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Legislative Council

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Ref : CB1/PS/3/12/1

Panel on Housing

Subcommittee on the Long Term Housing Strategy

Minutes of the meeting
held on Wednesday, 27 February 2013, at 8:30 am
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon WONG Kwok-hing, MH (Chairman)
Hon Tony TSE Wai-chuen (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Member attending** : Hon LEUNG Yiu-chung

Member absent : Hon Alice MAK Mei-kuen, JP

Public Officers attending : **For item II**

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

For item III

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

Clerk in attendance : Ms Miranda HON
Chief Council Secretary (1)1

Staff in attendance : Miss Lilian MOK
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Items for discussion at the next meeting

(LC Paper No. CB(1)600/12-13(01) — List of proposed items for discussion)

The Chairman informed members that he and the Deputy Chairman had held an informal meeting with the Secretary for Transport and Housing on 15 February 2013 to discuss the work plan of the Subcommittee. Pursuant to the discussion, the work plan of the Subcommittee, as amended, had been

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reflected in the "List of proposed items for discussion" as set out in LC Paper No. CB(1)600/12-13(01).

2. Members agreed that the next meeting would be held on Wednesday, 20 March 2013, at 8:30 am to discuss the item "Long-term housing demand assessment – preliminary".

II. Addressing the housing needs of specific groups in the community

(LC Paper No. CB(1)600/12-13(02) — Administration's paper on "Addressing the Housing Needs of Specific Groups in the Community")

3. The Subcommittee deliberated (index of proceedings attached at the **Annex**).

4. The Subcommittee requested the Administration to provide a summary of the various subsidized housing schemes which had been implemented by the Hong Kong Housing Society to assist the middle class.

(Post-meeting note: The Administration's response to the request set out in paragraph 4 above was circulated to members on 19 April 2013 vide LC Paper No. CB(1)896/12-13(02).)

III. Measures to maximize the rational use of public rental housing resources

(LC Paper No. CB(1)600/12-13(03) — Administration's paper on "Measures to Maximize the Rational Use of Public Rental Housing Resources")

5. The Subcommittee deliberated (index of proceedings attached at the **Annex**).

6. The Administration was requested to provide the following for discussion by the Subcommittee –

- (a) a paper on the review of the Quota and Points System, including information on the relevant issues considered by the Long Term Housing Strategy ("LTHS") Steering Committee; and

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- (b) a paper on the review of the "Well-off Tenants Policies", including information on the relevant issues considered by the LTHS Steering Committee.

7. Regarding the 5 020 frozen application cases as at end June 2012 due to the applicants' failure to fulfill the seven-year residence requirement (paragraph 8 of Annex A to LC Paper No. CB(1)600/12-13(03) referred), the Subcommittee requested the Administration to provide the number of cases involving single-parent families, and explain whether it would consider waiving the residence requirement for such applicants so that they could be allocated with public rental housing units earlier.

(Post-meeting note: The Administration provided the papers requested in paragraph 6 above for discussion at the Subcommittee's meeting held on 30 April 2013. The Administration's response to the request set out in paragraph 7 above was circulated to members on 19 April 2013 vide LC Paper No. CB(1)896/12-13(02).)

IV. Any other business

- 8. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
19 July 2013

Panel on Housing

Subcommittee on the Long Term Housing Strategy

**Proceedings of the meeting
on Wednesday, 27 February 2013, at 8:30 am
in Conference Room 3 of the Legislative Council Complex**

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| <i>Agenda Item I - Items for discussion at the next meeting</i> | | | |
| 000400 - 000618 | Chairman | <p>The Chairman informed members that he and the Deputy Chairman had held an informal meeting with the Secretary for Transport and Housing on 15 February 2013 to discuss the work plan of the Subcommittee. Pursuant to the discussion, the work plan of the Subcommittee, as amended, had been reflected in the "List of proposed items for discussion" as set out in LC Paper No. CB(1)600/12-13(01).</p> <p>Members agreed that the next meeting would be held on Wednesday, 20 March 2013, at 8:30 am to discuss the item "Long-term housing demand assessment – preliminary".</p> | |
| <i>Agenda Item II - Addressing the housing needs of specific groups in the community</i> | | | |
| 000619 - 001048 | Chairman Administration | <p>The Administration briefed members that the following specific groups in the community had been selected by the Long Term Housing Strategy Steering Committee ("LTHS SC") for closer examination of their housing needs –</p> <ul style="list-style-type: none"> (a) the elderly; (b) non-elderly singletons; (c) inadequately housed households; and (d) youngsters and first-time home buyers. <p>The Administration highlighted that the Hong Kong Housing Authority ("HA") had been implementing different schemes to cater for the housing needs of the specific groups. Given that subdivided</p> | |

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| | | <p>units had become a matter of public concern, an independent research institution had been commissioned to study the characteristics of the households living in subdivided units and estimate the number of such units in the territory. Findings of the survey would be available in around mid 2013 for consideration of the LTHS SC.</p> | |
| 001049 - 001529 | <p>Chairman Dr KWOK Ka-ki Administration</p> | <p>Dr KWOK Ka-ki commented that the current production volume of public rental housing ("PRH") was insufficient to meet the demand, causing PRH applicants on the Waiting List ("WL") having to wait for a long period of time for flat allocation. Noting the discrepancies between the statistics compiled by the Census and Statistics Department and non-government organizations on the number of the poorly-housed households, Dr KWOK enquired –</p> <p>(a) how the Administration could accurately project the number of poorly-housed households in the community; and</p> <p>(b) about the measures that the Administration planned to implement to assist those who were inadequately housed.</p> <p>The Administration assured members that it had not ignored the situation of the inadequately housed households. Having regard to the fact that there was no universally-accepted definition of "subdivided units", the LTHS SC had commissioned an independent research institution to draw up a definition of subdivided units, study the characteristics of the households living in such units, and project the number of subdivided units in the territory on the basis of the definition.</p> | |
| 001530 - 002028 | <p>Chairman Mr WU Chi-wai Administration</p> | <p>Mr WU Chi-wai enquired about –</p> <p>(a) the number and profile of the poorly-</p> | |

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| | | <p>housed households which had registered on WL for PRH allocation; and</p> <p>(b) the assistance and support to be rendered to such households.</p> <p>The Administration responded that –</p> <p>(a) it would first draw up a definition of subdivided units before tackling the situation in a purposive manner. As there was a wide range of people with different background registered on WL for PRH allocation, HA did not have information on the profile of individual PRH applicants until their applications were due for investigation and vetting. The average waiting time ("AWT") for first offer of PRH flats was about 2.7 years; and</p> <p>(b) it had been the Government's policy to provide PRH for low-income families who could not afford private rental accommodation. Since all PRH applicants, irrespective of their background and social situation, were facing the same problem of inadequate housing supply, it was not desirable for HA to single out a particular group of applicants and accord them with a higher priority in PRH allocation as this would disrupt the queuing arrangement and upset the mechanism currently put in place to assess applicants' eligibility for PRH (e.g. the WL Income and Asset Limits). Nevertheless, the LTHS SC would be studying the housing needs of individual groups in the community, and advising the Government what the priority in PRH allocation should be in future.</p> | |
| 002029 - 002453 | Chairman Dr Fernando CHEUNG Administration | Dr Fernando CHEUNG was of the view that as PRH resources were scarce and limited, there was a need to prioritize PRH allocation. He enquired about – | |

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| | | <p>(a) the concrete measures and initiatives that the Administration would implement to assist the poorly-housed households; and</p> <p>(b) whether the Administration would consider giving priority in PRH allocation to those displaced occupants who were rendered homeless as a result of the Administration's clearance actions against their subdivided units.</p> <p>The Administration responded that –</p> <p>(a) it acknowledged the need to prioritize PRH allocation given the limited number of PRH units available. However, in the absence of statistics on subdivided units, it would be difficult for the Government to formulate effective housing strategies to assist those with genuine and the most pressing needs. A survey on subdivided units was therefore being conducted to collect relevant data and statistics; and</p> <p>(b) it had been the Government's policy that no one would be rendered homeless by its law enforcement action. In this connection, HA had been working closely with the Buildings Department ("BD") in rehousing occupants of subdivided units displaced by BD's law enforcement actions. Displaced occupants who are rendered homeless would be provided with temporary accommodation in the transit centre for not more than three months. If they were eligible for PRH, they would then be rehoused to interim housing while awaiting PRH allocation through the WL system.</p> <p>Dr CHEUNG commented that the Administration should be well aware of the prevalence of subdivided units in the territory and the associated problems even without conducting the survey. He</p> | |

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| | | <p>doubted whether the Administration was using the survey as an excuse for not taking measures to deal with subdivided units.</p> | |
| 002454 - 002928 | <p>Chairman Mr KWOK Wai-keung Administration</p> | <p>Mr KWOK Wai-keung expressed concern about the housing needs of young singletons. He commented that HA's Quota and Points System ("QPS") had lengthened the waiting time of many young and single applicants for PRH allocation. Furthermore, the Well-off Tenants Policies had induced young people to move out of their parents' PRH units and register on PRH WL, leading to an upsurge in the number of non-elderly one-person PRH applicants. Mr KWOK enquired whether the Administration would consider increasing the annual PRH allocation quota for non-elderly one-person applicants.</p> <p>The Administration responded that –</p> <p>(a) HA would review the ratio of units for non-elderly one-person applicants to the overall PRH supply on an annual basis and take into consideration the prevailing demand for PRH when determining the flat mix of PRH. The annual allocation quota for non-elderly one-person applicants was currently set at 8% of the number of PRH units to be allocated to general WL applicants, subject to a ceiling of 2 000 units;</p> <p>(b) in view of the general trend towards smaller family sizes in Hong Kong, HA had been increasing the production of smaller PRH units over the past few years; and</p> <p>(c) the elderly were given priority allocation to PRH. The AWT of elderly one-person applicants for PRH was only about 1.4 years.</p> <p>As regards the waiting time for PRH flats, the Administration explained that –</p> | |

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| | | <p>(a) eligible PRH applicants were entitled to three housing offers (one at a time) and it was a matter of personal decision if they declined the first offer to wait for subsequent offers. Thus, the waiting time of applicants was counted up to the first flat offer, excluding the time awaiting the second and/or the third offer(s). Since the overall supply and demand of PRH and the distribution of PRH applicants' choices of districts varied from time to time, the actual waiting time of PRH applicants was dynamic and constantly changing; and</p> <p>(b) non-elderly one-person applicants under QPS were not subject to the about three-year AWT pledge.</p> | |
| 002929 - 003413 | Chairman Mr LEUNG Che-cheung Administration | <p>Mr LEUNG Che-cheung expressed concern about the poor living conditions of people residing in squatter huts in the New Territories and urged the Administration to assist them in applying for PRH.</p> <p>Referring to the assistance programme launched by the Community Care Fund ("CCF") to release a one-off sum to eligible elderly persons aged 65 and above to relieve their pressure in view of rising inflation and cyclical rental increases, Mr LEUNG enquired whether the Administration would consider introducing a similar programme to offer rental subsidies to all the poorly-housed households.</p> <p>The Administration responded that –</p> <p>(a) it was committed to addressing the housing needs of various strata and groups in the community, instead of focusing resources on helping people of any particular group;</p> <p>(b) given the diverse living conditions and housing needs of the public, the WL Income and Asset Limits had provided an objective and fair basis</p> | |

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| | | <p>for assessing the eligibility of households applying for PRH;</p> <p>(c) apart from CCF, the Comprehensive Social Security Assistance Scheme also provided subsidy to eligible persons living in rented private housing; and</p> <p>(d) results of the survey on subdivided units would be shared with other relevant boards and committees of the Government, such as the Commission on Poverty, to help them explore what further assistance could be offered to occupants of such units.</p> <p>The Chairman suggested that the Administration should include people living in abandoned containers in rural areas when studying the housing needs of the poorly-housed households.</p> | |
| 003414 - 004007 | Chairman Mr LEE Cheuk-yan Administration | <p>Mr LEE Cheuk-yan doubted the ability of the LTHS SC to resolve Hong Kong's housing problems. He commented that the Administration had not addressed squarely members' concerns on different housing issues, such as offering rent allowance to low-income persons, reinstating rent control on residential properties, etc. He further enquired whether it would be possible for the Urban Renewal Authority ("URA") to carry out land resumption to implement PRH development projects or build youth hostels to meet the housing needs of young people.</p> <p>The Administration responded that –</p> <p>(a) the LTHS SC was established to make recommendations on medium–to–long term housing strategies, rather than offering immediate solutions or remedy to existing housing problems;</p> <p>(b) it had decided to increase and speed up PRH production;</p> | |

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| | | <p>(c) it would explore the feasibility of converting industrial buildings for residential use; and</p> <p>(d) unlike HA, which was tasked to provide public housing, URA was a statutory body established to carry out redevelopment programmes in the older urban areas of the territory. Such redevelopment programmes might be implemented by joint venture with private developers or the Hong Kong Housing Society ("HKHS").</p> <p>The Chairman stressed that the Subcommittee was set up to facilitate members to take an active part in the LTHS review being conducted by the Administration as well as to make timely recommendations on the formulation of LTHS.</p> | |
| 004008 - 004418 | Chairman Mr LEUNG Kwok-hung | <p>Mr LEUNG Kwok-hung opined that the Administration should provide incentives, such as rent allowance, to encourage people living in subdivided units to provide their household characteristics to facilitate the conduct of the survey on subdivided units.</p> <p>Mr LEUNG also strongly urged the Administration to consider reinstating rent control on residential properties with a view to alleviating the housing problems faced by low-income families.</p> | |
| 004419 - 004827 | Chairman Deputy Chairman Administration | <p>The Deputy Chairman enquired whether the Administration had obtained information on the numbers and profile of the four specific groups selected for examination by the LTHS SC, and made forecast of changes in these respects. Given the constantly changing situation of each specific group, the Deputy Chairman opined that the Administration should conduct regular reviews, say every five or 10 years, on the figures to minimize the mismatch between housing supply and demand.</p> | |

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| | | <p>The Administration responded that it would obtain and review the figures on a regular basis so that it could make appropriate and timely adjustments to housing strategies.</p> <p>In response to the Deputy Chairman's further enquiry about the role of the HKHS in public housing development, the Administration explained that HKHS currently provided two types of rental estate units, namely Group A estate units and Group B estate units which had slightly higher income and asset limits. It also implemented subsidized sale projects, for example, the "Greenview Villa". In addition, HKHS offered two schemes to address the housing needs of the middle-income elderly. Given the diverse portfolios of HKHS, the Administration would continue to engage HKHS in pursuing future housing development.</p> <p>As requested, the Administration would provide a summary of the various subsidized housing schemes implemented by HKHS to assist the middle class.</p> | <p>The Administration to provide information as requested in paragraph 4 of the minutes.</p> |
| 004828 - 005248 | Chairman Mr Alan LEONG Administration | <p>Mr Alan LEONG enquired –</p> <p>(a) whether the LTHS SC would review the Well-off Tenants Policies with a view to introducing flexibility and allowed young people to continue to stay in their parents' PRH units, thereby enabling the younger generation to take care of the older generation; and</p> <p>(b) whether the pricing of the new Home Ownership Scheme ("HOS") flats could be unpegged with the market price, so as to lower their selling prices.</p> <p>The Administration responded that –</p> | |

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| | | <p>(a) HA had already put in place various schemes to encourage younger family members to take care of their elderly parents living in PRH. Despite the divergent views on the Well-off Tenants Policies, they helped encourage well-off tenants to vacate their PRH units for re-allocation to those in need. Nevertheless, the LTHS SC would look into the Well-off Tenants Policies; and</p> <p>(b) there was a pricing methodology for HOS flats under which not only the market value of flats, but also the mortgage repayment ability of eligible households would be taken into account.</p> | |
| 005249 - 005943 | Chairman Mr LEUNG Yiu-chung Administration | <p>Mr LEUNG Yiu-chung expressed concern that the Well-off Tenants Policies had the effect of inducing young people to move out of their parent's PRH units, leading to an increase in the number of non-elderly one-person PRH applicants and increased demand for private housing. He requested the Administration to review the policies. He also considered that the 2 000 PRH units set aside for non-elderly one-person applicants each year were insufficient. He further commented that the information paper prepared by the Administration did not provide any direction or strategy for resolving Hong Kong's housing problems. In his view, the housing needs of each of the specific groups should be discussed separately to allow focused consideration.</p> <p>The Administration responded that –</p> <p>(a) members' views and concerns would be reflected to the LTHS SC for consideration. Members would be further consulted on the LTHS SC's recommendations when the public consultation document on LTHS was released at a later stage; and</p> | |

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| | | <p>(b) there were some youngsters who genuinely wished to move out from their families to form a singleton household. Although more and more young people had registered for PRH allocation, many of them would have become ineligible when their applications were due for vetting as they would likely be earning an income exceeding the prevailing income limit for PRH.</p> | |
| 005944 - 010423 | <p>Chairman Mr Abraham SHEK Administration</p> | <p>Mr Abraham SHEK enquired about –</p> <p>(a) the changes in the price level of second-hand HOS flats after extending the HOS secondary market to buyers with White Form status; and</p> <p>(b) whether the Administration would consider delinking the pricing of HOS flats from market prices and use construction costs as the basis of pricing, given that the Administration had already had to introduce measures to curb speculation activities in the property market.</p> <p>The Administration responded that it did not have any information on the rate of increase in the price level of second-hand HOS flats. Changes in the prices of HOS flats were attributable to various factors, instead of any single reason. The measures implemented recently to curb speculation activities in the property market (e.g. the Special Stamp Duty) applied equally to private residential properties and HOS flats.</p> | |
| 010424 - 010948 | <p>Chairman Mr Christopher CHUNG Administration</p> | <p>Mr Christopher CHUNG commented that the information paper provided by the Administration did not set out any short or long-term measure to meet the housing needs of the four specific groups. Given the growing demand for PRH, Mr CHUNG urged the Administration to consider the following –</p> | |

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| | | <p>(a) relaxing the income and asset limits under the Well-off Tenants Policies and the Addition Policy so that the second generation of PRH households would be able to continue to live in their parents' PRH units; and</p> <p>(b) providing some temporary housing for people living in subdivided units or those who were inadequately housed in the interim.</p> <p>The Administration reiterated that the LTHS SC was examining the housing needs of different groups of people in the community as presented in the information paper and had not yet come to any specific recommendation. Given that the Subcommittee was established to monitor the progress of the LTHS review, members' views and concerns would be sought and reflected to the LTHS SC for consideration.</p> <p>The Administration further explained that the current Well-off Tenants Policies were well considered, but they would be reviewed on a regular basis. In reviewing the policies, the Administration considered it more essential to ensure that appropriate criteria would be adopted for determining the re-allocation of PRH units to eligible households with genuine needs.</p> | |
| 010949 - 011418 | Chairman Administration | <p>The Chairman commented that the information paper provided by the Administration was incomprehensive. He was of the view that instead of focusing on the four specific groups, the LTHS SC should also conduct in-depth analyses in the following aspects in order to formulate holistic strategies to tackle the root of the different housing problems –</p> <p>(a) changes in the profiles of households in Hong Kong;</p> <p>(b) changes in Hong Kong's state of</p> | |

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| | | <p>economic development;</p> <p>(c) changes in the population and demographic characteristics of Hong Kong, e.g. new arrivals coming to Hong Kong for family reunion leading to increased demand for PRH; and</p> <p>(d) the public housing policies, e.g. conflicts between the Well-off Tenants Policies and the Government's "ageing in place" policy.</p> | |
| <i>Agenda Item III - Measures to maximize the rational use of public rental housing resources</i> | | | |
| 011419 - 011658 | Chairman Administration | The Administration briefed members on the measures implemented by HA to maximize the rational use of PRH resources. It was highlighted that the LTHS SC was collecting relevant information and statistics for further discussion and had not yet made any conclusion or recommendation at this stage. | |
| 011659 - 012144 | Chairman Dr KWOK Ka-ki Administration | <p>Referring to the much higher income limit of Singapore's public housing programme, Dr KWOK Ka-ki criticized that the prevailing WL income and asset limits of HA were overly stringent and had caused nuisance to PRH households. He was of the view that the various housing problems in Hong Kong, such as the prevalence of subdivided units, the imbalance between housing supply and demand and the high price of HOS flats, had stemmed from the Administration's poor housing policies. He enquired in what ways the Administration would assist the poorly-housed households.</p> <p>The Administration responded that –</p> <p>(a) the public housing programmes of Hong Kong and Singapore were primarily different and hence not comparable;</p> <p>(b) HA had put in place a mechanism</p> | |

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| | | <p>under which the WL income and asset limits were reviewed on an annual basis; and</p> <p>(c) the selling prices of HOS flats were set shortly before the relevant sale exercise, and a range of prices depending on the locations and sizes of the flats for sale was offered to eligible buyers for choice.</p> | |
| 012145 - 012634 | Chairman Mr WU Chi-wai Administration | <p>Mr WU Chi-wai urged the Administration to make reference to the rehousing arrangements for occupants of squatter huts affected by clearance when working out concrete measures to assist the poorly-housed households.</p> <p>Mr WU also expressed concern about the housing needs of young singletons. In his view, the assumption that young people with high education attainment could earn a better living was no longer valid nowadays. As such, QPS could not safeguard the rational allocation of PRH resources to those in need. Rather, it had lengthened the waiting time of non-elderly one-person applicants and reduced their chance of being allocated PRH units, thus causing them to delay their marriage decisions. He criticized the Administration for not building a progressive housing ladder to facilitate the upward mobility of different strata in the community.</p> <p>In response, the Administration reiterated that the Government's housing policy was to provide PRH for low-income families who could not afford private rental accommodation. The LTHS SC would be studying the underlying issue of how the housing needs of these people could be met and with what priority.</p> <p>The Administration further highlighted that the housing ladder had been reinstated upon the re-launching of HOS. Although families and the elderly would be given priority in the allocation of the limited public housing resources, young</p> | |

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| | | <p>people, amongst others, were categorized as a specific group by the LTHS SC for closer examination as to whether, and if so how, assistance should be provided to address their housing needs.</p> | |
| 012635 - 013128 | <p>Chairman Dr Fernando CHEUNG Administration</p> | <p>Dr Fernando CHEUNG noted with concern that when compared to the figures of June 2011, there were more housed general applicants who received their first offer at or after three years and there were also more general applicants on WL who had waited for more than three years and who had yet to receive the first offer (Annex A to LC Paper No. CB(1) 600/12-13(03) referred). He enquired about the initiatives that the Administration would take to honour the pledge made by the Chief Executive ("CE") in his election manifesto in respect of –</p> <ul style="list-style-type: none"> (a) maintaining the AWT for family applicants and non-elderly single applicants who were over the age of 35 at three years; (b) shortening the waiting time for PRH applicants who were 35 or below; and (c) providing integrated elderly services at PRH estates which had a large elderly population to encourage elderly persons to retire at home. <p>The Administration responded that CE's pledges would be taken into account in the LTHS review. It was also HA's existing policy to aggressively take care of the needs of the elderly. For instance, HA had been implementing a number of improvement works, including the addition of lifts and escalators in PRH blocks without lifts and the provision of elderly facilities, in its PRH estates having regard to the needs of sitting tenants and the community.</p> | |
| 013129 - 013621 | <p>Chairman Mr KWOK Wai-keung</p> | <p>Mr KWOK Wai-keung commented that the Administration was incapable of</p> | |

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| | Administration | <p>addressing the housing needs of different groups of people in the community, in particular the young. He pointed out that youth hostels were not meant to be permanent accommodation and young people would ultimately need to make their own housing plans. He therefore considered it unreasonable that young people who moved into youth hostels would be removed from WL and become ineligible for PRH.</p> <p>In view of the large number of non-elderly one-person PRH applicants under QPS, Mr KWOK enquired whether the Administration would consider removing the deduction of 30 points for applicants currently living with their families in PRH. Otherwise, such applicants would have very slim chance of being allocated PRH units.</p> <p>In response, the Administration explained that applicants currently living in PRH units were considered as receiving public housing subsidies and hence they would not be accorded priority in PRH allocation. Given that PRH resources were scarce and limited, there was a need to prioritize PRH allocation amongst different categories of PRH applicants. Nevertheless, the Administration acknowledged that some of the non-elderly one-person applicants were induced to move out of their parents' PRH units and register on WL for PRH allocation due to the Well-off Tenants Policies. The LTHS SC would look into the Well-off Tenants Policies and members' views on the policies would be reflected to the LTHS SC.</p> | |
| 013622 - 014099 | Chairman Mr LEE Cheuk-yan Administration | <p>Mr LEE Cheuk-yan expressed disappointment that HA had not formulated policies to honour CE's pledge of resolving Hong Kong's housing problems as stated in his election manifesto. He enquired –</p> <p>(a) how the Administration would address the housing needs of the</p> | |

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| | | <p>non-elderly one-person applicants aged 35 or below as well as those aged 35 or above; and</p> <p>(b) whether the Administration would consider relaxing the minimum space allocation standard of 5.5 m² internal floor area per person, which had been established many years ago.</p> <p>The Administration reiterated that it would not comment on the commitments made by CE in his election manifesto. Nevertheless, the LTHS SC would take into account CE's undertaking of increasing housing supply when making recommendations on the appropriate way forward.</p> <p>On overcrowding relief arrangements for PRH, the Administration explained that PRH households which were categorized as "overcrowded" households could apply for transfer to larger PRH units. However, to uphold the policy of maximizing the rational use of public housing resources, the priority of flat selection would be given to PRH households which were living in a more congested environment. The minimum space allocation standard for PRH would be reviewed from time to time having regard to the prevailing circumstances.</p> | |
| 014100 - 014510 | Chairman Mr Frederick FUNG | <p>Mr Frederick FUNG pointed out that the actual length of time an applicant spent on awaiting PRH allocation (i.e. from filing a PRH application to flat in-take) was longer than the AWT of three years. He cited the following examples of unfair arrangements in PRH allocation –</p> <p>(a) the AWT for PRH was defined as the period between registration on WL and the first flat offer. However, the period between filing a PRH application and registration on WL, which normally took about three months, was not counted as part of the waiting time of an applicant;</p> | |

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| | | <p>(b) some PRH applicants had been required to provide supplementary information and documents piecemeal from time to time, thus unnecessarily prolonging the processing time of their applications;</p> <p>(c) whilst eligible PRH applicants were given three housing offers, there were often long intervals between offers. For example, in some cases, applicants were allocated less popular PRH units as their first housing offers. Upon refusal of such offers, applicants often had to wait for a long time for subsequent housing offers; and</p> <p>(d) PRH applicants were required to undergo detailed eligibility vetting (e.g. the income and asset tests) whenever they got a housing offer, even if it was just about a year from the last checking. Such repeated checking at different times caused nuisance to applicants and inevitably lengthened their waiting time for flat in-take.</p> <p>Echoing the views of Mr LEE Cheuk-yan about the living space of PRH tenants, Mr FUNG opined that the congested living environment of PRH tenants was due to the fundamental problem of inadequate housing supply. He urged the Administration to consider redeveloping aged PRH estates as more PRH units could be built upon redevelopment.</p> | |
| 014511 - 014918 | Chairman Mr LEUNG Yiu-chung Administration | Mr LEUNG Yiu-chung was of the view that PRH production should be given priority over HOS construction. He expressed dissatisfaction that the PRH block of Tin Lee House (with a total of 85 units) in Lung Tin Estate in Tai O would be converted into an HOS block for sale and the 14 households living therein were required to move out before August 2013. In view of the small number of units to be recovered, Mr LEUNG considered that the | |

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| | | <p>Administration should not target at a handful of PRH tenants. He queried whether the policy focus of HA was to provide PRH to low-income families which could not afford private rental accommodation or to build HOS flats to fulfill people's home ownership aspiration.</p> <p>In response, the Administration explained that Tin Lee House had all along had a high vacancy rate due to its remote location. To better utilize the surplus PRH units and maximize the use of valuable public housing resources, it was considered appropriate to convert all the 85 flats of Tin Lee House for sale under HOS. As regards the rehousing arrangements, the Administration assured members that the affected households would be re-accommodated in Tai O. They would also be given first priority to buy the converted HOS flats.</p> | |
| 014919 - 015412 | Chairman Deputy Chairman Administration | <p>The Deputy Chairman repeated his queries as to whether the Administration had obtained information on the numbers and profile of people of the four specific groups selected for examination by the LTHS SC, and made forecast of changes in these respects. The Administration responded that whilst it would try to collect the information and figures, whatever it obtained would at best be snapshot given the constantly changing situation of households and people. It was agreed that regular reviews in this regard were more desirable. As to the survey on subdivided units, it was expected that the survey results would be available in May 2013.</p> <p>The Deputy Chairman further enquired whether the LTHS SC would consider the following in the LTHS review –</p> <ul style="list-style-type: none"> (a) the role of HKHS in providing public housing; and (b) the possible measures to assist those people who could not afford private | |

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| | | <p>residential flats and were not eligible for PRH at the same time.</p> <p>The Administration responded that the various housing problems in Hong Kong were due to the imbalance between housing demand and supply. HA would continue to play a proactive role in supplying PRH and HOS and expediting their production to address the housing needs of the community. The Government had also set the target of providing an average of some 20 000 private residential flats per annum in the next few years.</p> | |
| 015413 - 015831 | Chairman Mr Michael TIEN Administration | <p>In response to Mr Michael TIEN's enquiry about the income and asset limits for PRH, the Administration explained that both limits were subject to annual review. Under the Well-off Tenants Policies, households with total income and net assets value both exceeding the prescribed income and asset limits would be required to vacate their PRH flats.</p> <p>Noting that there were some well-off PRH tenants who could well afford private housing, Mr Michael TIEN was of the view that the income and asset limits under the Well-off Tenants Policies should be further tightened to safeguard rational allocation of public housing resources.</p> <p>Referring to the statistics as at end-December 2012 which showed that among the total of 708 000 PRH households, 2 600 were paying double rent, the Administration pointed out that the number of sitting tenants who were comparatively "well-off" was not substantial. Nevertheless, HA would keep in view the situation and members' views would be referred to the LTHS SC for further deliberation.</p> | |
| 015832 - 020330 | Chairman Administration | The Chairman requested the Administration to provide the following for members' reference and further discussion – | The Administration to provide information as |

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| | | <p>(a) a paper on the review of QPS, including information on the relevant issues considered by the LTHS SC; and</p> <p>(b) a paper on the review of the Well-off Tenants Policies, including information on the relevant issues considered by the LTHS SC.</p> <p>On the role of HKHS, the Chairman said that in the past, HKHS had provided subsidized housing to cater to the needs of the middle class who could not afford private flats and were also not eligible for PRH. He also requested the Administration to reflect his views that the Administration should enhance the role of HKHS in providing public housing to the LTHS SC for consideration.</p> <p>In response, the Administration reiterated that HKHS had been providing a wide range of different types of housing, such as the subsidized sale project, the "Greenview Villa". HKHS was also working with URA on urban renewal projects. HKHS had been providing a supplementary number of housing units to help relieve the pressure of housing demand in the community.</p> | <p>requested in paragraph 6(a) and (b) of the minutes.</p> |
| 020331 - 020751 | Chairman Dr Fernando CHEUNG Administration | <p>Dr Fernando CHEUNG did not accept that the Administration had no concrete measures to honour the policy pledges made by CE in his election manifesto.</p> <p>Regarding the 5 020 frozen application cases as at end-June 2012 due to the applicants' failure to fulfill the seven-year residence requirement (paragraph 8 of Annex A to LC Paper No. CB(1)600/12-13(03) referred), Dr CHEUNG enquired about –</p> <p>(a) the number of cases involving single-parent family; and</p> <p>(b) whether the Administration would consider waiving the residence requirement for these applications so</p> | |

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| | | <p>that they could be allocated with PRH units earlier.</p> <p>The Administration clarified that the LTHS SC, instead of HA, would be studying the Government's medium-to-long term policies on housing. As regards the frozen application cases, the Administration agreed to provide relevant information as requested.</p> | <p>The Administration to provide information as requested in paragraph 7 of the minutes.</p> |
| 020752 - 021211 | Chairman Mr Frederick FUNG Administration | <p>In response to the enquiries made by Mr Frederick FUNG earlier, the Administration responded that –</p> <p>(a) all PRH applicants were given notices on what documents were required to be submitted together with their applications. In this connection, they should be aware that their applications could not be processed if any of the required supporting documents were missing;</p> <p>(b) regarding the unpopular PRH units, HA did not deliberately allocate a particular flat to a particular family. PRH units were allocated randomly. HA was also obliged to inform prospective tenants of the history of the units to be allocated to them;</p> <p>(c) whilst HA tried to give three housing offers to individual PRH applicants as quickly as possible, PRH allocation largely depended on the prevailing availability and distribution of housing resources;</p> <p>(d) since the income and assets of PRH applicants might be changing constantly, it was considered reasonable that the validity of the income and assets declarations made by individual applicants should not be more than six months so as to ensure that the limited PRH resources were allocated to those with genuine need;</p> <p>(e) the setting of the under-occupation</p> | |

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| | | <p>standard had already taken into account the circumstances of individual families and applicants; and</p> <p>(f) in considering the redevelopment of aged PRH estates, HA would examine the structural conditions of individual estates, cost-effectiveness in repair works, the availability of suitable rehousing resources and the potential net gain in PRH units after redevelopment. A special working group had been formed by the Housing Department to assess the redevelopment potential of aged estates.</p> | |
| 021212 - 021607 | Chairman Mr LEUNG Yiu-chung Administration | <p>Regarding the handling of vacant PRH units, Mr LEUNG Yiu-chung urged the Administration to consider offering incentives to encourage PRH applicants to move to estates located in relatively remote areas in order to expedite the letting of less popular PRH units.</p> <p>The Administration responded that it would study whether special arrangements could be made to attract PRH applicants to accept units in remote districts. Nonetheless, under the existing Express Flat Allocation Scheme, HA would invite target applicants to choose from less popular units so as to speed up the allocation of such units and reduce the vacancy rate.</p> <p>As regards the conversion project of Tin Lee House, HA considered it important to strike a proper balance between the supply of PRH and HOS to cater for the different needs of different groups in the community.</p> | |