

(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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22 June 2018

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 supplementary information requested at the Legislative Council Panel on Housing meetings on 5 February, 5 March and 7 May 2018 (Items 1 – 3 and 5 of LC Paper No. CB(1)1051/17-18(01)); as well as the motions passed at the meeting on 10 April 2018 (LC Papers No. CB(1)787/17-18(01) and (02)), I enclose the relevant response at **Annex** for Members' reference.

Yours sincerely,

( Original Signed )

( Rayson Chan )

for Secretary for Transport and Housing

**Legislative Council Panel on Housing**  
**Supplementary Information**

**Purpose**

Regarding the supplementary information requested at the Legislative Council Panel on Housing meetings on 5 February, 5 March and 7 May 2018<sup>1</sup>; as well as the motions passed at the meeting on 10 April 2018<sup>2</sup>, this paper provides the relevant response and information.

**Green Form Subsidised Home Ownership Scheme (GSH)**

2. The Chief Executive (CE) has pointed out on different occasions that if GSH is regularised, the number of GSH and public rental housing (PRH) units among future public housing developments should be assessed by the Hong Kong Housing Authority (HA).

3. In this regard, HA reviewed the GSH pilot in January 2018 and endorsed regularising GSH. In April 2018, HA also endorsed converting the PRH development at Lai Chi Kok Road – Tonkin Street Phase 1 (i.e. Blocks 1 to 4) to a GSH project for sale in 2018.

4. Concerning the supply of PRH units, as stated in LC Paper No. CB(1)627/17-18(05), given the “one-for-one” arrangement, while GSH will not increase the supply of PRH, it will not reduce the supply of PRH either. In addition to new units, units recovered are also an important source of PRH supply. PRH units surrendered by GSH buyers are by nature no different from those recovered from Green Form (GF) buyers of Home Ownership Scheme (HOS) flats or other channels. As HA will implement GSH at a modest pace, the regularisation of GSH would not have significant impact on the flat mix of new PRH units.

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<sup>1</sup> Items 1-3 and 5 of LC Paper No. CB(1)1051/17-18(01).

<sup>2</sup> LC Papers Nos. CB(1) 787/17-18(01) and (02).

## **“Well-off Tenants Policies”**

5. Since the demand for PRH far exceeds supply, HA considers that while best efforts has all along been made to increase PRH supply, it should at the same time examine ways to better utilise PRH resources to ensure that such resources would be focused towards allocating to those with more pressing housing needs. HA endorsed revisions to the “Well-off Tenants Policies” and their implementation details in December 2016 and February 2017 respectively. Implementation of the revised “Well-off Tenants Policies” has commenced since the declaration cycle in October 2017.

6. In deciding to implement the revised Policies in the declaration cycle in October 2017<sup>3</sup>, HA has taken into consideration that this cycle would involve fewer households, which would enable the Housing Department (HD) to better handle and assess the operation of the revised “Well-off Tenants Policies”. This arrangement also has a relatively smaller immediate impact on PRH households as a whole. Implementation of the revised Policies under the declaration cycle in October 2017 has largely been in order. Vetting of the declaration forms is underway and the relevant Notices-to-Quit will be issued by end-August 2018.

7. The income and asset limits under the revised “Well-off Tenants Policies” are different from the previous ones and, under the previous Policies, not all households are required to declare private domestic property ownership in Hong Kong. It is therefore difficult to estimate the number of PRH units that may be recovered as a result of the revision to the Policies.

8. In light of the persistent demand for PRH, HA has to ensure the utilisation of the limited PRH resources. Hence, there is no ground to suspend the implementation of the “Well-off Tenants Policies”. Furthermore, HA has been monitoring the implementation of the Policies and endorsed some further enhancement measures in February 2018<sup>4</sup>. The revised Policies are still at the initial stage of implementation. HA will continue to closely monitor the implementation for smoother operation in upcoming declaration cycles.

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<sup>3</sup> Income/asset declarations under the “Well-off Tenants Policies” are conducted in April and October each year. Over 200 000 households are required to conduct biennial declaration each year, among which only around 1 000 households fall under the declaration cycle in October.

<sup>4</sup> LC Paper No. CB(1)739/17-18(01).

## **Pricing of subsidised sale flats (SSFs)**

9. SSFs are constructed with a practical and “no-frills” design with basic provisions (e.g. floors of living/dining room are steel trowelled finish on concrete) without elaborate fittings, furnishings and ancillary facilities. As a result, the assessed market values of these flats are generally lower than those of private housing flats that are otherwise comparable, in particular when compared with the selling prices of first-hand flats of private developments in the vicinity. Regarding the pricing of flats, the current mechanism has in place an affordability test. Under normal circumstances, HOS flats are sold at 30% discount from their assessed market values. However, if the affordability criteria cannot be met, a higher discount can be offered under the existing pricing mechanism. Taking the Sale of HOS Flats 2018 as an example, the overall affordability ratio in respect of the flats for sale is 93%, which meets the current affordability benchmark. However, during HA’s recent discussion, some members expressed views on whether the existing pricing mechanism can more effectively address the affordability of the applicants. The Government is aware of the public concerns about whether prices of HOS flats have gone beyond their affordability. At the recent Legislative Council CE’s Question Time, CE has indicated that she would personally look into this subject.

10. Furthermore, concerning the pricing mechanism of the regularised GSH, HA endorsed using a simpler approach of fixing the discount of GSH flats at 10% more than the discount determined for the latest HOS sale exercise launched by HA. This will ensure that GSH flats will be more affordable to GF buyers than HOS flats offered for sale to GF (and WF) buyers around the same time. The additional discount is also in line with the concept that GSH is a step in the housing ladder between PRH and HOS.

## **PRH units**

11. HA completed 11 128 new PRH units in 2017.

12. Regarding vacant units, the scope of refurbishment work for each vacant unit depends on the condition of that unit at the time of refurbishment. In 2016/17, the average cost of refurbishment work for each unit was around \$45 000.

13. As for the applications of home modification and adaptation works HA received and processed in the past few years, HA does not maintain relevant consolidated statistics. Nevertheless, HA has collected information on related topics in early 2017. The findings show that HA processed around 2 700 cases of home modification and adaptation works between July 2016 and January 2017.

### **Risk assessment and management of building materials**

14. Risk assessment and management of building materials is a continued and regular work, and an on-going duty of the Development and Construction Division of HD. HD will deploy manpower and resources flexibly to meet operation need.

15. HA controls the quality and materials of works through specifications requirements set out in the works contracts of public housing projects. All non-compliant cases will be dealt with in accordance with the provisions of the contracts and the established control mechanism. Contractors are not permitted to use materials which do not meet the standards set out in the contracts. Any unsatisfactory performance will affect contractors' eligibility to bid for HA's contracts in the future.

### **Marking Scheme for Estate Management Enforcement in Public Housing Estate (Marking Scheme)**

#### **Throwing objects from height**

16. To curb the throwing of objects from height by PRH residents, HA will, under the Marking Scheme, allot seven or 15 points to tenants who commit the misdeed, depending on the seriousness of the incident. When a tenant has accrued 16 points or more within two years, HA will issue a Notice-to-quit terminating the tenancy of the relevant unit. Furthermore, for offences that may cause severe danger or personal injuries, HA may terminate the tenancy immediately, in accordance with the Housing Ordinance (Cap. 283). HD may also prosecute offenders under the Public Cleansing and Prevention of Nuisances Regulation (Cap. 132BK) and the Summary Offences Ordinance (Cap. 228).

17. During routine patrol or when handling complaints, estate staff will carry out enforcement actions immediately under the Marking Scheme if they spot any misdeeds. If the suspected offender cannot be identified, HD will deploy the Special Operation Team to assist in investigating and collecting evidence. In 2017, the Special Operation Team conducted some 3 970 operations to monitor the throwing of objects from height, detected 117 cases, and took prosecution actions in 84 cases.

18. As the situation and complexity of each case are different, HD is not able to set a time limit for investigations and subsequent actions. HA also does not maintain the consolidated statistics regarding the number of cases of throwing objects from height which caused injury or death, or the number of prosecutions in such cases.

19. HA set up 169, 191 and 191 surveillance systems to monitor the throwing of objects from height at the end of 2015, 2016 and 2017 respectively; and is increasing the number of such systems based on the situation in each estate. Systems are added or rotated to different estates according to actual needs. HA does not maintain any consolidated records of the rotation of the systems.

20. To increase transparency, and educate tenants against throwing objects from height, HA will increase publicity through Estate Newsletters and Housing Channel, so as to notify tenants of HA's procedures of handling the throwing of objects from height, and the consequences of committing such misdeed.

### **Keeping of dogs**

21. HA has been implementing the Marking Scheme since 2003. "Keeping animal, bird or livestock inside leased premises without prior written consent of the Landlord" is one of the misdeeds under the scheme. After considering the views of tenants and the public, HA adopted a one-off transitional arrangement. This arrangement allowed PRH tenants to, under the Temporary Permission Rule, continue keeping small dogs which had been already kept before 1 August 2003 until the dogs' natural death; and avoided the abandonment of dogs due to the implementation of the Marking Scheme. HA does not record the reasons behind the decreasing number of dogs under the Temporary Permission Rule, but such decrease in number is believed to be related to the natural passing of the dogs.

## **Trial scheme for keeping guide dog puppies**

22. HD has been working closely with the Hong Kong Guide Dogs Association and the Hong Kong Seeing Eye Dog Services on the trial scheme; and has deliberated the details of the scheme with these two organisations (e.g. the estates to take part in the trial scheme, the number of foster families, etc.). Considering the trial nature of the scheme, as well as the views and suggestions of the two organisations, the organisations will each provide a guide dog puppy to a foster family living in different estates.

23. HD will collect feedback six months after the commencement of the trial scheme and conduct a mid-term review, to evaluate whether improvement measures are necessary to facilitate the implementation of the scheme. Upon the completion of the training of the guide dog puppies, HD will evaluate the effectiveness of the trial scheme, to determine the way forward.

**Transport and Housing Bureau  
June 2018**