

**立法會**  
***Legislative Council***

LC Paper No. CB(1)628/16-17  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting**  
**held on Monday, 9 January 2017, at 10:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Alice MAK Mei-kuen, BBS, JP (Chairman)  
Hon Andrew WAN Siu-kin (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Kin-por, BBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon POON Siu-ping, BBS, MH  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH

Hon YUNG Hoi-yan  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Dr Hon LAU Siu-lai

**Members absent** : Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP  
Hon HO Kai-ming  
Hon Tanya CHAN  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, MH, JP  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim

**Public Officers  
attending** : Agenda Item IV

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

Mr Stanley YING, JP  
Permanent Secretary for Transport and Housing (Housing)

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

Mr Alfred LEE  
Assistant Director (Strategic Planning)  
Housing Department

Mrs Rosa HO  
Assistant Director (Housing Subsidies)  
Housing Department

Mr Martin TSOI  
Assistant Director (Estate Management) (1)  
Housing Department

Mr Thomas CHAN, JP  
Deputy Secretary for Development  
(Planning & Lands)1

Ms Christine TSE  
Assistant Director (Special Duties)  
Planning Department

**Clerk in attendance** : Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance** : Mr Fred PANG  
Senior Council Secretary (1)5

Ms Michelle NIEN  
Legislative Assistant (1)5

---

Action

**I. Confirmation of minutes**

(LC Paper No. CB(1)374/16-17 — Minutes of meeting held on  
15 November 2016)

The minutes of the meeting held on 15 November 2016 were confirmed.

**II. Information papers issued since last meeting**

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

Action

LC Paper No. CB(1)261/16-17(01) — Land Registry Statistics for November 2016 provided by the Administration (press release)

LC Paper No. CB(1)287/16-17(01) — Letter dated 7 December 2016 from Hon Andrew WAN and Hon WU Chi-wai on Well-off Tenants Policies (Chinese version only)

LC Paper No. CB(1)352/16-17(01) — Referral memorandum from the Public Complaints Office of the Legislative Council Secretariat on policy issues relating to management of markets in public housing estates (Chinese version only) (Restricted to members only)

LC Paper No. CB(1)397/16-17(01) — Letter dated 3 January 2017 from Hon SHIU Ka-chun on short and medium-term measures to alleviate the housing difficulties of residents of subdivided units (Chinese version only)

3. Members considered the referral from the Public Complaints Office of the Legislative Council Secretariat on 15 December 2016 (LC Paper No. CB(1)352/16-17(01)) regarding a deputation's concerns on the policy issues relating to management of markets in public housing estates, and the suggestions from the Duty Roster Members who handled the case. Noting that the Administration planned to brief the Panel on the subject "Letting/contracting out of markets under the Hong Kong Housing Authority" at the regular meeting scheduled for 5 June 2017, members agreed that the Panel would (a) receive public views on the subject at the regular meeting in June 2017, and (b) commission the Research Office of the Secretariat to study issues relating to single-operator markets under the Hong Kong Housing Authority ("HA") as set out in the referral. The Chairman advised that she would consider extending the duration of the regular meeting on 5 June 2017 subject to the number of deputations attending. She asked members to inform the Secretariat as early as possible if they had further

Action

suggestions on the study by the Research Office.

**III. Items for discussion at the next meeting**

(LC Paper No. CB(1)385/16-17(01) — List of follow-up actions

LC Paper No. CB(1)385/16-17(02) — List of outstanding items for discussion)

4. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 6 February 2017, at 2:30 pm –

- (a) Briefing by the Secretary for Transport and Housing on the Chief Executive's 2017 Policy Address; and
- (b) Head 711 project no. B868TH – Road improvement works at Ma On Shan, Sha Tin.

*(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)422/16-17 on 10 January 2017.)*

**IV. Long Term Housing Strategy Annual Progress Report 2016 and Hong Kong Housing Authority's measures to maximise the rational use of public rental housing resources**

(LC Paper No. CB(1)350/16-17(01) — Administration's paper on Long Term Housing Strategy Annual Progress Report 2016

LC Paper No. CB(1)371/16-17(01) — Administration's paper on Hong Kong Housing Authority's measures to maximise the rational use of public rental housing resources

LC Paper No. CB(1)385/16-17(03) — Paper on Long Term Housing Strategy prepared by the Legislative Council Secretariat (background brief)

Action

LC Paper No. CB(1)385/16-17(04) — Paper on Hong Kong Housing Authority's measures to maximise the rational use of public rental housing resources prepared by the Legislative Council Secretariat (background brief))

5. The Chairman advised that the Administration had submitted to the Panel separate discussion papers for the two subjects under the agenda item, namely (a) Long Term Housing Strategy Annual Progress Report 2016; and (b) HA's measures to maximise the rational use of public rental housing resources. As agreed by members at the meeting on 5 December 2016, the discussion on the two subjects would be combined.

6. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") briefed members on progress of key aspects of the Long Term Housing Strategy ("LTHS") as at December 2016, and HA's measures to maximize the rational use of public rental housing ("PRH") resources.

*(Post-meeting note: STH's speaking note, which was tabled at the meeting, was issued to members vide LC Paper No. CB(1)416/16-17(01) on 9 January 2017 in electronic form.)*

Long Term Housing Strategy's ten-year supply target

7. Mr LUK Chung-hung said that under LTHS, the public housing supply target for the coming ten-year period was 280 000 units, whereas the total public housing production in the five-year period from 2016-2017 to 2020-2021 was about 94 500 units only, he enquired about the measures to increase public housing production in the latter part of the ten-year period to compensate the initial shortfall. Referring to the Administration's advice that land had been identified for providing about 236 000 public housing flats, he asked whether all the land sites had been secured. Mr Andrew WAN was concerned that the ten-year supply target might not be achievable, and enquired about the measures to deal with the current gap between the planned housing production and the supply target.

8. STH replied that the projected supply of 236 000 public housing units was based on the assumption that all sites identified could be delivered on time for development. The Administration had yet to secure all these sites, as some of them were pending rezoning, and housing projects at some sites were subject to legal proceedings. He advised that comparing with the projected

Action

public housing production of the five-year period from 2012-2013 to 2016-2017, i.e. 68 900 units, the projected production of 94 500 units for the coming five-year period (2016-2017 to 2020-2021) represented an increase.

9. Dr CHENG Chung-tai opined that it might not be practicable for the Administration to meet the supply target in public housing within the ten-year period in view of the unsatisfactory progress made so far and the upsurge in population. Dr Fernando CHEUNG opined that since the current term Government took office in 2012, the annual PRH construction volume was less than 15 000 lagging behind the ten-year target of providing 200 000 PRH units. To compensate the shortfall, the Administration had grabbed land indiscriminately. Referring to the housing project at the site of Chung Nga Road, Tai Po, he enquired whether the Administration had reduced the size of PRH units under the project in order to provide more public housing. He said that reducing the supply of larger PRH units would result in longer waiting time of the applicants for such units. STH replied that the LTHS target served as a planning guide for the Administration to find land for housing development in order to meet the housing need of the community over the long term. The target was projected purely on the basis of objective data of different demand components such as the net increase in number of households, the number of inadequately housed households, etc.

Supply of public rental and subsidized housing

10. Ms Starry LEE enquired whether, to ensure that the PRH component within the LTHS supply target could meet the demand from applicants on the Waiting List for PRH ("WL"), the Administration would include the policy objective of providing the first offer of PRH unit to the general applicants (i.e. family and elderly one-person applicants) at around three years on average as a factor in its projection of future PRH production target. STH replied that the LTHS Steering Committee had considered that the projection on long term housing demand should be premised on variables taken from objective circumstances, such as the households projections published by the Census and Statistics Department, while taking into account various factors, such as the net increase in number of households, the number of inadequately housed households and the vacancy situation of private residential flats. On the question whether the number of PRH applications was a suitable factor for projection, one had to consider whether such number could accurately and realistically reflect the housing demand. He explained that some people with genuine public housing need might not apply for PRH, and not all PRH applicants were in genuine need for PRH.

Action

11. Mr Jeremy TAM referred to the impact of the Hong Kong Monetary Authority's macro prudential measures on property mortgages, and said that many youngsters who wished to own a flat could not secure a first mortgage from banks due to the large initial down payment involved, and they might tend to accept some developers' offers for a second mortgage to top up their mortgage loans. Developers had taken advantage of this market opportunity to sell their flats at high prices, driving up the overall flat prices. To help youngsters achieve home ownership aspirations within their ability to afford, the Administration should produce Home Ownership Scheme ("HOS") flats considerably. Taking in view that the selling prices of HOS flats were unreasonably high, he questioned whether there were deficiencies in the HOS policy. STH replied that the price setting mechanism of HOS flats took into account applicants' affordability, which had long been adopted since there was HOS policy. The community in general agreed with this mechanism.

Admin

12. The Chairman said that the Urban Renewal Authority ("URA") had acquired certain spade-ready sites at considerate cost, and it had provided subsidized sale flats at De Novo at Kai Tak previously. She enquired whether URA would collaborate with relevant organizations such as HA to provide HOS/subsidized sale units, instead of partnering with private developers to develop private flats, at the sites. STH undertook to provide information after the meeting in light of the Chairman's enquiry.

13. In response to Dr KWOK Ka-ki's comment that the Administration had reduced the scale of public housing at a site in Tuen Mun in order to address opposing views from some influential people in the locality, STH said that apart from Tuen Mun, local communities in some other districts had raised objections to the housing projects concerned. The Administration considered it normal and inevitable that local people might hold different views on the scale of housing projects. On Mr Wilson OR's enquiry about the local issues or demands raised by opponents to public housing development projects, STH replied that the local concerns were mainly on the provision of adequate infrastructural, transport and community facilities, and environmental mitigation measures. Citing a public housing development project in Kowloon East as an example, Mr Wilson OR commented that after receiving local views and concerns on public housing development proposals during consultations, especially those involving cross-bureau/department liaison, the Administration very often could not address them in a timely manner. Dr Fernando CHEUNG remarked that apart from setting out housing supply target, the Administration should also provide targets for the supply of community and welfare facilities, and make them public.



Action

Public/private split for the new housing supply

14. Dr KWOK Ka-ki enquired whether to increase public housing, the Administration would adjust the public/private split of 60:40 for the housing supply for the coming five-year period to 70:30 or above. Mr Andrew WAN said that to meet the demand, the proportion of public housing of the new housing production should go beyond 60%. Mr CHEUNG Kwok-kwan asked whether the public/private split for the new housing supply under LTHS was a fixed target. He said that those belonging to the lower stratum of the middle-class families wished to buy their own homes because they were not eligible for public housing, and were suffering from high private flat rentals. The suggestion to adjust the public/private split to 70:30 might not be favourable to these families.

15. STH replied that the Administration had to be prudent in considering suggestions to adjust the public/private housing split as any such adjustment would have significant impact on the property market. The LTHS Steering Committee had recommended the split of 60:40 because the ratio demonstrated the Administration's commitment in increasing public housing supply, while paying due regard to the importance of ensuring the stable development of private residential market. To adopt a higher proportion of public housing would reduce the supply of private flats, which might in turn fuel the already high prices in the private residential market.

16. Referring to the government-commissioned study which recommended that about 11 000 additional residential flats be provided in the Kai Tak Development ("KTD"), yielding a total of about 50 000 flats in the area, Dr Helena WONG enquired whether these additional flats were public housing. She said that the number of flats in the two existing PRH estates in KTD was 13 368 only, and enquired whether the total public housing units in KTD would increase to 30 000 so that there would be a public/private split of 60:40 in the area. STH replied that the public/private split of 60:40 under LTHS referred to the overall supply of newly built flats across the territory of Hong Kong. The Administration noted Dr WONG's concern on the importance of meeting the public housing demand when formulating the development plan at new land sites. Deputy Secretary for Development (Planning & Lands)<sup>1</sup> ("DS(P&L)<sup>1</sup>") advised that the Administration had earlier on identified suitable sites in KTD for providing public housing units including HOS flats. In response to Dr WONG's enquiry about the amount of land allocated to the public housing portion of the 11 000 additional flats and its PRH/HOS split, DS(P&L)<sup>1</sup> advised that the PRH/HOS split would be considered by HA at a later stage. During the relevant public consultation, there were views requesting for the supply of more public housing units in

Action

KTD. The Administration would take into account such views when working out the proposal to amend the Kai Tak Outline Zoning Plan.

Land supply

17. Mr LEUNG Yiu-chung said that given the population in Hong Kong would continue to grow, the Administration needed to ensure a sustainable increase in public housing supply. It would not be fruitful to increase land supply in a piecemeal approach, and the Administration should adopt a holistic approach to increasing land supply to meet the housing need in the next 10 years and beyond. STH replied that in accordance with LTHS, the Administration would annually update the housing demand projection and present a rolling ten-year supply target. The LTHS Annual Progress Report 2016 had set out measures to increase housing and land supply, some of which would be implemented in the short to medium term, while some would be implemented in the long term to meet the housing demand in the next 10 years and beyond.

18. Mr KWOK Wai-keung said the Hong Kong Federation of Trade Unions had previously suggested that 33 000 public housing units should be produced annually to meet the demand of WL applicants. To address the housing shortage, the Administration should undertake large-scale land development projects, but such projects had met with much political resistance. Mr SHIU Ka-fai said that it was contradictory that some members had requested the Administration to provide adequate housing to meet the demand and to curb the property price rise on one hand, while on the other hand opposed land supply initiatives such as carrying out land reclamation projects, developing new development areas ("NDAs") and part of the country park land, etc. Mr CHEUNG Kwok-kwan said that where land could be made available for housing use, priority should be accorded to building more public housing. Members and the public should accept that to provide more flats, the Administration had to secure more land sites for housing development and hence relatively less land resources would be allocated for other uses such as community, recreation and leisure facilities.

19. Dr KWOK Ka-ki asked about the Administration's position on the suggestion of releasing brownfield sites including those at Wang Chau, Yuen Long, and the land reserved for small house development for providing public housing. STH replied that better utilization of brownfield sites was one of the Administration's land supply initiatives. The Administration would develop the brownfield sites at Wang Chau for providing the Wang Chau Phase 2 and 3 public housing development, and would conduct a relevant engineering feasibility study. Mr WU Chi-wai asked whether the

Action

Administration would conduct surveys, similar to freezing surveys of squatter structures conducted a few decades ago, on the operations at brownfield sites including those at Wang Chau, so that the Administration had a better grasp of the present situation to facilitate future planning. STH replied that the Planning Department would commission a study on brownfield sites in the first half of 2017, which comprised among others surveys on the distribution of the brownfield sites in the New Territories and the nature and types of operations thereon.

20. Mr SHIU Ka-fai said that reclamations on an appropriate scale outside Victoria Harbour was one of the long term sources of developable land, and enquired about the potential reclamation sites that had been identified, and the estimated cost of the reclamation projects. He further said that existing brownfield operations in the New Territories were providing support services which were important to the economy. The Administration should consider the impact of the proposals to develop brownfield sites on the operators, and work out appropriate reprovisioning options for them. Mr POON Siu-ping asked about the Administration's assessment on the total area of brownfield sites that could be released for housing development, and how a failure to resume all or part of these sites would affect future housing supply.

21. DS(P&L)1 replied that the Administration would continue to adopt a multi-pronged approach to increase housing land supply. Apart from short to medium term measures such as land use review and rezoning, the Administration would press ahead with implementation of NDAs and new town extension, develop suitable brownfield sites, and explore reclamations outside the Victoria Harbour, etc. Longer-term initiatives such as the development of East Lantau Metropolis and New Territories North had been proposed under Hong Kong 2030+. He advised that the land development projects in the Hung Shui Kiu, Kwu Tung North and Fanling North NDAs, and Yuen Long South comprised about 340 hectares of brownfield sites. These four projects, together with the Tung Chung New Town Extension would provide a total of about 200 000 housing units, of which roughly about 60% would be public housing. When formulating the plans to develop brownfield sites, the Administration would take into account the need of land/space for accommodating brownfield operations. Dr KWOK Ka-ki remarked that some land supply initiatives such as developing artificial islands were controversial and not practicable, and could not help address imminent housing needs.

Action

22. The Chairman said that the Administration had paid little regard to the development of the logistics industry in Hong Kong, and logistics operators were forced to conduct their businesses at brownfield sites in the New Territories. She enquired whether the Transport and Housing Bureau ("THB") would formulate policies to support the logistics development in Hong Kong to tie in with the DEVB's initiative in handling brownfield matters. STH replied that the inter-bureaux/departments task force on brownfield operations was set up to explore measures to handle brownfield operations, with representatives from THB and DEVB.

Private residential property prices

23. Mr Jeremy TAM referred to the Administration's measures to allocate land through tenders to developers to provide flats with limited floor areas at Tung Chung, and to build residential units under the policy of "Hong Kong property for Hong Kong residents" at KTD. He said that such measures had not achieved the expected results, as these flats had been recently put up for sale by developers at prices which were unaffordable to most members of the public. The upsurge in flat prices would force more people to apply for public housing units, hence exerting increasing pressure on their supply. The Administration should take measures to curb the persistently high flat prices. Dr KWOK Ka-ki questioned whether the demand-side management measures could not effectively halt the soaring property prices. In reply, STH said the examples mentioned by Mr TAM showed that any measures to address housing problems should be carefully planned with regard to actual circumstances. To address the overheated residential property market, the Administration had introduced a new round of demand-side management measure in November 2016, and proposed to maintain the existing exemption arrangements which aimed at according priority to the housing needs of the Hong Kong Permanent Residents ("HKPRs") who did not own any other residential property in Hong Kong at the time of acquisition. The initial observation after the introduction of the new measure showed that, among those residential property transactions where the buyers were HKPRs, more than 90% involved buyers who had not owned any other residential property in Hong Kong at the time of acquisition.

Measures to alleviate difficulties of grassroots tenants

24. Mr LEUNG Che-cheung and Mr Wilson OR opined that the Administration had yet to put in place long-term comprehensive plans or short-term measures to address the housing problems effectively. Mr LEUNG said that apart from the suggestions that had been raised by the Democratic Alliance for the Betterment and Progress of Hong Kong such as

Action

providing rent allowances, and supporting social enterprises to provide rental accommodations for needy households, the Administration should also consider providing transitional housing on temporarily idle sites and setting up funds for assisting households in resolving their housing difficulties. Mr POON Siu-ping opined that the Administration should work out measures to alleviate the difficulties faced by WL applicants if it did not accept the suggestions such as provision of transitional housing and rent subsidy.

25. STH replied that the number of PRH applications had increased by nearly 45% since the current term Government took office in 2012. Given the huge demand for PRH, there was no easy quick fix to shorten the PRH applicants' average waiting time. The fundamental solution was to increase housing land supply. Under the current situation of shortage of developable land, suitable sites for housing development should be reserved for the construction of PRH units as far as possible, instead of transitional housing. As previously explained on different occasions, the Administration was of the view that measures such as providing rent assistance for the grassroots and implementing rental control could not help increase housing supply, and would be counter-productive. As observed from overseas experience, rent control might prompt landlords to charge a higher initial rent; become more selective about their tenants; reduce incentive and willingness of landlords to lease out their premises, leading to a drop in the supply of rented accommodation. These unintended consequences should not be overlooked.

26. Dr Fernando CHEUNG referred to the motion proposed by him, and opined that the Administration should put in place some forms of tenancy control to safeguard the interest of grassroots who were living in sub-divided units ("SDUs") while waiting for PRH allocation. He said that SDU tenants were often overcharged by their landlords for use of water, electricity and gas. There were cases in which the landlord had not signed a tenancy agreement with the tenant, and hence did not need to give a notice period for terminating tenancy. STH replied that the tenancy problems mentioned by Dr CHEUNG might arise because the private residential rental market was currently dominated by landlords. During the public consultation on LTHS, the LTHS Steering Committee invited the public to give views on the introduction of a licensing or a landlord registration system to regulate SDUs, and respondents had expressed considerable reservations over the suggestion. Without a regulatory regime, the Administration did not have the authority to regulate tenancy matters for SDUs. The Chairman requested the Administration to provide information on whether apart from long term solutions such as increasing PRH supply, the Administration would work out short-term measures to assist SDU residents in resolving their housing difficulties.

Admin

Action

27. Dr Junius HO opined that the Administration should advocate an open mind in exploring means to address the housing problem, and suggested that the Administration should consider buying dedicated housing blocks in Mainland cities such as Shenzhen, Heyuan, etc. for providing an alternative housing choice for needy households in Hong Kong. STH replied that it might be difficult for Hong Kong people to travel daily between residences in Mainland cities and their workplaces in Hong Kong.

Pre-cast building components used in public housing construction

28. Dr Helena WONG enquired whether the Administration had adopted pre-cast technology with water pipes incorporated in the pre-cast components for building public housing units. Permanent Secretary for Transport and Housing (Housing) ("PSTH") replied that HA had used pre-cast components with pre-installed water pipes as a trial in the construction of some of the PRH units in Kai Ching Estate, and in the light of that experience, had decided against that approach, and had not used the approach in the production of other public housing units. Dr WONG drew the Administration's attention to the problems arising from the use of pre-cast components such as water leaks, and enquired about the measures to control their quality. PSTH replied that Dr WONG's views had been noted. He said that measures were in place to inspect the production of pre-cast components in factories.

Well-off Tenants Policies

*Purpose of refining the policies*

29. Members noted that HA's Subsidised Housing Committee ("SHC") had endorsed at its meeting on 9 December 2016 various amendments to the "Well-off Tenants Policies", and one of them was that PRH tenants with household income or assets exceeding the prescribed limits should vacate their units.

30. Mr KWOK Wai-keung said that he was a member of SHC. As far as he understood, SHC members had considered the measures controversial, and almost half of them had requested deferring the implementation of the revised "Well-off Tenants Policies" and conducting public consultation on the matter. Given that HA would not implement the measures until the declaration cycle in October 2017, he queried why SHC endorsed the measures so rashly. STH replied that the revisions to the "Well-off Tenant Policies" was not a hasty decision. During the public consultation on LTHS in 2013, the LTHS Steering Committee had invited public views on whether and how the "Well-

Action

off Tenants Policies" should be refined. There were relatively more supporting views in the society for revising the "Well-off Tenants Policies", and there were also views in support of revising the "two pillars" system to a "one pillar" system. On the other hand, there were also opposing views on the Policies. To follow up with the Steering Committee's recommendations, SHC examined the Policies in October 2014, and discussed and endorsed several principles in revising the Policies at its meeting on 31 October 2016.

31. Mr Andrew WAN said that compared with the existing Policies, the income and asset limits under the revised Policies would be higher. It was possible that some households whose income and asset levels both exceeding the prescribed limits under the existing Policies might no longer be required to vacate their flats under the revised Policies. He queried whether there was a loophole with the revised Policies. Taking in view that the number of additional households required to vacate their PRH units under the revised Policies might be limited, Mr LEUNG Che-cheung and Mr Wilson OR cast doubt on the purpose of refining the Policies. Mr LEUNG asked whether the Administration supported the new measures because it had no other ways to increase the PRH supply. Mr OR opined that the "Well-off Tenants Policies" was a source of nuisances to PRH households, and staff of the Housing Department had spent considerable time in arranging and processing the income and asset declarations. He enquired whether and how the Administration would improve the declaration arrangement.

32. The Chairman said that there were cases in which relevant government departments had not made it clear to WL applicants at the outset that insurance with cash value was a type of assets that they needed to declare, and they informed the applicants of the requirement only a few years later when they provided the first offer of PRH flat to the applicants. She enquired whether the revisions to the "Well-off Tenants Policies" was part of the HA's measures to reduce the number of WL applicants eligible for PRH, hence relieving the pressure on PRH supply. Mr KWOK Wai-keung said that the Administration had previously made efforts to increase housing land supply to meet the PRH demand, and he did not consider it appropriate for HA to adopt a revised policy to require more PRH tenants to move out in order to increase the PRH turnover. Mr LUK Chung-hung asked about the number of PRH tenants affected by the revised Policies.

Action

33. STH replied that the supply situation of PRH was not a factor considered by HA when reviewing the "Well-off Tenants Policies". Given that some existing PRH tenants should be able to take care of their housing needs without the need for HA to subsidize them with public resources, and there were close to 300 000 applicants on WL, HA should conduct the review to ensure that PRH units were allocated in a fair and reasonable manner to address those with more pressing housing needs.

*Impact of the refined policies on existing tenants*

34. Mr LUK Chung-hung and Dr CHENG Chung-tai sought clarification on whether the revised Policies would affect elderly tenants who had retired or would soon retire, given that their savings might exceed the asset limit. Deputy Secretary for Transport and Housing (Housing) ("DSTH(H)") replied that households with all members aged 60 or above would continue to be exempted from the Policies. The net asset limits for households at sizes of one-person to three-person with all members aged over 55 were the same as that of a four-person household.

35. Taking into consideration that certain young PRH tenants might be required to move out from their parents' PRH units under the revised Policies, Mr LUK Chung-hung was concerned that the number of under-occupied households with elderly members would increase in future. Mr KWOK Wai-keung queried whether the revised Policies would go against the policy to foster inter-generational harmony and encourage younger members of a family to live with their parents. Mr LEUNG Yiu-chung opined that the revised Policies might make the ageing problem with the population in public housing estates more severe, and would create additional demand for private housing amidst the tight housing supply situation. Dr CHENG Chung-tai enquired about the number of PRH tenants who would move out from their flats or cancel their tenant status because their household income or asset levels would exceed the respective limits under the revised Policies.

36. DSTH(H) replied that the revised "Well-off Tenants Policies" would be implemented starting from the declaration cycle in October 2017. At this stage, it would be difficult for HA to estimate the number of PRH units that might be recovered as a result of the revised Policies. It was also not practicable for HA to ascertain the number of PRH tenants who would choose to be deleted from the tenancy because of the implementation of the revised Policies, as tenants were not required to give reasons for deletion from the tenancy. Dr CHENG remarked that the Administration should conduct an analysis to examine the possible impacts of the revised Policies.



Action

37. Noting that PRH tenants with assets exceeding 100 times of the PRH income limits would be required to vacate their flats under the revised Policies, Mr WU Chi-wai opined that these tenants might not be able to buy a private flat, and even if some of them were financially capable to afford the HA's subsidized sale flats, they might not be able to acquire one as the Administration had not accorded them with priorities in purchasing such flats. Mr WU said that under the revised Policies, tenants with private domestic property ownership in Hong Kong should vacate their units, irrespective of their levels of income or assets. He considered that the measure had not taken into account the fact that elderly persons who owned a unit of some old private buildings wished to move to PRH units to improve their living environment.

38. Mr LEUNG Che-cheung opined that the Administration might need to deal with cases where the "well-off tenants" who were required to move out under the revised Policies had difficulties in securing an accommodation in future. Mr KWOK Wai-keung said that PRH tenants who would be required to move out under the revised Policies might include elderly persons with net assets exceeding the limit but might not have regular income to pay mortgage payments, and younger tenants who had a job but did not have adequate savings to pay down payments. These tenants might be forced to rent a private flat, hence pushing up the overall flat rentals, or cancel their PRH tenant status whilst continuing to live in the PRH units. Mr SHIU Ka-fai considered it appropriate for HA to maintain policies that could ensure better utilization of PRH resources. While "well-off tenants" who could afford private accommodation should not continue to receive public housing benefits, the Administration should pay heed to their needs and concerns, and consider how to increase their incentives to surrender their flats so that their units could be allocated to those with more pressing housing needs.

*Implementation of the revised Policies*

39. The Chairman commented that the lead time between SHC's endorsement of the new measures and their proposed implementation date was short. She enquired whether the Administration/HA would defer the implementation of the revised Policies to allow more time for the public to give views on the matter and for HA to carefully consider suitable exemptions to the Policies in light of PRH tenants' circumstances. Mr LEUNG Yiu-chung raised similar enquiry, and commented that the Administration/HA had not conducted public consultation on the matter so far. STH replied that SHC would discuss the implementation details of the revised Policies at a meeting in February 2017, taking into account the public's views on the matter.

Action

- Admin 40. The Chairman requested the Administration to provide supplementary information to address the various questions raised by her at the meeting.

*Meeting to receive public views*

41. The Chairman referred members to the letter from Mr HO Kai-ming dated 6 January 2017, which was tabled at the meeting and in which Mr HO suggested that a meeting be held to receive public views on the proposed amendments to the "Well-off Tenant Policies" by HA. Members agreed to the suggestion.

*(Post-meeting note: Mr HO Kai-ming's letter was issued to members vide LC Paper No. CB(1)416/16-17(02) on 9 January 2017 in electronic form. A special meeting was held on 24 January 2017 to discuss with the Administration and to receive public views on refining the Well-off Tenants Policies.)*

Motions

42. At 12:45 pm, the Chairman announced that the meeting be extended for 15 minutes to allow time for handling four motions put forth by Mr Andrew WAN, Dr KWOK Ka-ki, Mr Wilson OR and Dr Fernando CHEUNG, which she considered relevant to the agenda item. The wordings of the motions were as follows –

*The first motion, moved by Mr Andrew WAN and seconded by Mr WU Chi-wai:*

"現時社會對公營房屋(包括公屋及資助房屋)的需求殷切，租金樓價飆升，公屋輪候人數眾多，本委員會促請政府將公私營房屋供應的比例由 60:40，調整為 70:30 或以上。本委員會亦促請政府修訂長遠房屋策略的單位供應數量，每年最少提供 35 000 個公營房屋單位，紓緩社會的住屋需要。"

(Translation)

"Given the community's keen demand for public housing (both public rental housing ("PRH") and subsidized housing) at present, soaring rents and property prices, and a long waiting list for PRH, this Panel urges the Government to adjust the split between public and private housing supply from the current ratio of 60:40 to 70:30 or above. This

Action

Panel also urges the Government to revise the supply of housing units under the Long Term Housing Strategy to provide at least 35 000 public housing units annually, as so to alleviate the housing demand in society."

*The second motion, moved by Dr KWOK Ka-ki:*

"就增建市區中轉屋及過渡性房屋，本委員會要求：

1. 使用石籬中轉屋安置受影響的不適切住房住戶；
2. 在短期空置或不適宜興建公屋的地皮，或已空置的政府設施，興建市區中轉屋或設置過渡性房屋，安置受政府執法取締行動或其他原因流離失所的居民。當中可考慮改建的包括政府的空置公務員宿舍，如觀塘、黃大仙等；教育局的空置校舍；以至市建局並未用作安置的空置物業等；及
3. 政府向發展商提出捐地的可能性。"

(Translation)

"Regarding the building of additional urban interim housing and transitional housing, this Panel requests the Government to:

1. use Shek Lei Interim Housing to rehouse the affected households living in inadequate housing;
2. build urban interim housing or provide transitional housing on temporarily idle sites or sites not suitable for building public rental housing or in vacant Government facilities for rehousing residents rendered homeless by the Government's law enforcement actions or due to other reasons. Sites which can be considered for such conversion include the Government's idle civil servants quarters (such as those in Kwun Tong, Wong Tai Sin, etc.), vacant school premises under the purview of the Education Bureau, those vacant properties of the Urban Renewal Authority which have not been used for rehousing, etc.; and
3. explore the feasibility of the Government proposing the donation of land by developers."

Action

*The third motion, moved by Mr Wilson OR and seconded by Mr LEUNG Che-cheung:*

"本委員會要求當局修改《長遠房屋策略》，在推算未來建屋目標時，將「平均三年上樓」的政策目標加入為房屋需求因素內，以確保公屋建屋量足以讓公屋輪候冊內，合資格的申請人至少能在平均三年內，獲得首次編配單位。"

(Translation)

"This Panel requests the authorities to revise the Long Term Housing Strategy to include the policy objective of "flat allocation within three years on average" as one of the housing demand components in its projection of future construction targets, so as to ensure that the production of public rental housing ("PRH") could at least enable eligible applicants on the waiting list for PRH to receive the first flat offer within three years on average."

*The fourth motion, moved by Dr Fernando CHEUNG:*

"長遠房屋策略推行以來，並未能為基層租客提供保障，本委員會促使政府立即制訂及實施「租務穩定機制」，包括立法要求租約，以保障業主及租客雙方權益，規定租金和雜費分開列明，禁止濫收水電煤費用；每份租約須有固定租期及終止租約通知期。"

(Translation)

"As the implementation of the Long Term Housing Strategy has not been able to offer protection to the grass-roots tenants, this Panel urges the Government to immediately formulate and implement a "tenancy stabilization mechanism" which includes the introduction of legislation to require the signing of tenancy agreements to protect the rights and interests of both the landlords and the tenants, the requirement that rents and miscellaneous fees should be separately listed, the prohibition of overcharging for use of water, electricity and gas, and the requirement that a tenancy agreement should have a fixed tenancy term and a notice period for termination of tenancy."

43. At the request of members, the Chairman ordered a division for each of the motions moved.

Action

44. The Chairman put the motion moved by Mr Andrew WAN to vote. 12 members voted for the motion, seven members voted against it and two members abstained. The votes of individual members were as follows –

*For:*

Mr LEUNG Yiu-chung  
Mr CHAN Chi-chuen  
Dr Fernando CHEUNG  
Mr Andrew WAN  
Dr CHENG Chung-tai  
Mr Jeremy TAM  
(12 members)

Mr LEUNG Kwok-hung  
Dr KWOK Ka-ki  
Dr Helena WONG  
Mr SHIU Ka-chun  
Mr KWONG Chun-yu  
Dr LAU Siu-lai

*Against:*

Prof Joseph LEE  
Mr CHAN Han-pan  
Mr SHIU Ka-fai  
Mr CHEUNG Kwok-kwan  
(7 members)

Ms Starry LEE  
Mr LEUNG Che-cheung  
Mr Wilson OR

*Abstained:*

Mr KWOK Wai-keung  
(2 members)

Ms YUNG Hoi-yan

45. The Chairman declared that the motion was carried.

46. The Chairman put the motion moved by Dr KWOK Ka-ki to vote. 12 members voted for the motion, one member voted against it and six members abstained. The votes of individual members were as follows –

*For:*

Prof Joseph LEE  
Mr CHAN Chi-chuen  
Dr Fernando CHEUNG  
Mr Andrew WAN  
Dr CHENG Chung-tai  
Mr Jeremy TAM  
(12 members)

Mr LEUNG Kwok-hung  
Dr KWOK Ka-ki  
Dr Helena WONG  
Mr SHIU Ka-chun  
Mr KWONG Chun-yu  
Dr LAU Siu-lai

*Against:*

Mr SHIU Ka-fai  
(1 member)

Action

*Abstained:*

Ms Starry LEE

Mr LEUNG Che-cheung

Ms YUNG Hoi-yan

(6 members)

Mr CHAN Han-pan

Mr Wilson OR

Mr CHEUNG Kwok-kwan

47. The Chairman declared that the motion was carried.

48. The Chairman put the motion moved by Mr Wilson OR to vote. 21 members voted for the motion and no member voted against it. The votes of individual members were as follows –

*For:*

Mr LEUNG Yiu-chung

Ms Starry LEE

Mr CHAN Chi-chuen

Mr LEUNG Che-cheung

Mr KWOK Wai-keung

Dr Helena WONG

Mr SHIU Ka-fai

Mr Wilson OR

Mr CHEUNG Kwok-kwan

Mr KWONG Chun-yu

Dr LAU Siu-lai

(21 members)

Prof Joseph LEE

Mr LEUNG Kwok-hung

Mr CHAN Han-pan

Dr KWOK Ka-ki

Dr Fernando CHEUNG

Mr Andrew WAN

Mr SHIU Ka-chun

Ms YUNG Hoi-yan

Dr CHENG Chung-tai

Mr Jeremy TAM

49. The Chairman declared that the motion was carried.

50. The Chairman put the motion moved by Dr Fernando CHEUNG to vote. 14 members voted for the motion, two members voted against it and four members abstained. The votes of individual members were as follows –

*For:*

Mr LEUNG Yiu-chung

Mr LEUNG Kwok-hung

Dr KWOK Ka-ki

Dr Fernando CHEUNG

Mr Andrew WAN

Dr CHENG Chung-tai

Mr Jeremy TAM

(14 members)

Prof Joseph LEE

Mr CHAN Chi-chuen

Mr KWOK Wai-keung

Dr Helena WONG

Mr SHIU Ka-chun

Mr KWONG Chun-yu

Dr LAU Siu-lai

Action

*Against:*

Mr SHIU Ka-fai  
(2 members)

Ms YUNG Hoi-yan

*Abstain:*

Ms Starry LEE  
Mr Wilson OR  
(4 members)

Mr LEUNG Che-cheung  
Mr CHEUNG Kwok-kwan

51. The Chairman declared that the motion was carried.

(*Post-meeting note:* The wordings of the motions passed were issued to members vide LC Paper Nos. CB(1)420/16-17(01) to CB(1)420/16-17(04) on 11 January 2017 and were provided to the Administration on the same date.)

**V. Any other business**

52. There being no other business, the meeting ended at 12:56 pm.

Council Business Division 1  
Legislative Council Secretariat  
1 March 2017