

**For discussion
on 3 December 2018**

**Legislative Council Panel on Housing
Challenges and Difficulties in
Taking Forward Public Housing Development Projects**

Purpose

This paper briefs Members on the challenges and difficulties in taking forward public housing development projects.

Challenges and difficulties in taking forward public housing development projects

2. The Government has been striving to secure sites for public housing development, and the Hong Kong Housing Authority (HA) has been working hard to fast-track the development process where possible. In the past few years, the Government has identified over 210 sites with housing development potential in the short to medium term. Such sites can provide more than 310 000 flats in total, 70% of which are for public housing. Yet, the majority of these sites require the completion of necessary processes (including planning and consultation, statutory planning procedure, land resumption and clearance, provision and reprovision of facilities, site formation and provision of infrastructure, Legislative Council’s timely funding approval, etc.) in order to be delivered on time for housing construction.

3. Around 80% of the public housing projects about which HA have consulted District Councils in the past eight years (2010/11 to 2017/18) are not “spade-ready”¹. Therefore, the Government needs to go through various processes to turn those sites into “spade-ready” sites. Such processes require time and are subject to uncertainties. We also have to face various kinds of challenges in such processes, including –

- (a) **Planning and consultations** – to develop a project, we first need to conduct technical studies. Depending on the complexity of a project, the technical study may take one to two years. When findings of technical studies are ready, relevant departments and HA

¹ Sites that have been properly zoned, and do not require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure.

will conduct consultations. The time required depends on individual project and local situation;

- (b) **Land resumption/clearance/reprovisioning of facilities** – for projects that require land resumption and clearance, it takes relatively longer time to complete the relevant procedures. If reprovisioning of affected facilities (e.g. parks, community halls and sports grounds) is required, the process will be even more complicated;
- (c) **Site formation and infrastructure provision** – some sites require site formation, road works and/or provision of additional infrastructures. The lead time for these works varies with the complexity of the projects;
- (d) **Sites involving Government-funded items** – a considerable number of projects involve Government-funded works (e.g. public transport interchange, community hall, road improvement works, etc.). Obtaining timely funding approval from the Legislative Council is critical for delivering projects in time; and
- (e) **Building construction** – the time required for building construction can vary widely according to the complexity of projects. The construction of a 40-storey public housing block normally takes about 3.5 years. However, it would take four or more years if the site involves more complex ground conditions or slopes, or if refuge floors, basement or podium are to be constructed to maximise development potentials. Besides, during construction stage, individual projects may also encounters unforeseeable factors such as inclement weather and shortage of labour in construction industry, which may affect the completion time.

Meeting the challenges

4. To increase public housing supply, the Government will continue to adopt a multi-pronged approach to increase housing land supply in the short, medium and long term through land use review and rezoning, increasing development intensity, releasing brownfield sites, developing new development areas and moderate land reclamation, etc. In June this year, the Government decided to re-allocate nine sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for public housing. The sites are expected to provide some 10 600 public housing units, which will

help narrowing the public housing shortage in later years. The Government will continue to review the situation from time to time to determine the most suitable use of sites. Where appropriate, sites originally planned for private housing will be re-allocated for public housing.

5. Besides, as stated in the Chief Executive's 2018 Policy Address, the Government will increase the ratio of public housing, and 70% of housing units on the Government's newly developed land will be for public housing. The Policy Address also suggested that the public/private split of the future ten-year housing supply target under the Long Term Housing Strategy might need to be adjusted. The Government will have full regard to the latest developments and views from various sectors when presenting the next ten-year housing supply target.

6. In the light of the above, HA will continue to adopt the following measures –

- (a) **Maintain close liaison with relevant Government bureaux/departments** – continue to closely liaise with relevant government bureaux/departments for early planning to ensure timely availability of sites and supporting infrastructure;
- (b) **Enlist support from local communities** – strengthen the communication with District Councils, local communities and other stakeholders, to enhance the planning, layout, design and supporting facilities of public housing projects;
- (c) **Optimise land use** – adopt site-specific design to optimise the development potential of each site. Where planning and infrastructure permit and without compromising the environment to an unacceptable extent, appropriately relax development restrictions (e.g. plot ratio, building height) through liaison with relevant departments or submitting planning applications; and enlarge and/or amalgamate sites in order to create larger development site area to increase housing production as appropriate. HA will also continue to examine vacant land in existing estates, such as ball courts, open spaces, public transport interchanges or vacant school premises released after review, to explore the feasibility of constructing additional buildings with the view to better utilising the development potential of existing estate sites; and enhancing estate facilities at the same time;

- (d) **Expedite building construction** – continue to improve the construction process and quality, as well as expedite flat production by adopting the precast concrete technology and lean construction at sites. At the same time, with the view to expediting the constructions process, HA is exploring a wider application of precast concrete components; and carrying out a viability study on adopting Modular Integrated Construction in public housing construction. Tentatively, the study would be completed by early-2019; and
- (e) **Enhance training** – work with industry stakeholders to improve and implement labour training schemes, including Contractors Co-operative Training Scheme, Supplementary Labour Scheme, etc., to mitigate the labour shortage problem.

7. Members are invited to note this paper.

**Transport and Housing Bureau
November 2018**