

(Translation)

Motion on
“Formulating a target ratio of housing expenses
and a standard for the average living space per person”
moved by Hon Tony TSE
at the Council meeting of 9 October 2013

Motion as amended by Hon WONG Kwok-hing

That, given that the legislation and relevant guidelines of Hong Kong on residential housing standards mainly regulate hardware such as building safety and hygiene, etc., but no policy or clear objectives and guidelines with legislative effect have been formulated regarding software such as the average living space per person and the ratio of housing expenses to household income, etc.; in addition, with the continuous increases of the residential housing prices and rents in recent years, housing expenses have imposed a heavy burden on the public and seriously affected their quality of life; according to statistics, the home purchase affordability rate, which reflects mortgage payment expenditure, has risen to 56% in the first quarter of 2013, and the 2009/10 Household Expenditure Survey also indicates that housing expenses account for 37% of the total household expenditure of private residential housing households in Hong Kong, a percentage which is far higher than the average of around 21% in member countries of the Organization for Economic Co-operation and Development; in addition, the Chief Executive has indicated that more than half of the private dwellings in Hong Kong have a saleable area smaller than 50 square metres; he has also pointed out that the Government must properly formulate long-term planning, so as to provide a more spacious living environment to the next generation; in this connection, this Council urges the Government to:

- (1) expeditiously formulate a comprehensive target ratio of housing expenses, and set concrete policies and measures with a view to maintaining the ratio of housing expenses to household income of private residential housing households at a reasonable level, so as to alleviate the public's burden of housing expenses on home renting and mortgages;
- (2) increase the supply of public rental housing and subsidized housing flats on a need basis, and increase the supply of private residential housing flats through proactive Government-initiated land sales, with a view to increasing the supply of flats, thereby lowering the levels of rents and prices of residential housing of various types;

- (3) formulate and implement a standard for the average living space per person, and through increasing land for building residential housing and new flats, including the expeditious redevelopment of aged public rental housing estates and urban renewal, as well as the conduct of continuous consultation, study, planning and development of the three major new development areas of North East New Territories, Hung Shui Kiu and Tung Chung, coupled with comprehensive long-term planning, gradually increase the average living space per person for households of public and private housing, so as to improve the living environment of the public; and
- (4) while alleviating the public's burden of housing expenses and increasing the average living space per person, review and reconstruct a housing ladder to facilitate upward mobility, including studying and reviewing the schemes on assisting people in acquiring homes, such as the feasibility and applicability of re-launching the Group B Rental Estates, the Home Starter Loan Scheme, the Buy or Rent Option, and the Tenants Purchase Scheme, etc., so as to meet the needs of people from different social groups and strata, and provide more incentives for public rental housing households to encourage them to move upwards and acquire their own homes, so as to improve the quality of their living environment and strengthen the turnover of housing units.