

**立法會**  
**Legislative Council**

LC Paper No. CB(1)400/18-19  
(These minutes have been  
seen by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting**  
**held on Monday, 5 November 2018, at 2:30 pm**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Wilson OR Chong-shing, MH (Chairman)  
Hon James TO Kun-sun  
Hon Abraham SHEK Lai-him, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon WU Chi-wai, MH  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon YUNG Hoi-yan

Hon CHEUNG Kwok-kwan, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS

**Members absent** : Hon Andrew WAN Siu-kin (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon LAU Kwok-fan, MH

**Public Officers  
attending** : Agenda Item IV

Ms Connie YEUNG, JP  
Deputy Director of Housing (Development & Construction)

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

Ms Ann Mary TAM  
Chief Architect (2)  
Housing Department

Mr TAN Tick-yee  
Assistant Director (Elderly)  
Social Welfare Department

Agenda Item V

Mr Frank CHAN, JP  
Secretary for Transport and Housing

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

**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)111/18-19 — Minutes of the meeting held on 11 October 2018)

The minutes of the meeting held on 11 October 2018 were confirmed.

**II. Information papers issued since the meeting on 10 July 2018**

2. Members noted that the following papers had been issued since the regular meeting on 10 July 2018 –

LC Paper Nos. CB(1)1321/17-18(01), — Land Registry Statistics for  
CB(1)1378/17-18(01) and July to September 2018  
CB(1)1440/17-18(01) provided by the  
Administration (press  
release)

LC Paper No. CB(1)1227/17-18(01) — Information booklet on  
General Housing Policies

LC Paper No. CB(1)1300/17-18(01) — Administration's response to  
the issues raised in the  
letters dated 13 and 15 June  
2018 from Hon CHAN Chi-  
chuen and Hon HO Kai-  
ming respectively on repair  
and maintenance of gas  
pipes in common areas of

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Tenants Purchase Scheme estates (LC Paper Nos. CB(1)1125/17-18(01) and CB(1)1149/17-18(01))

- LC Paper No. CB(1)1307/17-18(01) — Referral arising from the meeting between Legislative Council Members and Yau Tsim Mong District Council members on 8 June 2018 regarding issues on unauthorized subdivided units discussed at the meeting (Chinese version only) (Restricted to members)
- LC Paper No. CB(1)1364/17-18(01) — Letter from Hon CHU Hoi-dick regarding the rent adjustment for the Hong Kong Housing Authority's public rental housing with effect from September 2018 (Chinese version only)
- LC Paper No. CB(1)1417/17-18(01) — Administration's response to the letter from Hon CHU Hoi-dick regarding the rent adjustment for the Hong Kong Housing Authority's public rental housing with effect from September 2018
- LC Paper No. CB(1)93/18-19(01) — Referral arising from Hon Michael TIEN regarding request for study of and consultation on partial tenancy control (Chinese version only) (Restricted to members)

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**III. Items for discussion at the next meeting**

(LC Paper No. CB(1)120/18-19(01) — List of follow-up actions

LC Paper No. CB(1)120/18-19(02) — List of outstanding items for discussion)

3. The Chairman advised that the Administration had proposed the following items for discussion at the next regular meeting scheduled for Monday, 3 December 2018, at 2:30 pm –

- (a) Public Housing Construction Programme 2018-19 to 2022-23;
- (b) Challenges and difficulties in taking forward public housing development projects; and
- (c) Head 711 project no. B821CL - Site formation and infrastructure works for public housing development at Yan Wing Street, Yau Tong.

4. The Chairman suggested that as "Public Housing Construction Programme 2018-19 to 2022-23" and "Challenges and difficulties in taking forward public housing development projects" involved common issues of concern, the discussion on them would be combined. Members raised no objection to the suggestion.

*(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)143/18-19 on 6 November 2018.)*

5. The Chairman advised that he and the Deputy Chairman had met with the Secretary for Transport and Housing to discuss the work plan of the Panel for the 2018-2019 legislative session. The Panel's list of outstanding items for discussion (LC Paper No. CB(1)120/18-19(02)) ("the List") had reflected the agreed work plan. Items proposed by members for discussion by the Panel had been incorporated into the List, whereas Items No. 19 and 33 on the List, i.e. "Anti-rodent work in public housing estates" and "Public housing development at San Hing Road, Tuen Mun" would be deleted from the List. In response to Dr CHENG Chung-tai's enquiry about how members might follow up the subject matter under Item 19 on the List, the Chairman advised that the Panel on Food Safety and Environmental Hygiene would discuss rodent control at a meeting, and members might consider following up their issues of concern regarding Item No. 19 with the Administration at the meeting.

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**IV. Head 711 project no. B075MC - Community health centre cum residential care home for the elderly at Tuen Mun Area 29 West**

(LC Paper No. CB(1)88/18-19(01) — Administration's paper on Public Works Programme Item No. B075MC – Community health centre cum residential care home for the elderly at Tuen Mun Area 29 West)

6. With the aid of PowerPoint, Deputy Director of Housing (Development and Construction) ("DDH(D&C)") briefed members on the Administration's proposal to upgrade Public Works Programme item no. B075MC to Category A to construct a community health centre cum residential care home for the elderly ("CHC-cum-RCHE"), details of which were set out in the Administration's paper (LC Paper No. CB(1)88/18-19(01)).

*(Post-meeting note: Presentation materials (LC Paper No. CB(1)148/18-19(01)) for the item were issued to members on 6 November 2018 in electronic form.)*

7. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest.

Cost of the proposed project

8. In view that the proposed CHC-cum-RCHE would be located under the podium of an integrated structure with a public housing residential block ("the residential block") developed by the Hong Kong Housing Authority ("HA") on top, Mr CHU Hoi-dick asked about the cost sharing arrangement between the Government and HA for the foundation works. Mr CHU enquired about the justifications for the capital cost of the proposed CHC-cum-RCHE at \$1,046.4 million which he considered high in view of the area of 7 500 square meters occupied by the CHC-cum-RCHE. DDH(D&C) replied that the Government and HA would share the cost of the foundation works of the proposed project on a pro-rata basis. The estimated capital cost of the proposed project had taken into account the special characteristics of the project, such as the technical difficulties in constructing the proposed

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facilities due to various constraints including the small size of the site. In planning and designing the project, the Administration was mindful of the need to make the most cost-effective use of public funds.

Public housing development at the project site

9. Dr CHENG Chung-tai questioned whether it was appropriate to provide a public housing development in Tuen Mun Area 29 West in view of the upcoming completion of two new private housing development projects in the vicinity of Kin Sang Estate, and the existing population housed in the nearby Tin King Estate and Leung King Estate. He further enquired whether there would be adequate transport facilities to cater for the new developments at the project site. DDH(D&C) replied that the technical studies conducted for the proposed project included a traffic impact assessment which suggested that the capacity of the existing road system in the area concerned could cater for the new developments under the proposed project. Dr CHENG asked whether the traffic impact assessment had taken into account the various housing developments in the vicinity of Tuen Mun Area 29 West, and requested the Administration to provide written information on when the assessment had been conducted.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)221/18-19(01) on 26 November 2018.)*

10. Mrs Regina IP expressed concern about the provision of public rental housing ("PRH") in the residential block in view of the characteristics of the population in the vicinity of the project site and the site's proximity to landfills and enquired whether the 990 flats of the residential block were rental or sale flats. DDH(D&C) replied that HA's current plan was to provide PRH under the project. The Administration had noted Mrs IP's concern.

11. Mrs Regina IP requested the Administration to make available information on whether the flats provided by the public housing project would be rental or sale flats when or before the Public Works Subcommittee ("PWSC") considered the proposed project. She enquired about the flat types in the residential block if it was a PRH development and whether HA could increase the number of flats at the project site. DDH(D&C) replied that the proposal of providing about 990 flats in the residential block had fully utilized the permitted domestic plot ratio for the project site. The design principle currently adopted by HA for public housing projects, including the proposed project, had incorporated "modular flat design", under which flats of different sizes would be provided.

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(*Post-meeting note:* The Administration's supplementary information was issued to members vide LC Paper No. CB(1)221/18-19(01) on 26 November 2018.)

Facilities provided at the project site

12. Mr LEUNG Che-cheung asked about the management responsibilities for the various facilities/developments at the project site. DDH(D&C) replied that the proposed CHC would be managed by the Hospital Authority, whereas the residential block and the proposed RCHE would be under the purviews of HA and the Social Welfare Department respectively.

13. Mr LEUNG Che-cheung queried why the Administration proposed to provide a CHC in a building which would also provide residential units, and whether the residents moving to the residential block in future would accept such proposal. In view that there were four western medicine clinics and two Chinese medicine clinics in the nearby Leung King Estate, Dr CHENG Chung-tai enquired how the services provided by the proposed CHC would be different from these clinics. Ms YUNG Hoi-yan asked about the space allocation among the various facilities in the proposed CHC. Dr KWOK Ka-ki expressed dissatisfaction about the absence of representatives from the Department of Health and the Hospital Authority at the meeting and the shortfall of public primary healthcare and dental services for members of the public, including elderly persons, in Tuen Mun District. He urged the Administration to enhance such services under the proposed project.

14. DDH(D&C) replied that under the current plan, the residential block, the CHC and the RCHE would have their own entrances/exits at ground level. In planning the proposed project, the Administration considered it appropriate to make the most cost-effective use of land resources to cater for the community demand for non-domestic facilities, having regard to the services provided by the three Hospital Authority's general outpatient clinics in Tuen Mun District. The service users of the Hospital Authority's primary healthcare services included the elders, low-income individuals and patients with chronic diseases. The proposal to provide a CHC had taken into account the growing demand for primary healthcare services in Tuen Mun and the Hospital Authority's advice.



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15. Dr KWOK Ka-ki requested the Administration to provide written information on (i) daily quota(s) in respect of the emergency dental services provided for members of the public (who were not civil servants/retired civil servants/their eligible dependents) by government dental clinic(s), and the number of people queuing up for the daily quota(s) during early morning; (ii) the waiting time/situation of members of the public for services provided by the elderly health centre(s) and general outpatient clinic(s); and (iii) the shortfall situation of the services in (i) and (ii), in Tuen Mun District. He further requested the attendance of representatives from the Food and Health Bureau and Department of Health at the PWSC meeting for discussing the proposal.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)221/18-19(01) on 26 November 2018.)*

Residential care home for the elderly

16. Citing a forecast that the population of elderly persons with dementia in Hong Kong would reach 333 000 in 2039, Mr SHIU Ka-chun urged the Administration to enhance the RCHEs' awareness of the needs of elderly persons with dementia. He enquired whether and how the proposed RCHE would foster a dementia-friendly environment for elderly persons. Assistant Director (Elderly), Social Welfare Department ("AD(E), SWD") replied that the Administration would consider Mr SHIU's views and concerns when planning the development of RCHEs. The Administration would select a suitable operator through open tender for the proposed RCHE, and when evaluating the tender proposals, the Administration would assess how the tenderers would address the need of elderly residents in the RCHE, including those with dementia.

17. Mr WU Chi-wai enquired about the criteria for determining the number of places to be provided in the proposed RCHE. Mr SHIU Ka-chun raised the same enquiry and asked about the area of floor space per resident of the proposed RCHE. AD(E), SWD replied that the proposed RCHE occupied a net operating floor area of about 1 100 square meters and the area of floor space per resident of the proposed RCHE would not be less than 6.5 square metres, i.e. the minimum requirement under the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A). Its future operator would prepare a fitting-out proposal regarding the area of floor space per resident, after taking into account relevant factors including the requirements under Cap. 459A and the relevant codes of practice, the floor area to be used for providing common facilities such as activity rooms, etc.

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18. Mr SHIU Ka-chun said that he supported the submission of the proposed project to PWSC for consideration, and whether he would support the PWSC's endorsement of the proposed project would be subject to the Administration's making available the information on the area of floor space per resident in the proposed RCHE when or before PWSC considered the proposed project.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)221/18-19(01) on 26 November 2018.)*

Measures to facilitate accessibility to the proposed facilities

19. Ms Alice MAK opined that when planning the building entrances/exits under the proposed project, the Administration should be mindful of the need to divert the flow of people to different facilities/developments in the same building. Dr Fernando CHEUNG asked whether the residents of the proposed RCHE and the residential block would not use the same lifts for access, and how ambulances and rehabilitation buses would access the RCHE. DDH(D&C) replied that under the current plan, the residential block, the CHC and the RCHE would have their own lifts and lift lobbies. The proposed project would provide a layby for use by emergency vehicles, and the layby was close to the ground floor lobby of the proposed RCHE.

Carpark area of the Tuen Mun North West Swimming Pool

20. In response to Ms Alice MAK's enquiry, Chief Architect (2), Housing Department advised that the proposed modification works to the carpark area of the Tuen Mun North West Swimming Pool were to facilitate construction of a roundabout under the proposed project, and did not involve the provision of additional parking spaces in the carpark.

Use of the project site

21. Ms YUNG Hoi-yan said that given the shortage of land in Hong Kong, the Administration should make efficient use of the proposed project site to provide services for elderly, such as rehabilitation, residential and day care services. She opined that the number of places in the proposed RCHE was limited, and asked whether the proposal had fully utilized the project site. Ms Alice MAK suggested that the Administration should consider providing underground the parking spaces and/or other ancillary facilities mentioned in paragraph 2(c) of LC Paper No. CB(1)88/18-19(01), so that more space could be made available for the operation of the proposed CHE and RCHE.

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22. DDH(D&C) replied that the proposal had fully utilized the permitted plot ratios for the project site under the relevant Outline Zoning Plan. The services of the proposed CHC-cum-RCHE had already been optimized under the prevailing site constraints including limitations of plot ratios, building height restrictions and the small project site. Providing ancillary facilities underground might delay the public housing development delivery time and increase the proposed project's capital cost. Given the small project site, the facilities that could be accommodated underground would be limited. AD(E), SWD advised that the proposal to provide a RCHE with 100 places had taken into account the local community's demand for such service and the development parameters of the project site. Ms Alice MAK expressed support for the submission of the proposed project to PWSC and requested that the Administration make available/provide information on the reasons for not taking forward the suggestion of providing underground the parking spaces and/or other ancillary facilities when or before PWSC discussed the proposed project.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)221/18-19(01) on 26 November 2018.)*

23. Mr WU Chi-wai enquired whether the Administration would increase the plot ratio of the Tuen Mun Area 29 West, and whether the proposal had fully utilized the building height restriction. He further asked whether the Administration would provide under the proposed project empty bays for future non-domestic use when the permitted plot ratio for the area concerned could be relaxed. DDH(D&C) replied that the proposal had fully utilized the building height restriction of 140 metres above Principal Datum imposed on the project site. Due to the small size of the project site, the space allowed for providing empty bays was very limited. The area occupied by empty bays, if any, would be calculated as part of the floor area of the building concerned.

24. Noting that the proponent of a project might request for a higher permitted plot ratio for the non-domestic portion of the project site, Mr WU Chi-wai enquired whether the land on which the proposed development was situated was vested with HA by the Government through a vesting order so that HA had more flexibility in the proposed project. DDH(D&C) replied that although the land on which the building to be developed under the proposed project was granted to HA by way of a vesting order, the flexibility in the proposed project was limited by the development parameters imposed on the project site.

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Implementation of the proposed project

25. Noting the Administration's estimate of completion of the proposed project was early 2024, Ms Alice MAK enquired whether the Administration could expedite the implementation of the proposed project. DDH(D&C) replied that the implementation plan for the proposed project shown in the PowerPoint slides reflected a compressed timetable. The Administration hoped to commence the project in the second quarter of 2019, and would expedite the delivery of the proposed project as far as practicable.

Concluding remarks

26. Concluding the discussion, the Chairman said that members supported the submission of the proposal to PWSC for consideration.

**V. Government's measures to assist Hong Kong people to achieve home ownership**

(LC Paper No. CB(1)120/18-19(03) — Administration's paper on policies and measures consummating the housing ladder

LC Paper No. CB(1)120/18-19(04) — Paper on issues relating to measures to address public aspirations for home ownership prepared by the Legislative Council Secretariat (background brief))

27. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") briefed members on the policies and measures to consummate the housing ladder, the details of which were set out in LC Paper No. CB(1)120/18-19(03).

*[At 4:16 pm, the Chairman advised that he had received a motion proposed by members, and directed that the meeting be extended for 15 minutes until 4:45 pm.]*

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Policies and measures consummating the housing ladder

28. Mr AU Nok-hin cast doubt whether the Administration's policies and measures consummating the housing ladder assisted the right income groups which needed assistance most. STH replied that the Home Ownership Scheme ("HOS"), as a regular form of subsidised sale flats ("SSFs"), provided an opportunity for families who were not eligible for PRH and yet could not afford private housing to achieve home ownership. The Administration/HA had also introduced other forms of SSFs to enrich the housing ladder. In January 2018, HA had regularized the Green Form Subsidised Home Ownership Scheme ("GSH"), which helped Green Formers purchase subsidized housing units. The Administration had invited the Urban Renewal Authority ("URA") to launch a Starter Homes ("SH") pilot project for higher-income households which were not eligible for HOS and could yet to afford private housing in face of the prevailing private property prices.

29. Mr AU Nok-hin opined that initiatives such as regularization of GSH might help address the home ownership aspirations of better-off PRH households, but would be unfavourable to households waiting for PRH given that HA would use part of the PRH developments to provide GSH flats, resulting in lengthening of the PRH waiting time. Most young people could not afford to buy SH, whereas the supply of HOS flats was too limited for meeting their demand. To effectively meet young people's home ownership aspirations, the Administration should consider introducing capital gains tax on the sale of flats, imposing higher government rates on the second flat purchased by an owner, providing subsidized housing for sale only to young people aged below 35, etc. Mr SHIU Ka-chun opined that the housing-related initiatives in the 2018 Policy Address were mainly about home ownership. He and Dr Fernando CHEUNG expressed concern that the Administration had accorded a lower priority for allocation of public housing resources to providing adequate and affordable rental units to low-income households.

30. STH replied that the Administration would continue to allocate public housing resources to meet different housing demands in the community. PRH was a safety net for low-income households, and it was the Government's responsibility to provide PRH units to needy families. SSFs should also be provided to address the home ownership aspirations of low to middle-income families. The target group of GSH was restricted to Green Formers only. Green Form buyers who were PRH tenants would surrender their rental units for allocation to those waiting for PRH. For other Green Form buyers such as PRH applicants, if their home ownership aspirations were addressed under GSH, HA could allocate PRH units to other applicants

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with more pressing needs. In other words, GSH would not reduce PRH supply. In response to Mr SHIU Ka-chun's enquiry about the ratio between GSH and PRH supply, STH advised that the Administration/HA would consider the proportion of newly completed PRH units which would be converted to GSH having regard to relevant developments such as market changes over time and the public response to GSH.

31. Mr SHIU Ka-chun said that during a RTHK interview earlier on, STH had made a remark that the Administration would flexibly allocate public housing resources to meet the demand of different people. He enquired about the criteria for determining such allocation. Dr Fernando CHEUNG cast doubt on the determination of the current-term Government to achieve the PRH supply target being 200 000 units or 40% of the total housing supply target for the ten-year period from 2018-2019 to 2027-2028 under the Long Term Housing Strategy ("LTHS").

32. STH replied that according to the latest forecast, PRH and SSF production in the coming five years were 74 600 and 26 300 units respectively. He explained that the demand for PRH and SSFs kept changing in the society. As stated in the 2017 Policy Address, housing was not a simple commodity, and the Government had an indispensable role to play in the provision of housing. Apart from providing PRH, the Administration should also build a housing ladder to rekindle the hope of families in different income brackets to achieve home ownership.

33. Mr KWOK Wai-keung opined that one of the factors leading to the problem of high flat prices and rentals was the Administration's decision to stop producing HOS in earlier years, and the problem had worsened due to the Administration's failure to meet the LTHS housing supply targets. He urged the Administration to come up with a more effective plan to supply housing land over the coming decades. STH replied that HA resumed the sale of HOS flats in 2014. According to the latest forecasts, the estimated HA's production of SSFs was about 9 800 units from 2014-2015 to 2018-2019, and was about 24 600 units from 2018-2019 to 2022-2023. This demonstrated HA's determination to assist members of the public who aspired to achieve home ownership. The Administration considered that the problem in public housing supply was mainly attributed to the shortage of housing land and the challenges in taking forward public housing development projects. The Administration had strived to shorten the project delivery process at spade-ready sites from seven to five years.

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Supply of subsidized housing

34. Mr Vincent CHENG cast doubt on the effectiveness of the Administration's policies and measures set out in LC Paper No. CB(1)120/18-19(03) in meeting the home ownership aspirations of members of the public. He opined that the projected total production of SSFs from 2018-2019 to 2022-2023 was 26 300 units, which were far from adequate to meet the demand for such flats, and were much less than the LTHS supply target of providing 40 000 SSFs in the coming five years. He enquired how the Administration could produce more SSFs in order to meet the shortfall of about 13 000 flats. He further enquired whether more land sites originally earmarked for private housing would be allocated for public housing development, and whether the 2018 Policy Address initiative of introducing the Land Sharing Pilot Scheme could help provide more SSFs. Mr CHU Hoi-dick enquired whether the Administration/HA would provide more than 10 000 GSH flats in the coming five years in view of the shortfall of 13 000 SSFs against the LTHS supply target. Mr WU Chi-wai enquired about the subsidized housing schemes that would be taken into account by the Administration when projecting the production of SSFs, and whether the quota of the White Form Secondary Market Scheme was counted towards the private housing supply under LTHS.

35. STH replied that the SSF supply target under LTHS referred to new flats only, and did not include flats in the HOS Secondary Market. The housing units to be provided under the URA's SH pilot project would count towards the supply target of private housing under LTHS. HA's estimated total public housing production for the periods from 2014-2015 to 2018-2019 and from 2018-2019 to 2022-2023 were about 79 300 and 97 500 units respectively, reflecting that the Administration and HA had been striving for the best to increase public housing supply. As announced in June 2018, the Administration would re-allocate nine private housing sites for public housing development and would continue to identify land for public housing. On the premise that the PRH production would not be compromised, the Administration would continue to provide SSFs to achieve the relevant supply target under LTHS. Deputy Secretary for Transport and Housing (Housing) ("DS(H)") advised that although GSH was a form of SSFs, GSH projects were mainly converted from PRH developments under planning and their target group was the same as that of PRH. The Administration/HA would not count the GSH units towards the supply of SSFs.

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36. In view that the Administration's estimated total production of SSFs (excluding GSH) from 2018-2019 to 2022-2023 was about 26 300, Mr CHU Hoi-dick enquired about the respective estimated total production of SSFs of HA and the Hong Kong Housing Society ("HS") in 2022-2023. DS(H) replied that the Administration would provide supplementary information to address Mr CHU's enquiry.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)354/18-19(01) on 17 December 2018.)*

Resale restrictions on subsidized sales flats

37. Ms Alice MAK declared that she was a non-executive director of URA. She expressed concern on whether the Administration would impose stricter resale restrictions on SSFs. Mr Gary FAN raised similar concern. Ms MAK opined that if the Administration's measures to consummate the housing ladder were aimed at facilitating members of the public to achieve home ownership, the five-year resale restriction recently endorsed by HA for HOS was not stringent enough to prevent speculative trading of such flats. It was also not desirable to impose such lenient resale restriction on flats provided under new GSH projects or the URA's SH pilot project. To ensure that the supply of SSFs could help address the aspirations of the families who wished to own a flat for self-occupation, the Administration/HA should consider more stringent resale restrictions on these flats, including imposing a longer restriction period, say 10 years, requiring that owners might resell their flats only to households which met the eligibility criteria of the subsidized housing scheme concerned, etc.

38. STH replied that the revised alienation restrictions recently endorsed by HA for the new HOS flats offered for sale in 2018 in effect prevented owners from re-selling their flats in open market upon payment of premium within five years from first assignment from HA. HA would further discuss the alienation restrictions for GSH and future HOS flats. URA would soon announce the details of sale arrangements and alienation restrictions for the flats provided under its SH pilot project.



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Public and transitional housing

39. Mr CHU Hoi-dick opined that to alleviate the housing difficulties faced by the households on the PRH waiting list which were residing in subdivided units or were inadequately housed, the Administration should undertake the responsibility of producing adequate transitional housing. The Chairman enquired whether the Administration would expedite the supply of transitional housing, and whether higher priority would be given to producing PRH if the Administration decided to adjust the public/private split of new housing supply to 70:30. In view that the 2018 Policy Address had announced that 70% of housing units on the Government's newly developed land would be public housing, Mr SHIU Ka-chun opined that apart from the proportion in term of housing units, the Administration should also make clear the proportion of the newly developed land that would be used for public housing development. Mr WU Chi-wai opined that as the permitted plot ratio for private housing sites were usually lower than that for public housing sites, larger number of housing units could be provided on a plot of land designated for providing public housing instead of private housing. To compensate the significant shortfall against the LTHS public housing target, the Administration should allocate 70% of land to public housing development.

40. STH replied that the Administration would continue to provide affordable housing to the needy families through PRH and would spare no efforts in increasing its supply. Apart from PRH, the Administration would also provide SSFs which could serve as PRH tenants' first step for home ownership. It would be easier for the general public to understand the future housing supply if it was expressed in terms of housing units rather than of housing land. Such presentation was also in line with the Administration's established practice. The Administration/HA was studying the public/private split of the future ten-year housing supply target under LTHS, taking into account the demand for public housing and the community's views on adjusting the current public/private split of 60:40. The updated housing supply target would be announced in the LTHS Annual Progress Report 2018 in late 2018.

41. Citing the result of a recent survey on PRH residents that about 80% of the survey respondents had no plan to own a home because they considered residing in PRH a better option, the Chairman expressed doubt whether a housing policy oriented towards home ownership could effectively address the public aspirations as reflected in the survey. STH replied that as the rental levels of PRH units were currently much lower than that of private flat in general, most people would consider PRH a good housing choice.

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42. Dr KWOK Ka-ki opined that although there was no lack of land over the territory that could be used for providing public housing, the estimated production of PRH units in the coming five years fell significantly behind the current number of PRH applicants and members of the public were concerned about the gap in PRH supply. He enquired about how long the applicant at the end of the PRH waiting queue had to wait until he/she received the first flat offer. STH replied that according to the latest LTHS projection announced in late 2017, the total housing supply target for the ten-year period from 2018-2019 to 2027-2028 was 460 000 units, of which 280 000 units were public housing. The Administration would continue to identify land to meet the housing demand.

Redevelopment of aged estates

43. The Chairman opined that it was necessary for the Administration to increase public housing supply as quickly as possible to address the imminent demand. In view that the 2018 Policy Address had mentioned initiatives to support HS in redeveloping its aged estates, he enquired about the Administration's position regarding the redevelopment of the HA's aged PRH estates. STH replied that in selecting individual aged PRH estates for redevelopment, HA would carefully consider four basic principles, namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped, and build back potential upon redevelopment. To meet the current strong demand and the lengthening average waiting time for PRH, the Administration considered that priority should go to increasing the supply of public housing for PRH applicants. Redevelopment of PRH estates might increase PRH supply over the long term, but would in the short term reduce PRH stock available for allocation.

Demand-side management measures

44. Mr Gary FAN opined that although the Administration had put in place various demand-side management measures to address the overheated property market, companies might evade from paying the relevant stamp duty by effecting property transactions through the transfer of shares. He considered it necessary to suppress speculative and external demands for local residential properties more effectively and to ensure that more private flats would be available for meeting the home ownership aspirations of Hong Kong people. He enquired whether the Administration would give consideration to the approach adopted by Australia or New Zealand by prohibiting non-local residents/companies to acquire second-hand residential

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units in local property market, and set an upper limit on the proportion of first-hand private flats in Hong Kong, say 20% or less, that might be sold by developers to non-local buyers.

45. STH replied that the existing demand-side management measures remained effective in reducing short-term resale, as well as external and investment demands. In the first nine months of 2018, purchases by non-local individuals and non-local companies stayed at 1.2% of total residential property transactions, which was much lower than the monthly average of 4.5% in January to October 2012 (i.e. before the introduction of Buyer's Stamp Duty). After the introduction of the New Residential Stamp Duty ("NRSD"), residential property transactions subject to doubled ad valorem stamp duty or NRSD accounted for about 11 per cent of total transactions, which was substantially lower than the 26 per cent before the introduction of NRSD. STH took note of Mr FAN's suggestion of imposing an upper limit on the proportion of first-hand flats that could be sold to non-local individuals/companies, and advised that the Administration would continue to monitor the developments of the property market closely.

46. Mr KWOK Wai-keung said that the measures implemented by the Hong Kong Monetary Authority to lower the maximum loan-to-value ratio for residential properties had adversely affected the home acquisition plans of genuine home buyers due to the raised down payment. He opined that as the Administration had been ineffective in increasing housing supply, the cost originally borne by non-local investors of local residential properties for paying the relevant stamp duties under the demand-side management measures had been transferred to local residents who had to purchase flats at high prices in order to meet their genuine housing needs. He enquired whether the Administration would consider using the stamp duty revenue to assist local first-time home buyers to acquire a home, and whether the ad valorem stamp duty rates at Scale 2 would be reduced in order to relieve the cost burden on local first-time home buyers. STH took note of Mr KWOK's views regarding the stamp duty regime on residential properties and advised that certain favourable terms (including mortgage guarantee by HA of up to 95 per cent of purchase price, etc.) had been offered under existing SSF schemes to help address the difficulties facing local first-time home buyers.

Motion

47. The Chairman referred members to the motion proposed by Mr KWOK Wai-keung and Ms Alice MAK, which he considered relevant to the agenda item –

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*Motion moved by Mr KWOK Wai-keung and Ms Alice MAK -*

"本會認同政府完善置業階梯，以多元方式提供資助房屋，因此本會要求政府盡快增加公營房屋供應，當中包括在興建量上追回《長遠房屋策略》落後進度，並撥出額外土地增加各項資助房屋供應；此外，當局也應檢視各項資助房屋計劃的售價、銷售安排、轉售限制及按揭保證等安排，同時考慮為首次置業的本地居民提供印花稅優惠，令不同階層市民在置業時均有所支援。"

(Translation)

"This Panel agrees that the Government should consummate the housing ladder and provide subsidized housing in a diversified manner. Hence, this Panel requests the Government to expeditiously increase public housing supply, including building more housing units to compensate the shortfall against the supply target under the Long Term Housing Strategy, as well as allocating additional sites to increase the supply of various types of subsidized housing. Moreover, the authorities should examine the flat prices, sale arrangements, resale restrictions and mortgage guarantee arrangements, etc. in respect of various subsidized housing schemes, and at the same time consider providing stamp duty concessions to local first-time home buyers, so as to assist people from different strata in achieving home ownership."

48. The Chairman put to vote the motion. Eight members voted in favour of the motion, no members voted against the motion, and two members abstained from voting. The Chairman declared that the motion was carried.

*(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)152/18-19(01) on 6 November 2018. The Administration's response to the motion was issued to members vide LC Paper No. CB(1)354/18-19(01) on 17 December 2018.)*

**VI. Any other business**

49. There being no other business, the meeting ended at 4:34 pm.