

Legislative Council Panel on Housing
Supplementary Information

Purpose

Regarding the motions passed at the Legislative Council (LegCo) Panel on Housing meeting on 3 December 2018¹, having consulted the Development Bureau, this paper provides the relevant response.

Increasing the supply of public housing and land supply for public housing

2. To implement the 10-year housing production target under the Long Term Housing Strategy (LTHS), the Development Bureau and the Planning Department have been maintaining close liaison with the Transport and Housing Bureau and the Housing Department to identify suitable sites for the Hong Kong Housing Authority (HA) / Hong Kong Housing Society (HKHS) to build public housing. According to the latest forecast, the total housing supply target for the next ten-year period (i.e. 2019-20 to 2028-29) is 450 000 units. Upon the adoption of the 70:30 public/private housing supply split, the public housing supply target would be 315 000 units. It is no easy task to achieve this supply target, so the Government will continue to step up efforts to increase supply of public housing land.

3. With a view to further boosting public housing supply, the Government re-allocated nine sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for public housing use in June 2018. These sites are expected to provide some 11 000 public housing units.

4. Since 2013-14, the Government has re-allocated a total of 21 sites originally intended for private housing for public housing use, providing a total of about 25 700 units. The Government will continue to keep the situation under review and assess the most suitable land uses for different sites. The Government currently has established procedures in the allocation of sites for public and private housing use when undergoing the site searching and planning process. In considering the housing types of individual sites, the Government has to take into account the holistic planning of the community, including the ratio of public and private housing in the concerned areas, and the different needs of public and private housing for community, transport and infrastructural facilities in the area (such as water supplies, drainage, roads, etc.), and whether the location, area, and development scale of individual sites would be suitable for public housing development. At the same time, the Government also needs

¹ LC Paper No. CB(1)263/18-19(01)-(03)

to take into account the demand for private housing in society, and continue to set aside a certain number of sites for the Land Sale Programme in order to maintain a sustained and steady private housing land supply.

5. Furthermore, to optimise the use of public housing land, a further increase of domestic plot ratio is allowed for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by up to 10% (i.e. maximum 30% increase in total) where technically feasible.

6. HA and other relevant government departments will continue to actively explore how to optimise the existing and planned public housing sites, and to expedite the development process as far as practicable. In response to the Chief Executive's initiative in the 2019 Policy Address, HA will also explore the feasibility of redeveloping individual factory estates for public housing use.

Urban Renewal Authority

7. Moreover, the Urban Renewal Authority (URA), as a statutory body promoting urban renewal, has all along maintained an appropriate division of labour with HA / HKHS in that the latter is responsible for providing subsidised sale flats (SSFs) and public rental housing (PRH).

8. URA has in 2015 converted 338 units in its Kai Tak Development originally earmarked for the "Flat-for-Flat" Scheme into SSFs. URA has also in 2018 accepted the Government's invitation to assign its non-joint venture redevelopment project at Ma Tau Wai Road as a "Starter Homes"(SH) pilot project. All the 450 units in the project named "eResidence" were sold in early 2019. The Policy Address released in October this year has entrusted URA with a new mission to actively provide more SH or other types of SSFs in its redevelopment projects in light of the successful experience of "eResidence". The Government will provide resources as appropriate to enable URA to continue carrying out its urban renewal mission.

9. To solve the problem of shortage of public housing in the long run, we cannot only rely upon one single measure. The key is to sustain the increase in overall land supply. The Government will continue to strive to identify sites for public and private housing development, and adopt a multi-pronged approach in increasing land supply in a sustained and steady manner in order to achieve the public housing supply target.

HKHS

10. HKHS has been a close partner of the Government in providing housing and related services for meeting different housing needs of the Hong Kong community. Throughout the years, HKHS has been playing an active role in providing public rental units at affordable rents for low-income households, and developing SSFs projects.

11. Amongst the nine sites re-allocated for public housing at Kai Tak and Anderson Road Quarry (see paragraph 3 above), one of the sites in Kai Tak will be allocated to HKHS for the redevelopment of Chun Seen Mei Chuen. HKHS can then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen by phases. The remaining new units on the above-mentioned Kai Tak site can also be used to rehouse other eligible households affected by Government development and projects by URA.

12. As for the remaining eight sites, HA and HKHS will each take up one site in Kai Tak and three sites in Anderson Road Quarry for SSFs development with a view to meeting the strong home ownership aspirations of low to middle-income families. The five sites to be granted by the Government to HKHS will provide about 6 600 units in total with estimated completion between 2024 and 2026.

13. The Government will continue to work closely with HKHS, and subject to the overall land resources planning, allocate suitable sites to HKHS for subsidised housing development.

Cash allowance

14. The Government understands that grassroots households face a heavy burden in their livelihoods. Different Government departments have all along been providing appropriate assistance to grassroots households from different perspectives including housing, social welfare, community support services, etc. To further alleviate the difficulties faced by grassroots households, the Chief Executive put forward a proposal in the 2019 Policy Address to invite the Community Care Fund to launch two rounds of “One-off Living Subsidy” for the low-income households not living in PRH and not receiving CSSA in the next financial year. This will allow time for the Government to complete the study on devising a scheme to provide cash allowance on a regular basis towards the end of 2020. The Secretary for Labour and Welfare will take lead in the relevant study, while the Transport and Housing Bureau will actively support the conduct of the study from the housing policy perspective.

Tenancy Control

15. Tenancy control is a highly controversial issue. The Government has studied this subject time and again, but there is yet no consensus in the community over this issue. In February 2014, the Long Term Housing Strategy Steering Committee (Steering Committee) published the LTHS Report on Public Consultation, which set out that while there was rather strong support for re-launching tenancy control amongst concern groups for the grassroots and tenants of subdivided units (SDUs), views from respondents amongst the general public were relatively mixed. Some respondents cast doubts on the effectiveness of tenancy control in offering the intended protection to tenants. The Steering Committee cautioned that clear community consensus had to be secured before any form of tenancy control was contemplated.

16. The Government subsequently conducted a detailed study in Hong Kong's past experience as well as overseas experience in implementing tenancy control, and briefed the LegCo Panel on Housing and listened to public views in July 2014². After considering the relevant study and the views of the Steering Committee, the Government promulgated the LTHS in December 2014 and elaborated its views on tenancy control in paragraphs 6.15-6.18. The Government also attended the joint meetings of the LegCo Panel on Housing and LegCo Panel on Welfare Services in June and July 2018 to again listen to the views of LegCo members and public deputations on tenancy control, and shared the Government's views³. The Government's views are summarized as follows –

- (a) Empirical findings, both local and overseas, suggest that tenancy control measures often lead to an array of unintended consequences including those to the detriment of the tenants whom the measures seek to assist. For example, supply of rented accommodation may be reduced, and landlords may become more selective about their tenants, etc.
- (b) As seen from overseas experience, even if tenancy control is imposed only on housing for the grassroots, there may be inadvertent spillover effects on the uncontrolled sector. For example, as some tenants will not be able to rent flats in the controlled sector, they may be forced to seek accommodation in the uncontrolled sector, hence pushing up the rent level of the latter. Some overseas experience also suggests that, with the implementation of tenancy control, a prospective tenant may find it difficult to secure a tenancy through the open market, and can only obtain information of rented accommodation through indirect

² LC Paper No. CB(1)1709/13-14(01)

³ LC Paper No. CB(1)1052/17-18(01)

means, which will not be easily accessible by the socially disadvantaged.

- (c) Weighing the pros and cons, the Government is of the view that introducing tenancy control in any form may be counterproductive and will not be in the interest of grassroots households or the general public.

Transitional housing

17. The Government has been striving to solve the problem of housing for low-income families with poor living conditions by increasing the supply of public housing. As pointed out in the Chief Executive's Policy Addresses in 2017 and 2018, since it takes time to identify land for housing construction, the Government will support and facilitate the implementation of various short-term initiatives put forward and carried out by the community on top of the long-term housing policy and measures, to provide transitional housing to relieve the pressure of families living in unpleasant conditions and those waiting for PRH for a long time.

18. The Chief Executive announced in the 2019 Policy Address that the number of transitional housing projects will be substantially increased to provide a total of 10 000 such units within the next three years. The task force under the Transport and Housing Bureau submitted the detailed arrangement of the Funding Scheme to the LegCo Panel on Housing on 4 November 2019. The Transport and Housing Bureau anticipates that the funding proposal of the Funding Scheme will be submitted to the LegCo Finance Committee by the first quarter of 2020. The task force will continue to provide one-stop coordinated support to facilitate the implementation of transitional housing projects by the community. After consulting relevant bureaux and departments, the task force will offer advice on relevant administrative or statutory procedures, and assist them in applying for appropriate funding, etc.

Transport and Housing Bureau November 2019