

立法會
Legislative Council

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Panel on Housing

**Minutes of special meeting
held on Tuesday, 28 January 2014, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon WONG Kwok-hing, BBS, MH (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHAN Hak-kan, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
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 Tony TSE Wai-chuen

Member attending : Hon SIN Chung-kai, SBS, JP

Member absent : Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public Officers attending : **For item I**

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)

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

Mr Albert LEE, JP
Deputy Director (Estate Management)
Housing Department

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

Staff in attendance : Mr Ken WOO
Senior Council Secretary (1)5

Ms Mandy LI
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's 2014 Policy Address

(LC Paper No. CB(1)743/13-14(01) — Administration's paper on "Housing-related initiatives in the 2014 Policy Address and Policy Agenda"

LC Paper No. CB(1)758/13-14(01) — Questions raised by Hon SIN Chung-kai (Chinese version only)

LC Paper No. CB(1)771/13-14(01) — Submission from the Southern Branch of DAB (Chinese version only))

Relevant papers

Address by the Chief Executive at the Legislative Council meeting on 15 January 2014

The 2014 Policy Agenda booklet

1. The Secretary for Transport and Housing ("STH") briefed members on the housing-related initiatives in the Chief Executive ("CE")'s 2014 Policy Address.

(Post-meeting note: A copy of STH's speaking note was circulated vide LC Paper No. CB(1)820/13-14(01) on 29 January 2014.)

Increasing housing supply

2. Dr KWOK Ka-ki was concerned that the present term of Government would not be able to raise the supply of housing to a level that was sufficient to address the home ownership aspirations of the general public and to improve the poor living environment of the grassroots, especially those living in subdivided units ("SDUs"). Pointing out that it was impossible even for middle-class families to buy homes amidst soaring property prices, he urged the Administration to rebuild the housing ladder and relaunch the Sandwich Class Housing Scheme. STH responded that since the construction programme in the coming five years had already commenced, the scope for further increase in production within this period was limited. Nevertheless, the production of housing units in the coming years, be they public or private, would be higher than that in the previous years. Besides, the Hong Kong Housing Authority

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("HA") had taken steps to streamline the production process. The time required to complete a housing block had generally been reduced to about five years for sites that were readily available.

3. Ir Dr LO Wai-kwok relayed the concerns of Government engineering professionals on the increase in workload in the absence of sufficient professional support in the related disciplines to take forward the new housing initiatives. STH responded that as indicated in the 2014 Policy Address, the Government would ensure that HA was given sufficient financial resources for implementing the various housing initiatives.

4. Mr Michael TIEN commended the Housing Department ("HD") for its speedy solution to alleviate the problem of small bathroom of Po Tin Estate in Tuen Mun. Pointing out that the Government had identified about 80 additional Green Belt sites and Government, Institution or Community sites in various districts which could be made available in the next five years to provide about 89 000 units, he asked whether the Administration was confident that it could achieve the housing supply target given the growing resistance from the general public on changing land use. STH replied that the Administration was determined to realize the new supply target. However, it must obtain the support of the general public and the local communities concerned, particularly when making difficult choices in balancing the needs of different sectors.

5. Mr WU Chi-wai urged the Administration to take measures to increase housing supply. He asked about the Administration's plan to revitalize the rental market of some 300 000 Home Ownership Scheme ("HOS") flats with premium not yet paid. He reiterated his earlier suggestion of sharing of the rentals received by owners of such flats with the Government to address the concern on double benefits to such owners. Mr WU also noted that developers' sentiments had subsided in recent land auctions and asked if the Administration would re-assign those sites which were not sold for public housing development as they were disposed sites. STH responded that the Administration had introduced an interim scheme in 2013 to allow buyers with White Form status to purchase HOS flats with premium not yet paid on the HOS Secondary Market. The Hong Kong Mortgage Corporation Limited also provided a Premium Loan Guarantee Scheme to facilitate HOS owners to settle their premium payment to HA, with a view to revitalizing the HOS Secondary Market. The Administration would take into account all the views gathered during the public consultation on the Long Term Housing Strategy ("LTHS") when formulating the LTHS. It would also examine if more public housing would be provided in case of unsatisfactory land auction results.

6. The Chairman said that The Hong Kong Federation of Trade Unions ("HKFTU") welcomed the Administration's adoption of a supply-led strategy to

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resolve the housing problem and 470 000 units as the new public and private housing total supply target for the coming 10 years. Miss Alice MAK welcomed the Administration's decision to increase the supply target of HOS to an annual average of about 8 000 units. She enquired about the details of the sites to be provided to the Hong Kong Housing Society ("HS") for public housing development and whether the rental levels of the relevant development would be in line with those of HA's public rental housing ("PRH").

7. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") explained that the Government had identified two sites, one in Sha Tin Area 36C for HS to develop a housing project similar to HOS to provide about 1 000 subsidized sale units, and another in Sha Tau Kok to develop some 130 rental housing units. Prices of the housing development in Sha Tin would be set at a level similar to HOS whereas rentals of the Sha Tau Kok housing development would be in line with rural public housing developed by HS. STH added that the sale price and eligibility criteria had to be agreed by the Government for all Government-subsidized sale projects. Miss Alice MAK requested the Administration to allocate the units to be provided on the two sites afore-mentioned to Waiting List ("WL") applicants to shorten their waiting time.

8. Mr WONG Yuk-man questioned the Administration's ability to fulfill its plan to provide some 280 000 public housing units in the next 10 years in view of the lack of concrete plans and measures to secure land supply, construction manpower and financial resources for the works. Mr LEUNG Yiu-chung echoed Mr WONG's views.

9. Citing the inadequate capacity of train compartments of the West Rail Line as an example, Mr LEUNG Yiu-chung urged the Administration to avoid repeating the mistake of providing transport infrastructure only after the provision of housing developments in new development areas ("NDAs"). STH responded that it had always been the Administration's practice to plan for transport infrastructure in conjunction with housing developments in NDAs.

10. Mr Alan LEONG asked when the proposed housing developments in Queen's Hill would be ready for occupation with the provision of appropriate transport infrastructure. STH advised that a total of 19.6 hectares of land in Queen's Hill would be rezoned for providing about 11 000 public housing units and about 1 900 private housing units for accommodating a population of about 40 000. Works of the public housing developments were expected to be completed in 2019 to 2020 by phases.

11. Mr LEUNG Che-cheung was concerned that the population in Yuen Long would likely increase by 400 000 to 1 million in 15 years according to the new housing supply target. He said that he had long proposed to take forward the proposed Northern Link and the proposed Tuen Mun to Tsuen Wan Link to

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further connect Yuen Long with other parts in the territory, but had received no positive response from the Administration. He enquired about the Administration's plan to optimize the transport network in Yuen Long to cater for the impending population increase. STH responded that in taking forward housing developments, the Administration would conduct technical assessments on transport and environment to ensure compliance with the established planning standards and requirements. The consultancy study for the Railway Development Strategy 2000 had been completed and the Administration would announce the future railway development in the second half of 2014.

Reinstating rental control

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12. Dr Fernando CHEUNG expressed concern on the soaring rentals of SDUs which in his view were comparable to those of private flats in the higher end of the property market. He urged the Administration to reinstate rental control and take action against the overcharging of utility charges by owners of SDUs which was being increasingly reported. With regard to CE's remarks made at his Question and Answer session on 16 January 2014 on the 2014 Policy Address that implementing rental control would result in a decrease in the supply of rental flats and an increase in rent, both Dr CHEUNG and Mr LEUNG Kwok-hung requested the Administration to provide the relevant study findings to substantiate CE's remarks. Mr LEE Cheuk-yan considered that it would be irrational for property owners to withhold their properties from letting even if rental control was introduced, as it would mean forgoing rental income.

13. Pointing out that the period of tenancy agreements for SDUs was normally between half a year to a year and rentals would then be raised upon completion of the agreements, Mr LEUNG Yiu-chung asked about the short-term measures to relieve the rental burden of SDU tenants. Expressing a similar concern, Mr LEE Cheuk-yan said he understood from some WL applicants that they had to wait for more than a year to be assigned the second and the subsequent flat offers if they did not accept the first offer even due to legitimate reasons such as remoteness. These applicants, mostly living in SDUs, would then have to continue to bear expensive rentals to be increased on a yearly basis. He was also disappointed at the absence of concrete measures in the latest Policy Address to bring immediate relief to the ever increased rental pressure faced by SDU tenants.

14. STH advised that it was the Government's policy to eradicate SDUs in industrial buildings and step up enforcement actions against irregularities relating to building and fire safety for SDUs in residential and composite buildings. The Administration would consider the proposal of rental control having regard to the report to be submitted by the LTHS Steering Committee on the LTHS public consultation in the first quarter of 2014. As regards the waiting time for WL applicants, it remained the Government's objective to maintain the

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average waiting time ("AWT") at around three years for general applicants on the WL, although it would continue to face tremendous challenges in maintaining the AWT target. STH further said that the Administration had explained the mechanism on administering the WL to the Public Accounts Committee, and agreed that more information could be provided to WL applicants to enhance the transparency of their application.

Redeveloping Wah Fu Estate

15. The Chairman said that at the Council meeting on 15 January 2014 when CE presented the 2014 Policy Address, he was pleased to receive a positive response from STH on his request for optimizing the rehousing arrangements, including in-situ rehousing, for tenants of Wah Fu Estate affected by the redevelopment. He also said that HKFTU had set up a working group to follow up the redevelopment programme and would meet with the Administration in due course. He urged the Administration to accede to the following requests made by tenants of Wah Fu Estate: to provide in-situ rehousing; to provide removal services in addition to removal allowance as the majority of the tenants were the elderly; to ensure that rentals would not increase substantially and that living space and quality would improve upon redevelopment; to avoid building screen-like buildings; to take forward the construction of the proposed South Island Line (West) in parallel with the redevelopment project to meet the increased transport demand; and to enhance the facility and service provision in the district taking into account the needs of a large aged population, including the provision of recreation and fitness facilities, medical clinics, day care centres and estates for the aged.

16. Mr KWOK Wai-keung said that tenants of Wah Fu Estate had urged the Administration to announce the details of the redevelopment early. Mr IP Kwok-him said that he was confident about HA's ability to undertake the redevelopment of Wah Fu Estate, and urged HA to engage the local community in implementing the project to alleviate their concerns.

17. PSTH(H) explained that the Government's decision to partially lift the administrative moratorium on development in Pokfulam had allowed HD to conduct detailed planning on the five new sites as well as redevelopment of Wah Fu Estate to provide public housing. As a matter of priority, HD would commence work on the following: to work on the development parameters and proposals for the five new sites which would be the rehousing resources for the redevelopment of Wah Fu Estate; to rezone some of the new sites for public housing developments; to work out the development programmes for the new sites to allow decanting of tenants affected by the redevelopment of Wah Fu Estate; and to look into issues relating to the redevelopment potential of Wah Fu Estate. STH added that HA would conduct a detailed analysis of the

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redevelopment case for Wah Fu Estate in accordance with the "Refined Policy on Redevelopment of Aged Public Rental Housing Estate". The redevelopment programme for Wah Fu Estate and related details would be announced upon completion of the relevant assessments and after endorsement by HA. The local community and the District Council would be consulted in a timely manner once the development details were available.

18. Mr SIN Chung-kai enquired about the number of housing units to be provided under the redevelopment project as well as the five other sites, and whether HOS flats would be provided as a choice for the affected tenants. He also enquired about the implementation timetable and whether the redevelopment project would be conducted in phases. PSTH(H) replied that currently there were about 9 000 units in Wah Fu Estate. The redevelopment project along with the five sites would provide a total of some 20 000 public housing units. Both PRH and HOS flats would be provided under the redevelopment project to provide a choice to sitting tenants. A mix of PRH and HOS flats would also be provided in the five sites and HA would study the appropriate mix to be adopted to meet the demand of the public. The redevelopment works would be carried out in phases to contain environmental and traffic impacts.

19. Citing previous cases of demolishing public housing estates to make way for private housing developments, Mr LEUNG Kwok-hung asked whether the Administration would consider putting in place a mechanism to consult the public on the redevelopment options for existing public housing estates selected for redevelopment, starting with the case of Wah Fu Estate. STH reiterated his stance that land being used for public housing should continue to be used for providing public housing upon redevelopment.

Reviewing the redevelopment potential of aged public rental housing estates

20. Expressing support for redeveloping aged PRH estates to increase flat production and improve living environment, Mr IP Kwok-him enquired if HA had plans to redevelop Tai Yuen Estate in Tai Po and Lek Yuen Estate in Sha Tin as recently reported. He was also of the view that HA and HS should complement each other in taking forward redevelopment projects with a view to maximizing effectiveness and expediting the redevelopment process. STH responded that a dedicated Redevelopment Potential Action Team had been formed in March 2013 to identify more suitable aged PRH estates for redevelopment to increase flat production, and a review on the redevelopment potential and feasibility of 22 aged PRH estates had been completed.

21. In reply to the questions of Mr KWOK Wai-keung and Mr Alan LEONG on the timing for releasing the report on the above review, STH advised that the

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review was only a preliminary assessment and a more detailed analysis and planning were required for the estates which had the potential for redevelopment.

22. Mr WU Chi-wai requested the Administration to consider making use of the new housing block to be completed in Lower Ngau Tau Kok Estate for rehousing the residents of Wo Lok Estate, which possessed high potential for redevelopment. He also asked whether consideration would be given to relaxing the plot ratio of non-domestic developments in HA's sites with a view to providing more community facilities. STH responded that HA would closely explore whether there were new housing developments suitable for use as decanting resources to facilitate redevelopment projects. The Deputy Director of Housing (Development & Construction) replied that non-domestic developments in HA's sites were normally subject to a maximum plot ratio of 1.5 in urban areas. The Administration would take into consideration the needs of the local community and provide facilities and services that could best meet their needs.

II. Any other business

23. There being no other business, the meeting ended at 12:15 pm.

Council Business Division 1
Legislative Council Secretariat
25 June 2014