

**(Draft)**

**(Please refer to speech to be delivered at the meeting for final version)**

**Speech by the Secretary for Transport and Housing  
at the Legislative Council  
Special Finance Committee Meeting (Housing)  
on 1 April 2015**

(Translation)

Chairman,

Housing is a major issue of concern for many members of the public, including the younger generation. Difficulty in getting a public rental housing (PRH) unit, and difficulty in achieving home ownership are common concerns. The Government needs to accord priority in resolving the housing problem.

2. The Long Term Housing Strategy (LTHS) promulgated by the Government last December reaffirmed the supply-led strategy, and set a public-private split of 60:40 in respect of new housing supply in order to gradually avert the current supply-demand imbalance. Based on the latest housing demand projection, we adopted a total housing supply target of 480 000 units for the ten-year period from 2015-16 to 2024-25. Within the total supply target, public housing accounts for 290 000 units, comprising 200 000 PRH units and 90 000 subsidised sale flats, to cater for the housing and home ownership needs of low and middle income citizens.

3. As it takes time to identify land and to undergo the planning process, the scope of increasing the production volume at the earlier stage of the 10-year period is relatively limited. In the five year period from 2014-15 to 2018-19, the Hong Kong Housing Authority (HA) will produce 77 100 new PRH units and 10 600 new Home Ownership Scheme flats. During the same period, the Hong Kong Housing Society will produce about 1 100 rental units and will offer about 1 600 subsidised sale flats for pre-sale.

4. To achieve the LTHS supply target, we need to put in extra efforts to make up the difference in the second five-year period. The HA has already embarked on the necessary preparatory work such as identifying the land required and conducting planning process. Assuming all sites identified so far can be delivered on time for housing construction, we have identified land for the construction of some 254 000 public housing units. This, however, is still subject to completion of the relevant procedures and obtaining community

support.

5. Many members of the public express appreciation of the public housing programme in Singapore. As a matter of fact, we also have a public housing history of over 60 years which we should take pride of. The Government is determined to implement the public housing programme. While we have the financial and the land resources, we need public support to re-zone the land for housing use. The Financial Secretary has set aside \$27.5 billion as the initial injection to the Housing Reserve to provide financial resources to meet the ten-year public housing supply target. Further injections will be considered at an appropriate juncture. The Government will discuss with the HA on the amount and the timing for financial support required in order to formulate financial plans and to seek funding approval from the Legislative Council in accordance with the established mechanism.

6. As regards the private residential property market, the Government will implement the regular Land Sale Programme and enhance the land administration processes. As at end 2014, the housing supply from the first-hand private residential property market for the coming three to four years is projected to be approximately 74 000 units. These include completed but unsold flats, flats which are under construction but not yet sold and those from disposed sites where construction work is ready to start. At the same time, the private sector will, on average, produce about 14 600 flats each year in the next five years, representing an increase of about 30% compared with the average of the past five years. The effect of supply-led strategy will gradually become more apparent.

7. Finally, the Government has been closely monitoring the property market. We note that the property market has resumed an upward trend since April last year, with flat prices picking up markedly. The Government will remain vigilant and will keep a close watch on the evolving external environment. We will not hesitate to introduce appropriate measures when necessary in order to maintain a stable property market and to safeguard the stability of the macro economy and the financial system of Hong Kong.

8. Chairman, my colleagues and I will be happy to respond to questions on Heads of expenditure on housing.

**Transport and Housing Bureau**  
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