

Legislative Council Panel on Housing
Supplementary Information

Purpose

Regarding the follow-up actions requested at the Legislative Council (LegCo) Panel on Housing meeting on 8 November 2019, having consulted Financial Services and the Treasury Bureau (FSTB), this paper provides the relevant response.

Follow-up action

(a) the basis on which the caps on the value of the properties under the Mortgage Insurance Programme of the HKMC Insurance Limited for first-time home buyers were calculated/arrived at, i.e. (i) for a property eligible for a mortgage loan of maximum cover of 90% loan-to-value ("LTV") ratio, the cap will be raised from \$4 million to \$8 million, and (ii) for a property eligible for a mortgage loan of maximum cover of 80% LTV ratio, the cap will be raised from \$6 million to \$10 million.

2. According to the information provided by FSTB, the latest amendments to the Mortgage Insurance Programme (MIP) aim to provide more solid support to first-time homebuyers or people who want to upgrade their homes with sufficient repayment abilities, but cannot afford the down payment. The maximum property value eligible for mortgage loans up to 80% loan-to-value (LTV) ratio is HK\$10 million. For mortgage loans up to 90% LTV ratio applicable to first-time homebuyers, the maximum property value has been raised to HK\$8 million. The cap is set with due consideration of striking a balance between coverage of flats for targeted homebuyers and risk management on relevant risk factors.

(b) details of the measures which would be taken by the Administration to accelerate the sale of the 42 000 flats in the 39 estates under the Tenants Purchase Scheme and the relevant timetable for selling those flats.

3. In 2019 Policy Address, the Chief Executive proposed that the Hong Kong Housing Authority (HA) make active preparations with a view to accelerating the sale of the around 42 000 unsold flats in the 39 estates under Tenants Purchase Scheme (TPS). This will help further meet the home ownership aspirations of public rental housing tenants and help resolve the estate management and maintenance problems in TPS estates arising from mixed ownership.

4. At its meeting on 31 January 2020, HA's Subsidised Housing Committee will discuss the freezing of letting recovered flats from TPS estates with effect from 1 February 2020, with a view to putting up these flats for sale later. We plan to consult the LegCo Panel on Housing in the first quarter of this year on how to accelerate the sale of the recovered flats from TPS estates.

5. Putting up the recovered TPS flats for sale involves a number of issues including prescribing the eligible buyers, fixing the pricing and relevant alienation restrictions as well as working out the sales arrangements etc. After seeking the views of the LegCo Panel on Housing, we will work out the proposed arrangements and details of the sale of the recovered flats from TPS estates for HA's discussion and endorsement, with the target of putting up these recovered TPS flats for sale in end-2020/ early 2021 tentatively.

(c) apart from the Hong Kong Housing Society and the Urban Renewal Authority, whether the Hong Kong Housing Authority would provide support, technical or otherwise, for increasing the number of transitional housing units to a total of 10 000 units within the next three years; and if not, the reasons.

6. As the Government has repeatedly emphasized, in order to avert the fundamental housing demand-supply imbalance at source and address the housing problem in the long run, the ultimate solution is to increase land and housing supply in a continuous and stable manner.

7. The Transport and Housing Bureau will take an active part in and continue to coordinate the work of transitional housing, whereas the Hong Kong Housing Society and the Urban Renewal Authority will offer support to individual transitional housing projects. The principal function of HA is to provide permanent public housing (including public rental housing (PRH) and subsidised sale flats). In order to meet the goal of public housing under the Long Term Housing Strategy, shorten the waiting time for PRH of low-income families, and help low to middle-income families achieve home ownership, HA will continue to focus on developing and increasing permanent public housing supply.

**Transport and Housing Bureau
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