(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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本局檔號 Our Ref. (14) in HD4-2/PS1/1-55/1/4 (2018/19) V 來函檔號 Your Ref.

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22 March 2019

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

Dear Mr Lo,

Request for Supplementary Information on Public Housing Construction Programme 2018-19 to 2022-23

Thank you for your letter dated 13 February 2019. Our reply is as follows.

2. Our reply to the Panel on Housing of the Legislative Council dated 24 January 2019 (Annex 1) has already covered the information relevant to the issue raised in your letter. As regards the number of public rental housing (PRH) projects to be converted to Green Form Subsidised Home Ownership Scheme (GSH) projects each year, the Subsidised Housing Committee of the Hong Kong Housing Authority (HA), in agreeing to regularise the GSH in January 2018, considered that the HA should implement GSH at a more modest pace to gather more experience, reduce the risk of unsold flats and minimise the impact on the waiting time for PRH applicants. According to the projection in December 2018, the HA and the Hong Kong Housing Society will construct about 26 300 subsidised sale flats in the five-year period from 2018-19 to 2022-23.

3. In line with this incremental approach and in the light of the positive response to the pilot GSH in 2016 and GSH 2018, the Strategic Planning Committee of the HA decided at its meeting on 4 March 2019 to convert the two PRH developments at Chai Wan Road, Chai Wan and Tsing Hung Road, Tsing Yi respectively for sale as GSH by the end of this year. The relevant press release (**Annex 2**) is enclosed for reference.

Yours sincerely,

(Original Signed)

(Ms Jenny Y H CHAN) for Secretary for Transport and Housing Bureau

(Translation)

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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.

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.

Press Releases

Selection of sites for sale under Green Form Subsidised Home Ownership Scheme 2019

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA) has decided to convert two public rental housing (PRH) developments for use and sale under the Green Form Subsidised Home Ownership Scheme (GSH) 2019.

A spokesman for the HA said today (March 6) that the conversion was approved by the Strategic Planning Committee of the HA at its meeting on March 4. The two developments are located respectively at Chai Wan Road, Chai Wan and Tsing Hung Road, Tsing Yi.

The Chai Wan site, providing 828 flats is expected to be ready for occupation by the fourth quarter of 2022. The Tsing Yi site will provide 2 868 flats and is expected to be ready for occupation by the third quarter of 2023. The HA plans to launch the pre-sale of these flats by the end of this year.

"The Subsidised Housing Committee of the HA agreed to regularise the GSH in January 2018. The Committee also decided that it should be prudent to implement GSH at a more modest pace to gather experience, reduce the risk of unsold flats and minimise impact on the waiting time for PRH applicants," the spokesman said.

"In line with this incremental approach and in the light of the positive response to the pilot GSH in 2016 and GSH 2018, the Strategic Planning Committee decided to convert the two PRH developments mentioned above for use of GSH 2019.

"Given the incremental approach, we will continue to take account of operational experience and sales response, and consider the suitability of PRH projects for conversion to GSH projects each year," the spokesman said.

- 1. While a site may include certain public facilities, it should not contain public facilities that will incur very high management and/or maintenance fees;
- 2. The conversion of a PRH site to GSH development should not result in substantive changes to the original planning;
- 3. The site should preferably be a standalone one, or can be easily carved out from a PRH development; and

Details of the two GSH 2019 sites are set out in the HA paper (paper no: HA 06/19) which has been uploaded onto HA website: www.housingauthority.gov.hk/en/about-us/housing-authority/ha-paper-library/index.html.

Ends/Wednesday, March 6, 2019 Issued at HKT 15:45

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