

立法會
Legislative Council

LC Paper No. CB(1) 206/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 4 July 2011, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon LEE Wing-tat (Chairman)
Hon WONG Kwok-hing, MH (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon Joseph LEE Kok-long, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon CHAN Hak-kan
Hon WONG Kwok-kin, BBS
Hon LEUNG Kwok-hung

Member attending : Hon IP Wai-ming, MH

Member absent : Hon Fred LI Wah-ming, SBS, JP
Hon Alan LEONG Kah-kit, SC

Public officers : **For item III**
attending

Ms Eva CHENG, JP
Secretary for Transport and Housing

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Mr Anson LAI
Assistant Director (Strategic Planning)
Housing Department

For item IV

Ms Eva CHENG, JP
Secretary for Transport and Housing

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Mr Eugene FUNG
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

For item V

Ms Annette LEE, JP
Acting Permanent Secretary for Transport and Housing
(Housing)

Mr Eugene FUNG
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

Mrs Rosanna URE
Chief Executive Officer
Estate Agents Authority

Ms Eva LAU
Director of Regulatory Affairs & General Counsel
Estate Agents Authority

Mr Kevin CHEUNG
Manager (Licensing)
Estate Agents Authority

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

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

Miss Mandy POON
Legislative Assistant (1)1

I. Confirmation of minutes, endorsement of the draft report of the Panel for submission to the Legislative Council and matters arising

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| (LC Paper No. CB(1) 2592/10-11 | — Minutes of the meeting held on 4 April 2011 |
| LC Paper No. CB(1) 2593/10-11 | — Draft report of the Panel for submission to the Legislative Council |
| LC Paper No. CB(1) 2594/10-11(01) | — List of follow-up actions |
| LC Paper No. CB(1) 2594/10-11(02) | — List of outstanding items for discussion) |

The minutes of the meeting held on 4 April 2011 were confirmed.

2. Members endorsed the draft report of the Panel on Housing for the current session, and authorized the Clerk to revise the report to cover discussion at the current meeting before it was presented to the Council on 13 July 2011.

3. The Chairman suggested and members agreed to hold a special meeting in late July to discuss the progress of following –

(a) Land supply for housing; and

(b) Steering Committee on Regulation of the Sale of First-hand Residential Properties by Legislation.

(Post-meeting note: With the concurrence of the Chairman, the special meeting was scheduled for Tuesday, 26 July 2011, at 10:45 am.)

II. Information paper issued since last meeting

4. Members noted that the following information paper had been issued since last meeting –

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| LC Paper No. CB(1) 2463/10-11 | — Referral arising from the meeting between Legislative Council Members and Wong Tai Sin District Council members on 12 May 2011 regarding the re-launching of Home Ownership |
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Scheme and Tenants Purchase Scheme (Chinese version only)(Restricted to Members); and

LC Paper No. CB(1) 2495/10-11 — Booklet on General Housing Policies.

III. Public rental housing for single persons

(LC Paper No. CB(1) 2594/10-11(03) — Administration's paper on public rental housing for one-person applicants

LC Paper No. CB(1) 2594/10-11(04) — Paper on public rental housing for single persons prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1) 2594/10-11(05) — Referral from the Complaints Division dated 9 June 2011 regarding application for public rental housing flats by non-elderly singletons)

Relevant papers

(LC Paper No. CB(1) 1820/09-10(01) — Referral from Duty Roster Members regarding the allocation policy on and waiting time for public rental housing flats for non-elderly singletons (Chinese version only) (Restricted to Members)

LC Paper No. CB(1) 2263/09-10(01) — Referral from the Complaints Division dated 11 June 2010 regarding application for public rental housing flats by non-elderly singletons (Restricted to Members)

LC Paper No. CB(1) 2968/09-10(01) — Referral arising from the meeting between Legislative Council Members and Kwai Tsing District Council members on 5 July 2010 regarding the long waiting time and insufficient

provision of public rental housing units for singletons under the existing public housing allocation mechanism (Restricted to Members)

LC Paper No. CB(1) 549/10-11(01) — Referral arising from the meeting between Duty Roster Members and "單身人士申請公屋關注組" on 17 November 2010 regarding applications for public rental housing flats by single persons (Chinese version only) (Restricted to Members))

5. The Secretary for Transport and Housing (STH) briefed members on the allocation of public rental housing (PRH) flats to one-person applicants by highlighting the salient points in the information paper.

6. Given that the annual allocation quota for non-elderly one-person applicants through the Quota and Points System (QPS) was set at 8% of the number of flats to be allocated to Waiting List (WL) applicants, subject to a ceiling of 2 000 units, Mr WONG Kwok-hing expressed concern that the 63 400 non-elderly one-person applicants (representing 42% of the WL applicants) would have to wait for some 31 years for flat allocation. They would become elderly applicants before they could be allocated PRH flats. He said that he had been approached by a non-elderly one-person applicant who had already waited for six years and not been allocated a PRH flat. He questioned how the pledge of maintaining the average waiting time (AWT) for PRH at around three years could be achieved, and whether the Hong Kong Housing Authority (HA) was prepared to conduct a comprehensive review of QPS.

7. In reply, STH said that the target of maintaining AWT at around three years applied to general WL applicants only. For the some 2 900 elderly one-person WL applicants who had been allocated PRH in 2010-2011, their AWT was about 1.1 years. For non-elderly one-person applicants, they were subject to QPS which was introduced in September 2005 to address the problem brought about by a dramatic upsurge in the number of non-elderly individuals applying for PRH. The relative priorities for PRH allocation to applicants under QPS were determined by the points the applicants received. Points were assigned to the applicants on the basis of their age at the time of submitting the PRH applications, the waiting time and whether they were PRH tenants. In general, the older the applicant and the longer the applicant had waited, the higher the

number of points. In July 2007, the Subsidised Housing Committee (SHC) of HA reviewed the operation of QPS. It agreed that QPS had a positive effect on the rational allocation of PRH units in favour of more needy applicants, and that QPS should continue.

8. Mr WONG Kwok-hing enquired about the AWT for non-elderly one-person applicants and their age and income profile. STH said that there were a number of factors affecting the waiting time for PRH, including the choice of districts and the availability of suitable units. According to the administrative record as at end-March 2011, of the 63 400 QPS applicants, 29 100 (46%) were aged below 30 years, 14 700 between 30 and 39, 11 700 between 40 and 49, and 7 900 between 50 and 59. Applicants aged 60 or above were eligible for Single Elderly Persons Priority Scheme. It was also worth noting that over 5 000 non-elderly one-person applications dropped out of the queue every year, either as cancellation cases or switching to other application categories upon marriage, in which case they would be subject to the AWT of three years for general WL applicants. At Mr WONG's request, the Administration agreed to examine whether more readily available information could be provided after the meeting.

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9. Mr CHAN Hak-kan noted with concern that 46% of QPS applicants were aged below 30 years. He enquired if there was a rising trend of younger PRH applicants, and whether the rise was attributable to the high rentals and sale prices of properties in the private sector which had gone beyond the affordability of the younger generation. If so, the Administration might need to consider providing a special category of public housing for younger applicants. Mr CHAN Kam-lam echoed that the rising property prices had undermined the affordability of the younger generation to achieve home ownership. As a result, they chose to register on WL and await their turn for PRH. He noted that there was a case where a QPS applicant requested for delay in PRH allocation because he was still pursuing education overseas. He enquired if HA had assessed the impact of the increasing demand for PRH by non-elderly one-person applicants, and whether it was prepared to increase PRH production to cater for the needs of these applicants who would likely require larger units upon marriage.

10. In response, STH said that if a non-elderly one-person applicant was still pursuing education overseas, his/her application would be frozen. She added that the percentage of non-elderly one-person applicants aged below 30 had increased from 38% in 2009 to 41% in 2010, and 46% as at March 2011. According to a survey on WL applicants in 2010, among those non-elderly one-person applicants aged below 30, 90% were living with their family, 81% of them applied for PRH because they wanted to live on their own, and 34% of them were students at the time of registration. There was a need to assess whether the scarce housing resources should be used to meet the housing needs of these younger generation or their aspirations to live on their own. On PRH

production, STH advised that HA had made reference to the demographic distribution and family sizes in deciding on the supply of units. Based on experience, smaller units were in greater demand as family sizes tended to get smaller. The Acting Permanent Secretary for Transport and Housing (Housing) (Atg PSTH(H)) added that the design of PRH units in the five-year Public Housing Construction Programme would take into account the demographic statistics prepared by the Census and Statistics Department.

11. Dr Joseph LEE said that PRH was meant for low-income families who could not afford private rental accommodation, and not for those who aspired to live on their own. He was concerned about those low-income non-elderly one-person applicants living alone in cubicles and bedspace apartments who had been awaiting PRH allocation for years. The Chairman was also concerned about the plight of those low-income non-elderly one-person applicants with very poor living conditions who had to await PRH for years under QPS. He held the view that this category of grass-root applicants should be dealt with separately from those younger applicants who aspired to live on their own. He asked if consideration could be given to awarding additional points to the low-income non-elderly one-person applicants with poor living conditions. Mr LEUNG Kwok-hung echoed that another set of criteria should apply to the less privileged taking into account their special circumstances. While agreeing to reflect members' concerns to SHC for consideration, STH said that at the time of rehousing, applicant's eligibility was determined consistently and fairly by means of income and asset limits. It would be very difficult to measure eligibility using other factors of consideration. She however pointed out that low-income non-elderly one-person applicants with very poor living conditions could apply for Compassionate Rehousing (CR) on the recommendation of the Social Welfare Department, or join the Express Flat Allocation Scheme (EFAS).

12. Mr Frederick FUNG held the view that the application of QPS to non-elderly one-person applicants who met the eligibility criteria for PRH was unfair and might constitute age discrimination. Mr LEUNG Yiu-chung shared the concern about age discrimination against younger applicants under QPS. He said that many low-income non-elderly one-person applicants living in cubicles and bedspace apartments who had been awaiting PRH for at least five to six years found it unacceptable that their priority for allocation was compromised by older applicants under QPS. To this end, he considered it necessary for HA to raise the annual allocation quota for non-elderly one-person applicants from 2 000 units to 4 000 units per year to meet the demand. STH said that the arrangement under QPS should not give rise to age discrimination as QPS was intended to ensure rational allocation of PRH units in favour of more needy applicants. Over the years, QPS had been working well with a high degree of transparency. Non-elderly one-person applicants with pressing housing needs might apply for CR. They might also join EFAS or the Harmonious Families Addition Scheme with their elderly family members who

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were living in PRH. In 2010-2011, 660 non-elderly one-person applicants had been rehoused through EFAS. While the annual allocation quota for non-elderly one-person applicants through QPS was set at 8% of the number of flats to be allocated to WL applicants, the actual percentage was around 15% taking into account allocation through EFAS in 2010/11. To facilitate better understanding, the Administration would provide a profile of the 660 non-elderly one-person applicants who had been allocated PRH units under EFAS. While acknowledging that QPS was transparent, Mr FUNG pointed out that it was not fair or reasonable. He asked if consideration could be given to relaxing the age limit under QPS from 40 or 50. STH said that those who were in their 40s and 50s would be able to score more points under QPS on account of their age.

13. The Chairman said that apart from the rising rentals in the private property market, the upward adjustment of 15% of the WL income limits had also resulted in an increasing demand for PRH. He opined that there was a need to increase PRH production to meet the increased demand. Mr Frederick FUNG held the view that the reduction in PRH production over the years from 30 000 to 15 000 units per year had prompted the need for restrictions on PRH allocation to WL applicants. Given that HA was not short of the necessary funding and land, it should endeavour to provide more PRH to meet the housing needs of low-income families. As the provision of additional PRH blocks adjacent to existing estates was not met with approval from District Councils, Mr CHAN Hak-kan enquired if consideration would be given to identifying suitable sites for PRH production on a larger scale. STH said that the annual production of 15 000 PRH units per year was only a reference and not a ceiling. The actual annual PRH production would depend on the availability of land. Efforts had been made to identify both large and small pieces of land for PRH production. Large scale sites included those at Jordan Valley, Anderson Road and Kai Tak. The provision of additional PRH blocks adjacent to existing estates was well received by WL applicants as this would allow for the sharing of community facilities. HA would closely monitor the housing demand arising from the 15% increase in WL income limits in 2011-2012 following the introduction of the statutory minimum wage.

14. Referring to an allegation that many non-elderly one-person applicants were university graduates, Mr Frederick FUNG considered such claim unfounded, adding that most of them had only received primary education. STH advised that according to information, about 40% of these applicants under the age of 30 had received post-secondary or above education.

IV. My Home Purchase Plan

(LC Paper No. CB(1) 2594/10-11(06) — Administration's paper on My Home Purchase Plan

LC Paper No. CB(1) 2594/10-11(07) — Paper on My Home Purchase Plan prepared by the Legislative Council Secretariat (background brief))

15. STH reported on the progress of My Home Purchase Plan (MHPP) by highlighting the salient points in the information paper.

16. Mr CHAN Kam-lam was concerned about the lack of progress of MHPP projects. Judging from the Administration's paper, it seemed that the Administration had not taken heed of any of members' suggestions to improve MHPP. STH said that the objective of MHPP was to provide the needed flexibility to assist eligible applicants to save up down payment for the purchase of MHPP flats or flats in the private sector. She added that the Administration had received a number of suggestions, including the introduction of a "rent or buy" option and the need for more certainty in the selling prices of MHPP flats, since the announcement of MHPP. The Administration would, in consultation with the Hong Kong Housing Society (HS), give due consideration to these suggestions in deciding the improvements that could be made to MHPP.

17. Noting that the pre-letting of the first MHPP project at Tsing Luk Street in Tsing Yi would take place in 2012, Mr CHAN Kam-lam enquired about the schedules for implementation of MHPP projects. STH said that HS had already completed the site formation works for the Tsing Luk Street project, and that the tendering for flat construction was underway. Atg PSTH(H) added that tender for construction of the second MHPP project at Shatin Area 36C could only be started after completion of the preparatory work in relation to the granting of land. In view of the presence of slopes at the Shatin Area 36C site, investigative engineering studies would need to be conducted.

Re-launching of the Home Ownership Scheme

18. Mr LEUNG Kwok-hung said that MHPP was introduced in an attempt to assist home ownership without affecting the private property market. However, the scale of MHPP was too small and its concept was not well thought out. In the event of a property slump, MHPP tenants would prefer to use the Purchase Subsidy to buy flats in the private property market instead of MHPP flats, which might constitute speculation. There was also a need to deal with the unsold MHPP flats. To assist the general community in achieving home ownership, he considered that the Administration should provide price-restricted flats rather than size-restricted flats to ensure the supply of more affordable flats. Consideration

should also be given to using the land for production of private flats to build Home Ownership Scheme (HOS) flats. While acknowledging that MHPP aimed to provide a chance for eligible applicants to buy their own homes, Mr LEUNG Yiu-chung pointed out that it did not provide the needed certainty in the selling prices of the flats. MHPP also failed to address the problem faced by a large group of genuine buyers who could neither afford the high rentals in the private market nor achieve home ownership as a result of the rising property prices. He agreed that it was more desirable to re-launch HOS. STH said that MHPP was introduced to enable those who had home purchase plans and the ability to pay mortgages in the long run but did not have sufficient savings for down payment to rent a MHPP flat first, so that they could have their own home earlier and continue to plan for flat purchase in accordance with their ability and schedule. To ensure the stable and healthy development of the residential property market, the Administration had implemented a series of short, medium and long-term measures. These included increasing land supply for housing, combating speculative activities, enhancing the transparency of property transaction, and preventing excessive expansion in mortgage lending. To tackle the problem at source, the Administration had set a target of making available land for an average of some 20 000 private residential flats per annum in the next 10 years.

19. The Chairman pointed out that the increasing trend of Mainlanders investing on local residential property market had affected the supply and demand of residential flats in Hong Kong. Hence, the supply of 20 000 flats per year might not be able to meet the demand. Given that the rising property prices were beyond the affordability of the general public, the Chairman said that Members belonging to the Democratic Party supported the re-launching of HOS and the provision of 5 000 HOS flats per year. In fact, many property owners also supported the re-launching of HOS. Expressing similar views, Mr Frederick FUNG opined that flats were both a necessity and a commodity. If there was an insufficient supply of flats to meet the housing demand, there was a need for the Administration to intervene and provide more public housing. The influx of Mainland investors buying local residential properties had pushed up property prices beyond the affordability of the working class. Thus, there was a need to re-launch HOS for the benefit of local residents. STH pointed out that the provision of subsidized housing could not be treated as a tool to adjust property prices. Apart from making available land for an average of some 20 000 private residential flats per annum in the next 10 years, efforts had also been made to increase the supply of small and medium sized flats by specifying in the land sale conditions the minimum number and size of flats to be built. It was expected that over the next three to four years, there would a supply of some 59 000 units, of which 60% were small and medium sized flats.

20. Referring to an earlier statement made by a Government official that it would take seven years for the delivery of flats after re-launching of HOS,

Mr LEUNG Yiu-chung questioned the long lead time given that the first MHPP project at Tsing Luk Street only took four years to complete. STH further explained that shorter delivery time for the Tsing Luk Street project was due to the fact that the site concerned had been granted to HS earlier on and site formation works had already been carried out. In general, initial processes such as granting and planning of land, application for modification of land use as well as site formation would take time. Based on past experience, these initial processes together with the construction of superstructure would usually take around seven years.

21. The Chairman said that to expedite the provision of HOS flats, the Administration could consider using land from the Application List for HOS production. He added that if the Administration was prepared to re-launch HOS, there might no longer be a need for MHPP because eligible households would prefer buying HOS flats which were not only more affordable but also provided more certainty in the selling prices. Besides, eligible households were only required to pay 5% to 10% of the selling price of HOS flats as down payment. Mr Frederick FUNG also asked if both HOS and MHPP flats could be built in parallel and if not, consideration should be given to using MHPP sites for HOS production. STH said that the Administration was considering possible means to improve MHPP through the introduction of "rent or buy" option and the provision of more certainty in the selling prices. MHPP tenants would be given the flexibility to decide on when to buy the flats during the specified period, taking into account their own financial situation. The "no frills" nature of MHPP flats would be reflected in their selling prices. Hong Kong Mortgage Corporation would also provide mortgage insurance to eligible MHPP tenants. Besides, MHPP flats would be about five years' old by the time they were sold.

V. Scheme on the mutual recognition of professional qualifications of estate agents between mainland and Hong Kong

(LC Paper No. CB(1) 2594/10-11(08) — Administration's paper on scheme on the mutual recognition of professional qualifications of estate agents between mainland and Hong Kong)

Relevant papers

(LC Paper No. CB(1) 406/09-10 — Report of the Subcommittee on Estate Agents (Licensing) (Amendment) (No. 2) Regulation 2009

LC Paper No. CB(1) 271/10-11(01) — Administration's paper on Scheme on the Mutual

Recognition of Professional
Qualifications of Estate
Agents between Mainland and
Hong Kong)

22. The Chief Executive Officer, Estate Agents Authority (CEO,EAA) briefed members on the progress of the Scheme for the Mutual Recognition of Professional Qualifications of Estate Agents (the Scheme) between EAA and the China Institute of Real Estate Appraisers and Agents (CIREA).

23. Mr LEUNG Kwok-hung enquired about the authority for administering the examinations as malpractices were common in the Mainland. CEO, EAA explained that the standard and format of the qualifying examination adopted under the Scheme were on a par with the usual qualifying examinations conducted by EAA for individuals who wished to practise estate agency work in Hong Kong. The training course and the examination conducted by EAA would be based on the syllabus of Hong Kong. EAA staff would conduct the training, set the examination questions and invigilate the examination.

24. The Chairman enquired whether, with the mutual recognition of professional qualifications of estate agents in both sides, complaints about dissemination of misleading property information by local estate agents could be dealt with more effectively. He also enquired about the enforcement authority in the case where a licensee under the Scheme who resided in the Mainland provided misleading information on a property in Hong Kong. CEO, EAA said that estate agents who were licensed under the Scheme could work as an estate agent on both sides. In general, cases involving dissemination of misleading information by an estate agent in relation to the sale of a property in Hong Kong would be taken up by EAA and for a property in Mainland by CIREA. A notification mechanism had been set up by EAA and CIREA to facilitate exchange of information on disciplinary actions against unprofessional and fraudulent practices by estate agents on either side. The Director of Regulatory Affairs & General Counsel, EAA added that disciplinary proceedings would be taken against estate agents for non-compliance with the Estate Agents Ordinance, Code of Ethics or Practice Circulars. In the more serious cases, estate agents would risk getting their licences revoked. EAA was required to send correspondence and notices concerning complaints or disciplinary matters against a licensee under the Scheme to his/her registered Hong Kong address and the Mainland address (if provided). In this connection, EAA had requested licensees under the Scheme to provide a Mainland address (if available), in addition to the Hong Kong registered address, in their applications. Also, EAA would make similar request to Mainland estate agents when they submit applications to EAA for a licence under the Scheme after having obtained the required qualifications.

25. Mr LEUNG Kwok-hung was concerned about the inaction by CIREA in enforcing against the malpractices of licensees under the Scheme who lived and worked in the Mainland. He considered that EAA should urge CIREA to take parallel enforcement actions against these licensees. CEO, EAA explained that if the property in question was located in Hong Kong, EAA would carry out the investigation. Assistance from CIREA and relevant authorities would be sought, if necessary, and disciplinary actions would be taken as appropriate against the licensees. Under the established notification mechanism, EAA would notify CIREA on the disciplinary actions taken against the licensees. Further disciplinary actions could be taken if considered necessary by CIREA.

VI. Any other business

26. There being no other business, the meeting ended at 5:45 pm.

Council Business Division 1
Legislative Council Secretariat
27 October 2011