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Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 6 July 2011

**Amendments to motion on
“Immediately announcing the resumption of the construction of
Home Ownership Scheme flats”**

Further to LC Paper No. CB(3) 940/10-11 issued on 23 June 2011, five Members (Hon Frederick FUNG Kin-kee, Hon LEE Wing-tat, Hon WONG Kwok-kin, Hon CHAN Kam-lam and Hon Mrs Sophie LEUNG LAU Yau-fun) have respectively given notices of their intention to move separate amendments to Hon Alan LEONG Kah-kit's motion on “Immediately announcing the resumption of the construction of Home Ownership Scheme flats” scheduled for the Council meeting of 6 July 2011. As directed by the President, the respective amendments proposed by the Members will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Alan LEONG to speak and move his motion;
- (b) the President proposes the question on Hon Alan LEONG's motion;
- (c) the President calls upon the five Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:

- (i) Hon Frederick FUNG;
 - (ii) Hon LEE Wing-tat;
 - (iii) Hon WONG Kwok-kin;
 - (iv) Hon CHAN Kam-lam; and
 - (v) Hon Mrs Sophie LEUNG;
- (d) the President calls upon the designated public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon Alan LEONG to speak for the second time on the amendments;
 - (g) the President calls upon the designated public officer(s) again to speak;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the five Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon Frederick FUNG to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon Frederick FUNG's amendment;
 - (i) after Hon Frederick FUNG's amendment has been voted upon, the President deals with the other four amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Hon Alan LEONG to reply. Thereafter, the President puts to vote the question on Hon Alan LEONG's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Immediately announcing the resumption of the construction of
Home Ownership Scheme flats”
to be held at the Council meeting of 6 July 2011**

1. Hon Alan LEONG Kah-kit’s original motion

That, given that private residential property prices still continue to rise and the measures introduced by the Government cannot curb the rising trend of property prices, resuming the Home Ownership Scheme ('HOS') is of an urgent need; yet, when interviewed by a foreign media organization earlier on, the Chief Executive even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem; in this connection, this Council opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address, and urges the authorities to share the public's urgent concern by immediately announcing the specific details of resuming HOS, so as to relieve the current housing problem; the relevant details should include:

- (a) to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for the completion and supply of flats beginning from 2014;
- (b) to delink the pricing of HOS flats from market prices, and use the affordability of eligible persons and construction costs as the basis of pricing;
- (c) to use certain former public rental housing sites which have been designated for private development (for example, the eastern and western parts of the ex-North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites) for constructing new HOS flats, so as to offer the sandwich class opportunities of continuing to live in the urban areas;
- (d) to review the eligibility requirements for HOS applicants in the light of actual circumstances, and consider appropriately raising the income and asset limits for applicants; and

- (e) to increase the ratio of white-form applicants (i.e. non-public rental housing tenants).

2. Motion as amended by Hon Frederick FUNG Kin-kee

That, ~~given that according to the statistics of the Government, property prices in the first quarter of this year have exceeded the peak level in 1997 by 3%, and people's home purchase affordability rate has risen to 48%, reflecting that the trend of continuing rises in private residential property prices still continue to rise is steep and seriously out of tune with people's affordability,~~ and the measures introduced by the Government cannot curb the rising trend of property prices, **so resuming the Home Ownership Scheme ('HOS') is and formulating a stable and sustainable long-term housing policy are** of an urgent need; yet, when interviewed by a foreign media organization earlier on, the Chief Executive even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem; in this connection, this Council opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address, and urges the authorities to share the public's urgent concern by **proclaiming the re-formulation of a long-term housing policy while** immediately announcing the specific details of resuming HOS, so as to relieve the current housing problem; the relevant details should include:

- (a) to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for the completion and supply of flats beginning from 2014;
- (b) to delink the pricing of HOS flats from market prices, and use the affordability of eligible persons and construction costs as the basis of pricing;
- (c) **to construct at least 5 000 HOS flats each year as the target;**
- (d) to use certain former public rental housing sites which have been designated for private development (for example, the eastern and western parts of the ex-North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites) for constructing new HOS flats, **and to allocate some existing land lots on the Application List for constructing HOS flats**, so as to offer the sandwich class opportunities of continuing to live in the urban areas;

- (d)(e) to review the eligibility requirements for HOS applicants in the light of actual circumstances, and consider appropriately raising the income and asset limits for applicants; and
- (e)(f) to increase the ratio of white-form applicants (i.e. non-public rental housing tenants).

Note: Hon Frederick FUNG Kin-kee's amendment is marked in ***bold and italic type*** or with deletion line.

3. Motion as amended by Hon LEE Wing-tat

That, *when interviewed by a foreign media organization earlier on, the Chief Executive indicated that the Government had the responsibility of assisting middle-class people who are ineligible for public rental housing in acquiring homes; yet*, given that private residential property prices still continue to rise and the measures introduced by the Government cannot curb the rising trend of property prices, resuming the Home Ownership Scheme ('HOS') is of an urgent need; *yet, when interviewed by a foreign media organization earlier on,* the Chief Executive even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem; in this connection, this Council opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address, and urges the authorities to share the public's urgent concern by immediately announcing the specific details of resuming HOS, so as to relieve the current housing problem; the relevant details should include:

- (a) *to provide at least 5 000 flats in the first phase of resuming the construction of HOS flats;*
- (a)(b) to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for *the forward provision of uncompleted flats for application by the public well before* the completion and supply of flats beginning from 2014, *for example, in 2012;*
- (b)(c) to delink the pricing of HOS flats from market prices, and use the affordability of eligible persons and construction costs as the basis of pricing;
- (e)(d) to use *the sites of the Government's Land Sale Programme, sites of abandoned former school premises and community facilities, or* certain former public rental housing sites which have been designated

for private development (for example, the eastern and western parts of the ex-North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites) for constructing new HOS flats, so as to offer the sandwich class opportunities of continuing to live in the urban areas;

- (d)(e) to review the eligibility requirements for HOS applicants in the light of actual circumstances, and consider appropriately raising the income and asset limits for applicants; and
- (e)(f) to increase the ratio of white-form applicants (~~i.e. non-public rental housing tenants~~).

Note: Hon LEE Wing-tat's amendment is marked in ***bold and italic type*** or with deletion line.

4. Motion as amended by Hon WONG Kwok-kin

That, ~~given that since the policy of 'quantitative easing' adopted by the United States has caused a proliferation of external capitals, the threats of asset-price bubbles and inflation have therefore emerged in Hong Kong, and~~ private residential property prices still continue to rise ~~and~~; the measures introduced by the Government cannot curb the rising trend of property prices, ~~thereby causing housing difficulties to the sandwich class and home acquisition difficulties to the middle class in Hong Kong; and, as the public have keen housing demands~~, resuming the Home Ownership Scheme ('HOS') is of an urgent need; yet, ~~when interviewed by a foreign media organization earlier on, the Chief Executive even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem;~~ in this connection, this Council opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address, and urges the authorities to share the public's urgent concern by immediately announcing the specific details *arrangements* of resuming HOS, so as to relieve the current housing problem *concern of the public*; the relevant details should include:

- (a) *to expeditiously undertake preliminary work for resuming the construction of HOS flats, including establishing a framework for resuming the construction of HOS flats and identifying sites, and when necessary, to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for the completion and supply of flats beginning from 2014;*

- (b) to delink the pricing of HOS flats from market prices, and use the affordability *income levels, home purchase affordability rates and repayment ability* of eligible persons and construction costs, *etc.*, as the basis of pricing; *and at the same time, to set resale conditions, so as to restrict resale of newly completed HOS flats for profit easily*;
- (c) to use certain former public rental housing sites which have been designated for private development (~~for example, the eastern and western parts of the ex-North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites~~) for constructing new HOS flats, so as to offer the sandwich class opportunities of continuing to live in the urban areas;
- (d) to review the eligibility requirements for HOS applicants in the light of actual circumstances, and consider ~~appropriately~~ raising the income and asset limits for applicants; *and*
- (e) to increase the ratio of white-form applicants (i.e. non-public rental housing tenants);
- (f) *while announcing the resumption of the construction of HOS flats, to increase public rental housing supply and shorten public rental housing applicants' waiting time, with a view to fully alleviating the current housing demands of middle-income and low-income people as well as the sandwich class, and enable public rental housing tenants with the means to acquire homes through HOS, thereby achieving the 'revolving-door' effect; and*
- (g) *to expeditiously formulate a long-term housing and land supply policy, including rebuilding the three-rung housing mobility ladder of 'public rental housing—HOS flats—private residential flats', and to conduct studies, so that the Government can provide adequate residential sites for supply to the three different housing modes as public rental housing, HOS flats and private residential flats.*

Note: Hon WONG Kwok-kin's amendment is marked in ***bold and italic type*** or with deletion line.

5. Motion as amended by Hon CHAN Kam-lam

That, ~~given that private residential property prices still continue to rise and although property price rises have recently moderated slightly, there is still a great discrepancy between property prices and people's affordability, and the 'difficulty in boarding the train' is still a vexing problem to some Hong Kong~~

people; as the measures introduced by the Government *in recent years* cannot curb the rising trend of property prices, resuming the Home Ownership Scheme ('HOS') is of an urgent need; *yet*, when interviewed by a foreign media organization earlier on, the Chief Executive ~~even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem~~ *also indicated that the SAR Government needed to assist middle-class families in acquiring homes*; in this connection, this Council ~~opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address, and urges the authorities~~ *urges the Government* to share the public's urgent concern by ~~immediately promptly deciding to resume the construction of HOS flats and expeditiously announcing the specific details of resuming HOS its plan~~, so as to relieve the ~~current~~ housing problem *of the public*; the relevant details should include:

- (a) ~~to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for the completion and supply of flats beginning from 2014 formulate a long-term land and housing supply strategy, so as to ensure the supply of an appropriate number of HOS flats in the short run;~~
- (b) ~~to delink review the pricing, discounts and alienation restriction period of HOS flats from market prices, and use the affordability of eligible persons and construction costs as the basis of pricing;~~
- (c) *after fully consulting residents and obtaining their consensus*, to use certain former public rental housing sites which have been designated for private development (for example, the eastern and western parts of the ex-North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites) for constructing new HOS flats, so as to offer the sandwich class opportunities of continuing to live in the urban areas;
- (d) to review the eligibility requirements for HOS applicants in the light of actual circumstances, and consider appropriately raising the income and asset limits for applicants; *and*
- (e) to *increase flexibly apply* the ratio of white-form applicants (i.e. non-public rental housing tenants); *and*
- (f) *while resuming the construction of HOS flats, to expeditiously implement and enhance the My Home Purchase Plan, including the enhancement measure of 'rent-and-buy' to become 'rent-or-buy', as well as reviewing and expediting the various procedures of My Home*

Purchase Plan, with a view to shortening the time between the planning and completion of projects, etc..

Note: Hon CHAN Kam-lam's amendment is marked in ***bold and italic type*** or with deletion line.

6. Motion as amended by Hon Mrs Sophie LEUNG LAU Yau-fun

That, given that private residential property prices still continue to rise and the measures introduced by the Government cannot curb the rising trend of property prices, ~~resuming the Home Ownership Scheme ('HOS') is of an urgent need; yet, when interviewed by a foreign media organization earlier on, the Chief Executive even claimed that there was no housing problem in Hong Kong; the relevant remark reflects that the Chief Executive is out of touch with the actual circumstances of the society and unable to grasp the seriousness of the current housing problem; in this connection, this Council opines that the Government should not wait until October to announce the resumption of HOS in the Policy Address~~ *increase housing land supply, auction more land lots for constructing flats with limited floor area', build additional public rental housing flats, enhance the My Home Purchase Plan, and resume the construction of Home Ownership Scheme ('HOS') flats,* and urges the authorities to share the public's urgent concern by ~~immediately expeditiously~~ announcing the specific details of resuming HOS, so as to relieve the current housing problem; the relevant details *of resuming HOS* should include:

- (a) ~~to use the sites originally earmarked for the My Home Purchase Plan for constructing HOS flats, so as to strive for the completion and supply of flats beginning from 2014;~~
- (b) ~~to delink the pricing of HOS flats from market prices, and use the affordability of eligible persons and construction costs as the basis of pricing;~~
- (c) *to review the pricing, discounts and alienation restriction period of HOS flats;*
- (d) ~~to use certain former public rental housing sites which have been designated for private development (for example, the eastern and western parts of the ex North Point Estate, as well as the former Homantin Estate Redevelopment Phases 2 and 7 sites) for ensure that constructing new HOS flats, so as to offer the sandwich class opportunities of continuing to live in the urban areas will not affect the supply of public rental housing sites, so as to enable balanced development of public rental housing and HOS;~~

- (d)(c) to *conduct studies on whose needs HOS flats should cater for, consider the relevant factors, and* review the eligibility requirements for HOS applicants in the light of actual circumstances, ~~and consider appropriately raising the income and asset limits for applicants;~~ and
- (e)(d) to increase *examine* the ratio of *green-form applicants (i.e. public rental housing tenants)* to white-form applicants (i.e. non-public rental housing tenants).

Note: Hon Mrs Sophie LEUNG LAU Yau-fun's amendment is marked in ***bold and italic type*** or with deletion line.