

(Translation)

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

運輸及房屋局

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4 December 2017

Mr Derek Lo
Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Mr Lo,

**Legislative Council Panel on Housing
Supplementary Information**

Regarding the letter from Members on 27 October 2017 on housing policy issues (LC Paper No. CB(1)147/17-18(01)) and motions passed at the meeting of the Panel on Housing of the Legislative Council on 30 October 2017, I enclose the relevant response at **Annex** for Members' reference.

Yours sincerely,

(Original Signed)

(Jerry Cheung)

for Secretary for Transport and Housing

**Letter from Members on 27 October 2017 on Housing Policy Issues and
Motions Passed at the Meeting of the Panel on Housing
of the Legislative Council on 30 October 2017**

Consolidated Response

Purpose

The Panel on Housing of the Legislative Council (Panel) wrote to the Transport and Housing Bureau on 30 October 2017 relaying a joint letter from Hon KWOK Ka-ki, Hon Tanya CHAN and Hon Jeremy TAM Man-ho on public rental housing (PRH) and Green Form Subsidised Home Ownership Scheme (GSH). Besides, the motion moved by Hon Wilson OR Chong-shing and Hon LAU Kwok-fan, as well as the motion moved by Hon SHIU Ka-chun, were passed at the Panel meeting on 30 October 2017. Full texts of the motions are at **Appendix**. This paper provides a consolidated response to the above issues.

Overall Housing Supply

2. As stated in the Policy Address announced in October 2017, the Government will increase housing supply on the basis of the Long Term Housing Strategy (LTHS). According to the announcement in December 2016, the total housing supply target for the ten-year period from 2017-18 and 2026-27 is 460 000 units. The supply target for public housing units is 280 000 units, 200 000 of which are PRH units¹. According to the estimation in September 2017, the total public housing production of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society in the five-year period from 2017-18 to 2021-22 is about 100 300 units, including about 75 200 PRH units and 25 100 subsidised sales flats.

3. Along with the “supply-led” and “flexible” principles under LTHS, the Government will continue to update the long term housing demand projection annually and present a rolling ten-year housing supply target. We are now updating the housing supply target for the next ten-year period (i.e. from 2018-19 to 2027-28) and expect to announce it by end-2017.

¹ The housing supply target under LTHS is a long-term target for a ten-year period. The Government has not set an annual target for housing supply.

4. In face of the demand-supply imbalance in housing, the most fundamental solution is to increase supply. Currently, the most crucial bottleneck is land. To this end, the Government has established the Task Force on Land Supply in September 2017 to examine different land supply options in a thorough and macro manner; review and improve various land development measures in the short, medium to long term; and evaluate other land supply options and their priorities. Relevant Government departments will continue to maintain close liaison with HA and examine ways to better utilise the sites identified; optimise the development potential of each and every site to speed up and increase public housing production as long as planning and infrastructural capacity permit and the impact to the environment is not unacceptable. The implementation of various measures to increase land and housing supply is not easy to realise. We call upon all sectors of the community to maintain an open attitude towards land development and rezoning, accord priority to addressing the pressing housing needs of the general public, and accept the necessary trade-offs.

PRH

5. The Policy Address indicates that PRH is a long-established safety net for the grassroots and low-income families, and that the Government will strive to shorten the waiting time for PRH. As at end-September 2017, the average waiting time (AWT)² of PRH general applicants (i.e. family applicants and elderly one-person applicants) was 4.6 years, which deviated from HA's target of providing the first flat offer to general applicants at around three years on average. In order to shorten the AWT, apart from increasing PRH supply, HA will endeavour to ensure the rational use of precious PRH resources to enable early allocation of PRH units to those with more pressing needs. The Government remains strongly committed and determined in providing PRH for the grassroots and low-income families, and has not set any restriction on the number of PRH units.

² Waiting time refers to the time taken between registration for PRH and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The AWT for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

GSH

6. HA launched the GSH pilot project at San Po Kong (King Tai Court) in October 2016, with an over-subscription by 18 times. All 857 flats were sold in February 2017, reflecting the home ownership aspirations among PRH tenants and Green Formers. In the Policy Address, the Chief Executive suggested facilitating the circulation of public housing units and assisting those who are relatively better-off to move up the housing ladder; and proposed that GSH be regularised and more GSH flats be offered for sale. HA is conducting a comprehensive review on the GSH Pilot Scheme, and will carefully consider the views from various sectors of the community in the process. The review is expected to be completed in early 2018 and its outcome will be reported to the Panel in due course. In the long run, if HA decides to regularise GSH, it will further evaluate whether PRH projects should be converted to GSH on a project-by-project basis.

7. It should be noted that PRH tenants who have purchased GSH flats need to return the PRH units they originally reside in. This “one-on-one exchange” arrangement will not reduce the supply of PRH units. If buyers of GSH flats are PRH applicants who have passed the detailed eligibility vetting, this will fulfill their aspirations for home ownership earlier and enable PRH resources to be allocated to applicants with more pressing needs.

**Transport and Housing Bureau
December 2017**

Panel on Housing

**Motion passed under agenda item I
"Briefing by the Secretary for Transport and Housing on the Chief
Executive's 2017 Policy Address" at the meeting on 30 October 2017**

This Panel requests the Government to ensure that the building of public rental housing ("PRH") units will be continued, and objects to "the setting of a ceiling" on the overall number of PRH units. This Panel also requests the Government to honour its pledge that on average, a Waiting List applicant will be allocated a PRH unit within three years, and before the aforesaid target is achieved, it should be committed to providing an average of 20 000 newly-built PRH units per annum in accordance with the target set out in the Long Term Housing Strategy.

Moved by : Hon Wilson OR Chong-shing, MH
Hon LAU Kwok-fan, MH

Panel on Housing

Motion passed under agenda item I

"Briefing by the Secretary for Transport and Housing on the Chief Executive's 2017 Policy Address" at the meeting on 30 October 2017

Regarding the remarks made by the Chief Executive Mrs Carrie LAM in a press interview that "the increased provision of public rental housing ("PRH") units from 760 000 to 800 000 is sufficient to cater for the needs of grass-roots families, and the majority of the newly-built PRH units will be converted to flats for sale under the Green Form Subsidised Home Ownership Scheme", this Panel requests the Government to explain the basis on which the figure 800 000 was arrived at.

Moved by : Hon SHIU Ka-chun