

立法會
Legislative Council

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Panel on Housing

**Minutes of special meeting
held on Friday, 23 October 2009, at 4:30 pm
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, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon CHAN Hak-kan
Hon WONG Kwok-kin, BBS
- Members absent** : Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
- Public officers attending** : Ms Eva CHENG, JP
Secretary for Transport and Housing
- Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)
- Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing
- Mr Joe WONG, JP
Deputy Director (Corporate Services)
Housing Department

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

Mr Albert LEE, JP
Deputy Director (Estate Management)
Housing Department

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Miss Mandy POON
Legislative Assistant (1)4

I. Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's Policy Address 2009-2010
(LC Paper No. CB(1) 29/09-10(01) Administration's paper on Housing-related Initiatives in the 2009-2010 Policy Agenda)

Relevant papers

The 2009-2010 Policy Address – “Policy Agenda”
Address by the Chief Executive at the Legislative Council meeting on 14 October 2009

The Secretary for Transport and Housing (STH) briefed members on the housing-related policy initiatives of the Transport and Housing Bureau in the 2009-2010 Policy Agenda.

(Post-meeting note: A copy of STH's speaking note was circulated to members vide LC Paper No. CB(1) 155/09-10.)

Re-launching of Home Ownership Scheme, Tenants Purchase Scheme and Home Starter Loan Scheme

2. Mr LEE Wing-tat was concerned about the plight of the sandwiched class (i.e. those with household income exceeding the income limits for public rental housing (PRH) but not able to afford to buy properties in the private sector) who had to pay high rents for private properties. He failed to see why the Government could turn a

blind eye to these families and refuse to re-launch the Home Ownership Scheme (HOS). STH reiterated that under the repositioned housing policy announced in 2002, it was no longer the Government's policy to provide assistance in property ownership. Besides, there was adequate supply of HOS flats in both the primary and secondary markets. Of these, 75% were situated in urban or extended urban areas while 68% or about 220 000 HOS flats were below \$2 million and considered affordable to first time home buyers. Efforts would be made by the Administration and the Hong Kong Housing Authority (HA) to revitalize the secondary market for HOS flats.

3. Mr Fred LI said that with the surge in property prices, younger families could only afford to buy older properties in the secondary market, or flats which were located in more remote areas. He urged the Administration to seriously consider re-launching HOS. STH clarified that the supply of more HOS flats would not be able to curb the rising property prices in the private sector as the two markets were different. While there was a surge in property prices, the supply and transaction of properties below \$2 million had remained steady. There would be 52 000 new flats for sale in the property market over the next few years. Of these, 33 000 were small/medium-sized flats with saleable area less than 70 square metres. The view that more land in the urban area should be made available for housing development would be reflected to the Development Bureau. The Administration would closely monitor the property market to see if the rising prices of high-end properties had affected that of properties in the middle to lower end of the market. Consideration could be given to revitalizing the secondary market for HOS flats.

4. Noting that over 50% of the total property transactions in Hong Kong involved those priced below \$2 million, Mr WONG Kwok-kin said that the high demand for lower-priced flats was because these were within the affordability of younger first time home buyers. However, since the suspension of HOS flats, which fell under the category of lower-priced flats, these younger home buyers had been deprived of their opportunity for home ownership. As their household income had exceeded the prevailing income and asset limits, they were not eligible for PRH flats and faced much difficulty in renting flats in the private sector. STH reiterated that the Government's housing policy was to provide PRH for low-income households which could not afford private rental accommodation. Those living in cubicles or bedspace apartments were encouraged to apply for PRH. At present, the average waiting time (AWT) for PRH for elderly one-person applicants was 1.2 years. The provision of land supply for housing would be looked into by the Secretary for Development.

5. Mr CHAN Kam-lam said that the rising property prices might be attributed to the limited supply of housing in the coming two years which was the lowest since the Handover in 1997. He opined that there was a need to re-launch HOS to meet the aspirations for home ownership of low-income families. The re-launching of HOS should not be seen as Government intervention in the property market as HOS flats were different from private flats. Besides, the Government had all along been assisting low-income families in meeting their housing needs. He hoped that due consideration could be given to re-launching HOS on a smaller scale of about 3 000 to

5 000 flats a year, so that low-income families could have a chance to buy their own properties. The re-launching of HOS would also have the added benefit of increasing the recovery of PRH flats for re-allocation to applicants on the Waiting List (WL). STH stressed that the purchase of properties was a means of investment and home ownership should be a matter of personal choice and affordability. Since the re-positioning of the housing policy in 2002, steady progress had been seen in the supply and demand for housing and the property market, which had not been hard hit amid the financial crisis. There were many smaller-sized flats available in the private market for low-income families to choose from. Given the far-reaching implications of supply of land and housing on the economy, the Government had to be very cautious in balancing the interests of different sectors of the community.

6. Mr Frederick FUNG said that the Administration should not only focus on the impact of housing supply on the property market, but also the housing needs of the community. The cessation of HOS had led to an increase in the prices of properties in the lower end of the market. Since HOS had not only provided an incentive for PRH tenants to upgrade themselves, but also expedited the recovery of PRH flats for re-allocation, he urged the Administration to seriously consider re-launching HOS. Meanwhile, the Development Bureau should start identifying suitable land for allocation to HA for HOS pending the decision on re-launching of HOS, given that it would take at least three years before flats could be completed in time to meet the demand even if land was readily available. STH responded that land allocated to HA would be used for development of PRH and not HOS as otherwise this would have impact on the supply of PRH and AWT. She further advised that the cessation of HOS had not affected the recovery of existing PRH flats.

7. Dr Joseph LEE said that HOS was meant to provide a "revolving door" for better-off PRH tenants to achieve home ownership while recovering their PRH flats for re-allocation to other WL applicants. However, the "revolving door" had ceased to operate following the announcement of the re-positioned housing policy because sitting tenants could no longer purchase HOS flats, and had no choice but to remain in their PRH flats. STH said that the AWT for PRH had been maintained at around three years following the cessation of HOS. At present, about half of the annual supply of PRH flats was met by new production and the remaining by recovery from the existing stock. Besides, the previous sale of surplus HOS flats indicated that the number of flats sold to green form applicants was very much the same as that of white form applicants.

8. Dr Joseph LEE further enquired if the Administration would consider re-launching the Home Starter Loan Scheme (HSLs) to assist eligible families to achieve home ownership. STH said that HSLs had ceased following the announcement of the re-positioned housing policy in 2002, under which it was no longer Government's policy to assist in home ownership. It was also worth noting that more than half of the 33 000 HSLs cases had late repayment records in the past. Mr Frederick FUNG said that he would only support the re-launching of HOS but not HSLs as the latter would encourage more buyers to enter the private property market, thereby pushing the property prices further up.

9. On Tenants Purchase Scheme (TPS), STH said one of the reasons for the cessation of TPS was that there were difficulties in managing TPS estates with a mix of owners and tenants.

Public rental housing

10. Mr LEUNG Yiu-chung said that a steady progress in the supply and demand of housing did not necessarily mean that the housing needs of the community had been met. With the surge in property prices, sandwiched class families could no longer afford to buy smaller-sized flats under the prevailing market conditions. He therefore supported the re-launching of HOS flats, but emphasized that these should not be built on land which had been earmarked for PRH estates. He cautioned that the use of land earmarked for Government, Institution and Community uses for the development of PRH estates had already given rise to local objections from District Councils, resulting in divisions in the community. He enquired about the Administration's long-term plans on land supply for and provision of PRH. Mr LEUNG Kwok-hung echoed that more PRH flats should be provided to meet the housing needs, particularly of the younger generation who could not afford to rent properties in the private sector. STH said that HA had put in place a five-year rolling programme for the development of public housing. Through proper land planning, consultation and the adoption of a partnering approach, it was hoped that the development of public housing and the associated community facilities would be able to meet the needs of the local community and maintain the AWT for PRH at about three years. The Deputy Director (Development & Construction) said that recreational and community facilities would be included in the development of PRH for the benefit of residents. By way of illustration, a footbridge had been provided to connect two estates at Kwai Chung. The Chairman added that the land supply for public housing was discussed at a joint meeting of the Panel on Housing and Panel on Development on 6 July 2009.

Estate management

11. Mr Fred LI said that he had received complaints from PRH tenants about the long hours in respect of maintenance and repair works for water supply and lift services, which in some occasions lasted from 9am to 6pm. This had caused great inconvenience to the tenants, especially the elderly. He hoped that frontline estate management staff could take into account the needs of tenants, and endeavour to expedite the works as far as practicable.

12. Mr Frederick FUNG opined that an additional Mutual Aid Committee (MAC) should be considered for new estate blocks of over 40 storeys. Given that over 3 000 tenants would be living in each of these blocks, two MACs (one for the lower floors and the other for higher floors) would ensure that more attention could be given to the needs of tenants. STH agreed to consider the improvements that could be made to the present situation.

13. The Chairman requested that more leisure and recreational facilities, including sheltered seats, should be provided within the estate area for the benefit of residents, particularly the elderly. STH said that the facilities within estates were being upgraded and views were sought from residents on the improvements that could be made.

Greening measures

14. Dr Joseph LEE supported the use of more environment-friendly building materials in the construction of PRH estates. Also, more greening measures should be introduced to PRH estates, such as the setting up of plant nurseries, as these would enhance collaboration within the estate community. Mr Frederick FUNG echoed that reference should be made to the experience of overseas countries like Australia and New Zealand where greening was implemented by the community as a whole. STH confirmed that environment-friendly building materials would be used as far as practicable in the construction of PRH estates. Efforts would be stepped up to promote greening within PRH estates.

Provision of barrier-free access

15. Mr CHAN Kam-lam expressed appreciation for HA's efforts in upgrading estate facilities, in particular the installation of lifts and escalators, and hoped that the improvement works could be completed expeditiously for the benefit of residents.

16. Mr LEUNG Kwok-hung passed a letter to STH expressing grave concern on the non-provision of lifts at Kwai Chung Estate. The Chairman agreed that the Administration should provide barrier-free access in PRH estates. STH said that funds had been sought to provide barrier-free access within estate areas. Separately, an assessment system for the provision of hillside escalator links and elevator systems would be put in place, taking into account various factors, to ensure the effective use of resources for the provision of barrier-free access in areas outside estate boundaries.

Enhanced arrangements to promote family support and care for the elderly

17. Dr Joseph LEE noted that under the Harmonious Families Priority Scheme (HFPS), applying families might opt to live in one flat or two nearby flats according to their choice of district and the number of flats available for their family situations. However, for option to live in two nearby flats, the flats so allocated would be in the non-urban district which the applying families might not prefer. In this connection, consideration should be given to allocating urban PRH flats to these families.

Rent adjustment mechanism

18. Mr Fred LI emphasized the need for transparency in conducting the PRH rent review, and that the Panel on Housing should be given the opportunity to participate in the review. His views were shared by Mr LEUNG Kwok-hung.

Sale of first-hand properties

19. The Chairman was aware that the Government together with the Real Estate Developers Association had formulated new guidelines on the sale of first-hand properties. He asked if there were penalties for non-compliance with the guidelines and if not, these guidelines would not serve any useful purpose. He also expressed concern about some deceptive marketing gimmicks recently used by some property developers in the sale of their first-hand properties, notably the omission of certain inauspicious floor numbers at their discretion. Other developers were exploiting the revitalization scheme to turn industrial buildings into residential units. In order to protect the interest of consumers, he considered it necessary that measures should be taken to curb the improper sales tactics of developers and protect the public from misleading sales information. STH said that developers would be asked to clarify the numbering of floors in the sales brochures. As regards the approval for numbering of floors, STH said that this was subject to the Buildings Department and Lands Department. Under the Lands Department's Consent Scheme, developers were required to provide information, such as floor areas, location, nearby facilities etc, in the sales brochures of uncompleted first-hand residential properties. Where necessary, the Administration would tighten control to ensure accuracy of information provided for uncompleted residential flats. At the Chairman's request, the Administration would provide an information paper on the measures to ensure accuracy of information provided on uncompleted residential properties for sale.

Admin

II. Any other business

20. There being no other business, the meeting ended at 5:30 pm.