

Legislative Council Panel on Housing

Implementation of housing, planning and lands policies under the Current Administration's Organization Structure

Purpose

This paper describes how the housing, planning and lands policies are delivered by the Transport and Housing Bureau (THB) and the Development Bureau (DEVB) under the current Administration's organization structure.

Overview

2. The organization chart of the current Administration is at **Annex I**. THB is under the purview of the Chief Secretary for Administration, while DEVB is under the purview of the Financial Secretary.

3. Secretary for Transport and Housing (STH) is the head of THB, which has the overall policy responsibility over housing and all modes of transportation including air services, maritime transport, land and waterborne transportation as well as logistics development. For the duties on the housing policies, the Housing Department (HD) under the THB, headed by the Permanent Secretary for Transport and Housing (Housing) (PS(H)) cum Director of Housing (D of H), supports the STH in dealing with all housing-related policies and matters. HD also acts as the executive arm of the Hong Kong Housing Authority (HA) which is a statutory body tasked to develop and implement Hong Kong's public housing programme. STH and PS(H) cum D of H serve as the Chairman and Vice-chairman of the HA respectively.

4. The DEVB, headed by the Secretary for Development (SDEV), is responsible for the policy portfolios of land administration and land use planning, building safety, urban renewal, infrastructure development, the Public Works Programme, water supply, and development-related heritage conservation. On duties concerning the policies on land administration and land use planning, building safety and urban renewal, the Permanent Secretary for Development (Planning and Lands) heads the Planning and Lands Branch (PLB) of the DEVB and assists the SDEV in handling such policies and related matters.

Organization Structure

HD under THB

5. HD under THB is organized into four divisions, namely the Strategy Division, Development and Construction Division, Estate Management Division and Corporate Services Division, which are respectively responsible for the following housing policy portfolios –

- (i) Strategy Division – supervised by Deputy Secretary for Transport and Housing (Housing) cum Deputy Director of Housing (Strategy), who is responsible for the formulation of policies and strategies in relation to public and private housing;
- (ii) Development and Construction Division – supervised by Deputy Director of Housing (Development & Construction), who is responsible for the implementation and monitoring of Public Housing Construction Programme (PHCP), formulating the planning, design and construction strategies; and formulating and monitoring the implementation of the corporate procurement, safety and environmental management strategies;
- (iii) Estate Management Division – supervised by Deputy Director of Housing (Estate Management), who is responsible for overseeing the management and maintenance of the HA's public rental housing (PRH) estates and non-domestic properties; and
- (iv) Corporate Services Division – supervised by Deputy Director of Housing (Corporate Services), who is responsible for the administration, legal services, finance, information technology, media and community relations of HD, and provision of secretarial support to the HA.

In addition, a time-limited Special Duties Unit headed by the Deputy Secretary for Transport and Housing (Special Duties) was set up in December 2011 to handle legislative work relating to the regulation of sale of first-hand residential properties. The current organization chart of HD is at **Annex II**.

PLB under DEVB

6. There are currently two divisions under the PLB of the DEVB, namely the Lands and Planning Division and the Urban Renewal and Buildings Division, responsible for the following work in planning and lands policy area respectively:

- (i) Lands and Planning Division — headed by the Deputy Secretary for Development (Planning and Lands) 1, the Division deals with land supply and disposal, and related policies, land use planning policy and strategy, interdepartmental co-ordination on major development projects, planning and land matters related to Victoria Harbour; and the Branch administration and resource management; and
- (ii) Urban Renewal and Buildings Division — headed by the Deputy Secretary for Development (Planning and Lands) 2, the Division deals with policy on urban renewal and the Urban Renewal Strategy (URS), policy of the Urban Renewal Authority (URA) and related matters, policy and legislation on building matters, policy and legislation relating to land registration matters; and overseeing and steering the operation of the Buildings Department and the Land Registry.

_____ The existing organisation chart of the PLB is at Annex III.

Policy objectives of THB in housing aspects

7. The current major housing policy objectives of THB include ensuring the healthy and stable development of the property market, allowing the sale of uncompleted residential properties be conducted in a fair and transparent environment, and providing public rental housing (PRH) for low-income families who cannot afford private rental accommodation and maintaining the Average Waiting Time (AWT) for general Waiting List (WL) applicants at around three years.

Policy objectives of PLB under DEVB

8. The key policy objectives of the PLB under the DEVB include facilitating Hong Kong's continual development through effective land use planning as well as a steady and sufficient supply of land; achieving the optimum use of land resources and maintaining an effective land administration system; managing an efficient system for registration of land; promoting and ensuring building safety and timely maintenance; and implementing urban renewal in a holistic manner by improving the built environment of older urban areas and the living condition of residents therein.

Current major housing policy initiatives under THB

9. The current major housing policy initiatives under THB are as follows:

(a) To implement the regulation of sale of first-hand residential properties by legislation

10. THB has been closely monitoring the arrangements made by developers relating to the sale of first-hand residential properties, particularly uncompleted residential properties, and has formulated and implemented various administrative measures through different organizations, such as the Lands Department's Consent Scheme (the Consent Scheme), the sales guidelines issued by the Real Estate Developers Association of Hong Kong (REDA), the regulatory work of the Estate Agents Authority (EAA) on the estate agency practitioners, and consumer education undertaken by the Consumer Council. In recent years, THB has implemented, through the Consent Scheme and REDA's guidelines, a number of measures to enhance the transparency and clarity of property and transaction information relating to the uncompleted residential properties, including the adoption of a standardized definition of "saleable area" in October 2008, and the implementation of the "nine-new measures and 12-requirements" on sales brochures, price lists, show flats and the disclosure of transaction information with effect from June 2010.

11. To further enhance the regulation of first-hand residential properties, the Chief Executive announced in the 2010 Policy Address that a Steering Committee would be set up under THB to discuss specific issues on regulating the sale of first-hand residential properties by legislation and put forward practicable recommendations within one year.

In October 2011, the Steering Committee came up with concrete recommendations on legislative proposals for consideration by THB after detailed deliberations. THB subsequently consulted the public on the legislative proposals in the form of a white bill, refined the draft legislation taking into account the views received during the public consultation exercise, and submitted the Residential Properties (First-hand Sale) Bill (the Bill) to the Legislative Council (LegCo) in March 2012. The relevant Bills Committee of LegCo is scrutinizing the Bill. THB accords top priority to the Bill and will continue to work closely with LegCo in order for the Bill to be enacted soonest possible.

(b) To maintain the target AWT at around three years

12. The Government provides PRH for low-income families who have genuine housing needs but cannot afford private rental accommodation. The HA builds and manages PRH with a view to maintaining the AWT for general WL applicants (except those non-elderly one-person applicants under the Quota and Points System) at around three years. As at end December 2011, the AWT of general WL applicants was 2.5 years.

13. According to the HA's PHCP, the anticipated new PRH production during the five-year period starting from 2011/12 is about 75 000 flats, averaging about 15 000 flats per year. The average annual PRH production of 15 000 flats, however, is not a fixed target. HA will monitor the overall PRH supply and demand situation with reference to the latest position of the WL applications, and determine the necessary flat production level so as to maintain the target AWT of general WL applicants.

(c) To launch the New Home Ownership Scheme

14. In response to the aspirations of low and middle-income families on home purchase, the Chief Executive announced in 2011 Policy Address to resume the Home Ownership Scheme (HOS). The New Home Ownership Scheme (New HOS) will be executed by the HA and is targeted at families with a monthly household income under \$30,000, mainly first-time home buyers. The New HOS will provide flats of about 400 to 500 square feet in saleable area at affordable prices. The selling prices will be set with reference to the mortgage repayment ability of eligible households.

15. HA and HD are proactively conducting the relevant preparatory work for the new HOS, and have adopted a special exercise to complete the preliminary planning, site investigation, design and consultation with relevant District Councils in parallel to fast-track the production of the first group of the New HOS projects. The HA's relevant committees have also started the discussions on the implementation details of the New HOS. With the sites identified at this stage, the plan is to provide more than 17 000 flats over four years from 2016-2017 onwards. The first batch of New HOS flats is expected to be ready for pre-sale in 2014 or 2015.

(d) To launch the My Home Purchase Plan (MHPP)

16. To help households with ability to purchase a flat in the long-term but do not have enough savings for the down payment, the Chief Executive announced in the 2010 Policy Address that the Government, in collaboration with the Hong Kong Housing Society (HKHS), would introduce the MHPP, which was originally premised on the concept of "rent and buy". The objective is to allow eligible households to rent a MHPP flat first at the then prevailing market rent so that they can save up to buy a home in future. The Plan is one of the choices on the housing ladder. The 2011 Policy Address further introduced enhancement measures for the MHPP. Apart from the proposed "rent-and-buy" mode, a "rent-or-buy" option which allows participants to buy a MHPP flat direct at market price without going through a rental period will also be offered. Another enhancement measure is that participants who opt for the "rent-and-buy" option will be able to buy their MHPP flats at a "ceiling price" within a specific timeframe or at the prevailing market price, whichever is the lower. This enhancement measure will ensure that participants will not have their home ownership plan disrupted if property prices rise, and enable them to set more specific saving targets.

17. THB and HKHS have been working closely and proactively in the implementation of the MHPP and are making good progress. The first MHPP project at Tsing Luk Street of Tsing Yi is scheduled for completion in 2014 and application for pre-letting will begin in the fourth quarter of 2012.

(e) To relaunch the redevelopment programme for aged PRH estates

18. To provide a steady and adequate supply of land for PRH so as to meet our flat production target, the Chief Executive announced in the 2011 Policy Address that the Government will open up new sites and

explore ways to appropriately increase the densities and plot ratios of PRH projects without compromising the living environment in order to achieve the PRH production target. Subsequently, the HA had approved in 2011 the “Refined Policy on Redevelopment of Aged Public Rental Housing Estates”.

19. Apart from applying the two-pillar criteria of structural safety and economic repair when considering the clearance and redevelopment of aged PRH estates under the results of the Comprehensive Structural Investigation Programme (CSIP), HA will also examine the build-back potential of aged PRH estates bearing in mind the availability of suitable rehousing resources, so as to strike a balance between sustainability of existing buildings and the redevelopment potential of older estates. As such, HA will examine the redevelopment need and build-back potential of individual aged estates from time to time, so as to determine the feasibility of redevelopment and the timetable for individual aged estates. The Pak Tin Estate redevelopment is the first redevelopment proposal under the “Refined Policy on Redevelopment of Aged Public Rental Housing Estates”. At present, HD is conducting a basket of detailed studies for some individual estates, which include various technical and environmental impact assessments, local master planning, urban design and the development density, etc. HD is also discussing with relevant government departments and bureaux in relation to the community, welfare, transport and educational facilities. Should the consensus be reached, HD will establish the feasibility of redevelopment of individual estates as and when appropriate.

Existing Key Tasks of the PLB under the DEVB

20. The existing key tasks of the PLB under the DEVB are as follows:

- (i) increase land supply for private housing through implementing a host of measures;
- (ii) implement the West Rail property development projects not yet tendered to increase the supply of small and medium-sized flats;
- (iii) co-operate with Shenzhen authorities in jointly exploring feasible options for the co-development of the Lok Ma Chau Loop as well as research and planning work on other cross-boundary development issues;

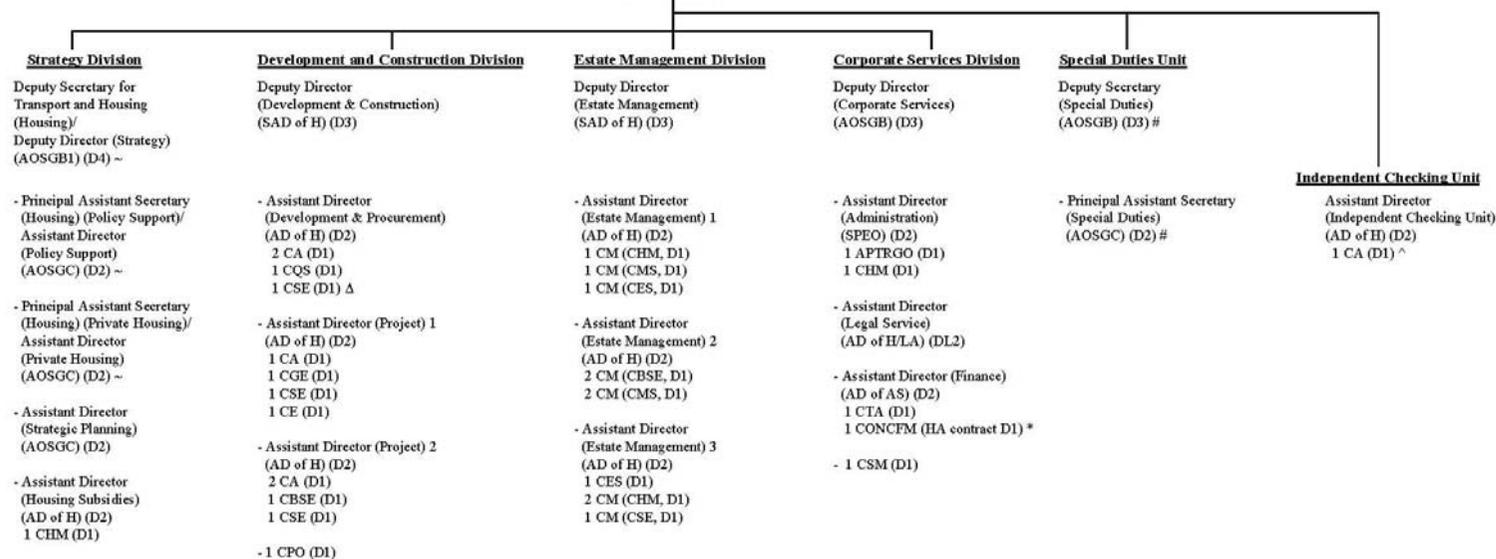
- (iv) provide policy steer on and oversee the “North East New Territories New Development Areas Planning and Engineering Study” and the “Hung Shui Kiu New Development Area Planning and Engineering Study”;
- (v) carry out our stated mission to protect the Victoria Harbour, and to enhance the harbourfront for the enjoyment of our residents and visitors alike;
- (vi) provide policy steer on the “Planning and Engineering Study on the Remaining Development in Tung Chung” and the “Planning and Engineering Study for Yuen Long South”;
- (vii) oversee the implementation of the new package of measures to foster a quality and sustainable built environment;
- (viii) oversee the implementation of the new package of measures to enhance building safety in Hong Kong, covering legislation, enforcement, assistance for building owners as well as publicity and public education;
- (ix) pursue legislative proposals to enhance building safety in Hong Kong;
- (x) oversee the implementation of the new URS and alternative approaches to redevelopment undertaken by the URA;
- (xi) monitor and review the implementation of the pilot mediation scheme for compulsory sale for redevelopment and the pilot out-reach service scheme to help owners of old buildings who may so be affected; and
- (xii) oversee the implementation of the enforcement policy against unauthorized building works in New Territories exempted houses.

**Transport and Housing Bureau
Development Bureau
May 2012**

Existing Organisation Chart of the Housing Department
(as at May 2012)

Annex II

Permanent Secretary for Transport and Housing (Housing)/Director of Housing
(AOSGA1) (D8) ~



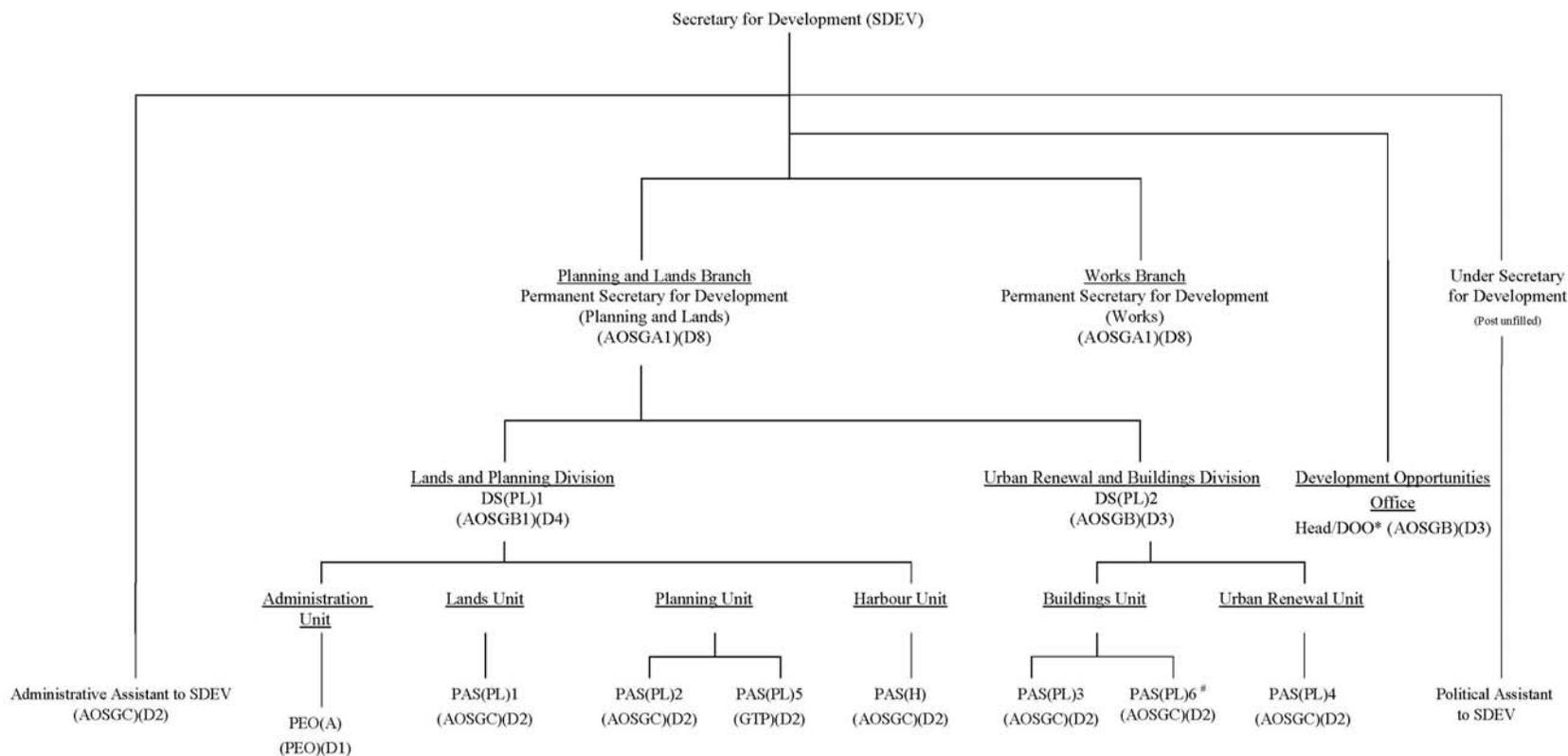
Legends:

AD of AS - Assistant Director of Accounting Services
 AD of H - Assistant Director of Housing
 AOSGA1 - Administrative Officer Staff Grade A1
 AOSGB1 - Administrative Officer Staff Grade B1
 AOSGB - Administrative Officer Staff Grade B
 AOSGC - Administrative Officer Staff Grade C
 APTRGO - Assistant Principal Training Officer
 CA - Chief Architect
 CBSE - Chief Building Services Engineer
 CE - Chief Engineer
 CES - Chief Estate Surveyor
 CGE - Chief Geotechnical Engineer
 CHM - Chief Housing Manager

CM - Chief Manager
 CMS - Chief Maintenance Surveyor
 CONCFM - Contract Chief Finance Manager
 CPO - Chief Planning Officer
 CQS - Chief Quantity Surveyor
 CSE - Chief Structural Engineer
 CSM - Chief Systems Manager
 CTA - Chief Treasury Accountant
 HA - Housing Authority
 LA - Legal Advice
 SAD of H - Senior Assistant Director of Housing
 SPEO - Senior Principal Executive Officer

~ - These posts are given bureau designations in addition to normal departmental designations to better reflect the nature of their duties which are largely policy-related.
 # - Supernumerary post created with LegCo's approval
 Δ - Post deployed to Independent Checking Unit on a part-time basis.
 ^ - Post temporarily deployed to Independent Checking Unit.
 * - HA contract post.

Existing Organisation Chart of the Development Bureau (Planning and Lands Branch)



Legend

SDEV Secretary for Development
 DS(PL) Deputy Secretary for Development (Planning and Lands)
 PAS Principal Assistant Secretary
 AOSGA1 Administrative Officer Staff Grade A1
 AOSGB1 Administrative Officer Staff Grade B1
 AOSGB Administrative Officer Staff Grade B
 AOSGC Administrative Officer Staff Grade C
 GTP Government Town Planner
 PEO Principal Executive Officer

PL Planning and Lands
 A Administration
 H Harbour
 DOO Development Opportunities Office

* Supernumerary post which will lapse after 30.6.2012
 # Post on loan from Civil Service Bureau