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Panel on Housing

Meeting on 14 January 2021

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 for general PRH applicants (i.e. family and elderly one-person applicants) on the Waiting List at around three years.¹ To this end, HA has put in place the PHCP, which is a rolling programme forecasting public housing (including PRH) production of the coming five years and is reviewed annually.

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.

¹ The average waiting time pledge does not apply to non-elderly one-person PRH applicants on the Waiting List.

Based on the latest projection as at December 2019, the Government adopts a total housing supply target of 430 000 units for the ten-year period from 2020-2021 to 2029-2030. With a public-private split of 70:30,² the public housing supply target is 301 000 units, comprising 210 000 PRH/Green Form Subsidised Home Ownership Scheme ("GSH") units and 91 000 Other Subsidized Sale Flats ("Other SSFs").³

Public Housing Construction Programme 2019-20 to 2023-24

Public Rental Housing

4. As at end-September 2019, there were about 257 500 Waiting List applications for PRH allocation, including about 149 500 general applications (i.e. family applications and elderly one-person applications) and about 108 000 non-elderly one-person applications. The average waiting time for general applicants was 5.4 years.⁴

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.

² Since the promulgation of the 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 the 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.

³ Since the promulgation of the 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 (LC Paper No. [CB\(1\)388/18-19\(03\)](#)), 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. "Other SSFs" is the remaining category of housing supply in between "PRH/GSH" and "private housing", which includes Home Ownership Scheme units under HA and SSFs under HS. The 2018 LTHS projection adopted the split of 70:30 between PRH/GSH and Other SSFs.

⁴ According to the [HA's website](#), as at end-September 2020, there were about 156 400 general applications for PRH and about 103 600 non-elderly one-person applications. The average waiting time for general applicants was 5.6 years.

6. According to the PHCP as at September 2019, the forecast production of PRH/GSH by HA for the five-year period from 2019-2020 to 2023-2024 was about 71 700 units with details as follows –

| District | Expected number of units* and year of completion | | | | |
|------------------------|--|-----------------|------------------|------------------|------------------|
| | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
| Urban | 6 100 (46%) | 5 400 (89%) | 1 800 (9%) | 3 000 (22%) | 2 600 (14%) |
| Extended Urban | 4 800 (37%) | - - | 500 (2%) | 3 700 (28%) | 12 500 (68%) |
| New Territories | 2 100 (16%) | 700 (11%) | 18 300 (88%) | 6 700 (50%) | 3 300 (18%) |
| Total | 13 000 (100%) | 6 100 (100%) | 20 700 (100%) | 13 400 (100%) | 18 400 (100%) |

* Figures may not add up to total due to rounding.

7. Under the PHCP from 2019-2020 to 2023-2024, new PRH/GSH production will mainly come from the Urban District (27%) and the Extended Urban District (30%), with the remaining in the New Territories (43%). In terms of flat types, about 15% will be one/two-person units, about 35% will be two/three-person units, about 31% will be units for three to four persons and about 19% will be units for four to five persons. A breakdown of the PRH/GSH production forecast for the period from 2019-2020 to 2023-2024 (as at September 2019) is in **Appendix I**.

Other Subsidized Sale Flats

8. According to the PHCP as at September 2019, HA will produce some 23 700 Other SSFs for the period from 2019-2020 to 2023-2024. Among these flats, around 84% will be located in the Urban District (about 25%) and the Extended Urban District (about 59%), with the remaining units in the New Territories (about 16%).

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 2019, HS will produce about 3 000 PRH units and about 2 300 SSFs during the period from 2019-2020 to 2023-2024.⁵

⁵ LC Paper No. [CB\(1\)183/19-20\(03\)](#)

Deliberations by the Panel on Housing

10. The Panel discussed the PHCP for the period from 2019-2020 to 2023-2024 at its meeting on 2 December 2019. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

Expediting the delivery of public housing development projects

11. In view that according to the PHCP 2019-20 to 2023-24, the public housing production would decline in 2020-2021 and return to a higher level in 2021-2022, members enquired whether HA could expedite some PRH development projects for earlier completion so that more units could be provided in 2020-2021. Some members opined that adopting Modular Integration Construction ("MiC") in HA's public housing developments might help shorten the construction time, and enquired about the progress of the study on the subject matter.

12. The Administration advised that HA could complete the main concrete structure of a typical floor of a public housing block in six working days. The HA's Building Committee had directed the Housing Department ("HD") to study whether MiC could shorten the time required for building a public housing block. Apart from commissioning a consultant to conduct a viability study on the subject matter, HA/HD would also conduct a MiC mock-up and identify a pilot project for MiC application.⁶

13. Some members expressed concern that there were cases where a public housing project planned for completion in a particular year had been delayed, and opined that the Administration/HA should put in place measures to minimize delays in public housing delivery to avoid impacts on the supply of public housing. The Administration advised that HD monitored the progress of each public housing project closely through regular reviews. Monthly progress reports were submitted to the Building Committee of HA, which discussed and monitored the progress and gave suggestions on project enhancement. According to past records, major reasons for public housing projects not completed as scheduled included inclement weather, progress of contractor, labour supply of the construction

⁶ According to Government's [press release](#) dated 6 May 2020, HA had selected a 12-storey domestic block in the "Public Housing Development at Tung Chung Area 99" project as a MiC pilot project.

industry, external factors and compliance with the latest buildings requirements, etc. To mitigate project delays, measures such as requesting contractors to increase manpower and expedite construction progress; conducting site checks more frequently; convening site meetings; carrying out site supervision and inspection, etc., were performed. These measures helped address the challenges encountered at on-site construction works, with a view to facilitating the early completion of the projects according to the schedule.⁷

Waiting time for public rental housing

14. Members opined that the average waiting time for PRH had increased to more than five years, and enquired whether and when the Administration/HA could meet the pledge of maintaining the average PRH waiting time at around three years.

15. The Administration advised that the average waiting time for PRH was affected by various factors, including the number of PRH applicants; the number of units recovered from tenants; district choices of applicants and whether such choices matched with the supply of PRH units available for allocation (including newly built and renovated units), etc. Despite the best efforts of the Government and HA in boosting public housing supply in recent years, the increase in PRH supply had yet to be able to completely absorb people's demand for PRH in the coming few years. The Administration believed that the continued increase in land and housing supply (especially for public housing) remained the fundamental solution to the problem of insufficient housing supply. The Government would continue to adopt various measures, including striving to increase land supply and achieving the housing supply target of the LTHS with a view to addressing the long-term housing needs of low-income households.⁸

16. Some members expressed concern about the lengthening of PRH waiting time of non-elderly one-person applicants. On whether HA would increase the number of one/two-person PRH units to be built in order to shorten the waiting time of these applicants, the Administration advised that HA took into account various factors when determining the types of units in PRH construction. In view of the overall shortage of PRH supply, increasing the number of a specific type of units significantly would reduce the supply of units of other types, which would result in longer waiting time for PRH applicants of other unit types. Hence, the

⁷ Government's [press release](#) dated 26 February 2020

⁸ LC Paper No. [CB\(1\)410/19-20\(01\)](#)

Administration/HA needed to balance the overall supply and demand, and could not adjust the proportion of unit types of newly built PRH units lightly.⁹

Redevelopment of aged public rental housing estates

17. Members opined that quite a number of PRH estates were dilapidated with plot ratios of the sites not yet fully utilized. Noting that there would be 68 800 units in 26 public rental estates under HA and HS aged 50 years and above in the coming 10 years which were not yet on the redevelopment timetable,¹⁰ members enquired whether the Administration would formulate a holistic plan setting out the aged estates that would be redeveloped and the timeframes within which the redevelopment of them would commence. Some members suggested that if space was available in an existing PRH estate, HA should construct a new housing block in the estate to rehouse the households of the low-density PRH buildings in the same estate so that the sites of these old buildings could be vacated for redevelopment.

18. The Administration advised that the LTHS published in 2014 had indicated that while redevelopment of aged PRH estates might increase PRH supply over the long term, it would, in the short term, reduce PRH stock available for allocation. This would inevitably add further pressure on HA's target in maintaining the average waiting time at about three years. Based on the directions set out in the LTHS, HA would consider whether to redevelop individual PRH estates prudently by taking into account the actual circumstances according to the four basic principles, namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped and build-back potential upon redevelopment, under HA's "Refined Policy on Redevelopment of Aged Public Rental Housing Estates" formulated in 2011. In 2005, HA launched the Comprehensive Structural Investigation Programme ("CSIP") to ascertain the structural safety of PRH estates with buildings approaching or over 40 years old, with a view to assessing the repair works needed for sustaining these estates for 15 years or above and their cost-effectiveness. HA was conducting the second round of CSIP.

⁹ According to Government's press release dated 20 May 2020

¹⁰ LC Paper No. [CB\(1\)278/19-20\(03\)](#)

19. The Administration further advised that HA conducted redevelopment projects for 15 PRH estates in the last decade, and was conducting redevelopment programme in Pak Tin Estate (older part) and Mei Tung Estates (older part). The Government had also announced its intention to redevelop Wah Fu Estate in 2014. In June 2018, the Government announced the reallocation of nine sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for public housing. One of the sites in Kai Tak would be allocated to HS for the redevelopment of Chun Seen Mei Chuen and other rehousing purposes. HS could then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen by phases.¹¹

Supply targets of public rental housing units and Green Form Subsidised Home Ownership Scheme flats

20. Given that the unemployment rate in Hong Kong might continue to increase and the economy might enter a recession, members enquired whether the Administration/HA would concentrate its resources on producing PRH for needy households. Some members opined that in view of the public concern that converting PRH developments under planning to flats sold under GSH would reduce PRH supply, the Administration should set out clearly in the PHCP the respective production targets for new PRH units and GSH flats, instead of just stating a single supply target under the category of "PRH/GSH supply".

21. The Administration advised that as mentioned in the 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.¹²

¹¹ Government's [press release](#) dated 3 June 2020

¹² 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.

Recovery of public rental housing units

22. In view that sitting PRH tenants who had purchased a GSH flat would return their PRH units to HA, some members enquired about the time required by HA for refurbishing a PRH unit vacated by a sitting tenant in order to make ready the unit for allocation to a PRH applicant.

23. The Administration advised that HA would normally arrange refurbishment works after recovering vacant PRH units. Upon issuance of the order for the refurbishment works, HA would allocate the units to PRH applicants in advance. If such a PRH unit was provisionally accepted by the applicant concerned, the relevant estate office would invite the applicant to complete the intake formalities as soon as possible once the refurbishment works was completed. To closely monitor the timely completion of vacant flat refurbishment, HA had formulated a work procedures timetable for it. HA had also introduced a key performance indicator specifying that the target average turnaround time for vacant flat refurbishment should "not exceed 44 days". In the three years from 2016-2017 to 2018-2019, the average turnaround time was 42.6 calendar days. HA would review the workflows and processes from time to time with a view to speeding up vacant flat refurbishment works.¹³

Latest development

24. The Administration will brief members on the PHCP for the period from 2020-2021 to 2024-2025 at the Panel meeting on 14 January 2021.

Relevant papers

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

Council Business Division 1
Legislative Council Secretariat
11 January 2021

¹³ Government's [press release](#) dated 13 May 2020

**Hong Kong Housing Authority's Public Rental Housing/Green Form Subsidised
Home Ownership Scheme Production (2019-2020 to 2023-2024)
(Forecast as at September 2019)**

| Year of Completion/ District | Sub-district | PRH / GSH Project | Planned Flat Number | Planned Flat Number By Sub-district |
|---------------------------------|--------------|--|---------------------|--|
| 2019-20 | | | | |
| Urban | Kwun Tong | Sau Ming Road | 300 | 300 |
| | Sham Shui Po | Shek Kip Mei Phase 6 | 1 100 | 3 900 |
| | | Northwest Kowloon Reclamation Site 6 Phase 1 | 900 | |
| | | Pak Tin Phase 7 | 1 000 | |
| | | Pak Tin Phase 8 | 1 000 | |
| | Wong Tai Sin | Tung Tau Estate Phase 8 | 1 000 | 1 800 |
| | | Fung Shing Street, Wong Tai Sin | 800 | |
| Extended Urban | Sha Tin | Fo Tan | 4 800 | 4 800 |
| New Territories | North | Choi Yuen Road | 1 100 | 2 100 |
| | | Fanling Area 49 | 1 000 | |
| | | | Sub-total | 13 000 |
| 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 | 2 500 |
| | | Pak Tin Phase 11 | 1 100 | |
| | Wong Tai Sin | Diamond Hill Phase 1 | 1 000 | 1 000 |
| New Territories | Tai Po | Chung Nga Road East, Tai Po | 700 | 700 |
| | | | Sub-total | 6 100 |
| 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 | 6 400 | 8 900 |
| | | Queen's Hill Phase 2 | 1 200 | |
| | | Queen's Hill Phase 5 | 1 300 | |
| | | | Sub-total | 20 700 |

| Year of Completion/ District | Sub-district | PRH / GSH Project | Planned Flat Number | Planned Flat Number By Sub-district |
|---------------------------------|--------------|---|---------------------|-------------------------------------|
| 2022-23 | | | | |
| Urban | Sham Shui Po | Pak Tin Phase 10 | 900 | 900 |
| | Wong Tai Sin | Diamond Hill Phase 2 | 2 100 | 2 100 |
| Extended Urban | Kwai Tsing | Tsing Hung Road, Tsing Yi# | 2 900 | 3 700 |
| | | Lai Cho Road | 800 | |
| New Territories | Tai Po | Tai Po Area 9 | 6 700 | 6 700 |
| | | | Sub-total | 13 400 |
| 2023-24 | | | | |
| Urban | Sham Shui Po | Northwest Kowloon Reclamation Site 1 (East) | 2 600 | 2 600 |
| Extended Urban | Kwai Tsing | Ching Hong Road North Phase 1 | 900 | 2 500 |
| | | Ching Hong Road North Phase 2 | 600 | |
| | | San Kwai Street | 700 | |
| | | Tai Wo Hau Road Phase 2 | 400 | |
| | Islands | Tung Chung Area 99 | 4 800 | 10 000 |
| | | Tung Chung Area 100 | 5 200 | |
| New Territories | Tuen Mun | Hin Fat Lane, Tuen Mun | 1 000 | 2 500 |
| | | Tuen Mun Area 29 (West) | 1 000 | |
| | | Yip Wong Road Phase 1 | 600 | |
| | North | Fanling Area 36 Phase 4 | 800 | 800 |
| | | | Sub-total | 18 400 |
| | | | Total | 71 700 |

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 | 3 December 2018 | <p>Administration's paper on "Public Housing Construction Programme 2018-19 to 2022-23" (LC Paper No. CB(1)219/18-19(03))</p> <p>Administration's paper on "Challenges and Difficulties in Taking Forward Public Housing Development Projects" (LC Paper No. CB(1)219/18-19(04))</p> <p>Minutes of meeting (LC Paper No. CB(1)630/18-19)</p> <p>Supplementary information (LC Paper No. CB(1)515/18-19(01) and CB(1)758/18-19(01))</p> |
| Panel on Housing | 2 December 2019 | <p>Administration's paper on "Public Housing Construction Programme 2019-20 to 2023-24" (LC Paper No. CB(1)183/19-20(03))</p> <p>Minutes of meeting (LC Paper No. CB(1)544/19-20)</p> <p>Supplementary information (LC Paper No. CB(1)410/19-20(01))</p> |