# 立法會 Legislative Council

LC Paper No. CB(1)183/19-20(04)

Ref.: CB1/PL/HG

### **Panel on Housing**

#### **Meeting on 2 December 2019**

Updated background brief prepared by the Legislative Council Secretariat on the Public Housing Construction Programme

### **Purpose**

This paper provides updated background information on the Public Housing Construction Programme ("PHCP") of the Hong Kong Housing Authority ("HA") and the public housing production of the Hong Kong Housing Society ("HS"), and gives a brief account of the views and concerns expressed by members of the Panel on Housing ("the Panel") on the subject.

### **Background**

2. The objectives of the Government's housing policy include providing low-income families who cannot afford private rental accommodation with public rental housing ("PRH"), with a target of maintaining the average waiting time ("AWT") for general PRH applicants (i.e. family and elderly one-person applicants) on the Waiting List at around three years. To this end, HA has put in place PHCP, which is a rolling programme forecasting public housing (including PRH) production of the coming five years and is reviewed annually.

\_

The AWT pledge does not apply to non-elderly one-person PRH applicants on the Waiting List.

#### **Long Term Housing Strategy**

3. The Government promulgated the new Long Term Housing Strategy ("LTHS") in December 2014 and announced that it would adopt a supply-led strategy as recommended by the LTHS Steering Committee. Based on the latest projection as at December 2018, the Government adopts a total housing supply target of 450 000 units for the ten-year period from 2019-2020 to 2028-2029. With a public-private split of 70:30,<sup>2</sup> the public housing supply target is 315 000 units, comprising 220 000 PRH/Green Form Subsidised Home Ownership Scheme ("GSH") units and 95 000 Other Subsidized Sale Flats ("Other SSFs"). According to the Administration, "Other SSFs" is the remaining category of housing supply in between "PRH/GSH" and "private housing", which includes Home Ownership Scheme ("HOS") units under HA and SSFs under HS.

#### Public Housing Construction Programme 2018-19 to 2022-23

#### Public Rental Housing

4. As at end-September 2018, there were about 267 700 Waiting List applications for PRH allocation, including about 150 200 general applications (i.e. family applications and elderly one-person applications) and about 117 500 non-elderly one-person applications. The AWT for general applicants was 5.5 years.<sup>4</sup>

2 G: (1 1 1 .:

Since the promulgation of LTHS in 2014, the public/private split of new housing supply had been maintained at 60:40. The Policy Address delivered in October 2018 suggested that the public/private split of the future ten-year housing supply target under LTHS might need to be adjusted. In December 2018, the Administration announced that the public-private split was revised to 70:30 for the ten-year period from 2019-2020 to 2028-2029.

Since the promulgation of LTHS in 2014, the housing supply targets have been categorized into private housing, and "PRH" and "SSFs" under public housing. HA launched the GSH pilot project at San Po Kong (King Tai Court) in October 2016, and decided to regularize GSH in January 2018. As mentioned in the LTHS Annual Progress Report released in December 2018, to reflect new developments in the supply targets, including among others the HA's decision to regularize GSH, the Administration revised the categorization of the public housing supply targets from "PRH" and "SSFs" to "PRH/GSH" and "Other SSFs" respectively.

<sup>&</sup>lt;sup>4</sup> According to the <u>HA's website</u>, as at end-September 2019, there were about 149 500 general applications for PRH and about 108 000 non-elderly one-person applications. The AWT for general applicants was 5.4 years.

#### Green Form Subsidised Home Ownership Scheme

- 5. In 2018, HA endorsed converting the PRH development at Lai Chi Kok Road Tonkin Street Phase 1 involving about 2 500 flats into GSH (i.e. Lai Tsui Court), being the first regularized GSH project, for pre-sale.
- 6. According to the PHCP as at September 2018, the forecast production of PRH/GSH by HA for the five-year period from 2018-2019 to 2022-2023 was about 72 900 units with details as follows –

District	Expected number of units* and year of completion				
	2018-2019	2019-2020	2020-2-21	2021-2022	2022-2023
Urban	13 600	6 800	4 300	1 800	2 800
	(66%)	(49%)	(38%)	(13%)	(22%)
Extended	6 900	4 800	-	500	3 700
Urban	(34%)	(35%)	-	(3%)	(29%)
New	_	2 100	7 000	12 000	6 400
<b>Territories</b>	ı	(15%)	(62%)	(83%)	(50%)
Total	20 500	13 800	11 300	14 400	12 900
	(100%)	(100%)	(100%)	(100%)	(100%)

<sup>\*</sup> Figures may not add up to total due to rounding.

7. Under the PHCP from 2018-2019 to 2022-2023, new PRH/GSH production will mainly come from urban (40%) and extended urban areas (22%), with the remaining in the New Territories (38%). In terms of flat types, about 16% will be one/two-person units, about 31% will be two/three-person units, about 30% will be units for three to four persons and about 23% will be units for four to five persons. A breakdown of the PRH/GSH production forecast for the period from 2018-2019 to 2022-2023 (as at September 2018) is in **Appendix I**.

#### Other Subsidized Sale Flats

8. According to the PHCP as at September 2018, HA will produce some 24 600 Other SSFs for the period from 2018-2019 to 2022-2023. Among these flats, around 74% will be located in urban (about 28%) and extended urban areas (about 46%), with the remaining units in the New Territories (about 23%) and Islands (about 3%).

#### Public housing production of Hong Kong Housing Society

9. Throughout the years, HS has been playing a role in the provision of public rental units and the development of subsidized sale projects. According to the forecast as at September 2018, HS will produce about 1 700 PRH units and about 1 600 SSFs during the period from 2018-2019 to 2022-2023.<sup>5</sup>

#### **Deliberations by the Panel on Housing**

10. The Panel discussed the PHCP for the period from 2018-2019 to 2022-2023 at its meeting on 3 December 2018. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

#### Public rental housing

- 11. Members were concerned that there would be a landslide decline in the supply of public housing in coming years, further prolonging the waiting time for PRH. In view that grassroots or low-income households might not be able to afford owning a flat, including SSFs, and there was a long queue of applicants waiting for PRH allocation, some members opined that the Administration should continue to accord priority to providing PRH in the allocation of public housing resources.
- 12. The Administration advised that PRH was a safety net for low-income households, and providing PRH units for needy families who could not afford private rental accommodation was a cornerstone of the Government's housing policy. The Administration/HA would continue to increase PRH supply through both producing new PRH units and ensuring rational use of existing PRH resources. As pointed out by the Government in the LTHS promulgated in 2014, SSFs served as the first step for home ownership for low to middle-income families, and were an essential element of the housing ladder. On the premise that the PRH production would not be compromised, the Administration/HA would continue to provide SSFs to achieve the relevant supply target under LTHS.

<sup>&</sup>lt;sup>5</sup> LC Paper No. CB(1)219/18-19(03)

#### Subsidized housing

- 13. Members opined that the Administration should provide subsidized housing in a diversified manner, and expressed concern that the projected production of such housing in coming five years might not be adequate to meet the demand for such flats. Members urged the Administration to work out more effective measures to compensate the shortfall against the relevant supply target under LTHS, and allocate additional sites to increase the supply of various types of subsidized housing.
- 14. The Administration advised that HA had resumed the sale of HOS flats in 2014. The estimated HA's production of SSFs was about 9 800 units from 2014-2015 to 2018-2019, and about 24 600 units from 2018-2019 to 2022-2023. This demonstrated HA's determination to assist members of the public who aspired to achieve home ownership. announced in June 2018, the Administration 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. In fact, since 2013-2014, the Administration had already re-allocated 21 sites originally intended for private housing development for public housing use.<sup>6</sup> The Administration would continue to review the situation from time to time, and, where appropriate, re-allocate sites originally planned for private housing for public housing uses. The Administration would also continue to increase housing land supply through a multi-pronged approach, which included increasing the development density of developed areas, rezoning existing land, developing new development areas, etc.

<u>Supply targets of public rental housing units and Green Form Subsidised</u> <u>Home Ownership Scheme flats</u>

15. Members opined that presenting the supply of PRH units and GSH flats from 2018-2019 to 2022-2023 under the category of "PRH/GSH supply" in PHCP could not tell how the PRH developments to be completed in these five years could help shorten the PRH waiting time, and suggested that the Administration should make clear the respective production targets of new PRH units and GSH flats in each of the five years.

-

<sup>&</sup>lt;sup>6</sup> LC Paper No. <u>CB(1)139/19-20(02)</u>

16. The Administration advised that as mentioned in LTHS, given the unique nature of SSFs as a buffer between PRH and private housing, HA needed 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. Since GSH was converted from PRH developments under planning and its target group was the same as that of PRH, it was appropriate to adopt the presentation of "PRH/GSH supply target". This presentation also underlined fully and objectively the fact that the "one-for-one" arrangement under GSH would not reduce the supply of PRH. As regards the number of PRH projects to be converted to GSH each year, HA would adopt a modest pace and make reference to the site selection principles adopted for the GSH pilot project at San Po Kong (King Tai Court) in reviewing the PRH projects in the pipeline, with a view to selecting sites for conversion to GSH projects in future.

#### Delivery of public housing development projects

- 17. Members expressed concern about the Administration's failure to provide adequate community, educational and other supporting facilities to tie in with the population intake of some newly developed PRH estates, and questioned whether the problem reflected the lack of good coordination among relevant bureaux/departments.
- 18. The Administration advised that after a site had been designated to HA for developing PRH, relevant government departments would be consulted about the facilities HA should include in the housing development, taking into account the views of local communities. In light of such advice, HA would develop and take forward the development plan as soon as possible. The planning and construction of supporting facilities for residents of new PRH developments, such as schools, might be taken forward by different government bureaux/departments in accordance with the Government's established procedures, which might result in different completion time of these facilities. The Transport and Housing Bureau and HA would continue to enhance the co-ordination with other bureaux/departments in planning and implementing public housing development projects, and in the provision of supporting facilities.

According to the Administration, PRH tenants who have purchased GSH flats need to return the PRH units they originally reside in. This "one-on-one exchange" arrangement will not reduce the supply of PRH units. If buyers of GSH flats are PRH applicants who have passed the detailed eligibility vetting, this will fulfill their aspirations for home ownership earlier and enable PRH resources to be allocated to applicants with more pressing needs.

## Latest development

19. The Administration will brief members on the PHCP for the period from 2019-2020 to 2023-2024 at the Panel meeting on 2 December 2019.

## **Relevant papers**

20. A list of the relevant papers is set out in **Appendix II**.

Council Business Division 1
<u>Legislative Council Secretariat</u>
27 November 2019

## Hong Kong Housing Authority's Public Rental Housing/Green Form Subsidised Home Ownership Scheme Production (2018-2019 to 2022-2023) (Forecast as at September 2018)

Year of Completion / District	Sub-district	PRH / GSH Project	Planned Flat Number	Planned Flat Number By Sub-district	
2018/19					
Urban	Kwun Tong	Anderson Road Sites A and B	ad Sites A and B 3 100		
		Eastern Harbour Crossing Site Phase 7	500	3 900	
		Sau Ming Road	300		
		Cheung Sha Wan Wholesale Food Market Site 3	1 300		
		Lai Chi Kok Road - Tonkin Street Phase 1# 2 500			
		Lai Chi Kok Road - Tonkin Street Phase 2	1 300	9 700	
	Sham Shui Po	Shek Kip Mei Phase 3	200		
		Shek Kip Mei Phase 7	200		
		So Uk Phase 1	400		
		So Uk Phase 2	3 700		
Extended Urban	Sha Tin	Shek Mun (Shek Mun Estate Phase 2)	3 000	3 000	
	Islands	Tung Chung Area 39	3 900	3 900	
			Sub-total	20 500	
2019/20	1				
Urban	Sham Shui Po	Shek Kip Mei Phase 6	1 100		
		Northwest Kowloon Reclamation	900		
		Site 6 Phase 1		5 000	
		Pak Tin Phase 7	1 000	-	
		Pak Tin Phase 8	1 000		
		Pak Tin Phase 11	1 100		
	Wong Tai Sin	Tung Tau Estate Phase 8 1 000			
		Fung Shing Street, Wong Tai Sin	800 1 800		
Extended Urban	Sha Tin	Fo Tan	4 800	4 800	
New Territories	North	Choi Yuen Road	1 100		
		Fanling Area 49	1 000 2 100		
			Sub-total	13 800	

Year of Completion / District	Sub-district	PRH / GSH Project	Planned Flat Number	Planned Flat Number By Sub-district	
2020/21					
Urban	Eastern	Wing Tai Road, Chai Wan	800	800	
	Kwun Tong	Choi Wing Road	1 100	1 100	
	Sham Shui Po	Northwest Kowloon Reclamation Site 6 Phase 2	1 400	1 400	
	Wong Tai Sin	Diamond Hill Phase 1	1 000	1 000	
New Territories	Tai Po	Chung Nga Road East, Tai Po	700	700	
	North	Queen's Hill Phase 1	3 800	6 300	
		Queen's Hill Phase 2	1 200		
		Queen's Hill Phase 5	1 300		
			Sub-total	11 300	
2021/22					
Urban	Eastern	Chai Wan Road 800		800	
	Sham Shui Po	Northwest Kowloon Reclamation Site 6 Phase 3	1 000	1 000	
Extended Urban	Kwai Tsing	Near Lai King Hill Road	500	500	
New Territories	Tuen Mun	Tuen Mun Area 54 Sites 3 & 4 (East)	5 200	9 400	
		Tuen Mun Area 54 Sites 1 & 1A	4 200		
	North	Queen's Hill Phase 1	2 600	2 600	
			Sub-total	14 400	
2022/23					
Urban	Sham Shui Po	Pak Tin Phase 10	700	700	
	Wong Tai Sin	Diamond Hill Phase 2	2 100	2 100	
Extended Urban		Tsing Hung Road, Tsing Yi	2 900	3 700	
	Kwai Tsing	Lai Cho Road	800		
New Territories	Tai Po	Tai Po Area 9	6 400	6 400	
			Sub-total	12 900	
			Total	72 900	

Note: Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.

#: GSH project

# **Public Housing Construction Programme**

# List of relevant papers

Committee	Date of meeting	Paper
Panel on Housing	4 December 2017	Administration's paper on "Public Housing Construction Programme 2017-18 to 2021-22" (LC Paper No. CB(1)284/17-18(03))  Administration's paper on "Challenges and Difficulties in Taking Forward Public Housing Development Projects" (LC Paper No. CB(1)284/17-18(04))  Minutes of meeting (LC Paper No. CB(1)999/17-18)
Panel on Housing	3 December 2018	Administration's paper on "Public Housing Construction Programme 2018-19 to 2022-23" (LC Paper No. CB(1)219/18-19(03))  Administration's paper on "Challenges and Difficulties in Taking Forward Public Housing Development Projects" (LC Paper No. CB(1)219/18-19(04))  Minutes of meeting (LC Paper No. CB(1)630/18-19)  Supplementary information (LC Paper No. CB(1)515/18-19(01) and CB(1)758/18-19(01))
Panel on Housing	8 November 2019	Administration's paper on "Housing-related initiatives in the Chief Executive's 2019 Policy Address and Policy Address Supplement" (LC Paper No. CB(1)32/19-20(01))