises control, by virtue of the Buildings Ordinance, over flats sold under the Home Ownership Scheme and the Tenants Purchase Scheme, as well as the commercial and carparking facilities divested by the Hong Kong Housing Authority to The Link Real Estate Investment Trust (The Link). ICU exercises building control over these properties in accordance with the Buildings Ordinance and in line with the current policy of the Buildings Department (BD). Enforcement practices are also aligned with those of the BD.

Under the Buildings Ordinance, any building works (including alterations and additions) which involve any building structure in the above-mentioned properties, shall need to obtain ICU's approval of the plan(s) and its consent prior to commencement. Failure to do so will constitute a breach of the Buildings Ordinance. If the breach is substantiated, ICU will take enforcement action, including requiring the rectification of unauthorised building works by the owner concerned.

In 2009-10, ten cases of unauthorised alterations to the properties of The Link were detected by ICU. Subsequent to ICU's enforcement actions, four cases have been rectified while the remaining six are being followed up.

As regards other matters involving The Link, organisations and departments concerned would take follow-up or enforcement actions as necessary under their respective jurisdictions. The relevant Panel of the Legislative Council will also discuss these issues from time to time.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)026

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

2463

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

In respect of consultation conducted and to be conducted for the formulation and assessment of policies under any of the Programmes, please provide the relevant information in the following format:

For the consultation project(s) that was/were funded in 2009-10, please provide information in the following format:

Project Title/ Contents	Revised Estimates (\$)	Progress of Consultation (under planning/in progress/ completed)	Approach of Consultation(e.g . collection of written opinions, consultation sessions, focus groups), the frequency, the names of organisations consulted or to be consulted, the number of people consulted or to be consulted	Actions taken by the Administration to follow up the consultation results as well as the progress of such actions (if any)	For the completed project(s), has it/have they been made public? If yes, what were the announcement channels? If not, why?
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Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We did not earmark any financial provision in 2009-10 for consultation. On-going consultation forms part of the normal duty of our staff and is not separately funded.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)027

Question Serial No.

2464

Head: 62 Housing Department

Subhead (No. & title):

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Have resources been reserved for conducting consultation in 2010-11? If yes, please provide the following information:

Project Title/ Contents	Expenditure (\$)	Progress of Consultation (under planning/in progress/completed)	Approach of Consultation (e.g. collection of written opinions, consultation sessions, focus groups), the frequency, the names of organisations to be consulted, the number of people to be consulted	For the project(s) expected to be completed in the financial year 2010-11, will it/ they be made public? If not, why?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We have not earmarked any financial provision in 2010-11 for consultation. On-going consultation forms part of the normal duty of our staff and is not separately funded.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)028

Question Serial No.

2538

Head: 62 Housing Department

Subhead (No. & title):

Programme: (4) Rehousing of Occupants upon Clearance

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

This year (i.e. 2010-11), the financial provision for this Programme increases by \$1.8 million. The Administration has said that the increase is for the filling of vacancies. Please advise on the number of vacancies to be filled, and the ranks and duties involved.

Asked by: Hon. WONG Kwok-kin

Reply:

Under Programme (4) : Rehousing of Occupants upon Clearance, the Housing Department (HD) is mainly responsible for providing assistance in rehousing eligible clearnees affected by the Government's squatter clearances, and victims of natural disasters and other emergency incidents. The work includes vetting rehousing applications referred by the Lands Department and allocating public rental housing or interim housing to eligible applicants, etc. The HD is also responsible for providing assistance in rehousing occupants of illegal rooftop structures displaced by the Buildings Department's enforcement actions, which includes conducting on-site freezing surveys and subsequent investigations, verifying rehousing eligibility and allocation of public housing, etc.

Under this, the HD deploys 24 non-directorate staff to discharge the related duties in 2009-10. Compared with the approved establishment of 29 non-directorate staff, the differences are three Housing Officers and two staff of the Clerical Grade, and the revised estimate of the year is based on the salaries of the 24 non-directorate staff. The main responsibility of Housing Officers are handling rehousing matters of the clearnees, and those for clerical staff are for related clerical work. The revised estimate for 2009-10 was therefore reduced from the original estimate of \$17.3 million to \$15.6 million. In 2010-11, we made our estimate based on 29 non-directorate staff, and related expenditure is based on the approved establishment of 29 non-directorate staff. Hence, the estimated expenditure of 2010-11 exceeds the revised estimate of 2009-10 by \$1.8 million.

Same as last year, the HD will deploy its manpower with flexibility in the light of operational needs to ensure optimisation of its manpower resources.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)029

Question Serial No.

2540

Head: 62 Housing Department Subhead (No. & title):

Programme: (4) Rehousing of Occupants upon Clearance

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

- (a) Please provide the respective numbers of occupants whose cases were processed by the Housing Department (HD) in the past year (i.e. 2009-10) and required to be rehoused by the HD as a result of (1) government squatter clearances, (2) clearance of illegal rooftop structures, (3) natural disasters and other emergency incidents, and (4) other government actions.
- (b) Please provide the number of persons accommodated in the transit centres under the purview of the HD and the occupancy rate of the centres in the past year (i.e. 2009-10).
- (c) How much time is required by the HD to verify the rehousing eligibility of occupants affected by natural disasters, emergency incidents and other government actions and to arrange for their rehousing?

Asked by: Hon. WONG Kwok-kin

Reply:

- (a) In 2009-10 (as at 28 February 2010), the respective numbers of occupants with rehousing applications processed by the HD were as follows:

110 households (210 people) under government squatter clearances; 180 households (410 people) under clearance of illegal rooftop structures; 80 households (210 people) under natural disasters and other emergency incidents and 20 households (30 people) in relation to other government actions.
- (b) Since the occupancy position of transit centres under the purview of HD fluctuates frequently as a result of occurrence of incidents, HD does not have the statistics as requested.
- (c) In general, HD takes about eight weeks to complete the verification of rehousing eligibility for the applicants and allocate flats to them. However, the actual time required depends on the complexity of individual cases and HD will flexibly deploy its staff to tackle sudden increase in workload and to expedite the handling of special cases.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)030

Question Serial No.

2541

Head: 62 Housing Department

Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Among the Matters Requiring Special Attention under this Programme, the Administration states that it will "assess the feasibility of returning prime public housing sites to the Government having regard to the need to maintain the average waiting time for family applicants at about three years." In this connection, would the Administration advise on:

- a) the criteria of assessment, and whether district councils and local residents will be consulted?
- b) whether compensation will be made to the financially-autonomous Housing Authority when public housing sites are returned to the Government in the interest of the Housing Authority and applicants on the Waiting List?
- c) whether there are any public housing sites being examined for resumption by the Government at this stage? If yes, please provide the details on the locations and areas; and
- d) the manpower resources involved and the expenditure incurred in this assessment for the year (i.e. 2010-11).

Asked by: Hon. WONG Kwok-kin

Reply:

- a) With the objective to maintain the average waiting time of public rental housing (PRH) applicants at around three years, cleared public housing sites will be retained for PRH development as far as possible. The Government reviews regularly the land supply for public housing, the progress of public housing development projects and the amount of public housing flat production to meet the above-mentioned objective, which is also the basic principle under which the feasibility of returning prime public housing sites to the Government is to be assessed. During the planning and design process of the public housing development projects, the Hong Kong Housing Authority (HA) will work closely with the Government departments and consult the local residents concerned to ensure a smooth implementation of the public housing programme and to meet the development needs of the districts.
- b) Most of the public housing sites are developed and managed by HA under "Vesting Orders". If these sites are no longer used for PRH development, they should be returned to the Government for disposal. HA will not be benefited under such circumstance. However, a few public housing sites were previously leased by the Government to the former Housing Authority. If the Government needs to resume these sites, they must consult and work out the most appropriate arrangement with the HA on a case by case basis.
- c) HA has no plan at present to return any of its planned PRH sites to the Government.

- d) In 2010-11, a provision of about \$1.9 million has been reserved for the related work (including the regular reviews of PRH's supply, land search and feasibility assessment of site return), which includes the salary and staff-on-cost of the equivalent of two staff.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)031

Question Serial No.

2795

Head: 62 Housing Department Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Under the Matters Requiring Special Attention of the Brief Description in the Programme, it is stated that the Department will liaise with the Hong Kong Housing Society (HKHS) on the orderly sale of its surplus subsidised sale flats. Would the Administration inform us of the following?

- (a) How many surplus subsidised sale flats of HKHS are still unsold? Please list out the locations, number and age of these flats.
- (b) The recent surge in property prices has rendered it very difficult for many of the sandwich class and the public to purchase their homes. Will the Administration discuss with HKHS on putting up all these surplus flats for sale as soon as possible so as to increase the revenue of HKHS on the one hand and assist the home buyers on the other?
- (c) In the past year (i.e. 2009-10), did the Administration liaise with HKHS to seek its views on the development of the property market and the resumption of building subsidised sale flats? If yes, what were HKHS's views? If no, will the Administration consult its views on the relevant matters in the coming year?
- (d) What are the existing staff establishments and expenditures of the Department for liaising with HKHS and the sale of surplus subsidised sale flats?

Asked by: Hon. WONG Kwok-kin

Reply:

As at February 2010, the Hong Kong Housing Society (HKHS) had a stock of 838 surplus Sandwich Class Housing Scheme (SCHS) flats. HKHS put up for sale 464 flats on 3 March 2010. Having considered the favourable market response to the 464 flats being put up for sale, HKHS had further discussed with the Transport and Housing Bureau and decided to launch the remaining 374 SCHS flats on 15 March 2010 to meet the market need.

Under the existing subsidised housing policy, the objective of the Government is to target resources to provide public rental housing to low-income families who cannot afford private rental housing. The Government has no plan to relaunch subsidised sale flats.

Overseeing the sale of surplus SCHS flats forms part of the duties of a Principal Assistant Secretary and a Senior Administrative Officer in the Transport and Housing Bureau. We do not have a breakdown on the expenditure for this particular duty.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)032

Question Serial No.

2956

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Under the Matters Requiring Special Attention in 2010-11, it is mentioned that the programme of the Planned Survey in Home Ownership Scheme/Tenants Purchase Scheme buildings will be continued. Would the Government inform the Committee of the following:

- (a) What are the respective numbers of unauthorised building works to be removed and repair works to be carried out by the owners or owners' corporations upon completion of the Planned Survey?
- (b) Is there any fixed plan for how long the programme will last?

Asked by: Hon. LEE Kok-long, Joseph

Reply:

- (a) In mid-2004, the Independent Checking Unit (ICU) of the Housing Department formulated a five-year survey programme for all Home Ownership Scheme courts and Tenants Purchase Scheme estates. Under the programme, the ICU would identify unauthorised and dangerous building works and inspect the condition of common areas, external walls and drainage pipes. According to the programme, we have identified 160 buildings with more serious cases for comprehensive surveys. Upon completion of the comprehensive surveys, the ICU, under delegated authority from the Director of Buildings, will carry out enforcement actions in accordance with the Buildings Ordinance and issue advisory letters or statutory orders to require the owners or owners' corporations to demolish the unauthorised building works or carry out repair within a specified period (usually two months).

The five-year programme was completed last year. We have completed the comprehensive surveys for the above 160 buildings. As at the end of 2009, we have issued 2 804 orders to require the removal of unauthorised building works. So far there have been 2 152 cases of compliance and the remaining cases are being followed up. As no serious problems of disrepair have been identified, no repair order was issued.

- (b) From 2010-11 onwards, the ICU will select 20-30 buildings annually and continue the survey for the remaining courts and estates under a rolling programme, in line with Buildings Department (BD)'s annual large scale operation programme to tackle unauthorised building and maintenance works. The surveys will be conducted following the existing guidelines of the BD.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)034

Question Serial No.

2958

Head: 62 Housing Department

Subhead (No. & title):

Programme: (4) Rehousing of Occupants upon Clearance

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Under this Programme, it is mentioned that the provision for 2010-11 is 11.5% (\$1.8 million) higher than the revised estimate for 2009-10, which is mainly attributed to the filling of vacancies. Would the Administration advise this Committee of the estimated number of vacancies needed to be filled in 2010-11?

Asked by: Hon. LEE Kok-long, Joseph

Reply:

Under Programme (4) : Rehousing of Occupants upon Clearance, the Housing Department (HD) is mainly responsible for providing assistance in rehousing eligible clearerees affected by the Government's squatter clearances, and victims of natural disasters and other emergency incidents. The work includes vetting rehousing applications referred by the Lands Department and allocating public rental housing or interim housing to eligible applicants, etc. The HD is also responsible for providing assistance in rehousing occupants of illegal rooftop structures displaced by the Buildings Department's enforcement actions, which includes conducting on-site freezing surveys and subsequent investigations, verifying rehousing eligibility and allocation of public housing, etc.

Under this, the HD deploys 24 non-directorate staff to discharge the related duties in 2009-10. Compared with the approved establishment of 29 non-directorate staff, the differences are three Housing Officers and two staff of the Clerical Grade, and the revised estimate of the year is based on the salaries of the 24 non-directorate staff. The revised estimate for 2009-10 was therefore reduced from the original estimate of \$17.3 million to \$15.6 million. In 2010-11, we made our estimate based on 29 non-directorate staff, and related expenditure is based on the approved establishment of 29 non-directorate staff. Hence, the estimated expenditure of 2010-11 exceeds the revised estimate of 2009-10 by \$1.8 million.

Same as last year, the HD will deploy its manpower with flexibility in the light of operational needs to ensure optimisation of its manpower resources.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)035

Question Serial No.

3000

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Among the Matters Requiring Special Attention in 2010-11 under this Programme, it is stated that the Independent Checking Unit will continue with the programme of the Planned Survey in Home Ownership Scheme/Tenants Purchase Scheme (HOS/TPS) buildings. Would the Administration advise on:

- a) The number of courts/estates covered by the survey in the previous year (i.e. 2009-10), and whether repairs to any of the courts/estates had to be carried out as a result of the survey findings?
- b) As far as the safety of HOS/TPS buildings is concerned, whether the Housing Department will require these buildings to be inspected and repaired regularly through the mandatory building inspection scheme to be implemented for the enhancement of their safety? If not, what can the Administration do now to urge the owners to carry out regular inspections of and repairs to their buildings?

Asked by: Hon. WONG Kwok-kin

Reply:

- a) The Independent Checking Unit (ICU) of the Housing Department keeps statistics on a calendar year basis. It completed the survey of 24 blocks in HOS courts/TPS estates in 2009. No serious disrepair was detected. As a result, no statutory order requiring repairs to the buildings in the courts/estates concerned was issued by ICU last year. Some unauthorised building works have been identified in some flats in the surveys and we have been issuing advisory letters and will continue to take enforcement actions until owners remove these unauthorised building works.
- b) As HOS/TPS buildings are subject to control under the Buildings Ordinance, regular inspections of and repairs to these buildings will be required to meet the requirements of the Ordinance when the mandatory building inspection scheme is implemented.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)036

Question Serial No.

3001

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

According to the Indicators under this Programme, the number of cases involving the issuance of advisory letters against unauthorised building works last year (i.e. 2009) increased substantially by 419 to 663 as compared with the year before (i.e. 2008). Moreover, the number of cases involving referral to the Buildings Department for prosecutions against failure to comply with removal orders also increased from 22 to 42. In this respect, would the Administration advise us of:

- a) the reasons for the substantial increase in the numbers of cases involving the issuance of advisory letters and referral to the Buildings Department for prosecutions?
- b) the measures to deal with the problems of unauthorised building works in Home Ownership Scheme courts and Tenants Purchase Scheme estates and of non-compliance with the removal orders by the residents concerned, as well as the expenditure involved?

Asked by: Hon. WONG Kwok-kin

Reply:

In 2009, the Independent Checking Unit (ICU) of the Housing Department completed the planned survey for 24 blocks of buildings in Home Ownership Scheme courts and Tenants Purchase Scheme estates. The survey aims to identify unauthorised and dangerous building works and inspect for defective items in the internal common areas, external walls and drainage pipes of the buildings. Upon completion of the survey, the ICU, under delegated authority from the Director of Buildings, will carry out enforcement actions in accordance with the Buildings Ordinance and issue advisory letters or statutory orders to require the owners or owners' corporations to demolish the unauthorised building works, remove dangerous structures or carry out repair works within a specified period of time (normally two months).

- a) Since the housing estates surveyed each year are different and the extent of unauthorised and dangerous building works in the buildings varies, the numbers of advisory letters issued differ from year to year, and they cannot be compared directly. Although the number of prosecution cases relating to unauthorised building works increased from 22 cases in 2008 to 42 cases in 2009, taking into account the total 1 599 removal orders issued in the years 2007 and 2008, the number of cases that needed to be followed up with prosecution was minimal. This indicates that the great majority of owners or owners' corporations does comply with the requirements for the removal of unauthorised building works or structures.
- b) For owners who fail to comply with removal orders, we will refer the cases to the Buildings Department for taking prosecution actions until the owners comply with the orders. As the work mentioned above forms part of the normal duties of the ICU, we do not have a breakdown of the expenditure and manpower involved in carrying out this particular duty.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)037

Question Serial No.

3002

Head: 62 Housing Department Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

It is stated in the Brief Description of the said Programme that the Administration will provide analyses on developments in the private housing market. Would the Administration advise on: how the analyses are conducted, what data are involved, and whether the findings in the analyses will be released for public information?

Asked by: Hon. WONG Kwok-kin

Reply:

Transport and Housing Bureau (THB) collects from relevant departments data which is useful for projecting the supply of first-hand private residential flats in that year and the coming few years, and makes projections on the number of private residential flats which commenced construction in that year, the number of flats to be completed in that year, and the estimated supply of private residential flats in the coming few years. THB, and the former Housing, Planning and Lands Bureau, has been providing the aforementioned data in its website since November 2004.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)038

Question Serial No.

3126

Head: 62 Housing Department Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding the task to “monitor the progress on supply and timely availability of public housing sites” mentioned in the Matters Requiring Special Attention, would the Administration inform this Committee of: the principles taken into consideration in selecting sites for public housing development; and the difficulties encountered in identifying public housing sites in the past. Please list out the locations of new sites for public housing development as proposed by the Administration in the past three years (i.e. from 2007-08 to 2009-10), together with the final outcome and the reasons for shelving the proposals.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Whether a particular site is suitable for public housing development is determined by factors such as the timing of site availability, development potential, compatibility with the neighbourhood, developable area, technical feasibility, etc. In view of the increasing difficulties in securing suitable land for public housing development, the Hong Kong Housing Authority (HA) considers all sites, including large and small ones, for public rental housing (PRH) development under the principle of optimal utilization of land resources to maintain the most cost-effective and sustainable development. The HA will continue to retain cleared public housing sites for PRH development as far as possible, and use available vacated departmental quarters for PRH development.

Difficulties encountered in identifying public housing sites include technical problems (such as development constraints, change in land use, land resumption, clearance and site formation, etc.) and different views from the local communities, etc. In order to foster participation of the residents and the District Councils in public housing development projects, the HA has formalized the consultation process for major PRH developments. We gather views from the locals through organizing community workshops with a view to enhancing communication and achieving social cohesion.

Regarding new sites for PRH development in the past three years (from 2007-08 to 2009-10) (**Table**), most of them have obtained the District Councils' support and are implemented as scheduled except Tai Po Area 1 (Part) and Tung Chung Area 56. These two sites encountered different views from the local communities. We will continue to liaise actively with the District Councils and the locals with the aim to reach mutually acceptable solutions so that the needs of the communities and that for public housing could be met and the average waiting time for PRH could be maintained at around three years. No new sites for public housing development were shelved during this period.

Table: New sites for PRH development in the past three years (from 2007-08 to 2009-10)

Location	Current Status
Tung Tau Cottage Area East	Implemented as scheduled, at tender stage.
Kwai Shing Circuit	Implemented as scheduled, at advanced design stage.
Sheung Shui Area 36 West	Under planning and design. District Council's support has been obtained.
Po Heung Street, Tai Po	Under planning and design. District Council's support has been obtained.
Shatin Area 52 Phase 3	Under planning and design. District Council's support has been obtained.
Shatin Area 52 Phase 4	Under planning and design. District Council's support has been obtained.
Tai Po Area 1 (part)	Under planning. Continued discussion with the locals is required.
Tung Chung Area 56	Under planning. Continued discussion with the locals is required.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)039

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

3136

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Will the Transport and Housing Bureau allocate resources in 2010-11 for a study on introducing legislation to regulate the sales descriptions and sales methods of uncompleted residential units? If yes, what are the details of the work and the expenditure involved? If no, what are the reasons?

Asked by: Hon. NG Margaret

Reply:

The Transport and Housing Bureau (THB) is exploring further measures to strengthen the regulation of the sale of private uncompleted first-hand residential properties. If the existing measures and arrangements cannot achieve the expected effect, we do not rule out the possibility of adopting more severe administrative or legislative measures to tackle the problems. THB will make use of its existing resources to carry out the work.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)040

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

0832

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Please list the infrastructure projects scheduled to be implemented by the Administration in 2010-11. What are the respective costs to be incurred?

Name of Project	Name of Estate Involved	Cost to Be Incurred

Asked by: Hon. CHAN Kam-lam

Reply:

The housing-related infrastructure projects scheduled to be implemented in 2010-11 are listed at the Enclosure.

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010

Enclosure

List of housing-related infrastructure projects scheduled to be implemented in 2010-11

Name of Projects	Name of Estate Involved/ Related Housing Sites	Estimated expenditure in 2010-11 \$'000
District and local open spaces adjoining Choi Wan Road public housing development	Choi Ying Estate, Choi Tak Estate and Choi Fook Estate	42,228
District open space adjoining Kwai Chung Estate	Public housing development in Kwai Chung	466
Local open space adjoining Tseung Kwan O Area 73B public housing development	Public housing development in Tseung Kwan O Area 73B	1,000
District open space adjoining Sau Mau Ping public housing development	Public housing development in Sau Mau Ping	1,684
Reprovisioning of Civil Aid Service and Fire Services Department facilities to Site 17, West Kowloon Reclamation, Yau Ma Tei	Proposed development to be determined	100
Planning and development studies on North East New Territories—consultants' fees and site investigation	Housing developments in North East New Territories	510
Tin Shui Wai further development—remaining engineering infrastructure and site formation works	Housing developments in Tin Shui Wai	110
Tin Shui Wai further development—engineering infrastructure and remaining site formation works: consultants' fees and site investigation	Housing developments in Tin Shui Wai	332
Tin Shui Wai further development—road junction improvement, site formation and main engineering infrastructure	Housing developments in Tin Shui Wai	750
Development near Choi Wan Road and Jordan Valley	Choi Ying Estate, Choi Tak Estate and Choi Fook Estate	3,600
Development at Anderson Road	Public housing development in Anderson Road	585,000
Development at Anderson Road—consultants' fees and site investigation	Public housing development in Anderson Road	1,000

Name of Projects	Name of Estate Involved/ Related Housing Sites	Estimated expenditure in 2010-11 \$'000
Development near Choi Wan Road and Jordan Valley—consultants' fees and site investigation	Choi Ying Estate, Choi Tak Estate and Choi Fook Estate	102
Demolition of Cheung Sha Wan police married quarters, a school and a medical clinic	Public housing development at ex-Cheung Sha Wan police quarters	100
Trunk Road T7 in Ma On Shan	Housing developments in Ma On Shan	1,020
Road improvement works in association with the proposed re-alignment of Ngau Tau Kok Fourth Street and Fifth Street and construction of nearby footbridge links	Public housing development in Lower Ngau Tau Kok	12,679
Mainlaying within development near Choi Wan Road and Jordan Valley	Choi Ying Estate, Choi Tak Estate and Choi Fook Estate	1,661
Remaining waterworks for development near Choi Wan Road and Jordan Valley	Choi Ying Estate, Choi Tak Estate and Choi Fook Estate	1,730
Water supply to housing development at Anderson Road – site investigation and detailed design	Public housing development adjoining Anderson Road	4,650
Road improvement works at junction of Tsz Wan Shan Road and Wan Wah Street	Public housing development at Shatin Pass	4,300
Thematic greening for the urban area in and adjoining Choi Wan Road, Jordan Valley and Lower Ngau Tau Kok – consultants' fees and site investigation	Choi Ying Estate, Choi Tak Estate, Choi Fook Estate and public housing development in Lower Ngau Tau Kok	850
Main engineering infrastructure in association with the proposed developments at Area 56 in Tung Chung – investigation study and site investigation	Housing development in Tung Chung Area 56	550
Enhancement of footbridge leading to Ngau Tau Kok Municipal Services Building	Public housing development in Lower Ngau Tau Kok	5,866
Planning study on future land use at Anderson Quarry	Future development at Anderson Quarry	1,096
District open space adjoining Lower Ngau Tau Kok public housing redevelopment – site investigation and topographical survey	Public housing development in Lower Ngau Tau Kok	200

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)041

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

2634

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

According to paragraph 29 of the Budget Speech, the Government will increase the rate of stamp duty on transactions of properties valued more than \$20 million from 3.75 per cent to 4.25 per cent with effect from 1 April 2010. Has the Government conducted any study with results that support setting \$20 million as the cut off line for such increase in stamp duty? Has the Government estimated the potential impact on the property market with such increase? Will the Government consider conducting a timely review of the effectiveness of the proposed increase and consider removing such increase in due course?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

The Government considers that there is a higher potential risk of speculative activities for luxurious flats with a transacted value above \$20 million. Also, the Government has made reference to the Hong Kong Monetary Authority's guidelines to banks in October 2009 which reduced the loan-to-value ratio from 70% to 60% for residential properties valued at \$20 million or more.

Increasing the stamp duty rate for residential transactions valued more than \$20 million will increase the cost to speculators and help reduce speculative activities of those flats. From November 2008 to October 2009, there were about 2 000 transactions valued more than \$20 million, which represented about 1.5% of the total number of transactions in that year. The majority of home buyers will not therefore be affected by the new measure. The Government will continue to closely monitor the trading of properties. We have no plan to remove the increase of the stamp duty rate at this stage.

Signature _____

Name in block letters _____ Thomas C Y CHAN

Post Title _____ Permanent Secretary for
Transport and Housing (Housing)

Date _____ 18.3.2010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

THB(H)042

Question Serial No.

2010

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

The Financial Secretary stated in Paragraph 23 of his Budget Speech that according to figures from the fourth quarter of last year, the ratio of mortgage payment to median household income was around 38 per cent for a 20-year mortgage on a flat with a saleable area of 45 square metres. This was lower than the average of 53 per cent in the past 20 years. Has the Administration analysed the affordability of the public for medium and large flats such as those with a saleable area of about 70 or 100 square metres? In other words, what are the ratios of mortgage payment to median household income for a normal 20-year mortgage on a flat with a saleable area of 70 or 100 square metres in 2007, 2008, the first quarter of 2009, the second quarter of 2009 and the third quarter of 2009? Are the figures showing an upwards or downwards trend?

Asked by: Hon. LEE Wing-tat

Reply:

The Rating and Valuation Department has not compiled the mortgage-to-income ratio for flats of about 70 or 100m².

Signature _____

Name in block letters Thomas C Y CHAN

Post Title Permanent Secretary for
Transport and Housing (Housing)

Date 18.3.2010