

(Translation)

**Motion on
“Perfecting Hong Kong’s housing policy”
moved by Hon WONG Kwok-kin
at the Council meeting of 18 April 2012**

**Motion as amended by Hon WONG Sing-chi, Hon Miriam LAU and
Ir Dr Hon Raymond HO**

That, in order to respond to people’s aspiration for acquiring their homes, the Government already resumed the construction of Home Ownership Scheme (‘HOS’) flats and increased land supply last year in response to strong public demand, but the supply and prices of residential units in Hong Kong still continue to fluctuate, with the housing issue remaining people’s greatest concern and grass-root people continuing to face various housing difficulties; in this connection, this Council urges the Government to ensure the healthy and stable development of the property market and formulate a long-term housing policy, so as to respond to the housing demand of various strata and perfect the housing ladder and mobility in Hong Kong; the relevant measures should include:

- (a) to increase the existing annual public rental housing (‘PRH’) production to 30 000 units or more for expediting the allocation of units to the existing 160 000-plus applicants on the Waiting List to two years, so as to meet grass-root people’s demand for PRH, including the construction of additional four to six-person flats to shorten the waiting time for such family applicants and bring it broadly in line with the waiting time for small family applicants, so as to enable them to be allocated flats within a reasonable timeframe;
- (b) to comprehensively review the Quota and Points System for non-elderly one-person applicants, and study the adoption of more effective measures to assist singletons with actual housing need, such as increasing the quota to expedite flat allocation and excluding middle-aged one-person applicants from the points system, so that they may wait for PRH allocation like ordinary family applicants;
- (c) to study the introduction of sandwich-class PRH to enable those households or persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private residential property market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure; and study re-launching Group B PRH of Hong Kong Housing Society to address their housing needs;

- (d) to review the allocation and eligibility criteria of PRH, with a view to facilitating and encouraging young family members to live with their elderly family members and to care for them, and allow applicants to select districts in respect of PRH allocation, such as Hong Kong Island, Kowloon, New Territories East, New Territories West or the outlying islands, which can meet applicants' needs and also expedite flat allocation;
- (e) to launch a large-scale territory-wide inspection of flat units sub-divided into separate units (commonly known as 'sub-divided units') and take enforcement actions against units contravening the Buildings Ordinance, so as to protect the safety of residents; at the same time, study the expeditious introduction of legislative control on 'sub-divided units', and conduct a general survey and a study on residents of 'sub-divided units', cubicles and cage homes, so as to facilitate the formulation of housing measures to assist these people, including assisting them in expeditiously applying for PRH and providing reasonable rehousing for residents affected by clearance;
- (f) to review the various eligibility criteria and conditions relating to the purchase and turnover of HOS flats, including the ratio of green forms to white forms in respect of new HOS flats in the future, the arrangements for premium payment and resale for new and old HOS flats, and allowing eligible families to purchase HOS flats in the secondary market without having to pay the premium, so as to expedite the turnover of HOS flats and facilitate people's home acquisition through this channel;
- (g) to formulate long-term and sustainable development strategies for the supply of flats, site identification and financial commitment under various sandwich-class housing projects and HOS projects, so as to prevent such projects being suspended in the end due to policy changes or financial factors, etc.;
- (h) in times of short supply of public housing and subsidized housing, to provide rental assistance and tax concessions to needy applicants waiting for PRH allocation or sandwich-class people eligible for subsidized housing, so as to alleviate their housing burden amid exorbitant rents;
- (i) to closely monitor the impact of the economic environment and external factors on the private residential property market and people's burden of home mortgages, and timely adjust the relevant policies to prevent drastic fluctuations in the private residential property market; and

- (j) to draw up a five-year rolling list of land reserve for public and private housing, with a view to ensuring a timely supply of land for public and private housing to meet the community's needs;
- (k) to provide a tax allowance for rentals for marginal middle-class people who are unable to purchase their homes and need to rent flats, so as to alleviate their rental burden;
- (l) as exorbitant property prices have caused an increase in the amount of people's home loans, making their burden of home mortgages increasingly heavy, the Government should consider further extending the current entitlement period for deduction for home loan interest; and
- (m) to expedite urban renewal and assist in changing the land use of dilapidated factory buildings with higher vacancy rates after premium payment, so as to redevelop them into 'no-frills' small and medium sized flats, including flats with limited floor area for Hong Kong people who are first-time home buyers; and
- (n) to expeditiously announce a land supply policy that meets the housing need in Hong Kong.