

**For discussion
on 7 February 2022**

Legislative Council Panel on Housing

Housing-related Initiatives in the Chief Executive's 2021 Policy Address and Policy Address Supplement

The Chief Executive delivered the 2021 Policy Address (the Policy Address) on 6 October 2021. This paper introduces the major housing-related initiatives set out in the Policy Address and the Policy Address Supplement, as well as the latest implementation progress of these initiatives, including the Long Term Housing Strategy Annual Progress Report 2021 (the LTHS Progress Report 2021) published on 8 December 2021. This paper also consults Members on a financial proposal to inject \$3.3 billion into the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (the Funding Scheme).

From Belief to Implementation

2. Inadequate housing supply is currently the issue of the biggest public concern in Hong Kong. The Government is determined to resolve the housing problem and has been striving its best to provide adequate housing for families of different income brackets. The housing policy of the current-term Government comprises four elements: emphasising the Government's indispensable role; facilitating home ownership; focusing on land supply; and optimising existing resources to help families who have been waiting for public rental housing (PRH) for a prolonged period of time.

Public Housing Supply

3. Developing land resources and increasing housing supply are the most fundamental solutions to the demand-supply problem of housing in Hong Kong. The current-term Government has been sparing no effort in creating land and increasing housing supply. Public housing production in the five-year tenure of the current-term Government (2017-18 to 2021-22) is expected to reach around

96 500 units, which is about 30 000 units more than the previous five-year period. It is mentioned in the Policy Address that the Government has identified about 350 hectares of land which can produce some 330 000 public housing units, and can meet the public housing demand of around 301 000 units in the 10-year period from 2022-23 to 2031-32.

Long Term Housing Strategy Annual Progress Report 2021

4. According to the Long Term Housing Strategy (LTHS), the Government updates the long term housing demand projection annually and presents a rolling 10-year housing supply target to capture social, economic and market changes over time, and makes timely adjustments where necessary. The LTHS Progress Report 2021 was published on 8 December 2021 (see **Annex 1**).

5. According to the projection based on the established mechanism under the LTHS and objective data, the total housing demand for the 10-year period from 2022-23 to 2031-32 is 422 800 units. The Government therefore sets the supply target at 430 000 units. After balancing various factors, including the community's keen demand for public housing and the need to maintain the private housing supply and its healthy and steady development, the Government has decided to maintain the public/private split of new housing supply at 70:30 for the above 10-year period. Based on this ratio, the public housing supply target is 301 000 units and the private housing supply target is 129 000 units.

6. Having considered the community's demand for various types of public housing, the Government has decided to maintain the ratio between PRH/Green Form Subsidised Home Ownership Scheme (GSH) units and other subsidised sale flats (SSFs) at 70:30. According to this ratio, the public housing supply target of 301 000 units comprises 210 000 PRH/GSH units and 91 000 other SSFs.

7. Identifying land for housing development in a proactive manner is the most fundamental solution to the demand-supply imbalance of housing. The Government will continue to take forward a number of large-scale projects, e.g. the Hung Shui Kiu/Ha Tsuen New Development Area, the Yuen Long South Development Area and part of Siu Ho Wan Depot Site topside development; as well as implement a number of projects under planning, including the San Tin/Lok Ma Chau Development Node, the New Territories North New Town and Man Kam To, and the Kau Yi Chau Artificial Islands. Efforts of the Government and relevant complementing agents in increasing and expediting public housing supply are set out in paragraphs 8 to 17 below.

Public Housing Construction Programme from 2021-22 to 2025-26

8. According to the forecast of the Hong Kong Housing Authority (HA) as at December 2021, the estimated total public housing production of HA from 2021-22 to 2025-26 is about 96 800 units, comprising about 69 000 PRH/GSH units and about 27 800 other SSFs. The relevant housing production statistics are listed at **Annex 2**, while the number of PRH/GSH units by flat type is at **Annex 3**. Among HA's PRH/GSH production, about 24% will be located in the Urban District, about 26% in the Extended Urban District and about 50% in the New Territories. For other SSFs, about 26% will be located in the Urban District, about 49% in the Extended Urban District and about 25% in the New Territories.

9. The estimated total public housing production of HA and the Hong Kong Housing Society (HKHS) is at **Annex 4**. Together with HKHS's production of about 4 000 PRH units and about 6 100 SSFs (**Table 2 of Annex 4**), the estimated total public housing production of HA and HKHS from 2021-22 to 2025-26 is about 106 800 units, comprising about 73 000 PRH/GSH units and about 33 800 other SSFs.

10. Forecast of housing production is subject to uncertainties. While the timetable of projects within the five-year period from 2021-22 to 2025-26 is usually more certain as relevant consultation and planning processes of most projects have been completed, the exact completion time for individual projects will still be subject to change. The Housing Department (HD) will monitor the progress of each project closely.

Production Forecast for 2026-27 and Beyond

11. For projects with completion dates scheduled for 2026-27 and beyond, most of them are at the "land production" stage and the availability of sites is subject to various factors such as rezoning, infrastructure construction and site formation works, etc. Moreover, in many cases, these sites are still subject to feasibility studies or investigations. Some of these sites also involve land resumption, clearance or re-provisioning of affected facilities. For projects involving Government-funded works, funding approval from the Legislative Council (LegCo) is also required. As these projects are subject to change, it is difficult to provide detailed information and set out a timetable at this stage. Relevant information will be provided in a timely manner according to HA's rolling production programme.

Deliver More Units as Early as Possible

12. As mentioned in the Policy Address, HA and HKHS will adopt Modular Integrated Construction (MiC) and other innovative construction technologies more widely. As far as MiC is concerned, HA has selected a 12-storey domestic block (comprising around 200 units) at Tung Chung Area 99, a 33-storey domestic block (comprising around 400 units) at Tak Tin Street, two 28-storey domestic blocks (comprising around 1 000 units) and another 17-storey domestic block (comprising around 400 units) at Anderson Road Quarry Site as MiC projects, so as to facilitate the mapping out of solutions for applying MiC under different site constraints. HA has identified additional projects suitable for MiC application, and, by preliminary estimation, about 20 000 units can be provided upon completion. At present, HA has achieved a precast rate of 90% on plan in certain public housing projects and is able to build a typical floor with over 20 public housing units in six days. HKHS will also adopt MiC to develop a 27-storey domestic block (comprising 300 units) at Hung Shui Kiu. HA and HKHS will continue to favourably select more projects suitable for MiC application as a means to drive the industry to get ready for the wider application of MiC in public housing developments and will collaborate with the industry to resolve the challenges identified.

13. As regards the details of construction procedures, HA will actively introduce technologies to enhance efficiency for early completion of projects. Such efforts include extending the application of Building Information Modelling and other innovative technologies (such as laser scanning and unmanned aerial systems) in the planning, design and construction stages; utilising mobile devices and mobile applications for site supervision to streamline on-site communication and workflow; using construction robotics to address labour shortage; making use of technologies to improve site safety management; and applying and actively exploring Electrical and Mechanical MiC in terms of building services.

14. Furthermore, HA will adopt a new procurement model in suitable projects whereby contractors will undertake both design and construction in a single contract. Under the new “Design and Build” procurement model, HD will provide the basic layouts and overall development requirements of the projects when inviting tender. The contractors will then further develop the detailed design and take charge of the construction. This model will help keep up with the increasing housing production through supplementing HD’s limited human resources in detailed design work so that HD can focus more on planning, coordination and supervision of its public housing developments. At the same

time, the entire construction workflow can be further enhanced by leveraging on contractors' expertise. By carrying out design and construction works in parallel, contractors will also have greater flexibility in material procurement, construction methods and workflow. HD is currently working on the formulation of an institutional framework for the "Design and Build" procurement model and will select public housing projects suitable for adopting this model having regard to the unique characteristics of individual projects. It is expected that the above model will be rolled out in the middle of this year.

15. On another front, to enable the provision of more welfare facilities in public housing developments, the Government has invited HA and HKHS to consider setting aside, as far as practicable, about 5% of the total domestic gross floor area in suitable future public housing projects to the Government for welfare purposes, in particular residential care homes for the elderly which are much needed by the community, unless it is not feasible due to technical or other factors.

Redevelopment of Aged Public Housing Estates

16. HA has been reviewing and considering whether individual aged public housing estates should be redeveloped in accordance with its established policies and having regard to the actual circumstances¹. Based on the aforesaid principles, HA has completed 12 redevelopment projects of aged estates in the past 10 years and is proceeding with a total of eight redevelopment projects. Three of the projects involve redevelopment of PRH estates, namely Pak Tin Estate (older portion), Mei Tung Estate (older portion) and Wah Fu Estate, which will provide about 21 600 units in total upon completion. Shek Lei Interim Housing will also be cleared for public housing development, with an expected yield of about 1 600 units. The remaining four projects involve the redevelopment of HA's factory estates, namely Sui Fai Factory Estate in Fo Tan, Yip On Factory Estate in Kowloon Bay, Wang Cheong Factory Estate in Cheung Sha Wan and Kwai On Factory Estate in Kwai Chung for public housing use. It is expected that a total of about 4 800 units will be provided upon redevelopment.

¹ HA has been considering redevelopment of individual PRH estates in a prudent manner according to its policies and 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, having regard to the actual circumstances. Redevelopment of a PRH estate may increase the supply of PRH in the long run. However, large-scale redevelopments involve allocation of a large number of PRH units for rehousing the affected PRH residents, which could otherwise be allocated to families with pressing housing needs. This will not only result in an immediate reduction in PRH supply, but will also lengthen the waiting time of households awaiting PRH allocation.

17. It is mentioned in the Policy Address that as suitable rehousing resources for Sai Wan Estate and Ma Tau Wai Estate are available, and in the light of the potential of providing more housing units upon in-situ redevelopment, the Government invites HA to examine the redevelopment of these two about 60 year-old estates under suitable conditions, and to include the adjacent areas into the redevelopment sites as far as practicable, so that these two prime urban sites can provide more public housing units to meet public aspirations. The initial estimate is that redevelopment of the two estates can provide about 5 000 units in total upon completion.

Redevelopment of Tai Hang Sai Estate

18. Regarding the redevelopment of Tai Hang Sai Estate, the Executive Council has earlier on given approval for the Hong Kong Settlers Housing Corporation Limited (HKSHCL) and the Urban Renewal Authority (URA) to jointly implement the project, on condition that HKSHCL will provide proper rehousing arrangements for the existing tenants. The relevant planning application has been approved by the Town Planning Board in December 2021. The redevelopment project of Tai Hang Sai Estate can provide over 3 300 units upon completion, which include about 1 300 units for rehousing the existing tenants by HKSHCL and about 2 000 “Starter Homes” (SH) units to be provided by URA, doubling the existing 1 600 units. The Government hopes that the development potential of the site can be fully tapped through the implementation of this redevelopment project, thereby increasing housing supply and improving estate facilities as soon as possible.

Enriching the Housing Ladder

19. In an effort to make SSFs more affordable, we have revised the pricing policy for Home Ownership Scheme (HOS) flats in 2018 to delink their selling price from the price of flats in the private property market and GSH flats are priced on HOS basis. HA will offer about 8 900 HOS flats and about 4 700 GSH flats for sale in 2022, making the number of SSFs to be put up for sale by the current-term Government up to 38 300 units.

20. The provisional discount rate for HOS 2022 is 49%, the highest since the resumption of the sale of HOS flats in 2014. The lowest selling price of a flat under HOS 2022 is \$1,240,000. The provisional discount rate for GSH 2022 is 59%, the highest since the launch of GSH in 2016. The lowest selling price of a flat under GSH 2022 is \$790,000.

21. In order to effectively prevent short-term speculative activities, HA decided on 6 January 2022 to tighten the alienation restrictions of HOS and GSH flats, starting from HOS 2022 and GSH 2022. In other words, the period during which the owners can only sell their flats in the Secondary Market at not more than the original price without payment of premium will be lengthened from the first two years to the first five years since first assignment, while the restriction period for sale in the open market upon payment of premium will be lengthened from the first 10 years to the first 15 years since first assignment.

22. In order to meet the needs of different types of families, the current-term Government is committed to enriching the housing ladder through measures such as regularising the GSH and the White Form Secondary Market Scheme. Moreover, to accelerate the sale of unsold flats in the existing 39 Tenants Purchase Scheme (TPS) estates and provide an additional home ownership avenue for Green Formers, HA has put up recovered flats in TPS estates for sale to Green Formers. The first batch of about 800 flats has been included under GSH 2020/21 for sale, while the second batch of recovered flats in TPS estates will be put up for sale under HOS 2022.

23. The Government has also introduced SH pilot projects to cater for the needs of families of different income brackets. Following eResidence, the first SH pilot project with 493 units, the Government is now taking forward three other SH projects, which will provide over 3 000 units in total.

24. Before housing supply is in place, the Government has implemented the following three breakthrough measures in recent years to improve the livelihood of families living in inadequate housing.

Transitional Housing

25. The Task Force on Transitional Housing (the Task Force) under the Transport and Housing Bureau (THB) has been actively advocating, facilitating and participating in various short-term initiatives proposed and implemented by non-government organisations (NGOs) in an effort to increase transitional housing supply, thereby relieving the pressure of families living in unpleasant conditions and waiting for PRH for a prolonged period of time. As at January 2022, the Task Force has identified adequate land for providing about 17 000 transitional housing units, of which over 2 100 units have commenced operation and about 4 400 units are under construction. In addition, a number of projects

providing about 11 200 units have commenced consultation, procurement or tender procedures.

26. Under the Funding Scheme set up by the Government in June 2020, funding applications of 29 projects have so far been approved, with a total financial commitment of about \$6.2 billion. Besides, the Government launched the Pilot Scheme: Use of Hotels and Guesthouses as Transitional Housing in April 2021, with \$95 million from the Community Care Fund to support NGOs to use about 800 rooms of hotels and guesthouses as transitional housing units. As at January 2022, a total subsidy of about \$83 million for seven projects has been approved to provide about 700 units.

27. It is proposed in the Policy Address that an additional 5 000 transitional housing units should be provided, so that the overall supply in the coming few years can be further increased from 15 000 units to 20 000 units, and that the amount of funding for the Funding Scheme should be raised from \$8.3 billion to \$11.6 billion. In this connection, we need to inject an additional \$3.3 billion into the current Funding Scheme. Details of the proposed funding injection and its justifications are set out in **Annex 5**. We will seek LegCo's approval for the funding injection according to the established mechanism.

Cash Allowance Trial Scheme

28. The Government launched the three-year Cash Allowance Trial Scheme in June 2021 to provide cash allowance to eligible PRH General Applicant households, with a view to relieving the pressure on livelihood of grassroots families which have waited for PRH allocation for a prolonged period of time. As at end December 2021, we had disbursed cash allowances to almost 67 000 eligible PRH General Applicant households.

Tenancy Control of Subdivided Units

29. The tenancy control of subdivided units (SDUs) has taken effect from 22 January 2022 to provide tenants with security of tenure, restrict the rate of rent increase on tenancy renewal and prohibit landlords from overcharging tenants on utility charges, etc., without unduly compromising the interests and private property rights of landlords. The Rating and Valuation Department (RVD) has set up a new section responsible for the implementation of the legislation. The Government has also engaged NGOs to set up six District Service Teams to assist

RVD in promoting the new legislation to implement tenancy control on SDUs at district level.

Private Housing

30. As far as private housing is concerned, with the Government's effort to increase land supply and its determination to further streamline the land development process, we are confident that there will be a steady supply of land for private housing development. Based on the latest projection as at end-December 2021, the supply of first-hand private residential flats for the coming three to four years would remain at a high level of around 98 000 units. We will continue to keep watch on the residential property market conditions and take timely and appropriate measures in response to market changes by making reference to relevant indicators.

Proposal of Re-organising the Government Structure

31. To enhance the effectiveness of governance, the Policy Address has put forward five initial ideas for re-organising the government structure to better complement the policy focuses of the Hong Kong Special Administrative Region and meet social expectations. The Government has issued a paper to LegCo about this re-organisation proposal on 12 January 2022 (<https://www.legco.gov.hk/yr2022/english/counmtg/papers/cm20220112-ppr20220112-e.pdf>). The re-organisation proposal suggests splitting THB, with a dedicated Housing Bureau taking full charge of the housing policy, which shall be overseen by the Financial Secretary (FS). The FS, who currently chairs the Steering Committee on Land Supply, will step up co-ordination between the Housing Bureau and the Development Bureau.

Way Forward

32. The Government will spare no efforts in taking forward the new initiatives proposed in the Policy Address, and will continue to implement the LTHS, increase housing supply, consummate the housing ladder, optimise the use of public housing resources and maintain the healthy development of the private residential property market in an effort to help more households in Hong Kong meet their housing goals.

Advice Sought

33. Members are invited to note and comment on the paper.

**Transport and Housing Bureau
February 2022**

**Long Term Housing Strategy
Annual Progress Report 2021
(for the 10-year period from 2022-23 to 2031-32)**

PURPOSE

This paper sets out the latest progress of key aspects of the Long Term Housing Strategy (LTHS) as at December 2021.

BACKGROUND

2. Following deliberation of the LTHS Steering Committee and a three-month public consultation, the Government formulated and announced LTHS in December 2014. LTHS adopts a “supply-led” and “flexible” strategy and establishes three major strategic directions to gradually avert the current supply-demand imbalance –

- (a) provide more public rental housing (PRH) units and ensure the rational use of existing resources;
- (b) provide more subsidised sale flats (SSFs), expand the forms of subsidised home ownership and facilitate market circulation of existing stock; and
- (c) stabilise the residential property market through steady land supply and appropriate demand-side management measures, and promote good sales and tenancy practices for private residential properties.

The current-term Government reaffirms its commitment towards increasing the supply of housing units on the basis of LTHS.

3. According to the LTHS, the Government updates the long term housing demand projection annually and presents a **rolling 10-year housing supply target** to capture social, economic and market changes over time, and makes timely adjustments where necessary. This supply target is determined by quantitative projections of different demand components, not by the supply of

land available at the time.

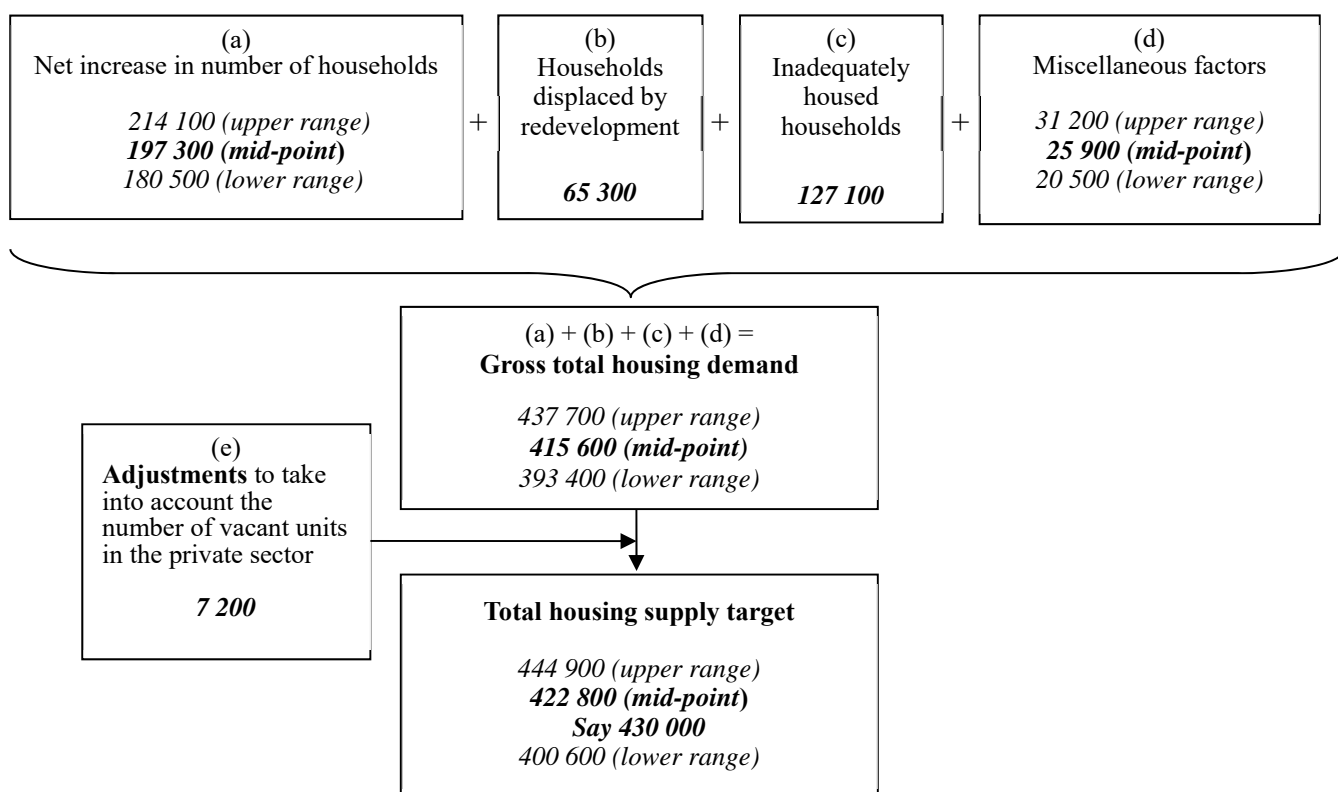
4. This annual exercise serves as an important policy tool to enable the Government to continually plan ahead on developing land and housing, in order to meet the housing needs of the community over the long term. The relevant work is set out in the ensuing paragraphs.

HOUSING DEMAND PROJECTION FOR 2022-23 TO 2031-32

10-year Housing Supply Target

5. Based on the latest projection, the projected **total housing supply target for the 10-year period from 2022-23 to 2031-32** is 422 800 units (rounded up to **430 000 units**), with an upper and lower range of 444 900 and 400 600 units respectively. This target is the same as the supply target for the 10-year period from 2021-22 to 2030-31 as announced in 2020.

6. The projection results are set out in detail at Annex, and summarised in the following diagram –



Public/Private Split of Total Housing Supply Target

7. Since the LTHS annual update in 2018, we have revised the public/private split of new housing supply from 60:40 to 70:30. Balancing the Government's commitment to increase public housing supply substantially to meet the community's demand and the demand for private housing, we will maintain the **public/private split of 70:30** for the next 10-year period from 2022- 23 to 2031-32. Accordingly, out of the total housing supply target of 430 000 units, the **public housing supply target will be 301 000 units and the private housing supply target will be 129 000 units.**

8. In line with the established practice, we will continue to review this ratio on an annual basis, taking into account prevailing socio-economic circumstances at the time.

Split within the Public Housing Supply Target

9. In recent years, the ratio between PRH/Green Form Subsidised Home Ownership Scheme (GSH) and other SSFs has been kept at around 70:30. As demand for all types of public housing has remained strong, we will maintain this ratio for the 10-year period from 2022-23 to 2031-32. Correspondingly, the public housing supply target of 301 000 units will comprise **210 000 units for PRH/GSH** and **91 000 units for other SSFs.** We will continue to review this split in the annual update under LTHS each year.

Looking Ahead

10. As the projection model for the rolling 10-year total housing supply target involves many variables, we will continue to keep in view the evolving environment and consider how best to reflect new developments in the projection methodology as well as the supply targets each year.

HOUSING SUPPLY PROJECTION FOR 2022-23 TO 2031-32

Public Housing

11. As at end-September 2021, the **estimated total public housing production** of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) **in the five-year period from 2021-22 to 2025-26** is about **106 900 units**, comprising 73 100 PRH/GSH units and 33 800 other SSFs. Comparing the above projected housing production with that for the previous four five-year periods (i.e. the five-year periods counting from 2017-18 onwards), **the trend has generally been on the rise –**

| | HA housing production (PRH/GSH + other SSFs) | HKHS housing production (PRH[^] + SSFs) | Total housing production (PRH/GSH + other SSFs) |
|-----------------------|---|---|--|
| 2017-18 to 2021-22 | 93 900 (72 600 + 21 300) | 2 600 (1 000 + 1 600) | 96 500 (73 500 + 23 000) |
| 2018-19 to 2022-23 | 95 100 (70 500 + 24 700) | 2 900 (1 300 + 1 600) | 98 100 (71 800 + 26 300) |
| 2019-20 to 2023-24 | 81 500 (62 600 + 18 900) | 4 400 (2 100 + 2 300) | 85 900 (64 700 + 21 300) |
| 2020-21 to 2024-25 | 88 300 (62 600 + 25 700) | 6 300 (3 500 + 2 800) | 94 600 (66 100 + 28 500) |
| 2021-22 to 2025-26 | 96 900 (69 100 + 27 800) | 10 000 (4 000 + 6 100) | 106 900 (73 100 + 33 800) |

Note: Figures may not add up to total due to rounding.

[^] There is no GSH production under HKHS.

12. As announced in the Chief Executive's 2021 Policy Address (2021 PA), **the Government has identified about 350 hectares (ha) of land required for providing about 330 000 public housing units** in the coming 10-year period from 2022-23 to 2031-32, which can meet the estimated public housing demand of 301 000 units as set out in paragraph 7 above. Such supply, in terms of

housing units, mainly comes from New Development Areas (NDAs) and major development projects (about 39%); site rezoning (about 36%); and other projects (about 25%) including development of brownfield clusters; redevelopment of HA's factory estates; part of Siu Ho Wan Depot site topside development, etc.

13. Of the 330 000 units, about **one-third** involving about 84 ha of land are scheduled for completion in the first five-year period (i.e. 2022-23 to 2026-27) whereas the other **two-thirds** involving about 266 ha of land fall in the second five-year period (i.e. 2027-28 to 2031-32). The timetable of projects within the first five-year period is usually more certain as statutory rezoning and other related processes¹ of most of these projects have been completed. For projects with scheduled completion dates within the second five-year period, most sites are at land production/study stage and their availability for public housing construction hinges on the completion of a series of processes, such as rezoning; gazettal of road works; land resumption and clearance; provisioning and reprovisioning of facilities; site formation and infrastructural works; funding approval by the Legislative Council (LegCo), etc. The time required depends on complexity of individual sites. All Government departments concerned will press ahead with the relevant work and to improve internal coordination, with a view to completing the necessary processes and making the sites ready for housing development in time.

Private Housing

14. As for private housing, as mentioned in the 2021 PA, the Government will strive to secure approximately 170 hectares of land in the coming 10 years, and make available to the market sites for the production of about **100 000 units** through land sales and tender exercises for railway property developments. As such supply has not yet taken into account development projects undertaken by the Urban Renewal Authority (URA) and other private land development projects, the Government is confident that sufficient land can be secured to meet the private supply target of 129 000 units for the 10-year period from 2022-23 to 2031-32.

15. As regards private housing supply in the shorter term, based on the latest

¹ Including application for funding for works, land resumption and clearance, reprovisioning of affected facilities, site formation, provision/improvements of road or infrastructure facilities, etc.

projection as at end-September 2021, the supply of **first-hand private residential flats for the coming three to four years** is about **94 000 units**.

CONTINUOUS EFFORTS IN EXPEDITING/INCREASING HOUSING SUPPLY

Increasing Overall Housing Land Supply in the Longer Term Beyond 2031-32

16. As mentioned in the 2021 PA, the Government will continue to work on further phases of ongoing/soon to commence large-scale projects (notably further phases of Hung Shui Kiu/Ha Tsuen NDA, Yuen Long South Development Area and topside development at Siu Ho Wan Depot) and take forward projects under planning (such as San Tin/Lok Mau Chau Development Node, New Territories North New Town and Man Kam To, Kau Yi Chau Artificial Islands) to provide about 400 000 to 500 000 public and private housing units in the years beyond 2031-32. Together with the 165 000 to 186 000 housing units estimated to be generated from newly identified land under the Northern Metropolis Development Strategy, and subject to studies to be undertaken, the supply of housing units may go up to 565 000 to 686 000 units in the period of 10 to 15 years after 2031-32.

Increasing/expediting Public Housing Supply

17. Aside from increasing housing land supply, the Government/HA have also implemented various policies and measures to **increase public housing supply**² and **optimise public housing resources**³. New initiatives will be taken forward as far as practicable. Those in the pipeline are set out in

² For example, we have raised the share of public housing in new housing supply from 60% to 70% for the 10-year period under the LTHS framework; raised domestic plot ratio for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by up to maximum 30% where technically feasible to maximise yield (as against the previous maximum of 20%); and revised the land premium arrangement for the subsidised housing projects of the HKHS to enable the provision of more public housing units by HKHS, etc.

³ For example, HA and HKHS have launched a pilot scheme which allows eligible owners of SSFs with premium unpaid to let their flats to eligible PRH applicants. HA has also provided incentives to under-occupation PRH households whose family members are all aged 70 or above for transfer to suitably-sized flat.

paragraphs 18 to 23 below. Please also see the Administration’s paper submitted to the LegCo Panel on Housing on “Housing-related Initiatives in the Chief Executive’s 2021 Policy Address and Policy Address Supplement”⁴.

Delivering More Units as Early as Possible

18. At present, Hong Kong Housing Authority (HA) has achieved about 90% precast rate in certain public housing projects and is able to build a typical floor with over 20 public housing units in six working days. HA and the Hong Kong Housing Society (HKHS) will adopt more widely **Modular Integrated Construction (MiC)** and innovative construction technology to speed up public housing construction. So far, MiC will be adopted for four public housing projects (involving a total of about 2 410 units) in Tung Chung, Kwun Tong, Anderson Road Quarry sites and Hung Shui Kiu⁵.

19. Besides, HA will leverage private sector expertise to speed up public housing construction by adopting a new **“Design and Build” contract procurement model** in suitable projects to allow contractors to undertake design and construction in a single contract. The Housing Department can then focus its existing design manpower on expediting the pre-construction planning of new projects with a view to letting out the construction contracts as early as possible. The standard design and material standards will also be improved to further enhance the efficiency of the construction of public housing.

Redevelopment of HA’s Aged Public Housing/Factory Estates

20. HA endorsed in 2020 the **redevelopment of Shek Lei Interim Housing (SLIH)** and the associated clearance arrangements, with December 2022 as the target clearance date. If SLIH can be cleared as scheduled and used for public housing development together with the adjoining ex-primary school site under the relaxed planning restrictions, we estimate that about **1 600 units** can be provided upon the completion of its redevelopment in 2028.

⁴ See LC paper no. CB(1)1400/20-21(01), which is available on the following link – <https://www.legco.gov.hk/yr20-21/english/panels/hg/agenda/hg20211020.htm>

⁵ The three projects in Tung Chung, Kwun Tong and Anderson Road Quarry sites are under HA, while the project at Hung Shui Kiu is under HKHS.

21. HA endorsed in 2021 the **redevelopment of four factory estates** (namely Yip On Factory Estate in Kowloon Bay; Sui Fai Factory Estate in Fo Tan; Wang Cheong Factory Estate in Cheung Sha Wan; and Kwai On Factory Estate in Kwai Chung) as public housing. To shorten the redevelopment programme, HA will proceed with the clearance of the four factory estates and thereafter demolition of the buildings while the rezoning exercise of the sites is in progress. Subject to completion of the necessary rezoning process, these sites are capable of producing about **4 800 units** in 2031 and beyond.

22. In response to the Chief Executive's suggestion in the 2021 PA, HA is examining the **redevelopment of Sai Wan Estate and Ma Tau Wai Estate** under suitable conditions and the inclusion of the adjacent areas into the redevelopment sites so that these two precious urban sites could provide more public housing units to meet public aspirations. The initial estimate is that redevelopment of these two estates can provide about **5 000 units** in total upon completion⁶.

Redevelopment of Tai Hang Sai Estate

23. The Government has been facilitating the redevelopment of Tai Hang Sai (THS) Estate. The Executive Council has approved in September 2021 for the Hong Kong Settlers Housing Corporation Limited (HKSHCL) and the URA to jointly implement the project, on condition that the HKSHCL will provide proper rehousing arrangements for the existing tenants. The URA submitted a planning application to the Town Planning Board in late October 2021 for further relaxation of the plot ratio to enhance the development potential of the site. Subject to the approval of the application, the redevelopment project of THS Estate can provide about 3 300 units upon completion, which include about 1 300 units for rehousing the existing tenants by the HKSHCL and about 2 000 SH units to be provided by the URA, doubling the existing 1 600 units.

Meeting Home Ownership Aspirations

24. As aspirations for home ownership remains strong, the Government and HA have endeavoured to provide more subsidised housing units to families of

⁶ The completion date of these 5 000 units is subject to study.

different income brackets and will continue with the following efforts –

- (a) upon the Government’s revision of the pricing mechanism for SSFs in 2018 to delink the selling prices of SSFs from prices of the private housing market and set the prices at a level that is affordable to target households, about 16 300 **Home Ownership Scheme (HOS)** flats have been put up for sale under the revised pricing policy so far;
- (b) since HA’s regularisation of **GSH** in January 2018, about 8 400 GSH flats have been put up for sale to help better-off Green Form applicants⁷ move up the housing ladder while releasing more PRH units for re-allocation to those with more pressing needs;
- (c) to address the home ownership aspirations of White Form applicants, HA regularised the **White Form Secondary Market Scheme (WSM)** in November 2017. The WSM quota had also increased from 2 500 in 2018 to 4 500 in 2020;
- (d) to further meet the home ownership aspirations of Green Form applicants, HA also accelerates the **sale of unsold flats in the existing 39 Tenants Purchase Scheme (TPS) estates**. Recovered flats in TPS estates are put up for sale in HOS and GSH sale exercises to eligible Green Form applicants. 813 recovered TPS flats have been included in the sale exercise of GSH 2020/21; and
- (e) the Government introduced the **Starter Homes for Hong Kong Residents (SH) pilot projects** to help the higher-income families who are not eligible for HOS and yet cannot afford private housing to meet their home ownership aspirations. In addition to eResidence (i.e. the first SH pilot project at Ma Tau Wai Road), the Government is taking forward three SH projects with over 3 000 SH units in total, namely a URA redevelopment project adjacent to eResidence; a private residential site at Anderson Road successfully tendered; and the redevelopment of the Tai Hang Sai Estate involving URA (as mentioned in paragraph 23 above).

⁷ Green Form applicants are mainly PRH tenants and PRH applicants who have passed the detailed eligibility vetting and obtained a Green Form Certificate.

Interim measures to help families in poor living conditions

25. The Government has put in place interim measures to help families in poor living conditions and have been waiting for PRH for a prolonged period.

Transitional Housing

26. Before supply is in place, the Government has been promoting the development of transitional housing. By making better use of vacant land and premises, we aim to provide transitional housing to relieve those people living in inadequate housing. With the facilitation and co-ordination of the Task Force on Transitional Housing under the Transport and Housing Bureau, as at November 2021, we have identified land for providing over 15 000 transitional housing units, of which about 2 000 units were completed⁸, over 4 400 units are under construction, and projects with over 10 200 units have commenced consultation, procurement or tender procedures. Also, the Chief Executive announced in the 2021 Policy Address to increase the overall supply of transitional housing to 20 000 units in the coming few years by providing 5 000 additional units, and increase the amount of funding under the relevant funding scheme to \$11.6 billion. We will keep working hard with a view to providing 20 000 units as soon as possible.

27. To utilise housing resources efficiently and to support the hotel and guesthouse industry during the difficult times of COVID-19, we launched the “Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing” (the Pilot Scheme) funded by the Community Care Fund (CCF) in April 2021, under which NGOs may rent suitable rooms in hotels and guesthouses with relatively low occupancy rates as transitional housing. It is estimated that the Pilot Scheme could provide some 800 transitional housing units in total. Hitherto, the Pilot Scheme has approved a total subsidy of about \$72 million for six projects to provide about 600 units.

⁸ Including about 600 units provided through the “Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing” (as mentioned in paragraph 27 below).

Cash Allowance Trial Scheme (CATS)

28. The Government launched the three-year CATS in late June 2021 to provide cash allowance to eligible public rental housing (PRH) General Applicant (GA) households, (i.e. applicant households with two or more persons, and applicants under the Single Elderly Priority Scheme) who are not living in PRH, not receiving the Comprehensive Social Security Assistance, and have waited for PRH for more than three years but have not been offered the first PRH allocation, with a view to relieving the pressure on livelihood of grassroots families which have waited for PRH allocation for a prolonged period of time. As at end-October 2021, the Government had disbursed cash allowances to about **60 000 eligible PRH GA households**, amounting to over 90% of the eligible applications received.

Tenancy Control of Subdivided Units (SDUs)

29. The Landlord and Tenant (Consolidation) (Amendment) Bill 2021 to implement tenancy controls on SDUs was passed by the LegCo on 20 October 2021 and will come into force on 22 January 2022. The new law will provide reasonable and effective protection for SDU tenants, including mandating lease terms setting out the respective rights and obligations of SDU landlords and tenants, providing security of tenure for a total of four years for tenants, limiting the rent increase between the first and the second term tenancy and prohibiting landlords from overcharging tenant on utility charges, etc.

Healthy and stable development of the private residential property market

30. The Government strives to maintain a healthy development of the private residential property market. On the one hand, the Government has adopted a supply-led strategy aimed at a continued increase in housing land supply in the long run; on the other hand, the Government has adopted demand-side management measures to stabilise the residential property market.

31. At present, the housing supply is still tight. The overall residential property prices remain at a level beyond the affordability of the general public. According to the latest information from the Rating and Valuation Department,

the mortgage-to-income ratio for private sector households with median household income (i.e. the home purchase affordability ratio⁹) in the third quarter of 2021 was 75%, which was much higher than the average of 47% over the past 20 years (i.e. from 2001 to 2020). The Government will maintain the various demand-side management measures for residential properties for the time being. The Government will, as always, continue to keep watch on the residential property market conditions and take timely and appropriate measures in response to market changes by making reference to relevant indicators.

Transport and Housing Bureau
December 2021

⁹ Home purchase affordability ratio refers to the ratio of mortgage payment for a 45-square metre flat to the median income of households (excluding those living in public housing) at the prevailing mortgage rate under a 70% loan-to-value ratio for a tenure of 20 years.

**Housing Supply Target Projection
for the 10-year Period from 2022-23 to 2031-32**

Gross Housing Demand Projection (415 600 units)

According to the projection methodology adopted by the LTHS promulgated in December 2014, housing demand is defined as the total number of new housing units required to provide adequate housing to each and every household over the long term. The methodology takes into account the following components in projecting the number of new housing units required –

- A. net increase in the number of households;
- B. households displaced by redevelopment;
- C. inadequately housed households (IHHs); and
- D. miscellaneous factors¹.

A. Net increase in the number of households (197 300 units)

2. The trend-based domestic household projections by the Census and Statistics Department (C&SD) form the basis of assessing the overall housing demand from the net increase in the number of households. Based on the domestic household projections published by C&SD in September 2020, the net increase in the number of households from mid-2022 to mid-2032 is about **197 300** units. This is adopted for the 10-year period from 2022-23 to 2031-32.

3. In line with previous projection exercises, an econometric modelling exercise has been conducted to quantify the relationship between household formation and (a) economic performance (as proxied by real Gross Domestic Product (GDP) growth rate); and (b) housing market situations (as proxied by vacancy rate of private flats) in order to reflect possible changes to household

¹ The miscellaneous factors taken into account include (a) private permanent living quarters occupied by households with mobile residents only; (b) non-local students who may take up accommodation in Hong Kong; and (c) non-local buyers who take up flats without selling or leasing them.

formation under different economic and property market situations. Results show that the net increase in households ranges from 180 500 to 214 100, representing a $\pm 8.5\%$ ² from C&SD's domestic household projection of 197 300.

B. Households displaced by redevelopment (65 300 units)

4. Households displaced by redevelopment of old buildings in the public and private sectors have to be rehoused, thus generating new housing demand on top of the net increase in the number of households. Taking into account redevelopment need of public housing units under the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS), as well as past trends in the private sector, we propose to make a provision of about **65 300 units** for households displaced by redevelopment for the 10-year period from 2022-23 to 2031-32, with breakdown as follows –

² According to the econometric model, the number of households formed is higher when local macroeconomic performance is better or the housing market is less tight. The Office of Government Economist has advised that under the base case, in order to project the household formation in the next 10 years, as a working assumption, it is assumed that the real GDP growth in the next 10 years will average around 3% per annum; and for the private domestic vacancy rate in the next 10 years, it is assumed to be the average rate over the past 10 years from 2011 to 2020 (4.0%).

To work out a lower limit of households formed, it is assumed that the real economic growth and the private domestic vacancy rate would be 1% point lower than the base case. Under this lower case scenario, the household formation in the next 10 years would be around 8.5% lower than the base case.

To work out an upper limit of households formed, it is assumed that the real economic growth and the private domestic vacancy rate would be 1% point higher than the base case. Under this upper case scenario, the household formation in the next 10 years would be around 8.5% higher than the base case.

| Redevelopment programmes | Number of units |
|---|------------------------|
| (a) <u>Redevelopment of public housing units</u> (based on the estimated number of public housing units to be redeveloped by HA and HS in the next 10 years from 2022-23 to 2031-32) (see paragraph 5 - 7 below) | 25 300 |
| (b) <u>Redevelopment of private units</u> (based on past trend of private flats demolished from 2011 to 2020 ³) | 40 000 |
| Total = (a) + (b) | 65 300 |

5. For paragraph 4(a) above, according to the established methodology, we have projected the housing demand for the coming 10 years (covering the period from 2022-23 to 2031-32) arising from households displaced by public housing redevelopment by taking the higher of –

- (a) the number of public housing units to be redeveloped in the **next 10 years**, based on –
 - (i) *known* public housing redevelopment programmes already announced by HA and HS; and
 - (ii) *potential/possible* redevelopment need for those PRH estates aged 50 years and above by the end of the 10-year projection period; and
- (b) the number of public housing units demolished in the **past 10 years**.

³ From 2011 to 2020, the average number of private flats demolished was about 2 000 per year. As regards the number of households displaced by private redevelopment, there may be more than one household in a unit in older private buildings, and this should be taken into account in the projection. However, there is currently no reliable data to come up with this projection. The only benchmark from which we can make reference is the Urban Renewal Authority (URA)'s data. According to URA's data from its urban redevelopment projects commencing between 2011-12 and 2020-21, there were on average about two households living in each private unit demolished/to be demolished. Therefore, it is estimated that the number of households displaced by redevelopment in the projection period will be 40 000 (= 2 000 x 2 x 10).

6. The estimated number of public housing units under known redevelopment programmes in the next 10 years (paragraph 5(a)(i)) is **14 500**⁴. Drawing reference from the Rating and Valuation Department (RVD)'s data⁵, it is estimated that the additional housing demand from public rental estates aged 50 years and above would be **10 800** units⁶ (about 15% of the 71 700 units in question) by the end of the 10-year projection period (paragraph 5(a)(ii)). Accordingly, the estimated total number of public housing units to be redeveloped in the next 10 years is **25 300** (= 14 500 under paragraph 5(a)(i) + 10 800 under paragraph 5(a)(ii)).

7. The number of public housing units demolished in the past 10 years (from 2011-12 to 2020-21) was 7 600 units (paragraph 5(b)). In accordance with the methodology set out in paragraph 5, the higher figure from paragraph 5(a) and 5(b), i.e. **25 300** units, has been adopted to be the estimated housing demand arising from public housing redevelopment from 2022-23 to 2031-32.

C. Inadequately housed households (IHHs) (127 100 units)

8. Households living in public housing which have been built to satisfy the housing needs of the community are regarded as living in adequate housing. As regards households living in private housing, the following circumstances are taken into account in determining whether households are inadequately housed for the purpose of the projection –

- (a) whether the housing unit is made up of temporary structures (e.g. huts, squatters and roof-top structures);

⁴ Based on the known redevelopment programmes under HA and HS, the housing demand for 14 500 units in the 10-year period from 2022-23 to 2031-32 arises from the following redevelopments: (a) 620 units in HA's Pak Tin Estate; (b) 310 units in HA's Shek Lei Interim Housing; (c) 7 900 units in HA's Wah Fu Estate; (d) 1 300 units in HS' Ming Wah Dai Ha, (e) 910 units in HS' Yue Kwong Chuen; (f) 2 360 units in HS' Kwun Tong Garden Estate; and (g) 1 100 units in HS' Chun Seen Mei Chuen.

⁵ Reference is made to RVD's data on the demolition situation of the 36 000 private domestic units that were built before 1960 as at the end of 2009 (i.e. having reached age 50 in 2010). From 2010 to 2020, about 540 of these 36 000 units were demolished annually, representing a demolition rate of about 15% over a 10-year period (i.e. 540 units x 10 years / 36 000 units). The demolition rate of 15% is used for projecting potential/possible redevelopment need for those PRH estates aged 50 years and above.

⁶ There will be 71 700 units in 27 public rental estates (21 under HA and 6 under HS) aged 50 years and above in the coming 10 years which are not yet on the redevelopment timetable. Therefore, the estimated number of households to be displaced by public redevelopment in these estates will be 10 800 (= 71 700 x 15%).

- (b) whether the unit is located in a non-residential building (e.g. commercial and industrial building);
- (c) whether the unit is shared with other households (e.g. those living in rooms, cubicles, bedspaces and cocklofts in private permanent buildings); and
- (d) whether the unit is a subdivided unit (SDU).

9. It has been our established practice to estimate the housing demand of IHHs based on relevant statistics/projection of C&SD (i.e. with reference to data in its Population Censuses/By-Censuses, Thematic Household Surveys on SDUs and related trend data). In light that a more updated survey on SDUs commissioned by the Task Force for the Study on Tenancy Control of Subdivided Units (TCSU) was conducted in late 2020/early 2021⁷, we consider it necessary to also take into account such survey findings in this year's housing demand projection concerning IHHs. As a prudent approach for projecting the housing demand of IHHs, the higher of the relevant statistics/projection of C&SD or the findings of TCSU's survey has been adopted for each category of IHHs in this year's projection⁸.

10. In respect of category (a), based on the results of 2016 Population By-Census (16BC) and the trend data observed from the 2011 Population Census and the 16BC, it is estimated that there were about 22 100 households living in temporary structures in 2020. As there is no directly comparable findings under TCSU's survey⁹, C&SD's projection, i.e. **22 100**, is adopted as the

⁷ To gather the latest information about the number of SDUs and the socio-economic characteristics of SDU tenants in Hong Kong, TCSU commissioned Policy 21 to conduct a comprehensive survey in late 2020/early 2021. Details on the survey findings are provided in paragraphs 13 to 20 in Chapter 3 of TCSU's report published in March 2021, which is available on the following website – https://www.thb.gov.hk/eng/contact/housing/studyOnTenancyControl_Report.pdf

⁸ More updated statistics relating to IHHs based on the findings of the 2021 Population Census (which was conducted by C&SD from June to August 2021) are expected to be available for the housing demand projection under LTHS in 2022.

⁹ C&SD's 16BC covered various forms of temporary structure, including huts, squatters and roof-top structures, whereas TCSU's survey only covered roof-top structures. According to the findings of TCSU's survey, there were 4 067 units of roof-top structures in 2020.

relevant housing demand.

11. In respect of category (b), 5 600 households were living in non-residential buildings according to the 16BC; while based on the findings of TCSU's survey, it is estimated that there were 6 927 units occupied for domestic purposes in industrial and commercial buildings in 2020. As such, the latter, i.e. 6 927 rounded to **7 000**, is adopted as the relevant housing demand.

12. In respect of category (c), 5 800 households were living in shared units according to the 16BC; while there were 4 998 units of similar structures¹⁰ in 2020 based on the results of TCSU's survey. The higher of the two figures, i.e. **5 800**, is adopted as the relevant housing demand.

13. Regarding category (d), the number of households living in SDUs is estimated to be 102 700, based on the results from the 16BC and updated with the trend data observed from the 16BC, thematic household surveys on SDUs as well as relevant information on the construction and demolition of buildings. On the other hand, there were 100 943 SDUs based on the findings of TCSU's survey. As such, the higher of the two figures, i.e. 102 700, is adopted. In order to avoid double counting, we need to deduct households living in private residential buildings which would be subject to redevelopment in the next 10 years. The number is derived by applying the demolition rate of private residential units aged 50 years and above (i.e. 15%; see footnote 5 under paragraph 6) to the number of households living in SDUs located in private buildings aged above 50 years (i.e. 69 800 as estimated by C&SD), i.e. 10 500 (= 69 800 x 15%). Accordingly, **92 200** (= 102 700 – 10 500) is adopted as the relevant housing demand from households living in SDUs.

14. Given the varied standards and living conditions of shared units and SDUs, not all households living there are necessarily inadequately housed. Besides, a unit shared by two or more households or subdivided into two or more units may be able to provide adequate housing for one household if it is not shared or subdivided. In other words, there may not be a need to provide adequate housing to all the households living in a shared unit or an SDU. Nevertheless, taking a conservative approach, we have continued to include all these households in this year's housing demand projection.

¹⁰ Including 3 415 cubicles, 258 loft spaces, 1 165 space capsules and 160 bed spaces.

15. Summing up the above components, the estimated number of IHHs is **127 100**, with the following breakdown –

| | Category of IHHs | Estimated number |
|-----|--|-------------------------|
| (a) | Households living in units made up of temporary structures | 22 100 |
| (b) | Households living in non-residential buildings | 7 000 |
| (c) | Households sharing the same unit with other households | 5 800 |
| (d) | Households living in SDUs | 92 200 |
| | Total | 127 100 |

D. Miscellaneous factors (25 900 units)

16. Apart from the above three demand components, there may also be demands in the next 10 years which are not covered in C&SD's domestic household projections. These include –

- (a) private permanent living quarters occupied by households with mobile residents¹¹ only –

The estimated increase of such households is **700** each year based on past trends as observed from Population Censuses/By-censuses conducted by C&SD;

- (b) non-local students who might take up accommodation in Hong Kong

–
The estimated housing demand is **660** units each year, having regard to

¹¹ Mobile residents refer to Hong Kong permanent residents who have stayed in Hong Kong for at least one month but less than three months during the six months before or after the reference time-point, regardless of whether they are in Hong Kong or not at the reference time-point.

the average increase of about 2 200 student visas each year from 2011-12 to 2020-21; and on the assumptions that about 60% of these students (including undergraduates and postgraduate students) are not living in residential halls/hostels provided by post-secondary institutions according to information from the Education Bureau and the University Grants Committee; and that on average two non-local students will be sharing one housing unit; and

- (c) buyers from outside Hong Kong who may purchase flats without channeling them back to the market¹² (i.e. not selling or leasing out their units) –

Drawing reference from statistics of the Inland Revenue Department (IRD) and RVD, it is estimated that the housing demand from such buyers ranges from 690 to 1 760 units per year, i.e. a mid-point of about **1 230** units per year¹³.

17. Assuming that the above past trends will continue in the next 10 years, the estimated additional housing demand arising from miscellaneous factors is 2 590 units per year (= 700 + 660 + 1 230), or **25 900** units over the 10-year period from 2022-23 to 2031-32, with an upper and lower range of 31 200 and 20 500 units respectively.

Gross total housing demand

18. Taking the above four demand components together, the estimated

¹² Although these units are bought by non-local buyers without being channeled back to the market, this does not imply that they are vacant units. These units may be occupied by owners as residence, second home, vacation home or for other purposes.

¹³ Using the average annual stamped transactions from 2011 to 2020 (about 70 400 cases as provided by IRD) as a rough indication, the purchases by non-local buyers would be around 3 520 cases per year as the upper range (on a crude assumption that about 5.00% of purchases were by non-local buyers) and 930 cases per year as the lower range (on a crude assumption that about 1.32% of purchases were by non-local buyers) in the coming 10 years. Applying the ratios of purchases by non-local buyers which would eventually be owner-occupied or left vacant, the projected demand from non-local buyers who may purchase flats without channeling them back to the market is around 1 760 units per year at the upper range (assuming 50% of non-local buyers' purchases would fall under this category) and 690 units at the lower range (assuming 75% of non-local buyers' purchases would fall under this category) in the coming 10 years, and the mid-point is about 1 230 units per year.

gross total housing demand is **415 600 units**, being the mid-point between the upper and lower ranges of 437 700 and 393 400 units respectively for the 10-year projection period from 2022-23 to 2031-32.

Vacancy adjustment in the private housing sector (7 200 units)

19. As there are always a certain number of flats left vacant in the private housing sector at any point in time, we need to take into account the vacancy situation when setting the total housing supply target. In accordance with the established methodology under LTHS, the total housing supply target is derived by **adding a vacancy adjustment** (which is the change in the estimated number of vacant private housing units over the 10-year projection period) to the gross total housing demand to take into account the vacancy situation in the private housing sector.

20. With reference to RVD's data on the average number of vacant units and the average vacancy rate in the private housing sector in the past 10 years (i.e. about 46 300 units and 4.0% respectively from 2011 to 2020¹⁴), the vacancy adjustment for the 10-year projection period from 2022-23 to 2031-32 is **7 200 units**¹⁵.

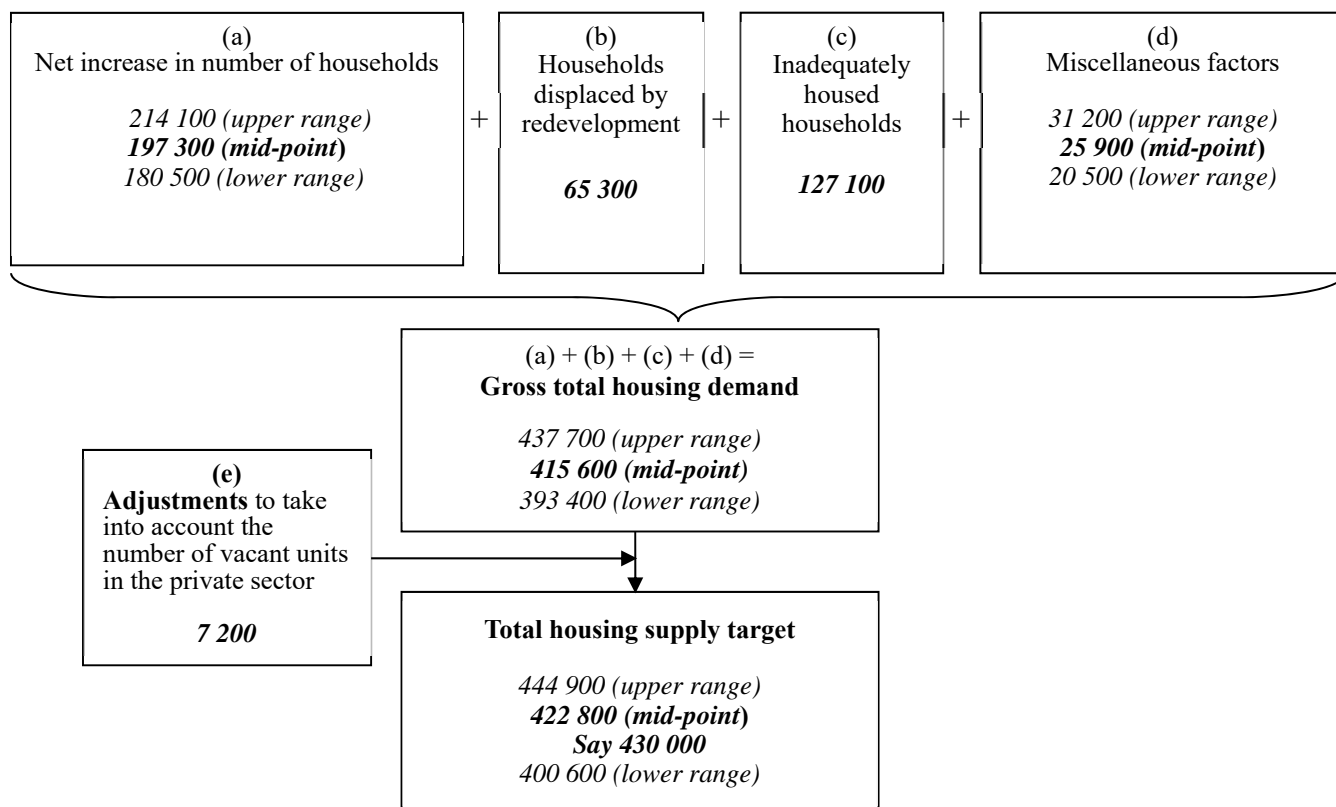
¹⁴ Based on RVD's latest available data (i.e. as at end-2020).

¹⁵ According to the established projection methodology, vacancy adjustment is the difference between the estimated number of vacant units at the end of the projection period and the number of vacant units at the beginning of the projection period. It has been the established practice to take the actual number of vacant units on the last day of the preceding calendar year as "the number of vacant units at the beginning of the projection period". However, it is observed that under this snapshot approach, the number of vacant units fluctuates quite significantly from year to year (e.g. 42 900 units in end-2017, 51 400 units in end-2018, 44 900 units in end-2019, and 52 400 units in end-2020), leading to significant fluctuations in the vacancy adjustment in the respective years. In order to minimise the impact of the fluctuations on the vacancy adjustment, refinement is made to the projection methodology of vacancy adjustment such that the average number of vacant units in the past 10 years (instead of the actual number of vacant units on the last day of the preceding year) is taken as the proxy for the number of vacant units at the beginning of the projection period. Vacancy adjustment is therefore –

$$\begin{aligned} &= \text{Estimated total number of private housing units at the end of projection period} \quad \times \quad \text{Average vacancy rate in the past 10 years} \quad - \quad \text{Average number of vacant units in the past 10 years} \\ &= 1\,337\,000 \text{ units} \times 4.0\% - 46\,300 \text{ units} \\ &= 53\,480 \text{ units (rounded to 53\,500 units)} - 46\,300 \text{ units} \\ &= 7\,200 \text{ units} \end{aligned}$$

Total housing supply target

21. Upon taking into account the above vacancy adjustment in the private housing sector, the projected total housing supply target for the 10-year projection period from 2022-23 to 2031-32 is **422 800 units (say 430 000 units)**, with an upper and lower range of 444 900 and 400 600 units respectively. Details are summarised below –



Hong Kong Housing Authority's Estimated Public Housing Production
(from 2021-22 to 2025-26)

(Based on the Forecast as at December 2021)

(A) Public Rental Housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH)

| Estimated Year of Completion/ District | Sub-district (District Council) | Project Title | Estimated Flat Number | Estimated Flat Number By Sub-district (District Council) |
|--|------------------------------------|--|-----------------------|---|
| Estimated Project Completion in 2021-22 | | | | |
| Urban | Eastern | Chai Wan Road# | 800 | 800 |
| | Sham Shui Po | Northwest Kowloon Reclamation Site 6 Phase 3 | 1 000 | 2 100 |
| | | Pak Tin Phase 11 | 1 100 | |
| | Wong Tai Sin | Diamond Hill Phase 1 | 1 000 | 1 000 |
| Extended Urban | Kwai Tsing | Near Lai King Hill Road | 500 | 500 |
| New Territories | Tai Po | Chung Nga Road East | 700 | 700 |
| | Tuen Mun | Tuen Mun Area 54 Sites 3 & 4 (East) | 4 300 | 8 600 |
| | | 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 | 22 600 |
| Estimated Project Completion in 2022-23 | | | | |
| Extended Urban | Kwai Tsing | Tsing Hung Road# | 2 900 | 3 700 |
| | | Lai Cho Road | 800 | |
| New Territories | Tai Po | Tai Po Area 9 | 6 800 | 6 800 |
| | Tuen Mun | Tuen Mun Area 54 Sites 3 & 4 (East) | 900 | 900 |
| | | | Sub-total | 11 300 |
| Estimated Project Completion in 2023-24 | | | | |
| Urban | Sham Shui Po | Pak Tin Phase 10 | 900 | 900 |
| | Wong Tai Sin | Diamond Hill Phase 2# | 2 100 | 2 100 |
| | Kwai Tsing | Ching Hong Road North Phase 1 | 900 | 1 500 |

| Estimated Year of Completion/ District | Sub-district (District Council) | Project Title | Estimated Flat Number | Estimated Flat Number By Sub-district (District Council) |
|--|------------------------------------|---|-----------------------|---|
| Extended Urban | | Ching Hong Road North Phase 2 | 600 | |
| | Islands | Tung Chung Area 100 | 5 200 | 5 200 |
| New Territories | Tuen Mun | Hin Fat Lane | 900 | 2 600 |
| | | Tuen Mun Area 29 (West) | 1 000 | |
| | | Yip Wong Road Phase 1 | 700 | |
| | | | Sub-total | 12 300 |
| Estimated Project Completion in 2024-25 | | | | |
| Urban | Kwun Tong | Lei Yue Mun Phase 4# | 2 000 | 2 000 |
| Extended Urban | Islands | Tung Chung Area 99 | 4 800 | 4 800 |
| New Territories | Tuen Mun | Yip Wong Road Phase 2 | 2 600 | 2 600 |
| | North | Fanling Area 36 Phase 4# | 800 | 800 |
| | | | Sub-total | 10 200 |
| Estimated Project Completion in 2025-26 | | | | |
| Urban | Kwun Tong | Hiu Ming Street | 1 100 | 5 200 |
| | | Wang Chiu Road Phase 1 | 2 700 | |
| | | Wang Chiu Road Phase 2 | 1 500 | |
| | Sham Shui Po | Northwest Kowloon Reclamation Site 1 (East) | 2 600 | 2 600 |
| Extended Urban | Sha Tin | Hang Tai Road Phase 2# | 1 900 | 1 900 |
| New Territories | North | Sheung Shui Areas 4 & 30 Site 1 Phase 1 | 1 500 | 2 900 |
| | | Sheung Shui Areas 4 & 30 Site 2 Phase 2 | 1 400 | |
| | | | Sub-total | 12 600 |
| PRH/GSH Total | | | | 69 000 |

Remarks

1. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
 2. The figures are subject to amendments at the detailed design stage.
- # GSH Projects

(B) Other Subsidised Sale Flats (SSFs)

| Estimated Year of Completion/ District | Sub-district (District Council) | Project Title | Estimated Flat Number | Estimated Flat Number By Sub-district (District Council) |
|--|------------------------------------|--------------------------------|-----------------------|---|
| Estimated Project Completion in 2021-22 | | | | |
| Extended Urban | Islands | Tung Chung Area 54 | 3 300 | 3 300 |
| New Territories | North | Queen's Hill Phase 3 | 3 200 | 3 200 |
| | | | Sub-total | 6 500 |
| Estimated Project Completion in 2022-23 | | | | |
| Urban | Wong Tai Sin | Diamond Hill Phase 3 | 900 | 900 |
| Extended Urban | Sha Tin | Ma On Shan Road | 2 100 | 2 600 |
| | | On Muk Street Phase 1 | 500 | |
| | | | Sub-total | 3 600 |
| Estimated Project Completion in 2023-24 | | | | |
| Urban | Eastern | Java Road | 200 | 200 |
| Extended Urban | Sai Kung | Chiu Shun Road | 600 | 600 |
| | | | Sub-total | 800 |
| Estimated Project Completion in 2024-25 | | | | |
| Urban | Kowloon City | Kai Tak Site 2B2 | 1 800 | 4 400 |
| | | Kai Tak Site 2B6 | 2 000 | |
| | | Ko Shan Road | 500 | |
| Extended Urban | Sai Kung | Anderson Road Quarry Site RS-1 | 1 900 | 4 800 |
| | | Anderson Road Quarry Site R2-5 | 1 100 | |
| | | Anderson Road Quarry Site R2-7 | 400 | |
| | | Anderson Road Quarry Site R2-8 | 1 400 | |
| New Territories | Tuen Mun | Hang Fu Street | 500 | 500 |
| | | | Sub-total | 9 700 |
| Estimated Project Completion in 2025-26 | | | | |
| Urban | Kowloon City | Kai Tak Site 2B5 | 1 700 | 1 700 |
| Extended Urban | Sai Kung | Anderson Road Quarry Site R2-6 | 1 000 | 1 000 |
| Urban | Islands | Tung Chung Area 109 | 1 300 | 1 300 |

| Estimated Year of Completion/ District | Sub-district (District Council) | Project Title | Estimated Flat Number | Estimated Flat Number By Sub-district (District Council) |
|---|--|----------------------|------------------------------|---|
| New Territories | Yuen Long | Long Bin Phase 1 | 3 100 | 3 100 |
| | | | Sub-total | 7 100 |
| Other SSFs Total | | | | 27 800 |

Remarks

1. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
2. The figures are subject to amendments at the detailed design stage.

- End -

**Number of Public Rental Housing/Green Form Subsidised Home Ownership Scheme
Units of the Hong Kong Housing Authority by Flat Type
(from 2021-22 to 2025-26)
(Based on the Forecast as at December 2021)**

| Year of Completion/ District | Flat Type | | | | |
|--|-------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------|
| | Type A (For 1/2 Person) | Type B (For 2/3 Persons) | Type C (For 3/4 Persons) | Type D (For 4/5 Persons) | Total |
| Estimated Project Completion in 2021-22 | | | | | |
| Urban | 400 | 1 600 | 1 400 | 600 | |
| Extended Urban | 0 | 300 | 200 | 0 | |
| New Territories | 3 200 | 6 100 | 5 200 | 3 500 | |
| Sub-total | 3 600 | 8 100 | 6 900 | 4 100 | 22 600 |
| Estimated Project Completion in 2022-23 | | | | | |
| Extended Urban | 700 | 1 700 | 800 | 600 | |
| New Territories | 1 500 | 3 200 | 1 600 | 1 400 | |
| Sub-total | 2 200 | 4 800 | 2 400 | 1 900 | 11 300 |
| Estimated Project Completion in 2023-24 | | | | | |
| Urban | 300 | 1 000 | 900 | 800 | |
| Extended Urban | 800 | 2 400 | 2 200 | 1 300 | |
| New Territories | 500 | 1 300 | 600 | 200 | |
| Sub-total | 1 600 | 4 700 | 3 700 | 2 300 | 12 300 |
| Estimated Project Completion in 2024-25 | | | | | |
| Urban | 400 | 800 | 600 | 300 | |
| Extended Urban | 500 | 1 300 | 1 700 | 1 200 | |
| New Territories | 200 | 1 600 | 1 300 | 300 | |
| Sub-total | 1 100 | 3 700 | 3 500 | 1 800 | 10 200 |

| Year of Completion/ District | Flat Type | | | | |
|--|-------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------|
| | Type A (For 1/2 Person) | Type B (For 2/3 Persons) | Type C (For 3/4 Persons) | Type D (For 4/5 Persons) | Total |
| Estimated Project Completion in 2025-26 | | | | | |
| Urban | 700 | 2 400 | 3 400 | 1 400 | |
| Extended Urban | 300 | 800 | 500 | 300 | |
| New Territories | 400 | 1 200 | 1 100 | 300 | |
| Sub-total | 1 400 | 4 300 | 4 900 | 2 000 | 12 600 |
| Total (2021-22 to 2025-26) | 9 800 (14%) | 25 600 (37%) | 21 500 (31%) | 12 100 (18%) | 69 000 (100%) |

Remarks

1. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
2. The figures are subject to amendments at the detailed design stage.

- End -

**Public Housing Production Forecast of the Hong Kong Housing Authority (HA) and the
Hong Kong Housing Society (HKHS)
(from 2021-22 to 2025-26)
(Based on the Forecast as at December 2021)**

**Table 1: Public Housing Production under HA's Housing Construction Programme
(2021-22 to 2025-26)**

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| PRH/GSH | 22 600 | 11 300 | 12 300 | 10 200 | 12 600 | 69 000 |
| Other SSFs | 6 500 | 3 600 | 800 | 9 700 | 7 100 | 27 800 |
| Total | 29 100 | 14 900 | 13 100 | 19 900 | 19 700 | 96 800 |

Table 2: Public Housing Production of HKHS (2021-22 to 2025-26)

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|--------------|----------------|----------------|----------------|----------------|----------------|---------------|
| PRH | - | 300 | 800 | 1 300 | 1 500 | 4 000 |
| SSFs | - | - | 700 | 2 100 | 3 300 | 6 100 |
| Total | - | 300 | 1 500 | 3 500 | 4 700 | 10 000 |

Remarks

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

- End -

**Proposed Additional Funding Injection into
the Funding Scheme to Support Transitional Housing Projects by
Non-government Organisations**

PURPOSE

This annex sets out the detailed proposal for injecting an additional funding of \$3.3 billion into the “Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (NGOs)” (the Funding Scheme). Together with the earlier approved funding of \$8.3 billion, it is expected that the Funding Scheme can support the provision of a total of 20 000 transitional housing units.

BACKGROUND

2. The development of transitional housing is one of the six new housing initiatives announced by the Chief Executive on 29 June 2018. In this connection, a Task Force on Transitional House (the Task Force) has been established under the Transport and Housing Bureau (THB) to actively assist and facilitate various short-term initiatives proposed and implemented by the NGOs with a view to increasing the supply of transitional housing. On 4 November 2019, the Legislative Council (LegCo) Panel on Housing supported the establishment of a \$5 billion funding scheme to facilitate NGOs to take forward transitional housing projects for providing a total of 10 000 units¹. The Government subsequently announced on 14 January 2020 to increase the supply target to a total of 15 000 transitional housing units. The Finance Committee (FC) approved on 6 March 2020 the funding application of \$5 billion to set up the Funding Scheme. With the enactment of the Appropriation Bill 2021 on 28 April 2021, an additional \$3.3 billion was injected into the Funding Scheme and the total amount of funding was increased to \$8.3 billion in order to meet the target of providing 15 000 transitional housing units. The Chief Executive’s 2021 Policy Address proposed to further increase the overall supply of transitional housing from 15 000 to 20 000 units in the coming few years by providing 5 000 additional units, and increase the amount of funding under the Funding Scheme from the current \$8.3 billion to \$11.6 billion. An additional injection of \$3.3 billion into the Funding Scheme is required.

¹ Please refer to LC Paper No. CB(1) 67/19-20(04) for details.

PROGRESS OF FUNDING SCHEME

3. Since its launch in June 2020, the Funding Scheme has been warmly received by the community. During the period from July 2020 to December 2021, 29 transitional housing development funding applications from NGOs were approved with a target to provide a total of about 11 500 units at a total funding commitment of about \$6.2 billion. As at January 2022, the Task Force has identified sufficient land for providing over 17 000 transitional housing units, of which about 2 100 units are under operation, about 4 400 units are under construction, and projects with about 11 200 units have proceeded with consultation, procurement or tender procedures. A detailed breakdown of the above mentioned transitional housing units is listed at **Appendix to Annex 5**.

4. In addition, the Government launched the Pilot Scheme: Use of Rooms in Hotels and Guesthouses as Transitional Housing (the Pilot Scheme) in April 2021 with \$95 million from the Community Care Fund to support NGOs to use about 800 rooms in hotels and guesthouse as transitional housing units. Up to January 2022, a total subsidy of about \$83 million for seven projects was approved under the Pilot Scheme to provide about 700 units. In addition to some 2 100 transitional housing units in operation, it is anticipated another about 5 000 units will be completed for operation by 2022, and about 10 000 more by 2023.

JUSTIFICATIONS

5. To alleviate the hardship faced by families living in unpleasant conditions and those waiting for Public Rental Housing for a long time, the Task Force has identified sufficient land to provide over 17 000 transitional housing units. Those completed transitional housing projects supported by the Funding Scheme, such as Nam Cheong Street, Conversion of Lok Sin Tong Primary School, Trackside Villas, Sung Wong Tai Road and Ying Wa Street, were substantially oversubscribed. In addition, the transitional housing project in Kong Ha Wai, which is operated by Pok Oi Hospital and offers approximately 2 000 units, received over 1 400 applications for occupancy at the 781 units under its Phase 1 at the closing date of application on 15 November 2021, indicating a keen demand from the community on transitional housing units. Besides, many NGOs have expressed interest in applying financial subsidy from the Funding Scheme to further increase the supply of transitional housing units. In view of the overwhelming response from the community, it is proposed to provide 5 000 additional units so as to increase the overall supply of transitional housing from 15 000 units to 20 000 units in the coming few years.

6. Currently, the subsidy ceiling for each transitional housing unit to be provided through erection of temporary structure on vacant land and in non-residential buildings is \$550,000. Amongst the approved funding applications, the funding amount is about \$540,000 per unit on average. In view that some projects require the provision of extensive drainage facilities involving huge expenditure, the FC approved on 4 June 2021 to increase the subsidy ceiling for the projects involving such facilities to \$565,000². Since most of the transitional housing projects currently under preliminary study require extensive drainage or sewage treatment facilities and taking into account the need for contingency provisions, we propose to inject an additional funding of \$3.3 billion into the Funding Scheme to meet the additional target of 5 000 transitional housing units. The total amount of funding under the Funding Scheme will be increased from the current \$8.3 billion to \$11.6 billion.

IMPLEMENTATION PLAN

7. Subject to approval of the proposed injection of \$3.3 billion by the LegCo, it is anticipated that about 17 000 transitional housing units would be completed for operation by 2024 while some 3 000 remaining units would be completed for operation by 2027 subject to the availability of suitable sites and local consultation.

FINANCIAL IMPLICATIONS

8. We estimate that an additional non-recurrent funding of \$3.3 billion will be required to support the target of providing 20 000 units in the coming few years, the details are as below –

| | |
|---|------------------------|
| | (\$billion) |
| (a) Subsidy for transitional housing by NGOs | 11.6 |
| (b) Minus: original funding ³ | (8.3) |
| Total | 3.3⁴ |

² Please refer to Paper No. FCR (2021-22)28 for details.

³ On 6 March 2020, FC approved \$5 billion for the Funding Scheme. Please refer to Paper No. FCR (2019- 20)45 for details. An injection of an additional funding of \$3.3 billion was sought in the context of the Appropriation Bill 2021 and the total amount of funding has been increased to \$8.3 billion.

⁴ For the additional 5 000 units, since most of them require extensive drainage or sewage treatment facilities, an additional injection of \$3.3 billion (\$ 0.565 million x 5 000 x

9. Funding would be disbursed to successful applicants of the Funding Scheme by instalments subject to the fulfilment of project milestones stated in the funding agreement, verification of certified invoices or bills and work done. The estimated cost for the proposal will be included and reflected in the draft Estimates of the relevant financial years. The annual cash flow is essentially demand driven and will depend on the actual number of applications received and approved, as well as the amount of subsidy to be disbursed each year. The estimated cash flow requirement upon funding injection is set out below for budgeting purpose –

| Estimated Cash Flow (by years) | (\$ million) |
|---------------------------------------|---------------------|
| 2020-21 (Actual) | 3.5 |
| 2021-22 | 1,447.5 |
| 2022-23 | 4,657 |
| 2023-24 | 1,953 |
| 2024-25 | 1,199 |
| 2025-26 | 1,740 |
| 2026-27 | 600 |
| Total | 11,600 |

115% (for contingency provisions)) is required.

Details of Transitional Housing Projects (As at January 2022)**(1) Projects in Existing Residential Buildings (Completed)**

| Operating Organisation | Land Owner (Private/Government) | Project Name | Project Location | No. of Units |
|---|--|---|---|---------------------|
| Light Be | Private Land | Light Home | Scattered in different districts | 80 |
| Light Be | Government Land | Light Housing | Sham Tseng | 40 |
| Society for Community Organization Limited | Private Land | Happiness x Home Community Kim Shin Lane, Cheung Sha Wan | Tai Kok Tsui, Cheung Sha Wan | 25 |
| Society for Community Organization Limited | Private Land | Joy To Gather | Shun Sing Mansion, Western District | 47 |
| Society for Community Organization Limited | Private Land | Friend Home at Tai Kok Tsui | Tai Kok Tsui | 24 |
| Society for Community Organization Limited | Private Land | Community Home for All | Electric Road, North Point | 5 |
| The Lok Sin Tong Benevolent Society Kowloon | Private Land | LST Housing at Fuk Lo Tsun Road, Kowloon City; Nam Kok Road, Kowloon City; Lok Shan Road, To Kwa Wan and Liberty Avenue, Homantin | Fuk Lo Tsun Road, Kowloon City, Nam Kok Road, Kowloon City, Lok Shan Road, To Kwa Wan, Liberty Avenue, Homantin | 88 |
| St. James' Settlement | Private Land | Co-Living at James' House, Soy Street, Mong Kok | Soy Street, Mongkok | 14 |

| Operating Organisation | Land Owner (Private/ Government) | Project Name | Project Location | No. of Units |
|--|---|--|---|---------------------|
| Hong Kong Sheng Kung Hui Welfare Council Limited | Private Land | Good Homes | To Kwa Wan Road | 60 |
| The Aberdeen Kai-fong Welfare Association Social Service | Private Land | Best Neighbour Walk Together | World Fair Court, Wah Fu Road | 16 |
| The Salvation Army | Private Land | Home Plus | Ha Heung Road, To Kwa Wan | 53 |
| Hong Kong Housing Society | Private Land | Transitional Rental Housing Scheme - Yue Kwong Chuen | Shek Pai Wan, Aberdeen | 270 |
| Hong Kong Housing Society | Private Land | Transitional Rental Housing Scheme - Kwun Tong Garden Estate Phase 2 | Yin Chee Lau and Hay Cheuk Lau, Kwun Tong Garden Estate, Kwung Tong | 30 |
| Yan Oi Tong Limited | Private Land | Green Garden | Tong Hang Road, Tuen Mun | 11 |
| Kwun Tong Methodist Social Service | Private Land | Yee Cheong Building, Ka Lok Street, Kwun Tong | Yee Cheong Building, Kwun Tong | 1 |
| J Life Foundation Limited | Private Land | Pitt Street, Yau Ma Tei | Pitt Street, Yau Ma Tei | 1 |
| J Life Foundation Limited | Private Land | Tai Nam Street, Sham Shui Po | Yee Kuk Street, Sham Shui Po | 1 |
| Baptist Oi Kwan Social Service | Private Land | Lai Chi Kok Road, Tai Ko Tsui | Lai Chi Kok Road, Tai Kwok Tsui | 9 |
| St. James' Settlement | Private Land | James' Court, Soy Street, Mongkok | Soy Street, Mongkok | 49 |
| J Life Foundation Limited | Private Land | Castle Peak Road, Sham Shui Po | Castle Peak Road, Cheung Sha Wan | 15 |

| Operating Organisation | Land Owner (Private/ Government) | Project Name | Project Location | No. of Units |
|--|---|-------------------------------------|--|---------------------|
| The Society of Rehabilitation and Crime Prevention, Hong Kong | Private Land | Staunton Street, Central | Staunton Street, Central | 6 |
| Concern for Grassroots Livelihood Alliance | Private Land | Mongkok | Mongkok | 2 |
| Concern for Grassroots Livelihood Alliance | Private Land | Nathan Road, Yau Ma Tei | Man Hoo Court, Yau Ma Tei | 1 |
| Christian Concern for the Homeless Association | Private Land | Ta Po Road, Sham Shui Po | Sham Shui Po | 1 |
| Hong Kong Housing Society and Hong Kong Council of Social Service | Private Land | “T-Home” - Trackside Villas, Tai Po | MTR Corporation properties at Tai Po Kau, Tai Po | 187 |
| Hong Kong Housing Society | Private Land | Chun Seen Mei Chuen | Kowloon City, Chun Seen Mei Chuen | 20 |
| Society for Community Organization Limited | Government Land | Government Quarters | 405 – 406 Victoria Road | 11 |
| Sub-total of projects in existing residential buildings (Completed) | | | | 1 067 |

(2) Conversion of non-residential buildings (Completed)

| Operating Organisation | Land Owner (Private/ Government) | Project Name | Project Location | No. of Units |
|---|---|-----------------------------|--|---------------------|
| The Lok Sin Tong Benevolent Society Kowloon | Private Land | Lok Sin Tong Primary School | Lung Kong Road, Kowloon City (Ex-Lok Sin Tong Primary School) | 51 |
| Sub-total of conversion of non-residential buildings (Completed) | | | | 51 |

(3) Newly-built projects (Completed)

| Operating Organisation | Land Owner (Private/ Government) | Project Name | Project Location | No. of Units |
|--|---|--------------------------------|---------------------------------|---------------------|
| Tung Wah Groups | Private Land | Nam Cheong 220 | Nam Cheong Street, Sham Shui Po | 89 |
| The Lok Sin Tong Benevolent Society Kowloon | Government Land | Sung Wong Toi Road, To Kwa Wan | Sung Wong Toi Road, To Kwa Wan | 110 |
| Society for Community Organization Limited | Government Land | Ying Wa Street, Cheung Sha Wan | Ying Wa Street, Cheung Sha Wan | 140 |
| Sub-total of newly-built projects (Completed) | | | | 339 |

(4) Hotel and Guesthouse as Transitional Housing (In operation)

| Operating Organisation | Land Owner (Private/ Government) | Project Name | Project Location | No. of Units |
|---|---|------------------------------------|--|---------------------|
| The Lok Sin Tong Benevolent Society Kowloon | Private Land | Lok Sin Tong Social Housing Scheme | To Kwa Wan | 161 |
| Society for Community Organization Limited | Private Land | - | Yau Tsim Mong District | 80 |
| Hong Kong Lutheran Social Service Limited | Private Land | The Concordia | Kwun Tong | 30 |
| St. James Settlement | Private Land | James' Residence | Sham Shui Po, Yau Tsim Mong District, Wan Chai and North Point | 160 |
| Ling Nam Medicines Charitable Foundation Limited | Private Land | - | Yau Tsim Mong District | 100 |
| Hong Kong Lutheran Social Service Limited | Private Land | - | Sham Shui Po | 45 |
| Ling Nam Medicines Charitable Foundation Limited | Private Land | - | Yau Tsim Mong District | 106 |
| Sub-total of hotel and guesthouse as transitional housing (In operation) | | | | 682 |
| Total units in operation : 2139 (1067+51+339+682) | | | | |

(5) Projects under Construction

| Operating Organisation | Land Owner (Private/ Government) | Project Location | No. of Units (Estimated) | Estimated Completion date |
|---|---|---|---------------------------------|--|
| Pok Oi Hospital | Private Land and Government Land | Yuen Long, Kam Tin, Kong Ha Wai | 1 998 | Phase 1 completion in Q1 2022 Phase 2 completion in Q3 2022 |
| The Hong Kong Council of Social Service | Government Land | Junction of Yen Chow Street West and Tung Chau Street, Sham Shui Po | 205 | Q1 2022 |
| Hong Kong Sheng Kung Hui Welfare Council | Private Land | Tung Tau, Yuen Long | 1 800 | Q2 2022 |
| The Lok Sin Tong Benevolent Society Kowloon | Hong Kong Housing Authority | Cheung Shan Estate, Tsuen Wan | 145 | Q1 2022 |
| The Hong Kong Council of Social Service | Government Land | Yip Shing Street, Kwai Chung | 116 | Q2 2022 |
| Centre Stage Squarer Limited | Private Land | 29-31, North Street and 39- 45, Hau Wo Street, Kennedy Town | 16 | Q1 2022 |
| Hong Hong Housing Society | Private Land | No. 1-25, A Kung Ngam Road, Shau Kei Wan (Ming Wah Dai Ha) | 86 | The first batch completion in Q2 2022 |
| Sub-total of newly-built projects under construction | | | 4 366 | |

(6) Launched Projects

| Operating Organisation | Land Owner (Private/ Government) | Project Location | Estimated No. of Units |
|--|---|---|-----------------------------------|
| St. James Settlement | Government Land | North Junction of Chatham Road and Hok Yuen Road, Kowloon | 31 |
| Yan Chai Hospital Board | Government Land | Junction of Hoi Kok Street and Hoi Hing Road, Tsuen Wan | 124 |
| Christian Family Service Centre | Government Land | Junction of Po Yap Road and Chi Shin Street near Yee Ming Estate, Tseung Kwan O | 340 |
| Pok Oi Hospital | Government Land | Ping Che Road, Ta Ku Ling (Former Sing Ping School) | 596 |
| Tung Wah Groups of Hospitals | Government Land | Muk On Street, Kai Tak | 478 |
| The Lutheran Church – HK Synod Ltd. | Private Land and Government Land | Fan Kam Road near Ta Shek Wu Tsuen, Pat Heung, Yuen Long | 510 |
| The Evangelical Lutheran Church of Hong Kong | Private Land | San Tam Road near Ko Hang Road, Ngau Tam Mei, Yuen Long | 1 076 |
| New Territories Association of Societies (Community Services) Foundation | Private Land | Chun Shin Road, Ngau Tam Mei, Yuen Long, New Territories | 1 000 |
| Yan Oi Tong Limited | Government Land | Hung Yuen Road near Hung Fuk Estate, Hung Shui Kiu | 404 |
| Light Be | Private Land | Tsui Sing Road, Ping Shan | 100 |
| Christian Family Service Centre | Government Land | Junction of Tong Yin Street and Chi Shin Street | 244 |
| Christian Family Service Centre | Government Land | Po Lam Road North, near Fire Station, Tseung Kwan O | 258 |
| The Lok Sin Tong Benevolent Society Kowloon | Government Land | Choi Hing Road, Choi Hung, Kowloon (next to Caritas Mother Teresa School) | 166 |
| Society for Community Organization Limited | Government Land | Sheung On Street, Chai Wan | 96 |

| Operating Organisation | Land Owner (Private/ Government) | Project Location | Estimated No. of Units |
|--|---|--|-----------------------------------|
| The Salvation Army | Hong Kong Housing Authority | Sam Shing Estate, Tuen Mun | 123 |
| Society for Community Organization Limited | Government Land | Junction of Yau Ma Hom Road and Cheong Wing Road, Kwai Chung | 200 |
| Christian Family Service Centre | Government Land | Cheung Shun Street, Cheung Sha Wan | 132 |
| Aberdeen Kai-fong Welfare Association Limited | Government Land | No.5 Carmel Road, Stanley | 40 |
| Hong Hong Housing Society | Private Land | A Kung Ngam Road, Shau Kei Wan (Ming Wah Dai Ha) | 114 (The second batch) |
| The Lok Sin Tong Benevolent Society Kowloon | Private Land | Various Lots in Demarcation District No. 26 (Wong Yue Tan , Sheung Wan, Tai Po) | 1 236 |
| The Lutheran Church – HK Synod Ltd. | Government Land | Near Kam Tai Road near Tsat Sing Kong Chuen, Pat Heung, Yuen Long | 900 |
| New Territories Association of Societies (Community Services) Foundation | Private Land and Government Land | Lot 2160 in Kam Tin, Yuen Long (Tung Wui Road / Kam Wui Road) | 1 020 |
| Food For Good Limited | Government Land | Luen Yan Street, Tsuen Wan (Ex-Luen Yan Street Cooked Food Bazaar) | 191 |
| Sik Sik Yuen | Government Land | Government Land at Wong Tai Sin Road | 231 |
| Tung Wah Groups of Hospitals | Government Land | Government Land at Lok Wo Sha Lane, Ma On Shan | 411 |
| Lok Kwan Social Services | Private Land | 11-19, Peace Avenue and 22-24, Victory Avenue, Homantin and 72, Peel Street, Central | 86 |
| Food For Good Limited | Government Land | Muk On Street, Kai Tak | 608 |

| Operating Organisation | Land Owner (Private/ Government) | Project Location | Estimated No. of Units |
|---|---|--|-----------------------------------|
| Hong Kong Youth Affairs Development Foundation | Government Land | Tai Shu Ha Road West, Yuen Long | 194 |
| The Society of Rehabilitation and Crime Prevention, Hong Kong | Government Land | Shuen Wan, off Ting Kok Road, Tai Po (Former Shuen Wan Eu Tong Sen School) | 280 |
| Sub-total of launched projects | | | 11 189 |
| Total of Transitional Housing Units : 17 694 | | | |