

立法會
Legislative Council

LC Paper No. CB(1) 2616/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Wednesday, 11 July 2012, at 8:30 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon LEE Wing-tat (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Fred LI Wah-ming, SBS, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon Joseph LEE Kok-long, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon CHAN Hak-kan, JP
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN

Members absent : Hon WONG Kwok-hing, MH (Deputy Chairman)
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP

Public officers :
attending

For item III

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

For item IV

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Ms Noel TSANG
Principal Assistant Secretary for Transport and
Housing (Housing) (Private Housing)

Mr WONG Kit-loong
Chief Executive Officer & Executive Director
Hong Kong Housing Society

Mr Daniel LAU
Director (Development & Marketing)
Hong Kong Housing Society

For item V

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Mr Eugene FUNG
Deputy Secretary for Transport and Housing (Special
Duties)

Ms Noel TSANG
Principal Assistant Secretary for Transport and
Housing (Housing) (Private Housing)

Mr CHIANG Chi-man
Acting Chief Building Surveyor/New Territories West
Buildings Department

Mr CHAU Hon-yum
Deputy Director/Legal (Legal Advisory and
Conveyancing Office)
Lands Department

Mr Armstrong CHU
Chief Land Conveyancing Officer/Port and Railway
Development (Legal Advisory and Conveyancing
Office)
Lands Department

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Confirmation of minutes and matters arising

- (LC Paper No. CB(1) 2312/11-12 — Minutes of the special
meeting held on
14 March 2012
- LC Paper No. CB(1) 2316/11-12(01) — List of follow-up actions
- LC Paper No. CB(1) 2316/11-12(02) — List of outstanding items for
discussion)

The minutes of the special meeting held on 14 March 2012 were confirmed.

II. Information paper issued since last meeting

2. Members noted that the following information papers had been issued since last meeting -

Action

LC Paper Nos. CB(1) 2104/11-12(01) — Administration's papers on Land Registry Statistics in May and June 2012 (press release); and CB(1) 2314/11-12(01)

LC Paper No. CB(1) 2127/11-12(01) — Referral arising from the meeting between Legislative Council Members and Sham Shui Po District Council members on 12 April 2012 regarding the transfer of sitting tenants of public rental housing (PRH) with disabilities to new PRH estates within the same district (Chinese version only) (Restricted to Members); and

LC Paper No. CB(1) 2127/11-12(02) — Referral arising from the meeting between Legislative Council Members and Wong Tai Sin District Council members on 24 May 2012 regarding the review of income and asset limits for PRH households, the Subsidized Housing Policy, and the policy on allocation of PRH (Chinese version only) (Restricted to Members).

III. Briefing by the new Secretary for Transport and Housing

3. The Secretary for Transport and Housing (STH) briefed members on the Administration's main areas of work on housing as well as the housing issues of common concern to the community by highlighting the salient points in the information paper.

4. Referring to the proposed re-organization of the Government Secretariat to re-establish the Housing, Planning and Lands Bureau (HPLB) to bring the

Action

assessment of housing demand and supply as well as planning of land use under the same bureau, Mr Fred LI noted that the proposal would unlikely be approved within the current legislative session as planned. Hence, there was a need for the incumbent STH, who was in charge of the housing portfolio, to maintain close rapport with the relevant bureaux in the planning and supply of more land for housing. Professor Patrick LAU indicated support for the proposed re-organization of the Government Secretariat and the establishment of HPLB to allow for better coordination between land production and housing supply. Pending the approval of the proposal, STH should work closely with the Secretary for Development to expedite the provision of land for housing. Mr CHAN Kam-lam also hoped that early approval could be given to the proposed re-organization of the Government Secretariat to allow for the re-establishment of HPLB so that the new Secretary for Housing, Planning and Lands could better coordinate the land supply for both public and private housing rather than focusing on the former.

5. In response, STH said that under the existing regime, both public and private housing (including the regulation of the sale of first-hand private residential properties) were under the policy portfolio of the Transport and Housing Bureau while the planning and supply of land were under that of the Development Bureau. By putting housing and land production under the same bureau under the proposed re-organization of the Government Secretariat and the re-establishment of HPLB, there would be better coordination in the timing of land supply to meet the demand for both public and private housing. As the new term of Government would be focusing its attention on housing, efforts would be made to ensure a healthy and stable development of the property market.

6. Mr WONG Kwok-kin enquired whether public housing or private housing was the priority in the planning and development of housing by the new term of Government. STH said that PRH was meant to provide subsidized housing for low-income families who could not afford private rental accommodation. At present, about 50% of households were living in public housing while the rest were living in private housing. In the light of market demand, the Administration had, through steady and adequate land supply in the private property market, enabled property developers to build different types of private residential flats at different prices to meet the public's diverse housing needs. With the rising land costs and rentals in the private property market, it was expected that there would be an increase in the reliance on public housing.

7. Since home ownership was a means of investment, Mr IP Kwok-him enquired if consideration could be given to identifying suitable sites for developing "no frills" flats which were more affordable to the low and middle-income families to help them achieve home ownership. STH said that

Action

while the existing housing ladder provided housing choices at different levels for people with different affordability, no target had been set on the percentage of property ownership. To increase the supply of small and medium-sized flats, restrictions on the minimum flat number and flat size had been imposed in the conditions of sale of some of the residential sites.

Demand and supply of public rental housing

8. In view of the increasing number of applications for public rental housing (PRH) in recent years, Mr Fred LI considered it necessary for the Hong Kong Housing Authority (HA) to provide more PRH units in a timely manner to meet the demand, particularly PRH units for larger households. He pointed out that the average waiting time (AWT) of four to five-person households had far exceeded three years due to inadequate provision of four to five-person PRH units. The situation was even worse for five to six-person households which would often have to settle for refurbished flats arising from casual vacancies. He added that STH should reach out to PRH tenants, particularly those who had just moved to new PRH estates, to gauge their views on the design of these new estates. Such visits should not be made with the intention of seeking media attention.

9. STH replied that his visits to various districts over the past two weeks were part of the pledge of the new term of Government to get close to the public and listen to the views of people on housing matters from all walks of life in a humble manner with a view to better responding to their needs, and were not meant to attract media attention. He would continue to reach out to the public, including PRH tenants, on a regular basis to listen to their views. As regards the concern on long waiting time, STH said that HA would conduct an analysis on the AWT of Waiting List (WL) applicants to ascertain the reasons. The Acting Permanent Secretary for Transport and Housing (Housing) (Atg PSTH(H)) added that in deciding the flat mix in the development of PRH under the five-year Public Housing Construction Programme, HA would make reference to the demographic statistics compiled by the Census and Statistics Department, the number and household size of PRH applications, and the number and type of units to be recovered. Efforts would be made to identify the reasons for the long waiting time for some of the WL applicants.

10. Mr IP Kwok-him enquired whether consideration could be given to redeveloping aged urban PRH estates to increase the supply of PRH units in the urban area. STH said that as announced in the 2011-2012 Policy Address, the Administration would explore ways to appropriately increase the densities and plot ratios of PRH sites, and fully utilize the build-back potential of existing estates in order to achieve the PRH production target without compromising the living environment. HA would examine the build-back potential of aged PRH

Action

estates in line with the refined policy on redevelopment. Apart from the build-back potential, factors such as the structural safety, economic repair and availability of suitable rehousing resources would be taken into consideration in the demolition and redevelopment of aged estates. It would take time to work out redevelopment plans for aged estates as inter-departmental efforts were required to take account of planning and other community needs.

11. Professor Patrick LAU was particularly concerned about the increase in number of PRH applications from singletons and young people. He cautioned that the annual quota of 2000 one-person PRH units for non-elderly one-person applicants was far from enough to meet the demand. He therefore supported converting suitable industrial buildings to hostels to accommodate this group of WL applicants. STH noted that there were changes in the profile of WL applicants. At present, roughly over half of the WL applications were general applications, while the rest were applications from non-elderly one-person applicants under the Quota and Points System. According to the findings of the surveys on WL applicants in recent years, over half of the non-elderly one-person applicants were below the age of 30 and about 40% of these applicants were students at the time of submitting their PRH applications. Given the scarce public housing resources, HA had to strike a balance between addressing the housing needs of young people and those of other applicants, such as families and the elderly, to ensure that PRH flats were only allocated to those with genuine and most pressing needs. To meet the housing demand of young people, consideration would be given to providing youth hostels through conversion of industrial buildings.

12. Dr Joseph LEE concurred that PRH should only be provided to low-income families who could not afford private rental accommodation rather than those young applicants who aspired to live on their own. While not opposing to the provision of youth hostels to meet the housing needs of young people, this should be considered separately from the existing allocation policy on PRH. There was also a need to review the allocation policy to prevent possible abuse. Expressing similar views, Mr WONG Sing-chi held the view that while the conversion of industrial buildings to hostels was a possible option to meet the housing needs of young people, there were many restrictions associated with the proposed conversion. Besides, many younger WL applicants might become ineligible for PRH when their turn for allocation was due because their income might have exceeded the prescribed income and asset limits for PRH. Apart from young people, there was also a need to address the changing needs of sitting tenants with growing children who would need to have separate rooms. Larger PRH units and more common facilities should be provided in PRH estates for the benefit of households with growing children. In addition to reaching out to the public, there should be broader exchange of views on housing issues between the Administration and political parties.

Action

13. In response, STH acknowledged that there were environmental and other considerations which had to be taken into account in converting industrial buildings to hostels. He also agreed to the need to differentiate non-elderly one-person applicants who were in genuine need for PRH from those who aspired to live on their own in order to safeguard the rational allocation of the scarce public housing resources. As regards the changing housing needs of sitting tenants with growing children, STH said that these would be addressed through transfers and over-crowding relief as appropriate under the existing mechanism. Facilities, such as reading rooms and elderly centres, were provided in PRH estates to meet the needs of tenants.

14. Since it was not easy for young people, particularly those with limited income, to climb up the housing ladder, Mr IP Kwok-him enquired about the means to help these young people to achieve the aspiration for home ownership. Miss Tanya CHAN shared the concern about the difficulties faced by young people to achieve home ownership amid the rising property market. As a result, many of them had deferred the plans for starting their own families and some of them resorted to apply for PRH units instead. While the development of youth hostels might meet their short-term housing needs, there remained many restrictions which needed to be resolved. She also stressed the need for better land planning for housing to meet the demand. STH acknowledged that the high property prices had undermined the opportunity of young people to achieve home ownership and their upward mobility. To this end, the new term of Government had undertaken to make strenuous efforts to identify suitable land for both public and private housing.

Launching of New Home Ownership Scheme

15. Dr Joseph LEE was concerned about the adequacy of land supply to meet the competing demand for the development of the New Home Ownership Scheme (HOS), My Home Purchase Plan (MHPP), and PRH. STH said that the New HOS, MHPP, and PRH were meant to meet the housing needs of different categories of applicants with different income levels. The Administration would reactivate the long-term study on housing and, based on past experience and demographic changes, formulate a long-term housing strategy to meet the housing needs of the general public.

16. Noting that the first batch of the new HOS flats could only be completed in 2016, Mr CHAN Kam-lam opined that consideration should be given to converting some of the newly completed PRH units (such as those at the Kai Tak Development which were due for completion in 2013-2014) to New HOS flats to meet the pressing demand. STH said that it might not be appropriate to convert new PRH units for sale under the New HOS in view of the long waiting list for PRH. He added that the Administration fully understood the public's

Action

aspiration for the early completion of the New HOS flats. While special measures were being taken to expedite the completion of New HOS flats to meet demand, it was worth noting that construction would still take time. To ensure sustainable implementation of the New HOS, the Administration would continue to identify more suitable sites in collaboration with the Development Bureau to expedite the planning and provision of land for housing. The Deputy Director of Housing (Development & Construction) (DDH(D&C)) supplemented that efforts had been made to facilitate early completion of the first batch of New HOS projects. Special measures were being taken to complete the works that were usually carried out in the first three years (such as technical studies, public consultation, planning brief preparation and design process) within a condensed programme of one year. As a result, the time for completing the projects could be shorted from seven years to five years. With the identification of more sites in future, it was expected that an average of some 5 000 New HOS flats per year could be provided. To further expedite the condensed programme, Professor Patrick LAU suggested engaging more building professionals and workers in the planning and construction processes.

17. Given that many applicants had repeatedly failed to buy a HOS flat, Mr James TO suggested putting in place an additional eligibility criterion to enable those applicants who reached a certain age with a prescribed household income and had been unsuccessful in their application for HOS for the past seven years to secure an allocation of a New HOS flat. This would not only allow applicants, particularly those who were about 25 at the time of first application, to plan ahead with their plans to achieve home ownership, but also provide certainty for the Administration on the provision of subsidized home ownership flats to foster stability and harmony within the community. STH thanked Mr TO for his suggestion which aimed to set a maximum waiting time for New HOS flats. He agreed to give some thoughts to the suggested arrangement, but pointed out that while the suggested arrangement could allow applicants who had not been successful in their previous applications to have a higher chance of buying a HOS flat, this might diminish the opportunity of those new applicants.

18. Mr WONG Kwok-kin noted that the Administration had proposed to allow a certain number of white-form applicants to purchase HOS flats in the secondary market without payment of premium. He asked if the proposal was premised on the ground that the requirement for premium repayment had discouraged owners to sell their HOS flats in the secondary market. STH said that the proposed waiving of premium payment for white-form applicants in purchasing HOS flats in the secondary market was worth considering as it would revitalize the secondary market for HOS flats. Details of the proposed arrangement would need to be worked out to ensure viability. In reply to Mr WONG's further enquiry about the possibility of re-launching the Tenants

Action

Purchase Scheme (TPS), STH said that this would not be considered having regard to the difficulties in managing TPS estates with a mix of tenure of owners and tenants. However, tenants who were living in TPS estates could still choose to purchase their own PRH units. They could also choose to purchase HOS flats using green-form status.

Policy on "Hong Kong property for Hong Kong residents"

19. The Chairman expressed grave concern that the Administration had lost its control over the land and housing policies as well as the property market, which were indeed led by major developers over the past 10 years. The introduction of the Application List system for land sale and the cessation of HOS had not only significantly reduced the supply of housing but also pushed up the property prices. The situation was further aggravated when more than one-third of the properties in the high-end market were purchased by Mainland investors. When the Chief Executive included in his election manifesto the policy on "Hong Kong property for Hong Kong residents", members were under the impression that the new term of Government would regain control of the property market from major developers. Therefore, he was disappointed to learn that the said policy had been revised under the pressure of major developers. To this end, consideration could be given to applying the policy on "Hong Kong property for Hong Kong residents" to certain land sales, excluding those for high-end private residential property market or commercial property market. He added that the provision of more PRH units and a limited supply of HOS flats could not resolve the prevailing housing problems, particularly those faced by families with monthly household income more than \$40,000. Professor Patrick LAU also enquired if the Administration had backed down on the policy on "Hong Kong property for Hong Kong residents" which aimed at banning non-residents from purchasing properties at specified developments.

20. In response, STH said that the existing housing policy was meant to address the housing needs of local residents. Having regard to the increasing demand from Mainland and overseas investors for local residential properties, the Administration would need to closely monitor the property market. Appropriate measures would be taken to ensure a stable and healthy development of the property market, and to safeguard the opportunity for Hong Kong residents to achieve home ownership. If necessary, restrictions could be imposed on the sale of land as in the case of some overseas countries. However, the Administration would need to be prudent in assessing the impact of such restrictions on the local property market. STH added that he would respond further to an oral question on the subject at the Council meeting scheduled for the same afternoon.

Action

21. Mr LEUNG Kwok-hung also expressed disappointment that the Chief Executive had reneged on his promises in relation to housing matters, including the back-tracking on the policy on "Hong Kong property for Hong Kong residents". He therefore sought STH's views on the June 4th incident. The Chairman reminded Mr LEUNG that his question might have deviated from the subject under discussion. Mr LEUNG said that he had to ascertain whether there were changes in STH's core values after taking up the post. STH responded that he would not forget the June 4th incident which had caused much trauma. He had made clear his views in this respect before and his position had not changed since. He would use his best endeavours to discharge his duties and responsibilities as STH.

IV. My Home Purchase Plan

- (LC Paper No. CB(1) 2316/11-12(03) — Administration's paper on My Home Purchase Plan
LC Paper No. CB(1) 2316/11-12(04) — Paper on My Home Purchase Plan prepared by the Legislative Council Secretariat (updated background brief))

22. The Chief Executive Officer & Executive Director of the Hong Kong Housing Society (CEO&ED/HKHS) gave a power-point presentation on the progress of MHPP.

(Post-meeting note: A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1) 2359/11-12(01) on 11 July 2012.)

23. The Chairman noted with concern about the allegation that the Hong Kong Housing Society (HKHS) was reluctant to proceed with other MHPP projects after completion of the first MHPP project at Tsing Luk Street (the TLS project) unless the Administration was prepared to revise the terms of agreement for subsequent MHPP projects. As any delay in completion of the planned MHPP projects was unacceptable, he urged the Administration to resolve the matter with HKHS as soon as practicable. If this was not possible, consideration should be given to engaging HA to take up other MHPP projects to ensure timely delivery of MHPP flats to meet the aspirations of eligible applicants. STH said that apart from the TLS project, the Administration had earmarked sites in Diamond Hill, Shatin, Tai Po, Tuen Mun and other areas for the provision of about 5 000 MHPP flats. Details of implementation of these MHPP projects would be worked out with HKHS taking into account the

Action

experience gained in the TLS project. He acknowledged members' concern about the need for early completion of MHPP projects, and the Administration would maintain close cooperation with HKHS in this respect.

24. The Chairman enquired about the schedule for completion of MHPP projects. To avoid slippages, he considered it necessary to set a deadline for each of these projects. Atg PSTH(H) said that the construction of the TLS project was expected to be completed in 2014 as planned. HKHS intended to invite interested persons to submit information for vetting of eligibility criteria for the TLS project in December 2012. HKHS had also conducted a preliminary stability study of a slope included in the site boundary of the Sha Tin project near Siu Lik Yuen to identify possible stabilization works required. A further detailed study would need to be conducted to verify the preliminary findings and to finalize the stabilization works required. The concerned site would also have to undergo the land grant procedure. The Administration would continue to discuss with HKHS on the implementation of the Sha Tin project. As for other MHPP projects, most of the sites identified required statutory rezoning procedures. The details of individual projects would be announced when the preparatory work was completed. CEO&ED/HKHS assured members that there had been no delay in the TLS project.

25. Mr CHAN Hak-kan asked if the statutory rezoning procedures for other MHPP projects would be processed individually or in one go. The Chairman opined that it would be more desirable to proceed with the rezoning procedures for other MHPP projects in one go. Atg PSTH(H) explained that as the TLS project was the first MHPP project, it would take a longer time to work out the details. Other MHPP projects could draw reference to the experience gained from the TLS project. STH added that a number of enhancement measures had been made following the announcement of the TLS project, and the experience gained from the TLS project would be useful for the implementation of future MHPP projects.

26. Since the re-launching of the New HOS, Mr CHAN Hak-kan noted that there had been calls from the community not to proceed with MHPP. While he and some other members supported the introduction of MHPP to provide an additional choice, he was concerned that MHPP flats, in particular those developed in later stages, would lose their competitiveness to New HOS flats which would be made available for sale in a few years' time. He was concerned that if there was no longer a market for MHPP flats, the other MHPP projects would be wasted. STH said that there should not be much overlapping between MHPP and New HOS as the former was targeted at those with household income up to \$40,000 per month while the latter at less than \$30,000 per month.

Action

V. Regulation of the sale of first-hand residential properties

(LC Paper No. CB(1) 2316/11-12(05) — Administration's paper on regulation of the sale of first-hand residential properties

LC Paper No. CB(1) 2316/11-12(06) — Paper on Regulation of sales of first-hand private residential properties prepared by the Legislative Council Secretariat (updated background brief))

27. The Chairman welcomed the passage of the Residential Properties (First-hand Sales) Bill to regulate the sale of first-hand residential properties. He enquired about the timeframe for setting up the Enforcement Authority and the transitional arrangements pending the coming into operation of the Residential Properties (First-hand Sales) Ordinance (the Ordinance). STH said that following the enactment of the Ordinance in late June 2012, preparatory arrangements were being made to facilitate the coming into effect of the regulatory regime in 12 months' time. During the interim, educational and publicity efforts would be stepped up to enhance public awareness on the requirements which vendors had to comply with when selling first-hand residential properties after the coming into operation of the Ordinance, particularly on the use of saleable area (SA) as the only basis to quote the area and price per square foot/metre of the first-hand residential unit. In fact, the Estate Agents Authority (EAA) had requested estate agents to provide SA in the sale and leasing of residential properties in the secondary market with effect from 1 January 2013. Meanwhile, the Lands Department (LandsD) would continue to take follow-up actions against non-compliance with the requirements under the Lands Department's Consent Scheme (the Consent Scheme). Also, the Buildings Department would continue to take enforcement actions against non-compliance with the Buildings Ordinance (Cap. 123). Atg PSTH(H) added that the additional requirement for sales brochures to show a cross-section plan of each building in the development and the level of the lowest residential floor of the building in relation to the level of the adjacent street, which was a requirement under the Ordinance, had been included in the Consent Scheme.

28. The Chairman was concerned about the possible confusion over the use of SA and gross floor area in the sale of first-hand residential properties during the interim. He enquired about the feasibility of including in the Consent Scheme an additional requirement on the use of SA as the only basis to quote the unit prices of first-hand residential properties pending the coming into operation of the Ordinance. The Deputy Director/Legal (Legal Advisory and Conveyancing Office) said that LandsD would need to carefully consider the

Action

propriety and feasibility of adding such a requirement in the Consent Scheme. STH added that publicity efforts would be made in the interim to enhance public awareness on the use of SA only to quote the area and price per square foot/metre of the first-hand residential unit once the Ordinance came into operation. The Transport and Housing Bureau would work closely with LandsD to work out the most appropriate arrangement to achieve a smooth transition for Consent Scheme projects.

VI. Any other business

29. There being no other business, the meeting ended at 10:30 am.

Council Business Division 1
Legislative Council Secretariat
25 September 2012