

立法會
Legislative Council

LC Paper No. CB(1)892/17-18

(These minutes have been
seen by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 9 January 2018, at 4:30 pm
in Conference Room 3 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 CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP

Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho

Members absent : Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHU Hoi-dick
Hon LUK Chung-hung
Hon KWONG Chun-yu

Public Officers attending : Agenda Item IV

Mr Frank CHAN, JP
Secretary for Transport and Housing

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

Ms Esther LEUNG, JP
Deputy Secretary for Transport and Housing (Housing)

Mr Alfred LEE
Assistant Director (Strategic Planning)
Housing Department

Ms Doris HO, JP
Deputy Secretary (Planning & Lands)¹
Development Bureau

Mr SOH Chun-kwok
Assistant Director (Special Duties)
Planning Department

Agenda Item V

Mr Frank CHAN, JP
Secretary for Transport and Housing

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

Ms Esther LEUNG, JP
Deputy Secretary for Transport and Housing (Housing)

Mr Alfred LEE
Assistant Director (Strategic Planning)
Housing Department

Mr Alan HUI
Assistant Director (Housing Subsidies)
Housing Department

Agenda Item VI

Ms Connie YEUNG
Deputy Director (Development and Construction)
Housing Department

Mr Kenneth LEUNG
Chief Civil Engineer (Public Works Programme)
Housing Department

Mr Ricky LAU, JP
Head of Civil Engineering Office
Civil Engineering and Development Department

Mr Gabriel WOO
Deputy Head of Civil Engineering Office
(Project & Environmental Management)
Civil Engineering and Development 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

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I. Confirmation of minutes

(LC Paper No. CB(1)416/17-18 — Minutes of meeting held on 6 November 2017)

The minutes of the meeting held on 6 November 2017 were confirmed.

II. Information papers issued since last meeting

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

LC Paper No. CB(1)328/17-18(01) — Land Registry Statistics for November 2017 provided by the Administration (press release)

LC Paper No. CB(1)419/17-18(01) — Referral memorandum from the Panel on Welfare Services on tenancy control (Restricted to members)

LC Paper No. CB(1)427/17-18(01) — Land Registry Statistics for December 2017 provided by the Administration (press release)

III. Items for discussion at the next meeting

(LC Paper No. CB(1)411/17-18(01) — List of follow-up actions

LC Paper No. CB(1)411/17-18(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 5 February 2018, at 2:30 pm –

- (a) Measures to facilitate the mobility needs of elderly residents by the Hong Kong Housing Authority ("HA");

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- (b) Quality management of products used in public housing developments; and
- (c) Receiving public views on the implementation of the revised Well-off Tenants Policies of HA.

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)465/17-18 on 12 January 2018. In view of the number of attending deputations to present views at the meeting, the Chairman had directed that the meeting be advanced to start at 2:00 pm on 5 February 2018.)

IV. Long Term Housing Strategy Annual Progress Report 2017

(LC Paper No. CB(1)383/17-18(01) — Administration's paper on Long Term Housing Strategy Annual Progress Report 2017

LC Paper No. CB(1)411/17-18(03) — Paper on Long Term Housing Strategy prepared by the Legislative Council Secretariat (background brief))

4. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") briefed members on the progress of key aspects of the Long Term Housing Strategy ("LTHS") as at December 2017.

Long Term Housing Strategy's ten-year supply target

5. Mr Andrew WAN opined that since the formulation of LTHS, the projected public housing production had yet to meet the ten-year supply target, and the Administration should take more effective measures to compensate the shortfall. Mr Wilson OR cast doubt whether the Administration could identify sufficient housing sites for compensating the shortfall. Mr KWOK Wai-keung said that the gap in the public housing supply target had been increasing since the promulgation of LTHS. He queried whether the LTHS annual exercise was only a number game and whether relevant bureaux/departments had been making sustained efforts in developing land and housing according to the LTHS supply target.

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6. STH replied that the Administration had identified land for the construction of about 237 000 public housing units, and was confident that more land could be secured in the coming few years so as to meet the ten-year target of building 280 000 public housing units. He explained that the projection methodology adopted by LTHS took into account various demand components, including net increase in the number of households, households displaced by redevelopment, inadequately housed households, etc. The gross total housing demand derived by summing up these demand components, together with the adjustment to take into account the vacancy situation in the private sector, reflected the number of new housing units required in the next ten years. Compared with the projected public housing production of the five-year period from 2013-2014 to 2017-2018, i.e. 72 800 units, the projected production of 100 300 public housing units for the coming five-year period from 2017-2018 to 2021-2022 represented an increase. Relevant bureaux/departments would continue to make best efforts to meet the supply target. In response to Mr Wilson OR's enquiry on whether the number of inadequately housed households used for the housing supply target projection reflected the updated situation, STH advised that the number of inadequately housed households was estimated on the basis of the 2016 Population By-census conducted by the Census and Statistics Department. The Administration would continue to explore how to further enhance the projection methodology adopted by LTHS where appropriate.

Supply of public housing

7. Mr Wilson OR expressed disappointment that the Administration did not make any changes to the housing supply targets and the ratio between new supply of public and private housing under LTHS. He enquired whether the Administration would adjust the ratio to provide more public housing. Ms YUNG Hoi-yan enquired whether the Administration would adjust the public/private split of 60:40 for the new housing supply to 70:30 or above to increase the provision of public housing to meet the housing needs of young people who found it difficult to afford a private flat. STH replied that the LTHS Steering Committee had recommended the public/private split of 60:40 having regard to the public views expressed during the consultation on LTHS. It was appropriate to maintain the ratio in view of the demand for public and private housing from different sectors of the society. The Administration would continue to keep in view the social, economic and market changes over time and consider making adjustments to the ratio where necessary.

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8. Dr KWOK Ka-ki said that the number of newly completed private flats projected by the Administration was often higher than that actually provided by private developers. The selling prices of private flats were unaffordable to Hong Kong people and the demand-side management measures introduced by the Government were not effective in curbing the Mainland buyers' demand which pushed up the flat prices. The Administration should increase the supply of public housing units including the Home Ownership Scheme ("HOS") flats and adjust the public/private ratio for new housing supply. He enquired whether the Administration would designate more land plots originally earmarked for private housing developments for HA to provide public housing. STH replied that the Development Bureau ("DEVB") had designated sites originally earmarked for private housing developments for HA to provide public housing, and the Administration might adopt the same in future where appropriate. The several rounds of demand-side management measures introduced by the Government had achieved their intended objectives.

Delivery of public housing projects

9. Mr LAU Kwok-fan said that to expedite the implementation of public housing projects, the Administration should improve the clearance compensation and rehousing arrangements for residents affected by such projects. He said that the land development projects in the North East New Territories would provide a large number of public housing units, and enquired whether the Administration would waive the requirements relating to the income and assets assessment of the affected households so that the affected residents could be rehoused to PRH in a timely manner. Mr LEUNG Yiu-chung said that the Administration should adopt a more lenient approach in working out the compensation and rehousing arrangements for residents/squatter households affected by the Administration's land clearance exercises. Dr Junius HO said that to increase the owners' incentive to surrender their land, the Administration should consider method of land acquisition similar to the issuing of Letter 'B'. STH replied that PRH units were precious public resources and HA had established eligibility criteria for PRH units. The suggestion of waiving the requirements relating to income and assets assessment would introduce a fundamental change to the existing mechanism, which had to be carefully handled. The Administration had been working towards mapping out a feasible solution to address the needs and aspirations of the affected residents.

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10. Mr HO Kai-ming cited a case where Kwun Tong District Council members had discussed with the Administration a public housing development project, and criticized that the representatives of the Housing Department ("HD") had focused only on the provision of the new housing units, and did not pay heed to the local concerns over the need to address the shortfall of ancillary facilities in districts such as parking spaces, hence rendering it difficult for the Administration to secure the local support for taking forward the project. Permanent Secretary for Transport and Housing (Housing) ("PS(H)") replied that after the Administration had designated a site to HA for providing public housing, relevant government departments such as the Planning Department ("PlanD"), Social Welfare Department, Transport Department, etc. would consider what facilities HA should include in the housing development, although the local community concerned might have different views. STH said that as far as he understood, HD staff would appropriately follow through and shoulder additional work to address the issues raised by local communities. The Administration would follow up the case mentioned by Mr HO.

11. The Chairman suggested that in planning a public housing project, the Administration should spearhead efforts across bureaux/departments to roll out comprehensive plans covering not only the provision of housing units but also development of/improvements to the community, transport and other ancillary facilities in the area concerned so that the local community would consider that taking forward the plans would bring about enhancements to the community and hence support the project. She requested the Administration to provide written response to the suggestion.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)696/17-18(01) on 14 March 2018.)

Public rental housing applicants

12. Ms YUNG Hoi-yan and Mr Andrew WAN expressed skepticism about whether the Administration/HA could meet the average waiting time target for general PRH applicants at about three years. Ms YUNG enquired whether it would be more realistic to revise the target from three years to, say, four or five years. STH replied that the Administration would continue to support HA in achieving the target of providing the first flat offer to general PRH applicants at around three years on average.

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13. Mr Wilson OR and Mr Andrew WAN asked about the Administration's measures to address the housing difficulties of the households on the PRH waiting list ("WL"). Mr OR requested the Administration to provide information on whether it would provide assistance to WL applicants who had been waiting for PRH for three years or above, and had not been provided the first flat offer, in order to help them cope with the high flat rentals. The Chairman said that the estimated number of inadequately housed households had increased to over 110 000, and requested the Administration to provide information on whether it would provide rent assistance to these households.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)696/17-18(01) on 14 March 2018.)

14. Mr LEUNG Yiu-chung enquired whether given the high rentals faced by households of sub-divided units, the current term Government would commission a new study on implementation of tenancy control measures in Hong Kong. STH replied that the Administration had conducted a detailed study on the implementation of tenancy control measures and noted that there were divided views on such matter in the community. As revealed from the previous study, local and overseas experience showed that tenancy control measures often led to an array of unintended consequences that were detrimental to some tenants whom the measures sought to assist. Unless there were effective solutions to address these unintended consequences, it might not be advisable for the Administration to reconsider the subject matter. The Administration would continue to consider measures that could effectively and directly address the housing difficulties of inadequately housed households.

Land supply

15. Mr HO Kai-ming said that the Hong Kong Federation of Trade Unions had suggested since 2015 that the Administration should provide in collaboration with HA public housing at the spade-ready sites in urban areas resumed by the Urban Renewal Authority ("URA"), and enquired whether the Administration would provide financial support for HA to take forward the suggestion. STH replied that the Administration would continue to explore with URA various options in light of members' suggestion.

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16. Mr KWOK Wai-keung enquired whether relevant bureaux should be held accountable for the failure to identify more spade ready sites for HA to provide public housing. Dr Junius HO opined that in view of the continuous enhancement of the transport connections between Hong Kong and the Mainland, the Administration should consider acquiring land in the nearby Mainland cities for providing public housing for Hong Kong people. Mr LEUNG Yiu-chung opined that as Hong Kong population would increase to over 8 million in future, the Administration should work out a long term plan to ensure there would be adequate land to cater for the population growth. STH replied that Hong Kong's population was expected to reach its peak at 8.22 million by 2043. The "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" commissioned by PlanD would set out the territorial development strategy to guide planning, land and infrastructure development of Hong Kong to 2030 and beyond. The Transport and Housing Bureau ("THB") would continue to work closely with DEVB to secure suitable sites for providing public housing.

17. Ir Dr LO Wai-kwok enquired whether the Administration would relax the development restrictions, such as plot ratio and building height, in an appropriate scale for public housing sites to increase the supply of housing units. Deputy Secretary (Planning & Lands)¹, Development Bureau (DS(P&L)¹, DEVB) replied that since the announcement of the 2014 Policy Address allowing the maximum domestic plot ratio for housing sites to increase by 20% as appropriate (except for the north of Hong Kong Island, and Kowloon Peninsula), the Town Planning Board had approved relevant planning applications, resulting in an increase of about 3 600 public housing units. Where planning and infrastructure permitted and environmental quality would not be compromised to an unacceptable extent, the Administration would continue to actively explore feasible ways to optimize the development potential of available public housing sites. At the moment, the Administration was studying the feasibility of increasing the development intensity of the public housing sites in Kwu Tung North and Fanling North new development areas ("NDAs"). Ir Dr LO said that the Administration should update the relevant Panel its progress in pursuing the matter as and when appropriate.

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Agricultural land

18. Ms YUNG Hoi-yan opined that to increase housing supply, the Administration needed to expedite the development process of non-spade ready sites. She enquired whether the Administration would consider converting the agricultural land currently owned by private developers into residential use through public-private collaboration. Mr Andrew WAN enquired about the role of THB in facilitating the development of agricultural land for providing housing.

19. STH replied that it generally took at least two years to complete the planning and consultation processes for public housing development at non-spade ready sites. It might take three years or more in some cases where there were opposing views to the proposed development. The Administration hoped that local communities would support the implementation of public housing projects. The Task Force on Land Supply ("the Task Force") had discussed issues relating to development potential of the about 1 000 hectares of agricultural land in the New Territories held by private developers, including whether public-private collaboration could facilitate the use of such land for public or private housing developments. The Administration noted that the Task Force would further study the matter taking into account the views received in the public engagement to be conducted in early 2018.

(The Chairman left the meeting at 5:02 pm and Mr Andrew WAN, the Deputy Chairman, took over the chair.)

Sites leased under private recreational leases

20. Mr Andrew WAN enquired about the role of THB in liaising with relevant bureaux including Home Affairs Bureau ("HAB") and DEVB on resuming the Fanling Golf Course site for housing development. Ms Tanya CHAN said that there should be a review of the policy on private recreational leases ("PRLs") in view that golf courses and other facilities on large pieces of land leased under PRLs were open for use to a limited number of people only. In response to the Director of Audit's report published in 2013 about the Government's direct land grants to private sports clubs, the Administration had undertaken in 2014 to review the PRL policy, and it had anticipated that preliminary findings of the review would be available by the end of 2014. She enquired why HAB had yet to make public the findings of the policy review. She further queried the appropriateness of the Administration's renewal of the PRL of the Clearwater Bay Golf and Country Club in 2015 given that HAB had not provided the review findings for public discussion beforehand.

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(The Chairman resumed the chair at 5:09 pm.)

21. Mr CHAN Chi-chuen said that local residents affected by the land development projects in Kwu Tung North and Fanling North NDAs and land reclamation plan in Ma Liu Shui had to sacrifice their own interests to facilitate the implementation of these projects, and it was unfair that the Administration allowed a small group of people to continue enjoying the Fanling Golf Course which could instead be used for providing housing. He enquired why the Administration had yet to make public the findings of the policy review on PRLs and whether apart from HAB, THB had any role in the matter. He said that DEVB should, together with HAB and THB, discuss with members at a special meeting the use of the land sites leased under PRLs. In view that at least four PRLs, including the one for the Fanling Golf Course, would expire in the next few years, he enquired how the Administration would deal with the renewal of them. He further enquired whether the Task Force had made any recommendations regarding the use of the Fanling Golf Course site upon its expiry in 2020. Mr SHIU Ka-chun said there were views that the Fanling Golf Course site which occupied about 170 hectares of land might be large enough to address the housing need of 300 000 residents, and the Administration should use the site for providing housing instead of leasing it to a golf club for the enjoyment of only a few thousand club members.

22. Dr Junius HO opined that the Administration needed to maintain the provision of comprehensive amenities/recreational facilities in Hong Kong including golf courses, and the suggestion to provide public housing at the Fanling Golf Course site was not realistic. Ir Dr LO Wai-kwok said that there were more than one land supply options for providing housing and the land sites leased under PRLs and located on the periphery of country parks were some of them. It was appropriate for the Task Force to consider the priorities of these options. As far as he understood, the Fanling Golf Course was not exclusively used by members of the golf club concerned and the club was providing training bases for members of the public including young people.

23. In reply, STH said that THB had been working with relevant bureaux and departments to secure supply of land for public housing development. The sites leased under PRLs were one of the land supply options to provide housing and there were other land supply sources. The Task Force would engage the public in thorough discussions on the pros and cons of different land supply options and try to build a consensus on the preferred options and their priorities. Members' views would also be considered by the Administration, including HAB. DS(P&L1), DEVB advised that DEVB provided secretariat support to the Task Force which would discuss issues relating to PRLs at a

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meeting and HAB had provided information to DEVB to facilitate the latter's preparatory work for the meeting. The Task Force might also explore the issue of PRLs with the community at large in the public engagement to be conducted in early 2018. The suitability of a land site for housing development depended on a host of factors, including its size, the availability of supporting infrastructure, etc. It might not be practicable to provide housing units for 300 000 residents at the about 170-hectares Fanling Golf Course site. As a comparison, the nearby Kwu Tung North and Fanling North NDAs which together occupied 320 hectares could provide about 60 000 housing units only.

Vacant school premises

24. Mr SHIU Ka-chun enquired whether the Administration would use the sites of vacant school premises ("VSPs") for providing transitional housing or other developments given that considerable VSPs were not being used or no longer suitable for educational use. DS(P&L)1, DEVB replied that the Administration had put in place a mechanism under which the Education Bureau ("EDB") would inform PlanD and other relevant departments of VSP sites, if any, which would no longer be required for school or other educational uses. PlanD would then consider the suitable alternative long-term uses for the concerned VSP sites. The over 210 sites with housing development potential identified by the Administration through on-going land use review in the past few years included certain VSP sites.

Restored landfills

25. Mr SHIU Ka-chun asked whether the Administration would consider turning the restored landfill site where the Kwai Chung Park was located to other use, given that the site was large in size and had been left idle for more than a decade. The Chairman suggested that the Administration should use idle sites including restored landfills, such as Kwai Chung Park and those in Tseung Kwan O, to re-provision the facilities on the lands which were held under PRLs, such as clubs and golf courses, and were suitable for housing development so that the lands released after the re-provisioning could be used for providing housing. She requested the Administration to provide a written response to the suggestion.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)696/17-18(01) on 14 March 2018.)

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V. Review of the Interim Scheme to Extend the Home Ownership Scheme Secondary Market to White Form Buyers

(LC Paper No. CB(1)411/17-18(04) — Administration's paper on review of the Interim Scheme to Extend the Home Ownership Scheme Secondary Market to White Form Buyers

LC Paper No. CB(1)411/17-18(05) — Paper on Interim Scheme to extend the Home Ownership Scheme Secondary Market to White Form Buyers prepared by the Legislative Council Secretariat (updated background brief))

26. At the invitation of the Chairman, STH briefed members on the outcome of the review conducted by HA on the Interim Scheme to Extend the Home Ownership Scheme Secondary Market to White Form Buyers ("Interim Scheme"), and the way forward of the scheme.

Effectiveness of the Interim Scheme

27. Mr SHIU Ka-chun noted that HA's Subsidised Housing Committee ("SHC") had endorsed regularizing the Interim Scheme as the White Form Secondary Market Scheme ("WSM"). He cast doubt whether WSM would be well received as the total number of successful transactions in the two rounds of the Interim Scheme represented only about 54% of the quota for the scheme, and of those who had obtained a Certificate of Eligibility to Purchase ("CEP"), 30% had not purchased a flat in the HOS Secondary Market. STH replied that according to the HA's survey on applicants of the second round of the Interim Scheme, about 76% of the unsuccessful applicants indicated that they would apply under the scheme if it was to be launched again.

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Impact on flat supply and prices

28. Mr LEUNG Yiu-chung opined that WSM might not help increase the supply of flats if HOS flat owners who sold their flats in the Secondary Market needed to purchase another residential property to meet their needs. Mr SHIU Ka-chun expressed concern that similar to the Interim Scheme, WSM would drive up HOS flat prices to levels unaffordable to applicants, making it ineffective in helping families achieve home ownership. Mr KWOK Wai-keung enquired about the Administration's measures to contain the price increases of secondary HOS flats which might possibly continue in the midst of the rising trend of private flat prices.

29. PS(H) replied that not all HOS flat owners who sold their flat in the Secondary Market needed to acquire another residential property. HA/the Administration considered regularizing the Interim Scheme one of the many factors that might bring about fluctuations in prices of flats in the Secondary Market and a longer period of observation was indeed required to ascertain its impact. Apart from WSM, the Administration would continue to provide other subsidized sale housing schemes to help low to middle-income households meet their home ownership aspirations. STH advised that it was important to strike a balance between the demand and supply for HOS flats in the Secondary Market. SHC had taken into account the possible number of HOS flat owners who were willing to sell their flats in the Secondary Market when considering the operational arrangements of WSM, such as the annual quota.

30. The Chairman said that the flat prices in the HOS Secondary Market generally followed the overall trend of flat prices in the private property market, which might not be affordable to White Form ("WF") applicants. As the number of Green Formers who wished to purchase HOS units might reduce if HA decided to provide more units under the Green Form Subsidised Home Ownership Scheme in future, HA should consider allocating more quota to WF applicants for new HOS flats. The Administration should relay her view to HA for consideration. PS(H) replied that according to the established practice, SHC would decide the allocation of quota between Green Form ("GF") and WF applicants before each sale exercise of HOS flats. SHC would discuss the sales arrangements of about 4 400 new HOS flats very soon. The Administration would relay members' views at the meeting to the committee for consideration.

Annual quota and validity period of Certificate of Eligibility to Purchase

31. Mr Wilson OR declared that he was a member of HA's SHC. He opined that the Interim Scheme provided families with an additional avenue for home

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ownership and it was appropriate for HA to regularize the scheme. He enquired about the factors for considering the annual quota for WSM and its allocation between family and one-person applicants. Mr KWOK Wai-keung asked whether the annual number of successful transactions under WSM would be comparable to the quota of 2 500 and whether the quota would be subject to review. PS(H) replied that SHC members considered the quota of 2 500 appropriate given that the same quota had been adopted under the Interim Scheme and members of the public were accustomed to it. SHC would review the number of quota on an annual basis. When considering the allocation of the quota between family and one-person applicants, SHC members accepted that the issue involved a trade-off between meeting the demands of these two groups of applicants.

32. Mr HO Kai-ming enquired whether HA would consider setting the validity of CEPs at two years instead of one year to allow more time for an applicant to identify and acquire a HOS flat. PS(H) replied that as WSM would adopt the eligibility criteria for WF applicants under the sale of HOS flats, which were subject to SHC's annual review, it was appropriate to set the validity of CEPs at one year. About 50% to 60% of the applicants who had obtained a CEP under the Interim Scheme had successfully purchased a subsidized sale flat in the Secondary Market.

Mortgage

33. Mr Wilson OR opined that the Interim Scheme could help young people meet their home ownership aspirations mainly because the buyers of HOS flats in the Secondary Market could obtain a high mortgage with a long tenure. He asked why under the two rounds of the Interim Scheme, the average loan-to-price ratio for WF buyers of flats was 84% only and the loan-to-price ratio for about 10% of the WF buyers was less than 70%. Mr HO Kai-ming noted that HA's mortgage default guarantee was offered for up to only 30 years counting from the date of the first assignment of the flats concerned, and enquired whether the Administration/HA would work out new measures to address the difficulties faced by buyers of relatively aged HOS flats in the Secondary Market in securing a mortgage loan with a longer tenure. In reply, STH said that in the two rounds of the Interim Scheme, the monthly mortgage repayment to income ratio of WF buyers was mostly below 40%. This showed that the monthly mortgage repayment was affordable to these buyers. As most WF buyers under the Interim Scheme were below 40 years old, the scheme could help young people meet their home ownership aspirations. PS(H) advised that according to findings of HA's survey on applicants of the second round of the Interim Scheme, most of the successful buyers did not encounter difficulties in obtaining a mortgage loan.

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Resale restrictions

34. Mr LEUNG Yiu-chung opined that high flat prices in the Secondary Market would make it difficult for the public to purchase an HOS flat, and HA should not allow HOS flat owners who were receiving subsidized housing benefits to sell their flats to make profit. He enquired whether HA would put in place new arrangements under which HOS flat owners would be allowed to sell their flats to the Government/HA only. PS(H) replied that HOS flats had been subject to resale restrictions that had not included a requirement for the flats to be sold only to the Government/HA. The HOS Secondary Market Scheme was to allow owners of subsidized sale flats to sell their flats with premium unpaid to households with GF status in the Secondary Market, and with the implementation of the Interim Scheme, WF buyers were also allowed to purchase HOS flats with premium unpaid in the Secondary Market. STH advised that it was appropriate for HA to respect and follow the long established resale restrictions imposed on HOS flats. HA would take into account Mr LEUNG's suggestion when considering the resale restrictions on new HOS flats for sale in future.

Application procedures

35. The Chairman noted that as part of its measures to streamline the relevant application procedures, HA would invite applicants for WSM and those for HOS flats around the same time each year, and applicants might choose between WSM and HOS. She suggested that HA should consider enabling on-line applications in future for the convenience of applicants. PS(H) replied that HA had been studying the use of electronic application system.

Other suggestions

36. Mr LAU Kwok-fan said that HOS households might wish to acquire an HOS flat to replace their original unit due to reasons such as change in household size. He suggested that the Administration put in place a mechanism under which these households might purchase an HOS flat with premium unpaid using GF status if they had sold their original flat to Green Formers. The Chairman considered that Mr LAU's suggestion was not directly related to the item under discussion and suggested that he followed up with the Administration on other occasions.

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VI. Creation of one permanent Government Engineer (D2) post and one permanent Chief Engineer (D1) post in Civil Engineering and Development Department

(LC Paper No. CB(1)411/17-18(06) — Administration's paper on proposed creation of two permanent directorate posts in the Civil Engineering and Development Department to cope with additional workload arising from public housing development)

37. At the invitation of the Chairman, Deputy Director (Development and Construction), Housing Department ("DDH(D&C)") briefed members on the Administration's proposal to create one permanent Government Engineer post and one permanent Chief Engineer post in the Civil Engineering and Development Department ("CEDD").

38. Mr HO Kai-ming considered it appropriate to create the two proposed posts. He reiterated the concern he raised earlier at the meeting that in planning and consulting local views on public housing development projects, HD staff had paid little regard to the concerns expressed by district councils and local communities over the inadequacy of supporting facilities, such as parking spaces, which was seen to be further worsened after new population intake. He enquired whether there were deficiencies in project planning processes, and how the proposed creation of the two posts could address his concern. He further enquired whether individual government departments had to meet fixed timeframes for delivering public housing projects. DDH (D&C) replied that HD and other government departments all along made their best efforts to complete relevant processes and procedures for taking forward public housing development projects as early as possible. The case mentioned by Mr HO might not relate to the staffing proposal under discussion but she would follow up with Mr HO his concern about the work of HD staff after the meeting.

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39. Mr Wilson OR asked about the division of responsibilities between HD and CEDD in the delivery of public housing projects after the creation of the two proposed posts. He enquired whether the holders of the proposed posts would be responsible for carrying out district consultations for public housing development projects and collaborating with relevant bureaux/departments to address the issues raised by local communities. DDH(D&C) replied that for potential housing sites, CEDD would conduct technical studies to facilitate rezoning and carry out site formation works before delivering them to HA for construction of public housing. The detailed division of responsibilities between HD and CEDD might vary from project to project. Head of Civil Engineering Office, Civil Engineering and Development Department ("Head/CEO, CEDD") supplemented that the holders of the proposed posts would, among other job duties and responsibilities, lead and plan consultations with district councils, rural committees and local organisations with a view to soliciting public support for the implementation of site formation and infrastructure projects to support public housing development.

40. The Chairman asked whether sufficient supporting staff would be available to tie in with the creation of the two proposed posts. Head/CEO, CEDD replied that CEDD had obtained relevant approval for creating 28 non-directorate posts to support the work of the holders of the proposed posts and provide resources on various fronts, such as geotechnical, landscape, technical and clerical supports.

Concluding remarks

41. The Chairman concluded that the Panel supported the submission of the staffing proposal to the Establishment Subcommittee for further consideration.

VII. Any other business

42. There being no other business, the meeting ended at 6:32 pm.