

Legislative Council Panel on Housing

Housing-related Initiatives in the 2010-11 Policy Agenda

Introduction

On 13 October 2010, the Chief Executive delivered his 2010-11 Policy Address. This paper provides the details of the coming year's new and ongoing housing-related initiatives as stated in the Policy Address and the Policy Agenda.

New Initiatives

Ensuring a healthy and stable property market

2. Housing is currently the greatest concern of our people. The Transport and Housing Bureau (THB) has been monitoring the development of the private residential market. Over the past few years, private housing supply has been relatively low. In September, private residential property prices rose by 20% year-on-year. The mortgage-to-income ratio, which was 41% in the second quarter of 2010, is on a rising trend.

3. In the past 10 years, the average annual take up rate of first-hand private residential flats was 18 500 units. To ensure a healthy and stable property market, the Chief Executive mentioned that in the next 10 years, on average land needs to be made available annually for some 20 000 private residential flats. The figure of 20 000 is not a fixed target for residential flat production. Government's aim is to build up a sufficiently large land reserve over a period of time to ensure stable land supply for the residential property market. In particular, we need to make available sufficient land for building small and medium residential flats to keep their prices stable.

4. To achieve this objective, the Financial Secretary will chair a "Steering Committee on Housing Land Supply" to co-ordinate the efforts of the departments concerned. This will ensure that issues relating to housing land will be dealt with as a matter of priority to guarantee a stable and adequate supply of such land. Members of the committee will include heads of bureaux and departments.

“My Home Purchase Plan”

5. THB completed the public consultation exercise on subsidising home ownership in mid-September 2010. Many are anxious about the recent rise in property prices and concerned that years of hard-earned savings will not be sufficient for a down payment on a flat. They hope that the Government will help them realise their aspirations for home ownership.

6. The Government recognises the importance of a stable home, and is fully aware of our people's wishes to improve their quality of life and move up the social ladder through home ownership. Any form of subsidised home ownership will only serve as a buffer. In the face of short-term market fluctuations, it is appropriate for the Government to provide relief measures to sandwich class home buyers to give them time to save up. In this regard, the Government, in collaboration with the Hong Kong Housing Society (HKHS), will introduce the “My Home Purchase Plan” (the Plan).

7. Under this Plan, the Government will provide land for the HKHS to build “no-frills” small and medium flats for lease to eligible applicants at prevailing market rent. The tenancy period will be up to five years, within which the rent will not be adjusted. Within a specified time frame, tenants of the Plan may purchase the flat they rent or another flat under the Plan at prevailing market price, or a flat in the private market. They will receive a subsidy equivalent to half of the net rental they have paid during the tenancy period, and use it for part of the down payment. The Government has already earmarked sites in Tsing Yi, Diamond Hill, Sha Tin, Tai Po, Tuen Mun and other areas for a total of some 5 000 flats to be built under the Plan. The first project will provide about 1 000 flats in Tsing Yi by 2014. THB is working with the HKHS on the implementation details.

Setting up a steering committee to discuss specific issues on regulating the sale of first-hand flats

8. To enhance the transparency of the sale of first-hand private residential properties, the Government has implemented various measures over the past two years, covering such areas as price lists, sales brochures, sales arrangements, transactions and show flats. The Government has declared that it will enact legislation to regulate the sale of first-hand private residential units if the existing measures implemented through the Lands Department's Consent Scheme and set out in the guidelines issued by the Real Estate Developers Association of Hong Kong (REDA) prove to be ineffective.

9. As the Government cannot reach a consensus with REDA on the regulation of the sale of first-hand completed flats, THB will set up a steering committee to discuss specific issues on regulating the sale of first-hand flats by means of legislation and put forward practical recommendations within one year.

Stepped-up checking of income and assets declarations by Public Rental Housing tenants

10. To ensure the rational allocation of limited public housing resources and to increase the turnover of Public Rental Housing (PRH) flats, the Housing Department (HD) has adopted a series of enforcement measures to check income and assets declarations made by PRH tenants. Each year, in-depth checking of around 5 000 randomly selected and suspected cases are conducted on the biennial income and assets declarations made by PRH tenants. Such checks have been an effective means to determine the continued eligibility of PRH tenants for subsidised housing and prevent abuse. The HD will step up checking income and asset declarations by conducting a one-off special exercise to cover an extra 5 000 cases in the coming six months (from November 2010 to April 2011). This is in addition to the annual average of about 5 000 checks. At the same time, HD will shortly set up a Cautioned Statement Team with 12 staff members. The Team will take cautioned statements centrally so as to timely and effectively strengthen prosecution action against suspected false declaration cases and bring about a deterrent effect.

Ongoing Initiatives

Developing the Infrastructure for Economic Growth

Launching the sale of the remaining surplus Home Ownership Scheme flats as soon as possible.

11. With the cessation of the Home Ownership Scheme (HOS) in 2002, the Housing Authority (HA) carried out a phased sales programme of the 16 700 surplus HOS flats in stock from 2007 onwards to Green Form and White Form applicants. Five sale phases have been completed so far, resulting in the sale of approximately 12 700 flats. Under the latest Sale of Surplus HOS Flats, Phase 6 in June 2010, approximately 3 200 flats have been put up for sale. Flat selection for Phase 6 commenced in mid-August and is scheduled for completion by early-November 2010. As at 30 September 2010, about 79% of the total flats put up for sale were sold.

Quality City And Quality Life

Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources.

12. The HA will continue to implement a series of environment-friendly measures and new designs for PRH developments, such as w-trap system in waste water drainage, twin-tank design in fresh and flush water supply system, enhanced electrical supply system for lift services, and strengthened provisions for safer building maintenance. The newly established set of Modular Flat Designs developed in line with the “Functional and Cost Effective” design principle has now been adopted in all PRH developments in planning and design stages. This will enhance the overall housing design and built quality in response to the rising public aspirations for environmental conservation and a better living environment, whilst maintaining economies of scale through mass production.

Increasing the greening ratio of all new PRH estates to at least 20%. For large public housing projects over 2 hectares, we will increase the greening ratio to 30%. We will also provide green roofs in low-rise buildings and provide vertical greening in some pilot projects wherever feasible.

13. The HA supports the recommendation of the Council for Sustainable Development on site coverage of greenery, and adopts a greening ratio of at least 20% for all future PRH developments in planning and design stages. The HA will also strive to increase the greening ratio to 30% as the target for large public housing projects that are over 2 hectares.

14. We have adopted the following measures to increase the greening ratio of our new PRH estates:

- (a) provide more planting areas at-grade and slope areas;
- (b) provide green roof or green decking to covered walkways, low-rise structures, carparks and/or vehicular access;
- (c) provide grass-paving system to open carparks, loading and unloading bays, emergency vehicular access and other less trafficked areas; and
- (d) provide vertical greening in some pilot projects wherever feasible.

15. We will continue to promote at-grade planting, which brings the highest greening benefits, as the primary greening strategy. We are also working with the Planning Department to develop a set of guiding principles on green coverage.

Investing for a Caring Society

Maintaining the supply of PRH for low-income households with housing needs with an average waiting time of around three years.

16. The objective of the Government and the HA is to provide subsidised PRH to low income families who cannot afford private rental accommodation. The HA has a five-year Public Housing Construction Programme which will be rolled forward every year to cater for the demand of PRH. According to the latest programme, the anticipated new PRH production during the five year period starting from 2010/11 is about 75 000 flats, averaging about 15 000 flats per year. We estimate that this level of new production, together with the PRH flats estimated to be recovered from the existing stock every year, would allow the Government to meet its policy objective of maintaining the average waiting time (AWT) for the general PRH applicants at around three years¹. As at end-August 2010, the AWT for PRH was 2 years for general applicants and 1.1 years for elderly one-person applicants.

Inviting Non-Government Organisations for enhanced partnering functions with Estate Management Advisory Committees to promote community building and neighbourliness in PRH estates.

17. Since 1995, the Estate Management Advisory Committees (EMACs) have been reflecting tenants' views on daily management matters, assessing the performance of cleansing and security contractors, and strengthening tenants' sense of belonging towards the community by organising various community activities. In view of the well-established community network of non-government organisations (NGOs) and their ability to provide PRH tenants with a multitude of social services based on local needs, the HA started to invite NGOs to organise EMAC functions starting from October 2009. Under the current arrangement, the HA plays the role of a facilitator in promoting partnering between EMACs and NGOs. EMACs are responsible for monitoring and assessing the performance of the selected NGOs for future reference. The HA will conduct a review to identify areas for improvement having regard to the experience gained from holding such activities.

¹ Not applicable to non-elderly one-person PRH applicants.

Implementing a set of enhanced public housing arrangements to promote mutual family support and care for the elderly.

18. To tie in with the Government's policy of fostering harmonious families, the HA endorsed some enhanced arrangements in May 2007 and October 2008 respectively to facilitate "aging in place" for the elderly and encourage mutual support among family members so as to establish a family-based support network in PRH. Satisfactory responses are received from the various schemes, and the number of households benefited is as follows:

Enhanced Public Housing Arrangements	Number of Households Benefited (As at end-September 2010)
Harmonious Families Priority Scheme	8 110 ²
Harmonious Families Addition Scheme	5 790
Harmonious Families Transfer Scheme	650
Harmonious Families Amalgamation Scheme	330
Total	14 880

19. The HA will continue to monitor the effectiveness of these policies on fostering harmonious families and to conduct timely reviews of the policy direction and administrative arrangements to keep pace with the changes in social environment and public aspiration.

Continuing to facilitate the implementation of an elderly housing project by the Hong Kong Housing Society on Tanner Road, North Point.

20. With the support of relevant bureaux and departments, HKHS is making good progress on the elderly housing project at Tanner Road. The Project will provide some 500 rental flats for the elderly together with various supporting services and facilities, and is expected to be completed by the end of 2013. We will continue to assist HKHS to realise the Project in collaboration with the relevant bureaux and departments.

² Including 5 730 households which were rehoused.

Installing as far as practicable lifts/escalators connecting common areas in hillside public housing estates and lifts in low-rise public housing blocks without lifts to facilitate access of residents.

21. The HA has been installing lifts or escalators in the common areas or housing blocks of some PRH estates to facilitate access for tenants living in hillside PRH estates and PRH blocks without lifts. These two projects cost \$596 million.

(I) To improve the connection of common areas in hillside PRH estates

22. The HA is installing lifts and escalators in the existing hillside estates, taking into consideration the estate topography, the population of elderly and mobility-handicapped tenants in the estates, the project feasibility and the residents' view. The lifts installed in Kwai Chung Estate, Kwai Shing East Estate and Sai Wan Estate have already come into operation. Lifts addition projects in Kwai Chung Estate (another project), and Shek Lei (II) Estate are under construction. The HD is now carrying out design works for other lift or escalator addition projects in Tze Lok Estate, Shun Tin Estate, Ping Tin Estate, Oi Man Estate, Yiu Tung Estate, Wah Fu (I) Estate, Wah Fu (II) Estate, Tin Wah Estate, Kwai Shing West Estate, Lai King Estate, Lei Muk Shue (II) Estate, Cheung Ching Estate, Shek Lei (II) Estate (another project), Cheung Hong Estate, Cheung Hang Estate and Lai Yiu Estate.

(II) To improve lift installations for residential blocks

23. Where it is technically feasible, the HA will install additional lifts in low-rise buildings that do not have lifts. The HD has completed addition of lift towers in Tai Hing Estate and Yue Wan Estate. Construction works in Lek Muk Shue (II) Estate Block 4, Choi Hung Estate and Shui Pin Wai Estate are in progress. The HD is carrying out design works for lift addition projects in the following PRH blocks which are currently without lift service – Ping Shek Estate, Shun On Estate, Wo Lok Estate, Pak Tin Estate, Fuk Loi Estate, Lei Muk Shue (II) Estate Block 1, Lek Yuen Estate and Kwai Shing West Estate.

**Transport and Housing Bureau
October 2010**