



**Legislative Council Panel on Housing
Re-launching of Home Ownership Scheme (HOS) and
Revitalisation of the HOS Secondary Market**

**Meeting on
Monday, 3 May 2010 at 2.30 pm
in Conference Room A of the Legislative Council Building**

1 Foreword

1.1 The Home Ownership Scheme (HOS) was abandoned by Government some 10 years ago. Since then, there was no such development. Disposal of the remaining units are being done in recent months in response to public outcry on shortage of residential units and stabilization of property prices.

2 HKIS' views

2.1 Members are aware of the background on provision of HOS units. Some feel that since the administration had stopped the scheme, it should not be re-started merely because of the concern for more housing supply. The need should be met by releasing more residential sites for development. This group considers the scheme as a form of social subsidy that units were sold at substantially low prices and these sites are generally located in good locations in the urban area. The sites should have been disposed of for private housing.

2.2 Whereas, on the other hand, some consider that like public housing, HOS was intended to cater for the housing need of the lower/medium income group. Some purchasers were from the public rental estates who would give up their units for other needy persons. The Government could also obtain some revenue on provision of 'assisted housing' instead of nominal returns on public rental estates. Such provision would help to satisfy the general desire to own a home and enable households to have a happy/steady living environment.



2.3 Revitalisation of the secondary market of the HOS will result in more property transactions hence more choices for the low/medium income group. For those existing HOS' owners, they may have the chance to filter up their living level to those private housing stocks. However, this may fuel unnecessary speculation on property prices in some circumstances.

3 Concluding remarks

3.1 Provision of public housing to those in need is the responsibility of Government but using public funds to subsidize the public to invest in their properties is a highly sensitive issue. The change in policy will have impacts on the existing property owners and the investment market. The Government has to be prudent in assessing these long term implications before making any decisions regarding re-launching of the HOS.

3.2 There exist divergent views as there is insufficient statistical information (for example, on demographic distribution, income levels, affordability, availability of suitable sites, etc) for a detailed analysis. It is suggested for the Government to consider conducting a research for the ease of deliberation and decision making.

Prepared by
The Hong Kong Institute of Surveyors
26 April 2010