

**Legislative Council Panel on Housing Meeting on 4 March 2013**

**Discussion Paper for Agenda VII – Hong Kong Housing Society’s Shau Kei Wan Mixed Scheme Project**

**Purpose**

As reported by the press, the Shau Kei Wan Mixed Scheme Project (“Project H21”) developed by the Hong Kong Housing Society (“HKHS”) would be put up for sale by the end of this year. Members of the Panel on Housing are concerned about the high selling prices for residential flats of Project H21 as reported. In this connection, the purpose of this paper is to brief the Panel Members on the followings:

- (a) The background of the Project H21
- (b) The basis for the determining the selling prices of the residential flats of the Project

**Background of Project H21**

1. The Hong Kong Housing Society (HKHS) is an independent and non-government organization providing housing and related services for serving the community of Hong Kong. Project H21 is one of the six urban renewal projects entrusted to the HKHS by the Urban Renewal Authority (URA) under a Memorandum of Understanding (MOU) signed between URA and HKHS in December 2002, for establishing the strategic cooperation between the two organizations to facilitate implementation of the urban renewal programme. The strategic cooperation is pursuant to the recommendations in the “Report on the Review of the Institutional Framework for Public Housing” published by the Government in June 2002. Under this cooperation arrangement, HKHS bears all expenses for site acquisition and rehousing in light of the URA’s respective acquisition and compensation policies, and is autonomous and fully responsible for project planning, design and construction as well as marketing and sales of the flats within the entrusted projects. HKHS is therefore solely responsible for the finance of the entrusted projects.

2. As it is not a subsidized housing project, HKHS would sell the units to the public at full market price, and without re-sale restriction, similar to HKHS's other urban renewal projects.
3. In view of the aging population and in order to promote cross-generation care and support (長幼共融), HKHS has decided that Project H21 should be designed as a mixed development comprising 214 private flats for sale and 60 rental flats for lease. Successful purchasers of the private flats will be given the priority to lease the rental flats for their aged parents or family members. This would enable the flat purchasers to stay closely with their parents or family members for mutual help and support, but yet to preserve their respective privacies in life. This innovative project concept is the first of its kind to promote care and harmony within families in Hong Kong.

#### Pricing Mechanism of Project H21

4. Project H21 is a private project to be sold at the full market price free of restrictions. In determining the sale prices of Project H21, reference will be made to transactions of similar properties in the locality, the latest property indexes and the prevailing market condition.
5. HKHS is autonomous in undertaking the above-mentioned six entrusted projects with a balanced consideration of marketability and social objectives. In the sale of Heya Green 喜雅 in Sham Shui Po in mid-2012, HKHS has imposed out of its own initiatives various anti-speculation measures such as: sale by way of ballot with priority given to Hong Kong residents; no company buyers allowed; one person to buy one flat only etc. HKHS would consider adopting similar measures for the sale of this project later this year.

**Hong Kong Housing Society**  
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