# 立法會 Legislative Council

LC Paper No. CB(1)110/16-17(03)

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#### **Panel on Housing**

Meeting on 15 November 2016

**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**

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. To this end, HA has put in place PHCP, which is a rolling programme forecasting PRH production of the coming five years. PHCP is 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.

The AWT pledge does not apply to non-elderly one-person PRH applicants on WL.

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

3. The Government promulgated the new Long Term Housing Strategy in December 2014 and announced that it would adopt a supply-led strategy as recommended by the Long Term Housing Strategy Steering Committee. Based on the latest projection, the Government adopts a total housing supply target of 460 000 units for the ten-year period from 2016-2017 to 2025-2026, as opposed to the target of 480 000 units for the ten-year period from 2015-2016 to 2024-2025 announced in December 2014. With a public-private split of 60:40, the public housing supply target is 280 000 units, comprising 200 000 PRH units and 80 000 subsidized sale flats. The Administration has identified land for the construction of 255 000 public housing units.<sup>2</sup>

#### Public Housing Construction Programme 2015-16 to 2019-20

#### Public Rental Housing

4. The demand for PRH has been increasing in recent years. As at end-June 2015, there were about 282 200 applications on WL queuing for PRH allocation, including about 140 200 general applications and about 142 000 non-elderly one-person applications.<sup>3</sup> According to PHCP as at September 2015, the forecast production of PRH for the five-year period from 2015-2016 to 2019-2020 was about 75 600 flats, i.e. averaging at about 15 000 units per year,<sup>4</sup> with details as follows –

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The Administration's paper for the briefing for the Panel on the housing-related initiatives in the 2016 Policy Address on 1 February 2016. (LC Paper No. CB(1)439/15-16(03))

According to the HA's website, as at end-September 2016, there were about 152 500 general applications for PRH, and about 134 000 non-elderly one-person applications. The AWT for general applicants was 4.5 years.

(<a href="http://www.housingauthority.gov.hk/en/about-us/publications-and-statistics/prh-applications-average-waiting-time/">http://www.housingauthority.gov.hk/en/about-us/publications-and-statistics/prh-applications-average-waiting-time/</a>)

<sup>&</sup>lt;sup>4</sup> In its paper (LC Paper No. CB(1)439/15-16(03)), the Administration advised that according to the latest forecast, the production of PRH for the five-year period from 2015-2016 to 2019-2020 was about 76 700 flats.

District	Expected number of units* and year of completion				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Urban	12 500	4 200	9 700	6 500	7 500
	(54%)	(36%)	(84%)	(32%)	(82%)
Extended	6 700	3 600	900	11 700	1 600
Urban	(29%)	(32%)	(8%)	(58%)	(18%)
New	3 900	3 700	1 000	2 100	-
Territories	(17%)	(32%)	(8%)	(10%)	
Total	23 100	11 400	11 600	20 300	9 200
	(100%)	(100%)	(100%)	(100%)	(100%)

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

5. Under the PHCP 2015-16 to 2019-20, new PRH production will mainly come from Urban (54%) and Extended Urban Districts (32%), with the remaining in the New Territories (14%). Among the new production, about 17% would be one/two-person units, about 24% would be two/three-person units, about 37% would be one-bedroom units (for three to four persons) and about 23% would be two-bedroom units (for four persons or above). A breakdown of the PRH production forecast for the period from 2015-2016 to 2019-2020 (as at September 2015) is in **Appendix I**.

#### Subsidized Sale Flats

6. According to PHCP for the period from 2015-2016 to 2019-2020, some 17 800 subsidized sale flats (include Home Ownership Scheme ("HOS") and Green Form Subsidized Home Ownership Scheme flats) will be produced by HA.<sup>5</sup> A total of 2 160 flats, being the first batch of newly built HOS projects, are scheduled for completion in 2016-2017 and are located in Shatin, Tsuen Wan, Tsing Yi and Yuen Long. The flats were put up for pre-sale in end-2014.

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In its paper (LC Paper No. CB(1)439/15-16(03)), the Administration advised that according to the latest forecast, HA and the Hong Kong Housing Society will, over the five-year period from 2015-2016 to 2019-2020, produce 20 400 subsidized sale flats.

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

- 7. The Government continues to 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 proactively co-ordinate the overall planning for the development and supply of land in Hong Kong for various uses, and adjust land supply in response to changes in demand; and
  - (b) HA will continue to liaise closely with other departments in order to secure sufficient sites for public housing development, streamline the required planning and land procedures, and optimize the development potential of each site.

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

- 8. The Panel on Housing ("the Panel") discussed the PHCP for 2015-2016 to 2019-2020 at its meeting on 2 November 2015. The major views and concerns expressed by members of the Panel are summarized in the ensuing paragraphs.
- 9. Some members cast doubt on HA's ability to meet the ten-year public housing supply target (i.e. 280 000 units) in view of the unsatisfactory progress made so far. They asked whether the Administration would adjust downward the target having regard to the current progress. Also, some members expressed concern on whether "spade ready" sites <sup>6</sup> had been secured for public housing projects estimated to be completed in 2020-2021 and beyond.
- 10. The Administration advised that about 30 public housing projects were expected to be completed in 2020-2021 or beyond. Most of the sites identified for such projects were however not "spade ready". The pace of housing production hinged essentially on the timely availability of "spade ready" sites, and the Administration would endeavor to enhance inter-departmental coordination to provide the sites required and to take forward the projects expeditiously.

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<sup>&</sup>lt;sup>6</sup> "Spade ready" sites are sites which had been properly zoned for residential use, and sites which were flat, resumed, cleared and formed with adequate provision of infrastructure.

11. In view of the increasing number of applications and the AWT for PRH in recent years, members were concerned whether HA would consider reviewing the three-year AWT pledge. The Administration advised that despite the pressure on AWT due to the increasing number of PRH applicants, HA would still strive to achieve the AWT target of around three years for general applicants in the long run.

#### **Council questions**

12. Hon WU Chi-wai, Dr Hon KWOK Ka-ki and Dr Hon Fernando CHEUNG raised questions related to PHCP at the Council meetings on 14 November 2012, 16 October 2013, 22 October 2014 and 25 November 2015. Details of the Council questions are hyperlinked in **Appendix II**.

#### **Latest development**

13. The Administration will brief members on PHCP for the period 2016-2017 to 2020-2021 at the Panel meeting on 15 November 2016.

#### **Relevant papers**

14. A list of the relevant papers is set out in **Appendix II**.

Council Business Division 1
<u>Legislative Council Secretariat</u>
11 November 2016

## Public Rental Housing Production (2015-2016 - 2019-2020)

Year of Completion/ District	Sub-district	PRH Project	Planned Flat Number	Planned Flat Number By Sub-district
2015-2016	_			
Urban		Lower Ngau Tau Kok Estate Phase 2	600	9 600
	Kwun Tong	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	
	Sham Shui Po	So Uk Phase 1	2 900	2 900
Extended Urban		Shatin Area 52 Phase 2	2 100	
	Sha Tin	Shatin Area 52 Phase 3	2 000	6 700
		Shatin Area 52 Phase 4	2 600	
New Territories	Tai Po	Po Heung Street, Tai Po	500	500
		Hung Shui Kiu Area 13 Phase 1	700	
		Hung Shui Kiu Area 13 Phase 2	600	
	Yuen Long	Hung Shui Kiu Area 13 Phase 3	500	3 400
		Ex-Au Tau Departmental Quarters	1 200	
		Ex-Yuen Long Estate	400	
	-		Sub-total	
2016-2017				
Urban	Eastern	Conversion of Chai Wan Factory Estate	200	200
		Anderson Road Site A	1 500	
	Kwun Tong	Anderson Road Site C1	1 400	3 600
		Anderson Road Site E Phase 2	800	
	Sham Shui Po	So Uk Phase 1	400	400
Extended Urban	Islands	Tung Chung Area 56	3 600	3 600
New Territories	Tuen Mun	Tuen Mun Area 54 Site 2 Phase 1	2 600	3 700
		Tuen Mun Area 54 Site 2 Phase 2	1 000	
			Sub-total	11 400
2017-2018				
Urban	Eastern	Lin Shing Road	300	300
	Kwun Tong	Anderson Road Site B Phase 1	3 100	5 700
		Anderson Road Site B Phase 2	2 600	
	Sham Shui Po	So Uk Phase 2	3 700	3 700
Extended Urban	Kwai Tsing	Ex-Kwai Chung Police Quarters	900	900
New Territories	Tuen Mun	Tuen Mun Area 54 Site 2 Phase 2	1 000	1 000
			Sub-total	11 600

Year of	Sub-district	PRH Project	Planned Flat	Planned	
Completion/			Number	Flat Number	
District				By Sub-district	
2018-2019			<u>'</u>	1 2	
Urban	Kwun Tong	Eastern Harbour Crossing Site Phase 7	500	900	
		Sau Ming Road	300	800	
	Sham Shui Po	Cheung Sha Wan Wholesale Food Market Site 3	1 300		
		Lai Chi Kok Road - Tonkin Street Phase 1	2 500		
		Lai Chi Kok Road - Tonkin Street Phase 2	1 300	5 700	
		Shek Kip Mei Phase 3	200		
		Shek Kip Mei Phase 7	200		
Extended Urban	Sha Tin	Fo Tan Phase 1	4 800	7.000	
		Shek Mun (Shek Mun Estate Phase 2)	3 000	7 800	
	Islands	Tung Chung Area 39	3 900	3 900	
New Territories	North	Choi Yuen Road	1 100	2 100	
		Fanling Area 49	900	2 100	
	•		Sub-total	20 300	
2019-2020					
Urban	Eastern	Wing Tai Road, Chai Wan	800	800	
	Sham Shui Po	Shek Kip Mei Phase 6	1 100		
		Northwest Kowloon Reclamation Site 6	000	5 000	
		Phase 1	900		
		Pak Tin Phase 7	1 000		
		Pak Tin Phase 8	1 000		
		Pak Tin Phase 11	1 100		
	Wong Tai Sin	Tung Tau Estate Phase 8	1 000	1 700	
		Fung Shing Street, Wong Tai Sin	800		
Extended Urban	Kwai Tsing	Tsing Hung Road, Tsing Yi Phase 1	1 600	1 600	
			Sub-total	9 200	
			Total	75 600	

( Based on Public Housing Construction Programme as at September 2015 )

Note: Figures may not add up to the total due to rounding.

### **Public Housing Construction Programme**

### List of relevant papers

Council/	Date of	Paper
Committee	meeting	
Panel on Housing	2 November 2015	Administration's paper on "Public Housing Construction Programme 2015-16 to 2019-20" (LC Paper No. CB(1)63/15-16(05))  Updated background brief on the "Public Housing Construction Programme" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)63/15-16(06))  Minutes of meeting (LC Paper No. CB(1)359/15-16)
Panel on Housing	1 February 2016	Administration's paper on housing-related initiatives in the 2016 Policy Address and Policy Agenda (LC Paper No. CB(1)439/15-16(03))

### Hyperlinks to relevant Council Questions:

Date	Council Question
14 November 2012	Council question raised by Hon WU Chi-wai
16 October 2013	Council question raised by Dr Hon KWOK Ka-ki
22 October 2014	Council question raised by Hon WU Chi-wai
25 November 2015	Council question raised by Hon Fernando CHEUNG