

立法會
Legislative Council

LC Paper No. CB(1) 2594/10-11(07)

Ref. : CB1/PL/HG

Panel on Housing

Meeting on 4 July 2011

Background brief on My Home Purchase Plan

Purpose

This paper sets out the background to the introduction of the "My Home Purchase Plan" (MHPP), and gives an account of the views and concerns expressed by Members on the subject.

Background

2. The recent increase in property prices has aroused public concern over the availability of mass market flats at affordable prices, and the overall supply of land for flat production in the long term. To gauge the views of the stakeholders and members of the public, the Transport and Housing Bureau (THB) conducted a public consultation exercise on the issue of subsidizing home ownership from May to September 2010, with a view to identifying a way forward to address the concerns of the community.

3. The outcome of the public consultation revealed that many people are concerned about the recent rise in property prices and the difficulties in purchasing their first flat. In the light of the latest situation, the Administration considers that targeted measures should be introduced to help the sandwich class purchase their own flats. However, any form of subsidized home ownership will only serve as a buffer, given that delivering the overarching objective of providing subsidized rental housing for families in need remains the very heart of the Administration's housing strategy. In collaboration with the Hong Kong Housing Society (HS), the Administration has implemented the new MHPP premised on the concept of "rent-to-buy".

My Home Purchase Plan

4. The Chief Executive announced in his 2010-2011 Policy Address the launch of MHPP. Under MHPP, the Administration will provide land for HS to build "no-frills" small and medium sized flats for lease to eligible applicants at prevailing market rent. The tenancy period will be up to five years, within which the rent will not be adjusted. Within a specified time frame, i.e. two years after the first admission of tenants and within two years after the termination of tenancy, tenants of MHPP may purchase the flat they rent or another flat under MHPP at prevailing market price, or a flat in the private market. They will receive a Purchase Subsidy equivalent to half of the net rental they have paid during the tenancy period, and may use it for part of the down payment. Tenants who have not purchased a flat under MHPP or in the private market within the prescribed period will not receive any Purchase Subsidy.

5. According to the Administration, MHPP is flexible to enable sandwich class people who do not have sufficient savings for down payment to rent a MHPP flat first, and save for the down payment as the rent will not be adjusted throughout the maximum five-year tenancy period. The majority of the quota will be allocated to White Form applicants, while a small number will be allocated to public rental housing (PRH) tenants. Unlike the Home Ownership Scheme (HOS), MHPP will be sold at market price at the point of sale and will not have the premium payment requirement. This will facilitate owners to trade up for flats in future and achieve upward mobility in the property market. As land for MHPP will not come from the Application List or sites earmarked for PRH, it will not reduce the supply of private residential land or land for PRH.

6. The Administration has earmarked sites in Tsing Yi, Diamond Hill, Sha Tin, Tai Po, and other areas to provide some 5 000 MHPP flats. The first project will provide about 1 000 flats at Tsing Luk Street in Tsing Yi by 2014 while pre-letting will take place in 2012. Subject to the response to the first MHPP project, the Administration will consider identifying more sites for the purpose.

Deliberations by the Panel on Housing

7. When the details of MHPP was discussed by the Panel on Housing in November 2010, members generally held the view that the provision of 1 000 MHPP flats by 2014 could by no means meet the housing demand. Some members asked how the rents and prices of MHPP flats would be determined to reflect the "no-frills" nature of these flats. As the setting of sale prices for MHPP flats at the time of purchase would give rise to uncertainties,

the Administration was requested to provide some indications on the range and upper limit of sale prices to facilitate MHPP tenants in ascertaining their affordability for the flats. The Administration should also consider allowing eligible MHPP applicants who could afford the down payment to purchase the flats at time of in-take.

8. Referring to the Administration's housing strategy of delivering the overarching objective of providing subsidized rental housing for families in need, some Panel members pointed out that this was at variance with the Long Term Housing Strategy published in 1986 and 1998 which advocated on home ownership. While MHPP was aimed to provide an additional choice for the sandwich class, members stressed that this could not replace HOS which was more desirable according to the surveys conducted by various political parties. Given the similar nature of the rent-to-buy-arrangement under MHPP and the Tenants Purchase Scheme (TPS), some members questioned the rationale for shelving TPS in the first place.

9. Some Panel members pointed out that the Administration had failed to take into account the needs of those who only wanted a place to live and had no plans to buy their own homes. They supported that more PRH flats should be provided to meet the housing demand of those low-income families which could not save up for the down payment. The Panel on Housing passed a motion requesting the Administration to provide at least 35 000 PRH units each year, and immediately resume HOS.

Council questions

10. Hon LEE Wing-tat raised a question on MHPP at the Council meeting on 9 March 2011. Hon CHEUNG Hok-ming moved a motion on enhancement of MHPP for debate at the Council meeting on 4 May 2011. The motion as amended by Hon Frederick FUNG, Hon LEE Wing-tat, Hon WONG Kwok-hing and Hon Paul CHAN was carried. Details of the Council question and the motion carried are hyperlinked below for ease of reference.

Latest development

11. The Panel on Housing will discuss the progress of MHPP at its meeting on 4 July 2011.

Relevant papers

Question raised by Hon LEE Wing-tat at the Council meeting on 9 March 2011
http://www.legco.gov.hk/yr10-11/english/counmtg/agenda/cm20110309.htm#q_14

Administration reply to question raised by Hon LEE Wing-tat at the Council meeting on 9 March 2011

<http://www.info.gov.hk/gia/general/201103/09/P201103090119.htm>

Motion moved by Hon CHEUNG Hok-ming as amended by Hon Frederick FUNG, Hon LEE Wing-tat, Hon WONG Kwok-hing and Hon Paul CHAN at the Council meeting on 4 May 2011

<http://lcsflbcsvr1/cgi-bin/foxweb.dll/query@lbs/query?DB=motion&sdate=04/05/2011&motioncode=001&LANGUAGE=E&HLIGHT=>

Information paper provided by the Administration for the Housing Panel meeting on 1 November 2011

<http://www.legco.gov.hk/yr10-11/english/panels/hg/papers/hg1101cb1-258-1-e.pdf>

Minutes of the Housing Panel meeting on 1 November 2011

<http://www.legco.gov.hk/yr10-11/english/panels/hg/minutes/hg20101101.pdf>

Council Business Division 1
Legislative Council Secretariat
27 June 2011