(Translation)

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The Government of the Hong Kong Special Administrative Region

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來函檔號 Your Ref.

24 May 2018

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

Dear Mr Lo,

　　　　Regarding the Hon Wilson Or's letter to the Chairman of the Legislative Council (LegCo) Panel on Housing[1] on 27 April 2018, our reply is provided below.

2.　　　　According to the Long Term Housing Strategy (LTHS) announced in December 2014, the Government updates the long term housing demand projection annually and presents a rolling ten-year housing supply target to capture social, economic and market changes over time, and make timely adjustments where necessary.　As the sale of Home Ownership Scheme (HOS) flats was only resumed by the Hong Kong Housing Authority (HA) in 2014, the presentation of the public housing supply target within the ten-year housing supply targets announced annually since 2014 has comprised two portions, namely "public rental housing" (PRH) and "subsidised sale flats" (SSFs), taking into account the actual situation at the time.

3.　　　　However, LTHS also envisages possible developments that reinforce the housing ladder, expand the forms of subsidised home ownership and introduce supplementary schemes of SSFs, etc.[2]　To this end, HA launched the pre-sale of the Green Form Subsidised Home Ownership Scheme (GSH) pilot project

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[1]　　LC Paper No. CB(1)901/17-18 (01).
[2]　　See paragraph 5.3 of LTHS.

in 2016, and endorsed the regularisation of GSH in January 2018.   Furthermore, the Government is studying the launch of a "Starter Homes" Pilot Scheme for Hong Kong Residents ("Starter Homes" scheme), and will announce relevant details later this year.   In view of the above new development, the presentation of the housing supply targets under LTHS will have to be adjusted.

4.   As regards the "Starter Homes" scheme, although the "Starter Homes" units are by nature a form of SSFs, their positioning and target group are different from those of traditional HOS flats.   As pointed out by the Chief Executive in her 2017 Policy Address, the Government will provide "Starter Homes" units only on the premise that the existing supply of public housing will not be affected.   Therefore, if the Government decides to regularise the "Starter Homes" scheme in future, our initial idea is to count the "Starter Homes" units towards the "private housing supply target".

5.   Similarly, despite its being a form of SSFs, GSH is by nature different from HOS or other types of SSFs in the sense that the target group of GSH is restricted to Green Formers only (mainly PRH tenants and PRH applicants who have passed the detailed eligibility vetting).   Since GSH is converted from PRH developments under planning and its target group is the same as that of PRH, we consider it appropriate to adopt the presentation of "PRH/GSH supply target".   This presentation also underlines fully and objectively the fact that the "one-for-one" arrangement under GSH will not reduce the supply of PRH[3].

6.   We will continue to update the rolling ten-year housing supply target annually according to the LTHS framework.   The actual presentation and details of the various supply targets will be set out in the LTHS Annual Progress Report to be announced in end-2018.

Yours sincerely,

(Original signed)

(Jerry CHEUNG)
for Secretary for Transport and Housing Bureau

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Secretary for Transport and Housing Bureau
Director of Housing

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[3]   This is because upon the purchase of GSH units by Green Formers, HA can use the PRH units originally resided by or to be allocated to such Green Formers for allocation to those waiting for PRH.   GSH serves the dual functions of recovering PRH units for allocating to those waiting for PRH and meeting the ownership aspirations of Green Form buyers.