(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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24 January 2019

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

Dear Mr Lo,

Public Housing Construction Programme 2018/19 to 2022/23

Regarding the letter from the Hon Gary Fan to the Chairman of the Legislative Council Panel on Housing (Housing Panel) on 29 November 2018, I set out the reply as follows.

2. As pointed out by the Government in the Long Term Housing Strategy (LTHS) promulgated in 2014, subsidised sale flats (SSFs) serve as the first step for home ownership for low to middle-income families, and are an essential element of the housing ladder. The Government will identify suitable sites for building SSFs, as well as explore ways to expand the forms of subsidised home ownership and introduce supplementary schemes of SSFs at appropriate times. As pointed out in LTHS¹, given the unique nature of SSFs as a buffer between public rental housing (PRH) and private housing, the Hong Kong Housing Authority (HA) needs to maintain the inter-changeability between PRH and SSFs, and adjust their numbers in a timely manner, to better address changes in market situations and the housing needs of the community.

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See paragraphs 3.3 and 5.4 of LTHS for details.

- 3. Currently, public housing includes PRH, the Green Form Subsidised Home Ownership Scheme (GSH) and other SSFs (including the Home Ownership Scheme (HOS)). Based on the concept of inter-changeability, the Government will strive to maintain the flexibility of various types of public housing, so as to meet the demand for PRH, GSH and other types of SSFs. According to the projection in September 2018, HA and the Hong Kong Housing Society (HKHS) will construct about 26 300 SSFs in the five-year period from 2018/19 to 2022/23.
- 4. Pre-sale of the next GSH project at Lai Chi Kok Road-Tonkin Street was launched in end-December 2018, involving some 2 500 flats. HA's PRH and GSH production was set out at Annex 1 of the discussion paper "Public Housing Construction Programme 2018/19 to 2022/23" of the Housing Panel. As regards the number of PRH projects to be converted to GSH each year, HA will adopt a modest pace and make reference to the site selection principles adopted for the GSH pilot in reviewing the PRH projects in the pipeline, with a view to selecting sites for conversion to GSH projects in future. Hence, the number of GSH flats in 2018/19 to 2022/23 is yet to be confirmed. When there are suitable PRH developments that may be converted to GSH, HA will discuss at relevant committees and make decisions according to established procedures.
- 5. Tenants of HA's PRH units and HKHS's rental estates may purchase HOS and GSH flats using Green Form (GF) status. Their rental units surrendered will be allocated to those waiting for PRH. Other eligible GF applicants (such as PRH applicants who have passed the detailed eligibility vetting) may also purchase HOS and GSH flats, thus releasing the PRH units to be allocated to them originally for those awaiting PRH. Given this "one-for-one" arrangement, the same number of PRH units will be vacated in principle.
- 6. Among the 857 buyers of the GSH pilot King Tai Court, 800 were HA's PRH tenants, with the rest being tenants of HKHS's rental estates and other eligible GF applicants. Details are provided in the table below –

HA will continue to make reference to the following principles adopted for the GSH pilot –

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² LC Paper No. CB(1)219/18-19(03).

⁽a) while a site may contain certain public facilities, it should not contain public facilities that will incur very high management and/or maintenance fees;

⁽b) the conversion of a PRH site to GSH development should not result in substantive changes to the original planning;

⁽c) the site should preferably be a standalone one, or can be easily carved out from a PRH development; and

⁽d) PRH development that will be completed shortly is not suitable.

| Category of buyers | Number |
|--|--------|
| Tenants of HA's PRH units | 800 |
| Tenants of HKHS's rental estates | 28 |
| PRH applicants who have passed the detailed eligibility vetting | 16 |
| Junior civil servants with eligibility established under the Civil Service Public Housing Quota Scheme | 12 |
| PRH residents eligible for PRH allocation due to divorce/splitting | 1 |
| Total | 857 |

- 7. A total of 804 PRH units⁴ have been recovered from the 800 PRH tenants of HA. The rest of the buyers (i.e., tenants of HKHS's rental estates and eligible PRH applicants) also released the same numbers of PRH units (or PRH units to be allocated to them originally) to those awaiting PRH.
- 8. For HOS, in line with the established practice, HA and HKHS will draw up the sales arrangements before the launch of each HOS/SSF sale exercise, including the ratio of quotas between GF and WF applicants, having regard to the prevailing circumstances. Any remaining GF quota will be re-allocated to the WF queue, and vice versa. Since 2014, HA has put up around 14 700 new HOS/GSH flats for pre-sale⁵. For each of the HOS sale exercises completed by HA⁶, around 30 60% of flats were sold to GF applicants, thereby vacating similar number of PRH units.

Yours sincerely,

(Original Signed)

(Jerry CHEUNG) for Secretary for Transport and Housing Bureau

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Some households may occupy more than one PRH unit under one tenancy. Upon purchase of SSFs, they are required to surrender all PRH units under their tenancy to HA. Hence, HD may recover more than one PRH unit from a GSH buyer.

Including HA's Sale of HOS Flats 2014, 2016, 2017 and 2018, and the sale exercises of GSH flats in 2016 and 2018.

⁶ Excluding the Sale of HOS Flats 2018.