

Legislative Council Panel on Housing

My Home Purchase Plan

Purpose

This paper briefs Members on the progress of the My Home Purchase Plan (MHPP).

The MHPP

2. The 2010/11 Policy Address in October 2010 announced that the Government would, in collaboration with the Hong Kong Housing Society (HKHS), introduce the MHPP which was premised on the concept of “rent-and-buy”. The objective is to help households which have the long-term ability to purchase a flat but do not have enough savings for the down payment to rent a MHPP flat first at the then prevailing market rental and save up for the future home purchase plan. The maximum tenancy period is five years. To allow tenants to save, the rent will not be adjusted during the tenancy period. When the MHPP tenants subsequently purchase a MHPP flat or a flat in the private market, HKHS will grant them a purchase subsidy which is equivalent to half of the net rental paid by the tenants during the tenancy period.

3. The 2011/12 Policy Address in October 2011 announced various enhancement measures to the MHPP. Under the enhancement measures, apart from the proposed “rent-and-buy” mode, a “buy-or-rent” option which allows participants to buy their MHPP flats direct at market price without going through a rental period will also be offered.

4. Another enhancement measure is that those who opt for the “rent-and-buy” mode may purchase MHPP flats within a prescribed period at the “ceiling price” or at the then prevailing market price of the flats, whichever is the lower. The “ceiling price” of a MHPP flat will be the initial market selling price of that flat. When the prevailing market price is higher than the “ceiling price”, the MHPP tenants can buy MHPP flats at the “ceiling price”. This will protect participants from soaring property prices which may disrupt their plan for home ownership, and enable them to set more specific saving targets. When the prevailing market price is lower than the “ceiling price”, they can buy MHPP flats at the prevailing market price.

5. The MHPP is a buffering measure to help households with a monthly income up to \$40,000 to achieve home ownership. The Government has already earmarked sites for the provision of about 5 000 MHPP flats. The first two MHPP projects will be at Tsing Luk Street of Tsing Yi and Sha Tin Area 36C respectively.

Progress

6. The Tsing Yi site will provide around 1 000 “no-frills” small and medium sized flats. These are expected to be completed in 2014 and application for pre-letting will begin in 2012. The building plans submitted by HKHS have been approved by the Buildings Department, and the Kwai Tsing District Council has been consulted on the project. The development comprises three 38-storey residential tower blocks, 3-level podium with carparks, landscaped area and recreational facilities. HKHS completed the piling works on the site years ago for a subsidised housing project. To cater for the flat provision and size under the MHPP, HKHS has modified the foundation design. Additional piling works commenced in July 2011. The works are making good progress and scheduled for completion by April 2012. Superstructural works will commence afterwards.

7. In parallel, we are discussing with HKHS on the implementation details of the Tsing Yi project taking into account the enhancement measures mentioned in the 2011/12 Policy Address.

8. The Sha Tin Area 36C project near Siu Lik Yuen should produce about 700 small and medium sized flats. The exact number of flats to be built has to be worked out after further study. HKHS will have to conduct studies on the need to carry out slope stabilization works for the site. The Sha Tin site will have to undergo the land grant procedure. We will continue to work closely with HKHS to implement the Sha Tin project as early as possible.

9. The Government has started preparatory work for the other MHPP projects. We will announce the details of individual projects when the preparatory work is completed.

Conclusion

10. We wish to emphasize that the MHPP is to facilitate home buyers to achieve home ownership. In the long run, the Government will increase land supply. Government's aim is to ensure an annual supply of land for an average of about 40 000 residential units of various types, which will comprise 15 000 public rental housing flats, 20 000 private residential flats, and 5 000 new Home Ownership Scheme flats. Even when demand for land declines, land development will continue. The newly developed land will be kept in the Government's land reserve and be made available when appropriate.

**Transport and Housing Bureau
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