

立法會
Legislative Council

LC Paper No. CB(1) 377/08-09
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by the Administration)

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Panel on Housing

Minutes of meeting
held on Friday, 24 October 2008, at 8:30 am
in the Chamber of the Legislative Council Building

Members present : Hon WONG Kwok-hing, MH (Chairman)
Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon LEE Wing-tat
Hon Alan LEONG Kah-kit, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon CHAN Hak-kan
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS

Members absent : Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Dr Hon Joseph LEE Kok-long, JP
Hon LEUNG Kwok-hung

Public officers attending : Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr Thomas CHAN, JP
Permanent Secretary for Transport and Housing
(Housing)

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Eugene FUNG
Acting Deputy Secretary for Transport and Housing
(Housing)

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

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

Mr Howard LEE, JP
Deputy Director (Corporate Services)
Housing Department

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

Staff in attendance : Mrs Constance LI
Assistant Secretary General 1

Mrs Mary TANG
Senior Council Secretary (1)2

Miss Mandy POON
Legislative Assistant (1)4

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- I. Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's 2008-2009 Policy Address**
(The 2008-2009 Policy Address – “Policy Agenda”
Address by the Chief Executive at the Legislative Council meeting on
15 October 2008
(LC Paper No. CB(1) 47/08-09(01) — 2008-2009 Policy Agenda -
Housing-related policy initiatives of
the Transport and Housing Bureau)

The Secretary for Transport and Housing (STH) briefed members on the housing-related policy initiatives of the Transport and Housing Bureau in the 2008-2009 Policy Agenda.

(Post-meeting note: A copy of STH's speaking note was circulated to members vide LC Paper No. CB(1) 120/08-09.)

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Standardization of the definition of "saleable area"

2. Mr LEE Wing-tat welcomed the standardization of the definition of "saleable area" for uncompleted first-hand residential properties. To avoid misrepresentation of floor area information by estate agents, he suggested that spot checks should be conducted by the staff of Estate Agents Authority (EAA) posing as prospective buyers. The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) confirmed that EAA staff conducted frequent unannounced site visits to observe the sales arrangements for uncompleted first-hand residential properties by estate agents and developers.

Land supply for public housing

3. Mr LEE Wing-tat was not convinced that the Government should use objection from District Councils and local communities as an excuse for not supplying sufficient land for production of public rental housing (PRH). He recalled that the Government had no difficulty in finding land for housing production when the obsolete pledge for annual production of 85 000 flats was announced some years ago. He suggested that the Lands Department should conduct a comprehensive land search with a view to identifying suitable sites for PRH development. STH explained that the situation now was quite different from before. Nowadays, consultation on PRH projects had to commence as early as at the planning stage in view of the vast and varied factors, including environmental impact, day-light penetration and "wall effect", which needed to be considered. Notwithstanding, efforts would continue to be made to identify suitable sites for public housing production to ensure that the average waiting time for PRH would be maintained at around three years for the next five years.

Public rental housing

4. On *supply of PRH*, Professor Patrick LAU enquired if there was a need to expedite the public housing programme to meet the demand for PRH. STH said that the demand for PRH had remained steady over the years with an addition of around 3 000 new applications each month. The Administration had been able to maintain the average waiting time for PRH at around three years. PSTH(H) added that the number of new PRH applications had declined over the past few months.

5. Mr WONG Sing-chi noted that quite a number of Waiting List (WL) applicants residing in New Territories East (NTE) were allocated PRH flats in the Tin Shui Wai (TSW) district, much to their dissatisfaction. The cross-district flat allocation would likely result in much longer time for the adult to travel to their work place, and might also affect the schooling plans of children. He enquired whether consideration could be given to adjusting the allocation policy so that WL applicants would be allocated PRH flats which were close to the district where they used to live. STH said that as WL applicants would be given three offers of PRH flats, they could decline to accept an offer if they found the location unsuitable. PSTH(H) added that for the sake of fairness and in line with anti-corruption guidelines, flat allocation was drawn by ballot through a computerized system, and subject to the availability of flats

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at the time of the offers. If a WL applicant living in NTE was allocated a PRH flat in TSW district, he could choose not to accept the offer and wait until a flat in NTE was available, but this might take more time. While there were constraints in the allocation of flats within the same district, the Administration was prepared to explore means to better meet the needs of WL applicants.

6. On *implementation of environment-friendly designs and green measures in PRH estates*, Mr Frederick FUNG said that he had recently attended a forum on environmental designs of buildings, and learnt that the provision of green rooftops was made mandatory in some countries. He also noted that the use of solar energy for lighting and compact technologies for treating solid waste and sewage within a building before discharge had been adopted in many parts of the world. STH said that while the use of compact technologies for treatment of solid waste and sewage might not be feasible for PRH blocks on account of the high costs, a number of environment-friendly designs and green measures had been adopted in many PRH estates. PSTH(H) supplemented that pilot schemes on environment designs and green measures were implemented in many PRH estates. These included application of "Micro-climate" studies and computer simulation techniques in collecting scientific data, such as wind speed, air flow and day-light penetration, to work out the best disposition, location and orientation of estates in order for residents to enjoy the natural environment and conserve electricity at the same time, as well as the use of solar energy for lighting and more energy-efficient lift systems. The Administration would be pleased to arrange a visit for the Panel to observe the progress of implementation of environment-friendly designs and green measures in PRH estates.

7. On *maintenance of PRH estates*, PSTH(H) assured Mr KAM Nai-wai that PRH estates were well maintained through the Total Maintenance Scheme and so far, in-flat inspection had been implemented in 59 estates.

8. On *installation of lifts/escalators in existing hillside PRH estates*, Mr KAM Nai-wai held the view that this should also be extended to other estates as far as practicable to facilitate access by tenants, in particular, elderly tenants. Mr Fred LI opined that the provision of lift/escalators was necessitated by the ageing population. As such, there was a need to install additional lifts/escalators in those estates currently equipped with escalators for ascending services only, such as Ping Tin Estate and Tsz Lok Estate. Mr Frederick FUNG also supported that lifts/escalators should be provided to facilitate access of residents living in hillsides PRH estates and PRH blocks without lifts. Expressing similar concern, Mr CHAN Kam-lam sought elaboration on the installation plans, particularly for the many hillside PRH estates in East Kowloon. STH said that the Housing Authority (HA) was considering spending \$950 million to install lifts/escalators in the common areas at hillside PRH estates and lifts in low-rise housing blocks without lifts in the coming five years. District councils would be consulted on ways to expedite the provision of lifts/escalators in PRH estates, the construction of which required about two years. PSTH(H) added that apart from public views, assessments on the technical feasibility of providing lifts/escalators in individual PRH estates as well as the passenger flow were also required to justify the provision.

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9. Mr CHAN Kam-lam opined that if escalators were found not feasible because of the topography of the estates, consideration should be given to providing lifts instead. He also enquired about HA's plan for installing lifts in PRH blocks aged over 28 years, which were seven-storeyed high and without lift services, and whether Ping Shek Estate would be included in the plan. STH noted that lifts would be more preferred in terms of barrier-free access as passengers on wheelchairs would find it difficult to use escalators. As regards the lift installation plan, PSTH(H) said that upon the completion of structural investigation studies on the aged PRH estates, a decision would be made as to whether the older estates should be demolished or refurbished. If it was decided that an estate should be refurbished, a maintenance improvement plan, including studies on the need for the provision of lifts, would be carried out. The comprehensive structural investigation on Ping Shek Estate had just been completed. The Chairman said that the provision of lifts/escalators at PRH estates would be further discussed and it was hoped that more information on the locations and time-frames for installation of lifts/escalators at PRH estates could be provided to facilitate discussion.

Home Ownership Scheme and Tenants Purchase Scheme

10. Mr Frederick FUNG enquired about the Government's stance on the re-launching of the Home Ownership Scheme (HOS), which in his view would not only enable PRH tenants to achieve home ownership, but also the turnover of PRH flats for allocation to WL applicants. His views were shared by Mr KAM Nai-wai. STH said that in considering the proposal to re-launch HOS, the Administration would need to take into account various factors, including whether there was a serious imbalance in the property market, whether there was a problem in the turnover of PRH flats, and whether there was a public consensus to vary the existing housing policy. The Administration held the view that the re-launching of HOS would inevitably have impact on the property market, and divert resources from and affect HA's ability in implementing the public housing programme.

11. Mr WONG Kwok-kin opined that the requirement for better-off tenants to pay additional rents had forced many PRH families to delete their younger generations from the tenancies, and was at variance with the enhanced public housing arrangements to promote mutual family support and care for the elderly. Besides, the frequent need for income and asset declaration was also a cause of concern for these families. To resolve the problem, he would support the re-launching of HOS and the Tenants Purchase Scheme (TPS) so that better-off tenants, who might not afford to buy properties in the private sector, could purchase their own PRH or HOS flats. In response, STH emphasized the need to safeguard rational allocation of the scarce housing resources. The income and asset declaration would be essential to assess tenants' eligibility to continue to receive public housing subsidy. They were only required to undergo biennial income and asset declaration after living in PRH for 10 years. PSTH(H) added that under the Harmonious Families Transfer Scheme, better-off tenants applying for transfer to live closer to their elderly parents could have their household incomes separately assessed. On the re-launching of HOS and TPS, STH said that to maintain the average waiting time for PRH at around three years, HA

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had to ensure an annual housing production of around 15 000 PRH flats on average, together with a similar level of PRH flats estimated to be recovered from the existing stock. The re-launching of HOS and TPS would not only divert resources from and affect HA's ability in implementing the public housing programme, but also extend the average waiting time for PRH.

12. Mr Fred LI noted that there were quite a number of PRH tenants who wished to purchase their own PRH flats under TPS. Given minimal impact of TPS on the private property market, he urged the Administration to conduct a survey on the re-launching of TPS. STH said that the sale of PRH flats to sitting tenants under TPS would have adverse impact on the turnover of PRH flats, and would lengthen the average waiting time for the 110 000 applicants on WL.

Elderly housing project by the Hong Kong Housing Society

13. Professor Patrick LAU welcomed the implementation of an elderly housing project by the Hong Kong Housing Society (HKHS) at Tanner Road, North Point. He was however concerned about the requirement for applicants to undergo an income and asset test for the elderly housing project, as some better-off applicants might become ineligible while others who were eligible might find it unaffordable. PSTH(H) clarified that HKHS had paid full market value land premium for the Tanner Road project. Hence, it had full autonomy to decide on the eligibility criteria for the project. STH said that while the lease arrangements had yet to be worked out by HKHS subject to market conditions, applicants under the project had to be over the age of 60.

Rental increases of retail facilities in PRH estates

14. Mr Alan LEONG was concerned about the high rental increases of retail facilities managed by The Link Management Limited (The Link). By way of illustration, a 30% rental increase was recorded at the Lok Fu Shopping Centre. He pointed out that according to section 4(1) of the Housing Ordinance (Cap. 283), HA had the duty to secure the provision of housing and such amenities ancillary for PRH residents. HA would be seen to have failed its duty if the rentals continued to rise, as such increases would ultimately be transferred to consumers. He enquired about the measures which HA would take to deal with the problem. STH said that The Link had become a private entity after its listing in the stock market. Its business strategies and day-to-day operations were entirely independent of the Administration and HA. She held the view that rental increases were subject to market forces because The Link would have difficulties in leasing out the retail facilities if the rentals were too high. PSTH(H) said that as a commercial enterprise, The Link would need to ensure its financial viability. In order to operate successfully, its shopping centres and markets would have to meet the needs and spending power of PRH tenants. As such, rentals had to be set at suitable levels with reference to market conditions. The Chairman said that invitation had been extended to the Executive Director and Chief Executive Officer of The Link to attend the Panel meeting in December 2008 to discuss the management of retail and car parking facilities in public housing estates after the divestment by HA. Members could raise their concerns at the meeting.

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15. Mr Tommy CHEUNG said that market stalls and the food establishments operating within PRH estates were facing much difficulty amid the financial tsunami with business down by over 30%. He opined that the Government should take the lead in assisting the affected business operators. Consideration could be given to reducing the rents and/or providing rent-free periods for markets stalls and food establishments within the shopping malls managed by HA, similar to the past arrangements made following the outbreak of the Severe Acute Respiratory Syndrome. The Deputy Director (Estate Management) said that the market stalls and food establishments concerned were often leased on a three-year agreement. The terms for renewal of contract would depend on market conditions, and rentals would be reduced if the prevailing market rate was on the decline. Rent-free periods would be considered for stalls which had been vacated for a long time. STH agreed to refer the matter to the relevant HA committees. The Chairman said that as the shopping malls within PRH estates were either managed by Housing Department or The Link, both would be invited to attend the meeting in December 2008.

II. Any other business

16. There being no other business, the meeting ended at 9:30 am.

Council Business Division 1
Legislative Council Secretariat
10 December 2008