

(Translation)

**Motion on
“Perfecting housing policy and resolving public housing need”
moved by Hon WONG Kwok-hing
at the Council meeting of 7 November 2012**

Motion as amended by Hon James TIEN

That in recent years, the society has been increasingly vocal in requesting the Government to show concern over soaring property prices, and the Chief Executive pointed out during his election campaign that ‘housing tops the list of livelihood issues that are of public concern; it is also the bedrock of a stable society’; yet, since the new-term Government has taken office, property prices and rents in Hong Kong have been rising rather than declining, making it more difficult for people to acquire homes; besides, as the quantitative easing measures implemented by many countries have led to a huge influx of hot money, property prices in Hong Kong may become further out of tune with people’s incomes, making the housing problem more severe; notwithstanding the Government’s recent introduction of two measures in an attempt to cool down the property market, the fundamental factor of insufficient land supply is not touched upon, and therefore the measures can at most treat the symptoms only, and in the long run will not be conducive to the healthy development of the property market; in this connection, this Council urges the Government to expeditiously put forward effective measures focusing on planning and actions for immediate, medium-term and long-term land supply and demands, so as to address people’s housing needs; the relevant measures should include:

- (a) to properly build an overall land reserve and launch long-term land supply planning, so as to meet Hong Kong’s short-, medium- and long-term demand for land; in the short term, to further streamline land grant procedures, promptly release idle land lots and allow the direct conversion of industrial buildings into residential buildings after paying land premiums, etc.; and in the medium term and long term, to expedite the identification of land lots for building new development areas, optimize the use of rock caverns to vacate more land for residential development, and carry out reclamation on an appropriate scale at suitable sites outside the Victoria Harbour, etc.;
- (b) to expeditiously formulate and announce Hong Kong’s long-term housing development strategy and the implementation timetable, so as to let members of the public know the future supply of public and private residential units and put their minds at ease;

- (c) to examine the Government's existing land reserve, including the overall reserve of potential sites and disposed sites, and to expeditiously undertake planning for the construction of various types of residential units, including public and subsidized housing on lands suitable for residential purposes, with a view to increasing housing supply;
- (d) to explain to members of the public the land use status of the idle residential land lots in the land reserve, including those of the MTR Corporation Limited, the Urban Renewal Authority and the Government, and the relevant reasons, and to immediately launch long-term planning for the supply of residential land;
- (e) to expeditiously inform members of the public of the policy details, implementation particulars, arrangements and implementation timetable relating to 'Hong Kong property for Hong Kong residents'; and to make an annual allocation of land for constructing 12 000 flats with limited floor areas for Hong Kong residents who are first-time home buyers, so as to meet people's demand for 'boarding the train';
- (f) to increase the annual public rental housing ('PRH') production to 30 000 units or more for accelerating the time for allocating units to the existing applicants on the Waiting List to two years, so as to meet grass-root people's demand for PRH;
- (g) to expedite the construction of youth hostel units for diverting the large number of young people currently waiting for PRH, and at the same time to review the Quota and Points System for non-elderly one-person applicants, so as to assist singletons with genuine housing difficulties in getting PRH allocation;
- (h) to introduce sandwich-class PRH units to enable those households and persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure;
- (i) to review the allocation and eligibility criteria of PRH to encourage young family members to live with their elderly family members and to provide care for them;
- (j) to conduct studies on offering rent allowance to low-income persons, including expeditiously reviewing and increasing the rent allowance under the Comprehensive Social Security Assistance Scheme, and

providing rent allowance to eligible households waiting for PRH; and to offer a tax allowance to eligible households with no property for renting private residential units;

- (k) to study and introduce more measures to assist people in acquiring their homes, including enhancing the former Home Starter Loan Scheme and the Tenants Purchase Scheme, so as to enable more members of the public to acquire their own homes; and
- (l) to closely monitor the impacts of the economic environment and external factors, and introduce more adjustment measures whenever the hot money flows in and the property prices continue to rise, including increasing the effectiveness of the special stamp duty and revising the loan-to-value ratio for non-owner-occupied units, so as to avoid the formation of a property bubble.