

# 立法會

## *Legislative Council*

LC Paper No. CB(1) 1589/98-99

Ref : CB1/PL/HG

### **Report of the Panel on Housing for submission to the Legislative Council**

#### **Purpose**

This report gives an account of the work of the Panel on Housing during the Legislative Council session 1998-1999. It will be tabled at the meeting of the Council on 30 June 1999 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### **The Panel**

2. The Panel was formed by resolution of the Council on 8 July 1998 for the purpose of monitoring and examining Government policies and issues of public concern relating to private and public housing matters. The terms of reference of the Panel are at **Appendix I**.

3. The Panel comprises 22 members, with Hon LEE Wing-tat and Hon Gary CHENG Kai-nam elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

#### **Major Work**

4. Following the Government's announcement in February 1999 that land sales would resume with effect from April 1999 after a nine-month moratorium, the Panel held a joint meeting with the Panel on Planning, Lands and Works to seek a briefing by the Administration on the Land Sale and Development Programmes for the next five years as well as the new bidding application system. While appreciating the Administration's commitment to upholding its pledge of producing 50,000 public housing flats per year, members urged the Administration to increase reserve in the land bank to prepare for sudden surge in housing demand.



### Home ownership schemes

5. On encouraging home ownership, members examined the progress of the Sandwich Class Housing Scheme and supported the measures introduced by the Housing Kong Housing Society to assist purchasers under the Scheme in mortgage repayment amid the economic downturn. The Panel also monitored the operation of the existing housing loan schemes viz. the Sandwich Class Housing Loan Scheme, Home Purchase Loan Scheme and Home Starter Loan Scheme to ensure their effectiveness in helping middle and low income families to purchase their own homes in the private sector. Pursuant to members' request for a comprehensive review on the different loan schemes with a view to pooling the resources for financing home ownership in a more effective way, the Administration decided to abolish the Sandwich Class Housing Loan Scheme and revise the eligibility criteria for the various schemes.

6. On the Government's strategy to promote home ownership by selling public rental flats at subsidized prices, members examined the detailed arrangement of the proposed Tenants Purchase Scheme Phase Two for sitting tenants and the new scheme of Buy-or-Rent Option which aimed at providing prospective public rental housing tenants an additional option of buying flats at a discounted price. While noting that the aspirations to home ownership of lower income families would be substantially met by these initiatives, members however considered that the Administration should define clearly the different objectives of and roles played by Home Ownership Scheme, Buy-or-Rent Option and Tenants Purchase Scheme respectively.

### Public rental housing

7. Demand for public rental housing (PRH) was a subject of major concern to the Panel. Recognizing the Government's target of reducing the average waiting time for public housing from the current six and a half years and three years by 2005, members examined the various policies introduced by the Hong Kong Housing Authority on achieving this target. On the implementation of a comprehensive means test, which was an income-cum-asset test for prospective PRH tenants, views of members were mixed, but members were unanimously dissatisfied that such an important policy was hastily implemented without prior consultation with the Panel and the public. Members also exchanged views with the Administration on the measures to limit the transfer of tenancies on the death of principal tenants and the residence requirement for allocation of PRH flats to Waiting List applicants.

8. Noting that the current prolonged average waiting time for single-person PRH flats was eight to nine years which had led to a high demand in bedspace apartments (BSAs), members paid a visit to a licensed BSA and a singleton hostel for BSA lodgers to facilitate a better understanding on the improvement of the living conditions of lodgers in licensed BSAs after the implementation of

the Bedspace Apartment Ordinance and on the facilities of singleton hostels. Subsequent to the visit, the Panel decided to conduct a research into the issues of safety and overcrowdedness of BSAs that had not been adequately addressed by the Bedspace Apartment Ordinance.

9. As regards the housing policies for elderly people, members stressed in several meetings that insitu re-housing should be arranged for elderly affected by redevelopment of PRH estates. Members also urged the Administration to take into consideration the special needs of the elderly tenants when conducting a review on the current criteria for processing applications in respect of addition of family members to their tenancies on special grounds.

10. The financial downturn in the overall economy of Hong Kong had great impact on tenants of PRH estates. Members held a series of meetings with the Administration and deliberated on measures to alleviate the hardship of commercial tenants as well as rental housing households. Apart from commenting on the Housing Authority's rent reassessment scheme for commercial tenants, members pressed for a 30% rent reduction on all commercial premises in PRH estates. Members also urged the Housing Authority to lower the upset rent substantially and to simplify the letting procedures to attract more prospective tenants for vacant premises.

11. Noting that the one-year rent freezing period for 104 PRH estates would expire in September 1999, the Panel analyzed the statistics regarding the median rent-to-income ratio for PRH households in previous years. Having regard to tenants' affordability, members urged the Administration to shelve for the time being any rent increase plans and conduct a rent review exercise for PRH. Pursuant to members' request, the Housing Authority decided that the rent freezing period be extended for another year and the rent level for new estates this year be kept at 1997 level.

#### Quality of Housing Authority's building works

12. Quality assurance of the Housing Authority's building works was another major concern of the Panel. Members urged the Administration to accord priority to quality over price. On the management and maintenance work of the Housing Authority's estates to private sector, members noted that the Housing Department (HD) was streamlining its staffing structure by contracting out its management service to the private sector. Apart from monitoring the quality of service contractors and the level of management fees, members further examined the recommendation made in the Final Report on the Review of Private Sector Involvement in Estate Management and Maintenance Services. In view of the wide implication of the private sector involvement, members urged the Housing Authority to consider HD staff's alternative proposal of a like-to-like comparison between management service provided by HD staff and private management agents as well as to solicit views

of PRH tenants and owners under Tenants Purchase Scheme before making a final decision on the way forward.

Legislative and financial proposals

13. The Panel studied a number of legislative and financial proposals prior to their introduction to the Council. They were Estate Agents (Registration and Licensing) Regulation, Sales Descriptions of Uncompleted Residential Properties Bill, Housing Managers Registration Bill, the financial proposals regarding demolition of Temporary Housing Areas and Cottage Areas as well as developments on Anderson Road and at Choi Wan Road/Jordan Valley.

14. From July 1998 to June 1999, the Panel held a total of 17 meetings, of which one was a joint meeting with the Panel on Planning, Lands and Works. The Panel also made a visit to a BSA and a singleton hostel.

Legislative Council Secretariat

22 June 1999

**Legislative Council**

**Panel on Housing**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to private and public housing matters.
2. To provide a forum for the exchange and dissemination of views on related policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in the relevant policy areas prior to their formal introduction to the Council or Finance Committee.
4. To examine and to report on any major issues of wide public concern in the relevant policy areas as referred by the Council or House Committee or as raised by the Panel itself.

**Legislative Council  
Panel on Housing**

**Membership list**

Hon LEE Wing-tat (Chairman)  
Hon Gary CHENG Kai-nam (Deputy Chairman)  
Hon David CHU Yu-lin  
Hon HO Sai-chu, JP  
Hon Edward HO Sing-tin, JP  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming  
Hon NG Leung-sing  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon Ronald ARCULLI, JP  
Hon James TO Kun-sun  
Hon CHAN Yuen-han  
Hon CHAN Kam-lam  
Hon LEUNG Yiu-chung  
Hon Andrew WONG Wang-fat, JP  
Dr Hon YEUNG Sum  
Hon LAU Kong-wah  
Hon Andrew CHENG Kar-foo  
Hon SZETO Wah  
Hon Timothy FOK Tsun-ting, JP  
Hon TAM Yiu-chung, JP

Total : 22 Members

Date : 13 March 1999