

立法會
Legislative Council

LC Paper No. CB(1)1766/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 2 July 2013, at 4:30pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Kwok-hing, BBS, MH (Chairman)
Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
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 LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon Gary FAN Kwok-wai
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-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WU Chi-wai, MH

Public Officers attending : **For item III**

Ms Ada FUNG, JP
Deputy Director of Housing (Development & Construction)
Housing Department

Ms Connie YEUNG
Chief Architect/Development and Standards
Housing Department

For item IV

Mr Eugene FUNG
Director of Sales of First-hand Residential Properties
Authority

Miss Kathleen AU
Deputy Director of Sales of First-hand Residential
Properties Authority

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

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I. Confirmation of minutes

(LC Paper No. CB(1)1390/12-13 — Minutes of the meeting held on
4 March 2013)

The minutes of the meeting held on 4 March 2013 were confirmed.

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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)1238/12-13(01) — "Land Registry Statistics for May 2013" provided by the Administration (press release)

LC Paper No. CB(1)1328/12-13(01) — Letter dated 14 June 2013 from Hon WONG Yuk-man on the policy on and waiting time for public rental housing allocation (Chinese version only)

3. The Chairman sought members' views on Mr WONG Yuk-man's proposal for setting up a subcommittee under the Panel to study the policy on and waiting time for public rental housing ("PRH") allocation (LC Paper No. CB(1)1328/12-13(01)). As members present did not raise objection to the proposal, the Chairman said that the proposal would be followed up in the next legislative session.

III. Modular Flat Design for public housing development of the Hong Kong Housing Authority

(LC Paper No. CB(1)1391/12-13(01) — Administration's paper on "Modular Flat Design for public housing development of the Hong Kong Housing Authority")

4. The Deputy Director of Housing (Development & Construction) ("DDH(D&C)") briefed members on the Modular Flat Design ("MFD") for public housing developments by the Hong Kong Housing Authority ("HA"). The Chief Architect/Development and Standards gave a power-point presentation on the subject.

(Post-meeting note: A set of the power-point presentation materials was circulated vide LC Paper No. CB(1)1433/12-13(01) on 4 July 2013.)

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5. Mr KWOK Wai-keung enquired whether the adoption of MFD had resulted in the reduction of manpower resources for public housing production and the deletion of posts in the Housing Department. He also enquired if the walls of MFD flats would be thick enough to provide insulation from the noise generated from upper floors and whether the concept of green buildings had been applied in MFD. DDH(D&C) clarified that MFD was adopted to optimize the use of valuable land resources, and increase building efficiency and cost effectiveness. They could meet noise abatement requirements. While the adoption of MFD, unlike the use of pre-fabricated components, had not resulted in a significant reduction in manpower resources, it had achieved greater efficiency and productivity in housing design and construction through wider use of mechanized building process.

6. Mr LEUNG Yiu-chung was concerned about whether MFD would be able to screen off noise from neighboring units and that the one-person units were too small. He considered it necessary that the ventilation of units should be improved as most elderly tenants would prefer to have their windows opened instead of relying on air-conditioning. DDH(D&C) responded that MFD had incorporated the green building concept and had taken into account the need for enhanced ventilation and lighting. They had met the relevant legislation. Side windows were provided to allow for better ventilation. As for one/two-person modular flats with an area of 14 square meters, the ratio of living area to service area (kitchen and bathroom) had been optimised for better living. Studies were being conducted on the use of noise insulation materials in modular flats to achieve better noise screening effect. At the Chairman's request, the Administration would provide for members' reference the outcome of the studies on the use of noise reduction measures in modular flats.

7. Mr LEUNG Chi-cheung was concerned about the detailed design of PRH flats. For example, screws could not be affixed to the partition walls of Tin Shing Court and Tin Ching Estate as the walls were made with hollow bricks. The pre-fabricated components had made it difficult to perform seepage repair works. There was also a need to improve the ventilation in corridors. He supported that balconies be provided in PRH units. DDH(D&C) responded that decoration guidelines were issued to tenants on the methods for affixing screws or fixtures onto the pre-fabricated light weight concrete partition walls. The water seepage problems arising from pre-cast components used in earlier days had been mitigated by using modern pre-fabricated components and technology. There had also been much improvement in the ventilation following the adoption of MFD. Noise arc balcony design for noise mitigation was adopted in a PRH estate in Sham Shui Po but this was not a norm.

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8. Mr Tony TSE sought elaboration on the performance of MFD and how it compared with non-MFD in terms of water-proofing, noise insulation and construction efficiency. He also enquired whether MFD would be applied to all public housing developments. DDH(D&C) said that all PRH units, be it MFD or non-MFD, were required to meet the same quality standard. Efforts had been made to improve the performance of MFD in terms of water-proofing and noise insulation. Non-MFD would still be adopted where appropriate. As to the efficiency of construction, this would depend on the number of storeys to be built rather than the design of flats, given that a mechanized building process would apply.

9. Mr Christopher CHUNG commented that PRH units were not user-friendly. Some of the one/two-person units at Tsui Wan Estate were very long and narrow. There was also a need to improve the ventilation of units by providing opposite windows. He considered it necessary that the Estate Management Advisory Committees should convene meetings with tenants to identify the problems associated with the design of PRH units and the means to improve the situation. DDH(D&C) said that improvements had been made to the user-friendliness of PRH units. Side windows had been provided in one/two-person units to improve ventilation. With the thickened floor slabs, the modular flats would be more sound-proof. Other enhancement measures included the provision of a sunken shower design and more power sockets at one metre above floor level to make them more easily accessible by the elderly and disabled. At the Chairman's request, the Administration would arrange a site visit to MFD to explain the enhancements to the user-friendliness in terms of wheelchair access to bathrooms and effectiveness of noise insulation.

(Post-meeting note: The site visit was conducted on 29 July 2013.)

10. Mr Frederick FUNG enquired if consideration could be given to requiring the use of locally manufactured pre-fabricated components in public housing production in an attempt to create more job opportunities for the local workforce. He also enquired if the construction materials used for public housing production were recyclable and whether the building design was environment-friendly and energy efficient. He said that there were some residential blocks in the Mainland and European countries where one entire floor was vacated for use by tenants to conduct social and greening activities. There were some other developments where communal terraces were provided on different floors for use by tenants. In this way, the tenants need not use the facilities provided at the ground level. He enquired if such arrangements could be provided in PRH estates.

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11. DDH(D&C) explained that the Administration could not impose a requirement that only locally manufactured pre-fabricated components were to be used in public housing production in Hong Kong as this would contravene the World Trade Organization Government Procurement agreement. However, construction materials to be used as well as the construction process to be applied were environment-friendly. Carbon audits would be performed to ensure compliance with environmental requirements in terms of energy efficiency and waste reduction, etc. A trial had been carried out at Kwai Luen Estate, Kwai Chung, on the provision of communal terraces on different floors of the residential blocks for tenants' social and greening activities. At Mr FUNG's request, the Administration would arrange a visit to Kwai Luen Estate to inspect the trial and would provide for members' reference the various environmental initiatives which were used in public housing developments.

(Post-meeting note: The site visit was conducted on 29 July 2013.)

12. Ir Dr LO Wai-kwok declared that he was a member of the Building Committee and the Tender Committee of HA. He said that the changes from standard block designs to site specific designs with MFD were necessitated by site constraints. HA had since adopted MFD to all public housing domestic blocks specifically designed to maximize development potentials. In his recent visits to manufacturers of pre-fabricated components in the Mainland, he was given to understand that HA's requirements for the quality of pre-fabricated components for use in public housing developments were more stringent than those used in private developments. He considered that to ensure the user-friendliness of the modular flats, more attention should be given to details, in particular, on the location of sockets. He also enquired about the savings in construction time as a result of applying MFD using the mechanized building process.

13. DDH(D&C) responded that there was stringent quality control in the manufacture of pre-fabricated components. Based on the feedback from tenants, more twin sockets had been provided to address users' needs. A new design of a Common W-trap System had been provided in all domestic flats to prevent transmission of disease through dried-up floor traps. Furthermore, the electrical consumer unit had been relocated from the kitchen to the living area for better access for maintenance.

14. Mr WONG Yuk-man sought explanation on the advantages of MFD over standard block designs. He also enquired about the noise reduction measures to be taken in the event that MFD was found to be ineffective in the abatement of noise. He considered it necessary that the universal design for better living environment and convenience should be further reinforced and that more land

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should be made available for public housing. DDH(D&C) said that MFD would provide for enhanced ventilation, lighting, and maximization of site development potentials. She assured members that the noise reduction measures would be effective in abating noise.

IV. Implementation of the Residential Properties (First-hand sales) Ordinance and the work of the Sales of First-hand Residential Properties Authority

(LC Paper No. CB(1)1391/12-13(02) — Administration's paper on "Implementation of the Residential Properties (First-hand sales) Ordinance and the work of the Sales of First-hand Residential Properties Authority"

LC Paper No. CB(1)1391/12-13(03) — Background brief on "Residential Properties (First-hand Sales) Ordinance and the Sales of First-hand Residential Properties Authority" prepared by the Legislative Council Secretariat)

15. The Director of Sales of First-hand Residential Properties Authority ("D/SRPA") briefed members on the implementation of the Residential Properties (First-hand Sales) Ordinance (Cap. 621) ("the Ordinance") and the work of the Sales of First-hand Residential Properties Authority ("SRPA") by highlighting the salient points of the information paper. He also updated members on the latest statistics on the sales of first-hand residential properties. He advised that as at 1 July 2013, vendors had offered for sale 453 first-hand residential properties in six residential developments. There were 180 Preliminary Agreements for Sales and Purchase being entered into, of which 105 had entered into Agreements for Sales and Purchase. Another nine residential developments comprising a total of about 1 430 unsold first-hand residential properties had their sales documents made available to the public and would likely be offered for sale shortly. Another 69 residential developments had opened accounts with the Sales of First-hand Residential Properties Electronic Platform ("SRPE"), which indicated that the vendors concerned were planning to put those developments on sale in the near future. In response to the Chairman's request, the Administration would provide for members' reference the pamphlet on the Ordinance which was issued by the SRPA and was targeted

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at prospective purchasers of first-hand residential properties.

(Post-meeting note: Copies of the pamphlet on the Ordinance were distributed to members under LC Paper No. CB(1)1462/12-13 on 5 July 2013.)

16. Mr Michael TIEN pointed out that some developers might not wish to offer all the flats in a development for sale at the same time as they might like to keep some of them for rent. He enquired if those developers were required to go through all the procedures in accordance with the Ordinance again when the remaining flats were offered for sale at a later stage. He also enquired about the application of the Ordinance in situations where some of the flats were sold prior to the commencement of the Ordinance, while the remaining flats were sold after the commencement. D/SRPA said that the Ordinance applied to the sale of first-hand residential properties situated in Hong Kong, with the exception of those situations which the Ordinance did not apply or were exempted under the Ordinance. The sale of left-over first-hand residential properties in a residential development of which sale had commenced before the implementation of the Ordinance was subject to the Ordinance. However, the Ordinance would not apply if the development was completed and at least 95% of the residential properties in the development had been leased out for a period of at least 36 months after the issue of the occupation permit. Moreover, if a first-hand residential property was sold to a sitting tenant who had been holding that property under a tenancy for a continuous period for at least one year and if that sitting tenant agreed in writing not to ask for a sales brochure, there would be no need for the vendor to make available the sales brochure to that sitting tenant. He said that, as far as sales brochure was concerned, a sales brochure had to provide information on the basis of a residential development or a phase of a development. The objective was to let prospective purchasers have an overview, rather than piecemeal information, of the residential portions of a development or a phase of a development. He said that the issue had been discussed in detail at the Bills Committee on Residential Properties (First-hand Sales) Bill.

17. Mr WONG Yuk-man said that he had supported the enactment of the Ordinance which would enhance the transparency and fairness of the sales of first-hand residential properties. He enquired about the progress of implementation of the Ordinance, adding that penalties should be imposed on developers who failed to comply with the Ordinance. He pointed out that most insurance agencies had been using gross floor area ("GFA") as the basis for calculating the levels of premium for home insurance, and this would not be in line with the Ordinance which provided that property size could only be quoted on the basis of saleable area ("SA"). In this connection, he enquired if insurance agencies as well as other relevant trades which had been using GFA

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in their business dealings should be required, for the sake of standardization, to conform to the provisions of the Ordinance by using SA instead of GFA.

18. In response, D/SRPA said that the sales documents, websites, advertisements, sales office and show flats made available by vendors under the Ordinance had generally complied with the requirements of the Ordinance. Most of the mistakes which vendors had made were technical and minor in nature. That said, under the Ordinance, those mistakes were criminal offences. The Administration had been liaising closely with the Real Estate Developers Association of Hong Kong ("REDA") to ensure that the trade understood and would comply with the Ordinance. The SRPA had issued frequently asked questions and answers ("FAQ") to facilitate vendors and relevant stakeholders to understand the Ordinance, including setting out what should or should not be provided in a sales brochure. With reference to the use of GFA by insurance agencies, D/SRPA said that relevant trades would be informed of the use of SA only in quoting property size in the sale of first-hand residential properties. However, as the requirement of using SA as the only basis for quoting property size only applied to the sale of first-hand residential properties under the Ordinance, such requirement could not be enforced in other dealings. The Chairman requested the Administration to continue to follow up with relevant trades on the use of SA in quoting property size.

(Post-meeting note: As advised by the SRPA after the meeting, the SRPA had examined the issue and considered that it might not be proper for saleable area to be used as the basis for home insurance calculation, as saleable areas did not cover all of the areas which formed part of a residential property. For example, bay windows, roofs and other items in Part 1 of Schedule 2 to the Ordinance were excluded from the saleable area of a residential property. That said, the SRPA would inform the insurance industry that after the implementation of the Ordinance, there was no GFA for a first-hand residential property.)

19. Mr Tony TSE supported the implementation of the Ordinance which would help protect the interest of purchasers. He was however concerned about the confusion over the use of SA and GFA in property sales, as the latter was still commonly used in quoting property sizes of second-hand flats although information on both SA and GFA was made available by estate agents. He saw the need for further refining the implementation of the Ordinance by setting up a working group to maintain close liaison with the trades and stakeholders. He did not support the requirement of making available sales brochures on a 24-hour basis as this might pose difficulties on developers operating on a small scale. He was also concerned that SRPE, which contained the sales brochure, price lists, and Registers of Transactions made available by vendors of individual first-hand residential developments, could be hacked into.

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20. D/SRPA said that SRPA had all along been maintaining close liaison with the property trades and relevant stakeholders including REDA, the Law Society of Hong Kong, the Institute of Architects and the Institute of Surveyors, to understand their concern and to exchange views. Under the Ordinance, vendors of first-hand residential properties were required to make available to the public both hard and electronic copies of sales brochures for a period of at least seven days on a continuous basis before the date of sale. That said, the SRPA would take into account all relevant factors in deciding whether a vendor had complied with that requirement or not, including the explanation from the vendor, the duration of the interruption in making available a sales brochure on a 24-hour basis and the reasons etc. Referring to an earlier incident in which the vendor had failed to make available the electronic copy of the sales brochure on the designated website for the development for a continuous period of seven days before the date of sale, the SRPA observed that the duration of interruption was more than reasonable. The SRPA had therefore written to remind the vendor of the requirement. He assured members that SRPA would be reasonable and fair in implementing the Ordinance.

21. Dr KWOK Ka-ki sought explanation on why it took 21 days for SRPA to respond to enquiries from the public. He enquired whether SRPA staff would be stationed in the sales office to answer enquiries from prospective purchasers. D/SRPA explained that the SRPA had responded to enquiries which were straight-forward promptly, and not later than 21 days for the majority of those more complicated cases. The majority of the more complicated cases came from individual vendors and their solicitors in relation to case-specific issues, such as issues on the provision of information in the sales brochure on the Deeds of Mutual Covenant and land leases of a residential development. On the provision of support to prospective purchasers, he said that the SRPA website, the SRPE, and the SRPA Resource Centre provided prospective purchasers and members of the public with access to information useful to them. SRPA staff would pay visits to the sales office during the sale of first-hand residential properties. Also, it was a requirement under the Ordinance that a sales brochure had to reproduce the Notes to Purchasers of First-hand Residential Properties at the upfront of a sales brochure. The Notes to Purchasers of First-hand Residential Properties contained the website address and contact details of the SRPA to facilitate prospective purchasers in making enquiries. Assistance would be provided to prospective purchasers by the SRPA as far as possible with available resources.

22. Mr Alan LEONG pointed out that as vendors and their solicitors would consult SRPA on the information to be provided in sales brochures, SRPA would be in a difficult situation when dealing with complaints from purchasers on the sales brochures which were provided on its advice. D/SRPA replied that

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SRPA was mindful that it had to treat all vendors and stakeholders fairly and had to avoid a role conflict. In responding to enquiries from individual vendors or solicitors, SRPA would refer them to the relevant provisions and guidelines, as well as FAQs if the requisite information was already given therein. Additional guidelines would be issued as appropriate to deal with generalized situations which were not currently covered and all relevant stakeholders would be notified via REDA and SRPA's website.

23. On Mr Alan LEONG's further enquiry on the progress of SRPE, D/SRPA said that SRPE had been launched for use by the public when the Ordinance came into operation on 29 April 2013. Vendors who were planning to put their first-hand residential developments on sale would first have to open accounts with SRPE. With accounts opened, a vendor might then make available the electronic copies of the sales brochure, price lists, and Registers of Transactions of a development on the SPRE to comply with the various requirements under the Ordinance. Members of the public could make reference to the information on the developments provided by vendors by accessing the SRPE.

24. Mr James TO enquired about the need for sales brochures to be made available seven days before the sale of first-hand residential properties and for them to be provided continuously on a 24-hour basis. D/SRPA responded that as section 25(1) of the Ordinance provided that "During a period of at least 7 days immediately before a date of the sale mentioned in section 14(1), the vendor must make hard copies of the sales brochure for the development available for collection by the general public free of charge", there was a need for hard copies of the sales brochures to be made available any time during the seven days prior to the sale. He said that the SRPA had explained to REDA that the requirement for providing hard copies of the sales brochures on a 24-hour basis for the period of at least seven days before a date of sale would be satisfied if the hard copies of the sales brochures were made available as such at any place as designated by the vendor, not necessarily at the sales office of that development. He said that REDA noted the SRPA's explanation of the requirement, and considered it practical.

25. Mr James TO further enquired whether vendors would be penalized for not making available sufficient copies of sales brochures for collection by the public. D/SRPA reiterated that the SRPA would be reasonable and fair in implementing the Ordinance. Where hard copies of the sales brochure of a development were out of stock for collection by the general public at the venue as designated by the vendor, the SRPA would consider the reasonableness of the explanation of the vendor and the remedial actions taken by the vendor in deciding whether to take enforcement action against the vendor.

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26. The Chairman said that as the Ordinance had only been in operation for two months, he supported that more publicity efforts be made to promote public awareness of the requirements of the Ordinance. He hoped that a review could be made after the Ordinance had been in operation for one year. D/SRPA said that the SRPA would review the implementation of the Ordinance from time to time, and would brief the Panel on the progress of the work of the SRPA around 12 months after the implementation of the Ordinance.

V. Any other business

27. As this was the last meeting in the current legislative session, the Chairman thanked members, the Administration and the Secretariat for their support and assistance over the year.

28. There being no other business, the meeting ended at 6:20 pm.

Council Business Division 1
Legislative Council Secretariat
9 September 2013