# 立法會 Legislative Council

LC Paper No. CB(1)411/13-14(04)

Ref.: CB1/PL/HG

#### **Panel on Housing**

#### **Meeting on 2 December 2013**

Updated background brief on the "Public Housing Construction Programme" prepared by the Legislative Council Secretariat

#### **Purpose**

This paper provides updated background information on the Public Housing Construction Programme ("PHCP") of the Hong Kong Housing Authority ("HA"), and gives a brief account of the views and concerns expressed by Members on the subject.

#### **Background**

2. The objectives of the Government's housing policy include providing low-income families who cannot afford private rental accommodation with public rental housing ("PRH"), with a target of maintaining the average waiting time ("AWT") for general PRH applicants on the Waiting List ("WL") at around three years<sup>1</sup>. To this end, HA has put in place PHCP, which is a rolling programme forecasting PRH production of the coming five years. PHCP will be reviewed annually and the level of PRH production will be adjusted as and when necessary. HA has advised that the average annual PRH production is not a rigid target. It will adjust the production level should additional sites become available, so as to maintain the AWT for general PRH applicants at around three years.

<sup>&</sup>lt;sup>1</sup> The AWT pledge does not apply to non-elderly one-person PRH applicants on WL.

#### 2013/14 - 2017/18 Public Housing Construction Programme

#### **Public Rental Housing**

3. The demand for PRH has been increasing in recent years. As at end-June 2013, there are 234 300 applications on WL queuing for PRH allocation, including 118 700 general applications and 115 600 non-elderly one-person applications. According to the PHCP as at June 2013, the forecast production of PRH for the five-year period from 2013/14 to 2017/18 is about 82 000 flats, i.e. averaging at about 16 000 units per year, with details as follows –

District	Expected number of units* and year of completion				
	2013/14	2014/15	2015/16	2016/17	2017/18
Urban	9 700	3 900	9 800	10 500	9 100
	(69%)	(31%)	(48%)	(56%)	(57%)
Extended	4 400	3 000	8 100	3 600	6 900
Urban	(31%)	(24%)	(40%)	(19%)	(43%)
New	-	5 800	2 600	4 700	-
Territories		(45%)	(13%)	(25%)	
Total	14 100	12 700	20 500	18 800	16 000
	(100%)	(100%)	(100%)	(100%)	(100%)

<sup>\*</sup> Figures may not add up to total due to rounding.

- 4. Under the 2013/14 2017/18 PHCP, new PRH production will mainly come from Urban and Extended Urban Districts. Among the new production, about 19% would be one/two-person units, 25% would be two/three-person units, 39% would be one-bedroom units (for three to four persons) and 16% would be two-bedroom units (for four persons or above). A breakdown of the PRH production forecast for the period from 2013/14 to 2017/18 (as at June 2013) is in **Appendix I**.
- 5. On 16 January 2013, the Chief Executive ("CE") delivered the Policy Address which sets out a series of housing and land supply policy initiatives. CE re-affirmed the provision of an annual average of about 15 000 new PRH flats during the five-year period from 2012/13 to 2016/17 under PHCP. The Administration estimates that an annual average of about 7 000 PRH flats can be recovered through voluntary surrender of flats to HA by sitting tenants and tenancy enforcement actions against the misuse of PRH flats, and these flats are available for re-allocation to those on WL. In other words, there will be an average of some 22 000 PRH flats each year for allocation. CE has also pledged to increase the supply of PRH, and adopt a production target of at least 100 000 units in total for the five years starting from 2018.

#### Home Ownership Scheme

6. According to the Administration, it has secured land for the development of about 17 000 Home Ownership Scheme ("HOS") flats over the four years from 2016/17. The sites for the first batch of the six HOS projects are located in Shatin, Tsuen Wan, Kwai Tsing and Yuen Long respectively. Construction works for five of these projects has commenced in mid-2013 for completion in 2016/17. In addition, HA has identified suitable sites for HOS development in different areas of the territory. These include Kai Tak Site 1G1(B) and four of the former My Home Purchase Plan sites which are located in Choi Hung, Diamond Hill, Ma On Shan and Tai Po districts.

#### **Long Term Housing Strategy**

7. The Long Term Housing Strategy ("LTHS") Steering Committee formed by the Government issued the consultation document on LTHS on 3 September 2013 for three months' public consultation. On the provision of housing, the LTHS Steering Committee has recommended that the future housing strategy should be supply-led, with public housing (public housing includes both PRH and subsidized sale flats) accounting for a higher proportion of the new housing production. The total housing supply target for the next 10 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. The public/private split for the new housing supply target for the next 10 years is recommended to be 60:40.

### Measures to increase land supply for public rental housing development

- 8. The Administration has advised that it will work on the following measures to ensure an adequate and steady supply of PRH and HOS flats
  - (a) the Steering Committee on Land Supply, chaired by the Financial Secretary, will pro-actively co-ordinate the overall plans for development and supply of land in Hong Kong for various uses, and adjust land supply in response to changes in demand;
  - (b) it will further strengthen the internal coordination within the Government and liaison with respective District Councils ("DCs") and local communities to identify suitable sites for public housing development in different areas of the territory;
  - (c) it will optimize the development potential of all available sites, and strive to relax plot ratios and building height restrictions; and

(d) compress the construction time of public housing flats from generally seven years to within five years through securing sites which have been properly zoned for residential use and sites which are resumed, cleared and formed, with adequate provision of infrastructure, and enlisting the support of DCs and the local communities to public housing projects.

#### **Deliberations by the Panel on Housing**

- 9. The Panel on Housing ("the Panel") discussed the production of PRH and HOS under the 2012/13 to 2016/17 PHCP at the meeting on 8 February 2013. The Subcommittee on the LTHS formed under the Panel discussed the consultation document on LTHS at its meeting on 27 September 2013.
- 10. While members welcomed the expedited production of PRH flats, they were concerned that the increased production of PRH units still fell short of the demand of the large number of applicants on WL for PRH and the applicants living in subdivided flats. They urged the Administration to take more measures to further increase the public housing supply and to identify sufficient land to meet the production targets. They also supported using the land in the Application List, and making available more disposed sites and using the sites of the Urban Renewal Authority and MTR Corporation Limited for public housing production. Some members were also concerned that with the present shortage of manpower resources in the construction industry, there would be difficulties in meeting the public housing production targets, let alone the compressed schedule to reduce the time needed for completion of public housing projects from seven to five years.
- 11. Members were also of the view that the Administration should revamp the existing housing policies and identify new land to meet the housing needs of the growing population, in particular single youths, for example, by developing PRH at the peripheral part of urban areas and implementing land reclamation outside the Victoria Harbour. Some members also suggested that consideration should be given to relaxing the plot ratio of land sites in the New Territories to increase development density, thereby enhancing flat production. While more land should be made available for PRH development, the Administration should avoid over-concentration of PRH in certain districts, and provide adequate ancillary facilities, such as roads and transport networks, for new PRH estates and to ensure that their operation would tie in with the intake of residents.
- 12. On the proposed housing supply target of 470 000 (including 282 000 public housing units and 188 000 private housing units) for the next 10 years as recommended by the LTHS Steering Committee, members were generally

concerned that the target fell far short of the community's demand. They queried that given the projected production level of public housing units in the next 10 years, it would be impossible to keep the AWT target of about three years for general applicants on WL, nor to house all applicants on WL. Some members strongly urged the Government to reinstate rental control to assist the low income groups.

13. As for HOS, the Panel noted that the Government was committed to producing 17 000 HOS flats over the four years from 2016/17 and an average of 5 000 HOS flats per year thereafter. Members supported that more sites be identified for the production of HOS flats, the sale of which would facilitate the recovery and reallocation of PRH flats to WL applicants.

#### **Relevant papers and Council questions**

14. A list of the relevant papers is in **Appendix II**. Hon Ronny TONG, Hon LEE Wing-tat, Hon WU Chi-wai and Dr Hon KWOK Ka-ki raised questions related to PHCP at the Council meetings on 25 May and 2 November 2011, 14 November 2012, and 16 October 2013 respectively. Details of the Council questions are also hyperlinked in **Appendix II** for ease of reference.

#### Latest development

15. The Administration proposes to brief the Panel on the PHCP for the period 2013/14 to 2017/18 at the Panel meeting on 2 December 2013.

Council Business Division 1
<a href="Legislative Council Secretariat">Legislative Council Secretariat</a>
28 November 2013

## PRH Production (2013/14 - 2017/18)

/ District	Sub-District	PRH Project	Planned Flat Number <sup>*</sup>
2013/2014			
Urban	Kowloon City	Kai Tak Development Site 1B Phase 1	2 700
		Kai Tak Development Site 1B Phase 2	2 900
		Kai Tak Development Site 1B Phase 3	2 500
	Sham Shui Po	Sai Chuen Road	1 500
Extended	Kwai Tsing	Tai Pak Tin Street	800
Urban		Kwai Shing Circuit	1 500
	Sai Kung	Tseung Kwan O Area 65B	2 100
		Sub-total Sub-total	14 100
2014/2015			
Urban	Sham Shui Po	So Uk Phase 1	2 900
	Wong Tai Sin	Tung Tau Cottage Area East	1 000
Extended Urban	Sha Tin	Shatin Area 52 Phase 1	3 000
New Territories	North	Sheung Shui Area 36 West	1 400
	Yuen Long	Hung Shui Kiu Area 13 Phase 1	1 500
		Hung Shui Kiu Area 13 Phase 2	600
		Hung Shui Kiu Area 13 Phase 3	2 300
		Sub-total	12 700
2015/2016			
Urban	Eastern	Chai Wan Factory Estate	200
	Kwun Tong	Lower Ngau Tau Kok Phase 2	600
		Anderson Road Site D	3 500
		Anderson Road Site E Phase 1	2 600
		Anderson Road Site E Phase 2	2 500
		Lei Yue Mun Phase 3	400
Extended	Sha Tin	Shatin Area 52 Phase 2	3 500
Urban		Shatin Area 52 Phase 3	2 000
		Shatin Area 52 Phase 4	2 600
New	Tai Po	Po Heung Street	500
Territories	Yuen Long	Hung Shui Kiu Area 13 Phase 3	500
		Ex-Au Tau Departmental Quarters	1 200
		Ex-Yuen Long Estate	400
		Sub-total	20 500

Year of Completion / District	Sub-District	PRH Project	Planned Flat Number <sup>*</sup>
2016/2017			
Urban	Kwun Tong	Anderson Road Site A	1 500
		Anderson Road Site B Phase 1	3 100
		Anderson Road Site B Phase 2	2 600
		Anderson Road Site C1	1 400
		Anderson Road Site E Phase 2	800
	Sham Shui Po	So Uk Phase 1	400
	Wong Tai Sin	San Po Kong Flatted Factory	900
Extended Urban	Islands	Tung Chung Area 56	3 600
New	Tuen Mun	Tuen Mun Area 54 Site 2 Phase 1	2 600
Territories		Tuen Mun Area 54 Site 2 Phase 2	2 100
	•	Sub-total	18 800
2017/2018			
Urban	Eastern	Lin Shing Road	300
	Kwun Tong	EHC Site Phase 7	500
	Sham Shui Po	Cheung Sha Wan Wholesale Food Market Site 5	1 200
		Lai Chi Kok Road - Tonkin Street Phase 1	1 800
		Shek Kip Mei Phase 3	300
		Shek Kip Mei Phase 6	1 200
		Shek Kip Mei Phase 7	200
		So Uk Phase 2	3 700
Extended Urban	Kwai Tsing	Ex-Kwai Chung Police Married Quarters	900
	Sha Tin	Shek Mun	2 300
	Islands	Tung Chung Area 39	3 800
	1	Sub-total	16 000
		Total	82 000

(Based on Public Housing Construction Programme as at June 2013)

<sup>\*</sup> Figures may not add up to the total due to rounding.

## **Public Housing Construction Programme**

### List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Housing	8 February 2013	Administration's paper on "2012/13 - 2016/17 Public Housing Construction Programme (LC Paper No. CB(1)516/12-13(05))  http://www.legco.gov.hk/yr12-13/english/panels/hg/papers/hg0208cb1-516-5-e.pdf  Updated background brief on Public Housing Construction Programme prepared by the Legislative Council Secretariat (LC Paper No. CB(1)516/12-13(06))  http://www.legco.gov.hk/yr12-13/english/panels/hg/papers/hg0208cb1-516-6-e.pdf  Minutes of meeting (LC Paper No. CB(1)954/12-13)  http://www.legco.gov.hk/yr12-13/english/panels/hg/minutes/hg20130208.pdf
Subcommittee on the Long Term Housing Strategy	27 September 2013	Administration's paper on "Long Term Housing Strategy Consultation Document" (LC Paper No. CB(1)1818/12-13(01)) <a href="http://www.legco.gov.hk/yr12-13/english/panels/hg_lths/papers/hg_lths0927cb1-1818-1-e.pdf">http://www.legco.gov.hk/yr12-13/english/panels/hg_lths/papers/hg_lths0927cb1-1818-1-e.pdf</a>

Hyperlinks to relevant Council Questions:

Date	Council Question	
25 May 2011	Council question raised by Hon Ronny TONG	
	http://www.info.gov.hk/gia/general/201105/25/P201105250111.htm	
2 November 2011	Council question raised by Hon LEE Wing-tat	
	http://www.info.gov.hk/gia/general/201111/02/P201111020299.htm	
14 November 2012	Council question raised by Hon WU Chi-wai	
	http://www.info.gov.hk/gia/general/201211/14/P201211140251.htm	
16 October 2013	Council question raised by Dr Hon KWOK Ka-ki	
	http://www.info.gov.hk/gia/general/201310/16/P201310160337.htm	