

立法會

Legislative Council

LC Paper No. CB(1)327/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting held on Monday, 5 November 2012, at 2:30pm in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Kwok-hing, MH (Chairman)
Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon Joseph LEE Kok-long, 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 WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kiwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Member absent : Hon LEUNG Kwok-hung

**Public Officers
attending : For item IV**

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

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

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

Mr CHIU Kin-chee
Assistant Director (Housing Subsidies)
Housing Department

For Item V

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

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

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

Mrs Connie LAI
Assistant Director (Long Term Housing Strategy)
Housing Department

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Confirmation of minutes

(LC Paper No. CB(1)80/12-13 — Minutes of the meeting held on 16 October 2012)

The minutes of the meeting held on 16 October 2012 were confirmed.

II. Information paper issued since last meeting

2. Members noted that the following papers had been issued since the last meeting –

(LC Paper No. CB(1)40/12-13(01) — "Land Registry Statistics in September 2012" provided by the Administration (press release)

LC Paper No. CB(1)82/12-13 — Referral arising from the meeting between Duty Roster Members and "香港社區組織協會基層房屋關注組" on 28 May 2012 regarding the rehousing of tenants affected by clearance of subdivided flats and the Administration's response (Chinese version only) (Restricted to Members))

III. Items for discussion at the next meeting

(LC Paper No. CB(1)107/12-13(01) — List of outstanding items for discussion)

3. The Chairman informed members that he and the Deputy Chairman had held an informal meeting with the Administration on 25 October 2012 on the work plan of the Panel for the 2012-2013 legislative session. The agreed list of outstanding items for discussion by the Panel had been circulated to members under LC Paper No. CB(1)107/12-13(01).

4. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 3 December 2012, at 2:30 pm -

Action

- (a) Creation of directorate posts for the Authority to be established to implement the Residential Properties (First-hand Sales) Ordinance; and
- (b) Performance of Environmental Targets and Initiatives in 2011/12.

5. Dr Fernando CHEUNG suggested that the subject of "Measures to deal with subdivided flats" should also be discussed at the next meeting given the public concern about subdivided flats. The Chairman agreed to convey Dr CHEUNG's suggestion to the Administration for consideration.

6. Mr Christopher CHUNG requested that the subject of "Overcrowding relief in public rental housing" be discussed in the 2012-2013 session. Dr Joseph LEE said that there was a need to review the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) with particular reference to rental control. He also hoped that this subject could be discussed in the 2012-2013 session. The Chairman said that members' requests would be conveyed to the Administration for consideration.

7. The Chairman reminded members of the joint meeting with the Panel on Development to be held on Friday, 9 November 2012, from 9:30 am to 12:30 pm to discuss "The short to medium term housing and land supply measures announced by the Chief Executive on 30 August 2012".

IV. Extending the Home Ownership Scheme secondary market to white form buyers

(LC Paper No. CB(1)107/12-13(02) — Administration's paper on "Extending the Home Ownership Scheme secondary market to white form buyers"

LC Paper No. FS07/12-13 — Fact sheet on "A summary of press reports on extending the Home Ownership Scheme secondary market to white form buyers" prepared by the Legislative Council Secretariat (Chinese version only)

8. The Secretary for Transport and Housing ("STH") said that the Administration was well aware of the need to resolve the housing needs of the community. It would strive to increase the supply of public and private housing through various measures, including the extension of the Home Ownership

Action

Scheme ("HOS") secondary market to white form ("WF") buyers, the development of a Long Term Housing Strategy ("LTHS"), as well as the introduction of a series of short to medium term housing and land supply measures. The Assistant Director of Housing (Housing Subsidies) gave a power-point presentation on the Administration's proposed scheme to allow WF buyers to purchase HOS flats with premium not yet paid under the Secondary Market Scheme ("the Scheme").

(Post-meeting note: A set of the power-point presentation materials on the subject was circulated to members vide LC Paper No. CB(1)152/12-13(01) on 7 November 2012.)

Duration and nature of the Scheme

9. Mr WU Chi-wai enquired whether the Scheme would be a permanent arrangement to address the home ownership needs of the eligible groups or whether it would be of an interim nature pending the completion of the first batch of new HOS flats in 2016-2017. STH explained that the Scheme was intended to be an interim measure to address the home ownership needs of the eligible groups pending the completion of the first batch of new HOS flats in 2016-2017. About 800 surplus HOS flats would be put up for sale soon.

10. Mr WU Chi-wai further enquired if consideration could be given to allowing WF applicants to rent HOS flats with premium not yet paid, thereby vitalizing the HOS rental market through an increase in the supply of rental flats. STH said that the purpose of HOS flats was to address the home ownership needs of eligible groups. Under the existing legislation, owners of HOS flats with premium not yet paid were not allowed to rent out their flats.

11. Mr Frederick FUNG sought clarification on whether WF buyers of HOS flats would be allowed to sell their flats with premium not yet paid in the secondary market after two years of the transaction. STH said that WF buyers of HOS flat would not be allowed to sell their flats in the secondary market within two years of the first assignment, but they could do so after two years.

Impact of the Scheme on the HOS market

12. Mr Frederick FUNG expressed concern on the impact of the Scheme on the HOS market as it appeared that the selling prices of HOS flats had gone up following the announcement of the proposed extension of the HOS secondary market to WF buyers. He said that HOS flats used to belong to a separate market which was unaffected by speculative activities. However, the Scheme gave rise to increased demand which was not met by a corresponding increase in supply, thus encouraging speculative activities. He was therefore strongly against the Scheme. STH responded that the rise in the price of HOS flats was

Action

caused by various factors. It was unlikely that the Scheme would have significant impact on the prevailing HOS market as it had yet to be implemented.

13. Dr Fernando CHEUNG said that HOS was meant to address the aspirations of low- and middle-income households for home ownership. Public rental housing ("PRH") tenants who chose to buy HOS flats would be required to surrender their PRH units so that these could be allocated to applicants on the Waiting List. HOS would facilitate PRH tenants in their upward mobility and deepen their sense of belonging. The proposed extension of the HOS secondary market to WF buyers had increased the demand for HOS flats and had further stimulated the overheated property market. In fact, the asking prices for some of the secondary HOS flats had increased to more than \$7,000 per square feet, which were way beyond the affordability of the general public. He enquired if the Administration would be prepared to introduce more effective measures to increase the housing supply. He also enquired if the resale restriction of two years could be extended to five years in an attempt to stabilize the HOS market. STH said that HOS was meant to meet the aspirations for home ownership of low- and middle-income households, mainly Green Form ("GF") applicants, (i.e. sitting PRH tenants who would be required to surrender their PRH units upon purchase of HOS flats) as well as WF applicants who met the eligibility criteria for HOS. The proposed extension of the HOS secondary market to WF buyers would revitalize the HOS secondary market while awaiting the completion of the new HOS flats in 2016-2017.

14. Mr LEUNG Che-cheung said that the Scheme had added stimulus to the overheated property market. With the proposed extension of the HOS secondary market, WF buyers would be competing with GF buyers for purchasing HOS flats in the secondary market, thereby pushing up property prices. As a result, GF buyers could no longer afford to buy HOS flats in the secondary market, which cost as much as \$3 million in the Tin Shui Wai area. The Scheme, though put up with good intention, had not achieved the desired result. He questioned why the resale restriction of HOS flats was set at two years after the first assignment. He also enquired about the number of GF buyers who purchased HOS flats in the secondary market each year. STH replied that there were on average about 1 900 transactions on the HOS secondary market per year. As there were currently about 250 000 HOS flats with premium not yet paid which were tradable on the secondary market, the proposed extension of the HOS secondary market to a quota of 5 000 WF buyers to be implemented in two batches would not have much impact on the secondary market. The increase in the prices of HOS flats had reflected the rising trend of the property market in general.

15. Mr WONG Yuk-man said that the reason behind the decrease in the number of transactions of HOS flats in the secondary market over the years was that the selling prices of HOS flats were beyond the affordability of GF buyers.

Action

By way of illustration, an HOS unit at Fu Wing Gardens was sold for over \$4 million, amounting to over \$7,300 per square feet. He considered that the Administration should increase the housing supply. Otherwise the Scheme would increase the demand for HOS flats and push up their prices in the secondary market. There was also a need to increase the rental assistance for recipients of Comprehensive Social Security Assistance as they were unable to find affordable accommodation with the present level of assistance.

16. Mr Alan LEONG said that the proposed extension of the HOS secondary market to WF buyers and the further measures adopted by the Administration to address the overheated property market, i.e. the adjustment of rates and holding periods of the Special Stamp Duty and the introduction of the Buyer's Stamp Duty, were in conflict with each other in that the former would stimulate the property market while the latter would dampen it. He asked whether, according to the Administration's assessment, the 5 000 WF buyers would be able to buy HOS flats from the secondary market when the Scheme was implemented. STH said that the Scheme was not in conflict with the further measures to address the overheated property market. As there were about 250 000 HOS flats with premium not yet paid which were tradable under the secondary market, the 5 000 WF buyers should not have a problem with the purchase of HOS flats.

17. Dr Joseph LEE said that while the Scheme was meant to facilitate WF buyers in the purchase of HOS flats in the secondary market, it had however given rise to competition between WF and GF buyers in purchasing such flats. He was concerned that owners of HOS flats might have great difficulty in their upward mobility to private residential flats amidst the rising cost of properties in the private sector. Moreover, WF buyers meeting the income and asset limits would also have difficulty in purchasing the highly priced HOS flats which were beyond their affordability.

18. In response to Mr LEONG's and Dr LEE's concerns, STH said that the Administration had no plan to introduce measures to curb the prices of HOS flats in the secondary market. As WF buyers were subject to income and asset limits, they would unlikely be able to afford to pay a high price for HOS flats in the secondary market. This would restrict the rising trend of the HOS secondary market. The effectiveness of the Scheme remained to be seen. At the request of Dr LEE, the Administration would provide the number of HOS flats with premium not yet paid which were offered for sale in the secondary market.

Admin

19. Mr Abraham SHEK said that subsidized housing and private housing belonged to two markets which should be dealt with separately. The interim scheme to allow WF buyers to purchase HOS flats with premium not yet paid could not solve the housing problem, but would interfere with the property market. It would also undermine the chance of home ownership by GF buyers who, upon the purchase of HOS flats, had to surrender their PRH flats for re-

Action

allocation to Waiting List applicants. The recovery of PRH flats from GF buyers would shorten the average waiting time for the much needed PRH flats. He stressed that low-income families living in dilapidated conditions and awaiting allocation to PRH flats had greater need for assistance than WF buyers wishing to upgrade themselves through purchasing HOS flats. He urged the Administration to expedite the provision of PRH flats to meet the housing needs of applicants on the Waiting List. STH said that subsidized housing and private housing had separate markets. Owners of HOS flats who wished to sell their flats in the open market were required to pay premium.

20. Mr IP Kwok-him declared that he was a member of the Subsidized Housing Committee of the Housing Authority ("HA") and he had participated in the discussion on the proposed extension of HOS secondary market to WF buyers. He said that under the existing policy, owners of HOS flats were not able to sell their flats in the open market because they could not afford the premium payment. With premium not yet paid, owners could only sell their flats to GF buyers but the latter were not keen to purchase as they were required to give up their PRH flats. This was the reason for the limited number of transactions over the years. By implementing the Scheme, HOS flat owners would be able to sell their flats with premium not yet paid to WF buyers. The proposed extension was supported as it would give WF buyers an additional option for home ownership pending the completion of new HOS flats in 2016-2017.

21. Mr Christopher CHUNG said that although there were about 250 000 HOS flats with premium not yet paid which were tradable under the Secondary Market Scheme ("SMS"), not many of them would be offered for sale as most of the owners had no intention to sell their flats. Besides, the high prices of HOS flats in the secondary market were beyond the affordability of GF buyers. The Scheme would therefore not be able to revitalize the HOS secondary market, but would instead push up the prices of secondary HOS flats. It would also deviate from the established housing policy. STH clarified that there was no change of the HOS policy. GF buyers could consider purchasing new HOS flats or HOS flats in the secondary market in accordance with their preference and affordability. The proposed extension of SMS to 5 000 WF buyers was meant to be an interim arrangement to allow WF buyers a chance to buy HOS flats with premium not yet paid in the secondary market.

22. Mr Tony TSE said that there were only an average of 1 900 HOS flat transactions in the secondary market each year, indicating that the supply of HOS flats in the secondary market was very limited as few owners would wish to sell their flats. The proposal to allow WF buyers to purchase HOS flats would increase the demand and push up the prices of HOS flats in the secondary market, which would in turn increase the prices of other residential flats in the private market. STH said that with the availability of HOS flats with premium

Action

not yet paid tradable on the secondary market, there should be sufficient choice for the 5 000 WF buyers. It would be up to owners themselves to decide whether they should sell their HOS flats.

23. Ir Dr LO Wai-kwok stated that as the Scheme was meant to revitalize the HOS secondary market, he enquired if an estimate had been made on the increase in the number of HOS flat transactions in the secondary market following the implementation of the Scheme. He said that as the Scheme would give WF buyers an additional choice, he would not object to it. STH said that while no estimate had been made on the increase in transactions, the setting of a quota of 5 000 WF buyers was made with reference to the availability of HOS flats with premium not yet paid.

24. Dr LAM Tai-fai noted with concern that no estimate had been made on the number of HOS flat transactions in the secondary market following the proposed extension. He questioned why the quota of 5 000 WF buyers was to be split into two batches of 2 500 each and whether the quota would be revised in the light of acceptance of the Scheme. STH said that the quota of 5 000 was considered appropriate having regard to the availability of HOS flats tradable in the secondary market. The Permanent Secretary for Transport and Housing (Housing) added that there were practical considerations in setting the quota at 2 500 for each batch. Sufficient staff would be required for processing the applications and about 2 500 applications could be processed at a time.

25. Mr Christopher CHUNG enquired if consideration would be given to re-launching the Tenant Purchase Scheme ("TPS"), in particular, the harmony type of design. STH said that the Administration had no intention to re-launch TPS at this stage.

26. Miss Alice MAK pointed out that some of the owners of HOS flats were reluctant to sell their flats but might wish to rent them out. As the allocation quota between families and singletons was 9:1, there might be a need to increase the quota for singletons. She also suggested that the surplus HOS flats should be made available for sale before extending the SMS to WF buyers. STH responded that the remaining surplus HOS flats, amounting to about 800, would be put up for sale soon. The allocation quota of 9:1 between families and singletons was worked out by the Subsidized Housing Committee of HA after careful consideration, taking into account the housing needs of different households, and with priority given to families. It was not the policy to allow owners of HOS flats to rent out their flats which were meant for their own occupation.

27. Mr LEUNG Yiu-chung stated that the Scheme would push up the prices of HOS flats in the secondary market. To resolve the housing problem, there was a need to increase housing supply. He considered that the Scheme should

Action

be temporarily suspended. STH responded that with the cessation of HOS, WF buyers had found it increasingly difficult to find affordable home, as they could not afford private residential flats and were not eligible for PRH. The proposed extension of SMS to WF buyers was meant to meet their aspirations for home ownership during the interim pending the completion of new HOS flats in 2016-2017. He hoped that members would not consider suspending the Scheme. The Administration was prepared to review the effectiveness of the Scheme after its implementation.

Motion

28. Mr LEUNG Yiu-chung moved the following motion which was seconded by Dr Fernando CHEUNG and Mr Frederick FUNG -

"本委員會促請政府暫時擱置擴展居者有其屋計劃第二市場至白表買家，重新檢討，避免推高居屋二手市場。"

"That this Panel urges the Government to temporarily suspend the extension of the Home Ownership Scheme ("HOS") secondary market to White Form buyers and conduct a review afresh, so as to avoid pushing up the HOS secondary market."

29. The Chairman put the motion to vote. Nine members voted for the motion, five members voted against the motion, and two members abstained. The Chairman declared that the motion was carried and requested the Administration to take the motion into consideration.

30. STH responded that while he acknowledged members' views, it would be irresponsible on the part of the Administration to abandon the proposed Scheme before it was implemented. He understood the concerns raised by members and would report on the outcome of the Scheme after it had been implemented.

V. Long Term Housing Strategy

(LC Paper No. CB(1)107/12-13(03) — Administration's paper on "Long Term Housing Strategy"

LC Paper No. FS08/12-13 — Fact sheet on "A summary of press reports on formulating the Long Term Housing Strategy" prepared by the Legislative Council Secretariat (Chinese version only))

Action

31. The Deputy Secretary for Transport and Housing (Housing) gave a power-point presentation on the scope, institutional framework and time frame of the review of the Long Term Housing Strategy ("LTHS").

(Post-meeting note: A set of the power-point presentation materials on the subject was circulated to members vide LC Paper No. CB(1)152/12-13(02) on 7 November 2012.)

Scope of the LTHS review

Land and housing supply

32. Dr KWOK Ka-ki stated that the first and second review of LTHS conducted in 1987 and 1997 had indicated a need for the provision of 40 000 subsidized flats and 30 000 private residential flats, when the population was then about six million. However, the latest estimated flat production was only 65 000 flats for the next three to four years, when the population had reached to seven million. Meanwhile, there was no firm commitment on the provision of land for housing. He questioned the Government's determination and commitment in meeting the housing needs of the community. STH said that the LTHS review to be conducted would be based on the prevailing situation. A series of short to medium term housing and land supply measures would be implemented during the interim while awaiting the completion of the LTHS review. The estimated production of 65 000 flats for the next three to four years was meant for private housing but not public housing. He agreed that there was a need to expedite the production of both public and private housing. The Administration's target was to produce a consultation document on LTHS for a planning horizon of 10 years by around mid 2013.

33. Mr Frederick FUNG said that there was a need to increase the production of PRH units beyond the annual production target of 15 000, without having to wait for the outcome of the LTHS review. To increase the production, consideration could be given to shortening the construction process and increasing the plot ratio, etc. STH responded that the annual production target of 15 000 PRH flats, 5 000 HOS flats and 20 000 private residential flats was set by the last term of Government. The LTHS review would work out the housing demand and housing land requirement to meet the housing needs of the community. It would also review the adequacy of the target production of 15 000 PRH units per year. Efforts had since been made to compress the public housing development programme and optimize land use.

34. Mr LEUNG Che-cheung was of the view that the LTHS review should not plan for a very long term as circumstances would change with time and it should look into the prevailing circumstances. He said that apart from the provision of sufficient land, it was also necessary to have enough manpower

Action

resources in the construction industry to meet the annual housing production target. In view of the shortage of construction workers and the reluctance of the younger generation to join the construction industry, LTHS should look into the problem of manpower shortage in meeting the housing production target. STH acknowledged the concern about manpower shortage in the construction industry and agreed that the problem would need to be dealt with. He also said that the LTHS would be regularly reviewed and suitable adjustments would be made to meet the housing needs of the community.

35. Noting that the review of LTHS aimed to ensure optimal use of the existing land and housing resources, Mr WU Chi-wai enquired whether LTHS would explore new land resources to meet the housing needs of the community. He also enquired whether consideration could be given to vitalizing the rental market by allowing HOS flats to be rented out. He supported that old PRH estates should be redeveloped to provide more PRH units. STH said that apart from optimizing the use of existing land resources, the Government would try to explore new land resources to meet the housing needs of the public.

36. Mr LEUNG Yiu-chung queried the Administration's commitment in considering members' views given that it had declined to take heed of the motion on the temporary suspension of the extension of HOS secondary market to WF buyers carried by the Panel under agenda item IV of the same meeting. He pointed out that the scope of the LTHS review was only decided by the LTHS Steering Committee and Panel members had not been consulted. He considered that the housing policies had been worked out for members' information rather than consultation and he did not have confidence that the Administration would heed members' views. STH responded that as the extension of HOS secondary market to WF buyers had yet to be implemented, its effectiveness remained to be seen. He said that the LTHS Steering Committee only had its first meeting in mid-October 2012. The Administration was prepared to work closely with the Panel on the LTHS review.

Public housing

37. Mr Christopher CHUNG was concerned that the target of maintaining an average waiting time of three years for PRH applicants on the Waiting List could not be met. He was also concerned about the inequity of allocation standards as existing tenants were subject to a stringent criterion for overcrowding relief while new tenants enjoyed a more generous allocation standard of seven square metres per person. He pointed out that as the design of four- to five-person PRH flats only provided one bedroom, families with grown-up children of opposite sexes found it difficult to maintain privacy. STH said that the average waiting time for first housing offer had been maintained at three years. There were however cases with longer waiting time due to various reasons, such as changes in the applicants' situation and particular preference for

Action

certain districts, etc. Given the limited supply of PRH flats, there would be difficulty in providing overcrowding relief to all the concerned households.

38. Mr Vincent FANG stated that the review of LTHS would be of vital importance as it would work out the long-term housing demand and project housing land requirement. He supported the Policy on Safeguarding Rational Allocation of Public Housing Resources to ensure that only eligible tenants could continue to stay in PRH. Given the scarce housing resources, better-off tenants should move out so that PRH units could be recovered for re-allocation to applicants on the Waiting List. In this connection, efforts should be made to step up the checking on household income and assets of PRH tenants. STH said that the housing ladder could be rebuilt upon relaunching of HOS. If necessary, the eligibility for PRH would be reviewed. There was regular checking on household income and assets of PRH tenants to prevent abuse. As to Mr FANG's enquiry on the number of PRH units recovered, STH advised that on average, about 7 000 PRH units were recovered each year.

39. Mr LEE Cheuk-yan was concerned that the LTHS review would delay the implementation of short to medium measures to address the housing demand. He shared the view on the need to increase PRH supply without having to await the outcome of the LTHS review, given the long waiting list for PRH. As there was a time lag between the construction and delivery of flats, there was a need to increase the annual production target to more than 15 000 PRH flats. As there were over 71 100 residents living in subdivided flats who were awaiting allocation to PRH, the increase in the supply of PRH flats could resolve their housing problem. There was also a need to look into the poor living conditions at the dilapidated interim housing units at Long Bin with an allocation standard of three square metres per person only. He also enquired whether rental control would be reinstated.

40. STH responded that he would pay a visit to interim housing units very soon, including those at Long Bin, and had recently visited subdivided flats at Sham Shui Po and was well aware of the poor living conditions. While agreeing on the need to increase the supply of PRH flats, he informed members that the review on LTHS would take into account demographic and economic developments, and a consultation document would be issued by mid 2013. He further said that the Administration had no intention of reinstating rent control, but would closely monitor the situation in the rental market.

Private housing

41. Mr LEUNG Che-cheung enquired if the Hong Kong Property for Hong Kong People ("HKPHKP") policy would be incorporated in LTHS. STH replied that the HKPHKP policy, which aimed at giving priority to the housing needs of Hong Kong people, was a policy adopted by the current term of Government,

Action

and it would be subject to review if required.

42. Mr Michael TIEN sought clarification on the rationale behind the introduction of short and medium housing and land supply measures as these would interfere with the private property market. He considered that while the HKPHKP policy would assist Hong Kong permanent residents in property investment as they did not need to compete with Mainland investors, it could not assist them in achieving home ownership, especially for first time homebuyers. He would support giving assistance and priority to first time homebuyers under the HKPHKP policy. He also enquired whether the HKPHKP policy, which would restrict the sale of properties to Hong Kong permanent residents for the next 30 years, would be enforceable in the long run. STH responded that the Lands Department and the Department of Justice were working on the implementation details of the HKPHKP policy, the objective of which was to give priority to the housing needs of Hong Kong people. The housing and land supply measures introduced were meant to address the overheated property market by managing demand.

Institutional framework for the review of LTHS

43. Mr WU Chi-wai enquired about the role and composition of the LTHS Steering Committee. STH said that the LTHS Steering Committee was chaired by STH and comprised 15 non-official members and three official members, the latter being the Permanent Secretary for Transport and Housing (Housing), the Permanent Secretary for Development (Planning and Lands), and the Government Economist. The Steering Committee was supported by an inter-departmental Working Group. The Working Group would compile and examine relevant housing-related information; work out the long-term housing demand; assess and project housing land requirement; and formulate options for consideration of the Steering Committee. While STH would be taking the lead in the review of LTHS, there would be close cooperation with the Development Bureau on matters relating to planning and lands. The Steering Committee on Housing Land Supply, chaired by the Financial Secretary, had been tasked to monitor the provision of essential infrastructure support for the timely supply of public and private housing works to build up a land reserve for future disposal. In response to Mr WU's request, the Administration would provide the institutional framework showing the various parties responsible for land and housing supply.

Admin

44. Dr Fernando CHEUNG was concerned that despite the long waiting list for PRH, there was only an average production of 15 000 PRH units per year, which included a quota of 2 000 for non-elderly one-person applicants. In the absence of sufficient land for housing, the LTHS review could not solve the housing problem. He enquired whether the LTHS Steering Committee could open its meetings so that its minutes of meetings as well as information relating

Action

to land and housing supply could be made available for public reference. He also enquired if members of the public could be allowed to participate in the discussions.

45. STH replied that the LTHS Steering Committee would be assessing and projecting the housing demand to meet the needs of various groups including young people, the elderly, poorly-housed households, etc. In line with the practice of other consultative committees, the meetings would not be open to the public. The LTHS Steering Committee would listen to the views of different people in the community as well as that of the Panel. STH further said that at its first meeting on 15 October 2012, the LTHS Steering Committee agreed that while the demand for both public and private housing would be examined, implications on the supply side should not be ignored as any proposed measures to meet housing demand would be supply related. Land supply issues would continue to be dealt with under the existing established mechanism, including the Committee on Housing Development, the Committee on Planning and Land Development and the Steering Committee on Housing Land Supply.

Setting up of a subcommittee on the review of LTHS

46. Mr Abraham SHEK said that while he supported the conduct of the LTHS review, the review should take account of land supply, demographic growth and economic development. He considered it necessary that the Panel should establish a subcommittee on the review of LTHS to enable members to take an active part in the review and receive regular updates on the progress of the review. STH assured members that the Panel would be consulted on the review of LTHS and members' views as well as factors such as housing demand, demographic growth and economic development would be taken into consideration. The LTHS aimed at ensuring optimal use of existing land and housing resources to meet the housing needs of various groups through providing PRH to low-income families, meeting aspirations for home ownership for low-to-middle income families and re-building the housing ladder.

47. The Chairman said that the proposal of setting up a subcommittee under the Panel on the review of LTHS had been raised by the Deputy Chairman earlier. He said that the need for setting up the subcommittee as well as its scope of work, terms of reference and work plan would be discussed at the next regular meeting.

Action

VI. Any other business

48. There being no other business, the meeting ended at 4:45 pm.

Council Business Division 1
Legislative Council Secretariat
17 December 2012