



21 June 2010

Ms Anita Sit
Chief Council Secretary (1)5
Council Business Division 1
Legislative Council Secretariat
3/F, Citibank Tower
3 Garden Road
Hong Kong

CB(1)2334/09-10(01)

Dear Ms Sit,

Panel on Financial Affairs
Follow-up to meeting on 7 June 2010

Pursuant to your letter of 9 June 2010 conveying the request of the Panel on Financial Affairs, we provide below information about the supply of small and medium-sized domestic flats in the next few years.

The forecast by the Transport and Housing Bureau indicates that around 60% or about 35 300 units out of the 59 000 units available on the private residential property market in the next three to four years will be flats with saleable area of less than 70 square meters.

To further increase the supply of small and medium sized residential flats, the Government and related organisations will take the following measures :

1. The Government will liaise with the MTRCL and the Urban Renewal Authority to increase the supply of those types of flats in the West Rail property development projects and urban renewal projects respectively;

2. The Government will sell by open tender a site of about 1.2 hectares near the West Rail Long Ping Station in Yuen Long for private residential purpose, and will increase the supply of small and medium sized flats by specifying in the land sale conditions requirements in terms of the minimum number of flats and the range of the size of those units;
3. For the future property development above the Wong Chuk Hang depot/station of the South Island Line project, the MTRCL will introduce for the first time the provision of flats of prescribed size and about 20% of the flats will be flats of about 50 square meters; and
4. The Hong Kong Housing Society is selling all of the surplus Sandwich Class Housing Scheme flats, and the Hong Kong Housing Authority will put up for sale the remaining surplus Home Ownership Scheme flats in June this year.

Yours sincerely,



(Freely K Cheng)
Administrative Assistant to
Financial Secretary

c.c. GEcon
AA/STH