

**Legislative Council Panel on Housing  
Subcommittee on the Long Term Housing Strategy**

**Long Term Housing Strategy  
Consultation Document**

**Purpose**

This paper sets out the key messages and recommendations of the consultation document on Long Term Housing Strategy (LTHS).

**Background**

2. The Government formed the Long Term Housing Steering Committee (the Steering Committee) in September 2012 to make recommendations on the LTHS for the next ten years. The Steering Committee issued the consultation document on LTHS on 3 September 2013 for three months' public consultation. A copy of the consultation document was sent to all Legislative Council Members on the same day (Paper No. CB(1) 1756/12-13(01)).

**Key Messages and Recommendations of the Consultation Document**

3. The consultation document sets out **strategies** to address Hong Kong's housing issues over the **long term**. The Steering Committee puts forward the following key messages and recommendations in the consultation document –

- (a) the Government is recommended to enhance its role in the provision of housing in order to resolve the problem of supply-demand imbalance. The future housing strategy is recommended to be **supply-led, with public housing accounting for a higher proportion of the new housing production**. In this connection, public housing includes both public rental housing (PRH) and subsidized sale units;
- (b) it is recommended that a practical and flexible approach should be adopted in projecting the long term housing demand. The projection should be reviewed and updated on an annual basis in light of prevailing policies, and economic and property market conditions. The current projection of the total housing supply target for the next ten years (i.e. from 2013-14 to 2022-23)

should **range from 440 000 units to 500 000 units, with a proposed supply target of 470 000 units;**

- (c) the **public/private split** for the **new** housing supply target for the next ten years is recommended to be **60:40** (public housing includes both PRH and subsidized sale flats). This ratio would need to be adjusted flexibly to cater for changes in circumstances, in order to balance the two major objectives of increasing production of public housing to satisfy demand and stabilizing the private housing market. The ratio between PRH and subsidized sale flats (such as the Home Ownership Scheme (HOS) units) within the public housing category should also maintain sufficient flexibility. There is also a need for an increase in the supply of HOS flats above the number which the Government has pledged;
- (d) low-income elderly and low-income families on the PRH Waiting List should be given priority for PRH and the average waiting time target of about three years for general applicants on the waiting list for PRH should be maintained. As regards non-elderly one-person applicants for PRH, consideration should be given to refine the Quota and Points System (QPS) by progressively reducing the waiting time for those non-elderly one-person applicants above the age of 35. The feasibility of building dedicated PRH blocks for singletons at suitable fill-in sites within existing PRH estates (such as those with a relatively lower plot ratio and with sufficient infrastructural facilities) should also be explored;
- (e) as for the pressing needs of the inadequately housed households, including the needs of those living in sub-divided units (SDUs), the Steering Committee considers that PRH should be their primary housing solution. The Steering Committee urges the Government to step up its enforcement actions to eradicate SDUs which are illegal and in breach of building and fire safety regulations, and to consider introducing a licensing or landlord registration system to better regulate the safety and hygiene conditions of SDUs in residential and composite buildings. At the same time, the feasibility of providing special transitional housing on temporarily vacant Government owned sites should also be explored;

- (f) the housing aspirations of the younger generation are recognized and should be addressed. An effective housing ladder should be established and the supply of HOS flats should be increased with a view to assisting the younger generation to purchase flats according to their own affordability. Apart from increasing the supply of HOS flats, consideration can also be given to other options (such as leveraging on the private sector capacity, implementing schemes for public-private co-operation) to increase the supply of adequate and affordable housing for the community;
- (g) as regards the calls to provide rent assistance to the grassroots and to implement rental control (including rent control), the Steering Committee is concerned that such measures would be counter-productive under a tight supply market situation, as any rent subsidy provided by the Government would most likely lead to upward pressure on rental levels. The Steering Committee also considers the suggestion of some to re-launch the “Home Starter Loan Scheme” to be inappropriate under the current acute housing supply situation lest it push up flat prices;
- (h) it is recommended that the various procedures and approval requirements in relation to planning and land administration should be reviewed in order to speed up the release of land resources to meet the urgent need for a substantial increase in housing; and to strike a balance between development and a sustainable environment in accordance with the community’s consensus;
- (i) future new towns should be developed as self-sustained communities in an “integrated” manner, with an effective transport network; sufficient commercial/industrial activities ; community facilities; and employment opportunities. In the long run, the average living space should be progressively increased, perhaps starting with PRH in non-urban districts; and
- (j) the Steering Committee considers that the housing problem which Hong Kong now faces is a long-standing one which needs time to address and also requires consensus of the community. To resolve the root of the housing problem, the community as a whole needs to make hard choices and accept trade-offs in order to increase housing land supply in a multi-pronged manner via short, medium and long term measures.

## **Public Consultation**

4. The three-month public consultation exercise started on 3 September 2013 and will end on 2 December 2013. A report on the public consultation will be submitted by the Steering Committee to the Government thereafter. The Government will take into account views expressed in the consultation document as well as those received from the public in formulating the LTHS and relevant policy measures.

## **Advice Sought**

5. Members are invited to comment on the content of the paper.

**Transport and Housing Bureau  
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