For discussion
on 7 November 2022

Legislative Council Panel on Housing

Housing-related Initiatives in the Chief Executive's 2022 Policy Address

The Chief Executive (CE) delivered the 2022 Policy Address (the Policy Address) on 19 October 2022. This paper aims to introduce the initiatives which are relevant to housing in the Policy Address.

KEY STRATEGIES AND TARGETS

2. As stated in the Policy Address, the Chief Executive has accepted the first 100-day reports submitted by the Steering Committee on Land and Housing Supply and the Task Force on Public Housing Projects chaired by the Financial Secretary and the Deputy Financial Secretary respectively, and has adopted the following housing-related key strategies and targets:

(i) introduce the new Light Public Housing (LPH), with about 30 000 units to be built in the coming five years;

(ii) increase the overall public housing production substantially by about 50% in the coming five years (from 2023-24 to 2027-28) as compared to the previous five-year period (from 2022-23 to 2026-27), taking into account LPH and traditional public rental housing (PRH);

(iii) cap the waiting time for PRH immediately. Taking into account the total supply of LPH and traditional PRH, the target is to cap the waiting time at the existing level of about 6 years and shorten it to about 4.5 years in four years' time (i.e. in 2026-27);

(iv) set a minimum size for newly-built flats. The saleable area of all subsidised sale flats (SSFs) completed from 2026-27 onwards will be no less than 26 square metres in general; and the internal floor area of all newly-built PRH units (except for one-person and two-person units) will be no less than the equivalent threshold level in general, i.e. no less than 21 square metres;

(v) deliver sufficient land for private housing development in the next five years to meet the projected demand in the Long Tern Housing Strategy (LTHS) and stabilise supply for private housing; and

(vi) make use of market forces by enhancing public-private partnership. A pilot scheme will be introduced to encourage the participation of private developers in building SSFs.

The Government will work closely with the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) to increase public housing supply in the first five-year period by enhancing quantity, speed, efficiency and quality, and to shorten the waiting time for PRH. The ensuing paragraphs will elaborate on the initiatives regarding the above-mentioned strategies and targets.

MAJOR INITIATIVES

Public Housing

Introducing the New LPH

3. According to the LTHS Annual Progress Report 2022 (set out at **Annex 1**) published on 31 October 2022, the total housing supply target for the coming 10-year period from 2023-24 to 2032-33 is 430 000 units. Based on the public/private housing split of 70:30, the public housing and private housing supply targets are 301 000 units and 129 000 units respectively.

4. The Government has identified sufficient land for providing about 360 000 public housing units, which can meet the supply target of 301 000 public housing units for the above-mentioned 10-year period. However, since the supply of housing land is not evenly distributed across each year, only about one-third of the units will be completed during the first five-year period (from 2023-24 to 2027-28), while the remaining two-thirds will be completed in the second five-year period (from 2028-29 to 2032-33). Furthermore, land creation takes time. Thus, there is still a shortage of land ready for public housing development in the short run. To fill the gap of public housing supply in the short term at the soonest, LPH will be built under a Government-led approach. As stated in the Policy Address, the Government will make use of government and private land with no development plan in the near future, and adopt standardised simple design and the Modular Integrated Construction (MiC) approach to build LPH units expeditiously. Our target is to complete about 30 000 units in five years.

5. LPH units can provide simple and adequate accommodation to those in need within a short period of time. The Architectural Services Department will take up the design and building of LHP. It aims to enhance the overall quality through a comprehensive development approach and to achieve a shorter construction period than that of traditional PRH. Based on the design of traditional PRH units, LPH units will be provided with toilet, shower area and cooking space. Each unit will be equipped with basic facilities such as air-conditioner and water heater. Open space will be reserved in the estate for leisure purpose and to facilitate mutual assistance among residents. Same as traditional PRH, LPH units come in different sizes, including large units for four to five persons.

6. The rent of LPH will be linked to that of traditional PRH, and is initially set at around 90% of the rent of newly completed traditional PRH in the same district. Depending on the size of the units and the district in which they are located, the rents of LPH are initially estimated to range from \$570 to \$2,650. LPH will mainly cater for those who have waited for traditional PRH for three years or more, and priority will be given to family applicants. Tenants may retain their position in the queue for traditional PRH.

7. As for the operation of LPH, in order to encourage participation of different stakeholders in the community, the Government will consider adopting a collaborative approach by inviting tenders from experienced organisations to take up the responsibilities of operation, management and daily maintenance of LPH. The organisations concerned will be required to allocate the flats in accordance with the criteria set by the Government, sign tenancy agreements with tenants and handle tenancy matters; formulate and implement exit plans for tenants, assist and arrange tenants' removal; and provide service referral or other support based on the needs of individual tenants. The organisations will also provide appropriate social services to tenants of LPH as well as the community.

8. To achieve the target of constructing some 30 000 LPH units in the next five years[1], the Government will seek funding approval from the Legislative Council in the first quarter of 2023 to fully support the construction work and subsequent operation of the LPH projects.

[1] The Task Force on Transitional Housing under the Housing Bureau (HB) will continue to assist non-government organisations in taking forward the funded transitional housing projects. As at end of August 2022, the Government has identified land for providing over 20 000 transitional housing units, of which about 5 400 units have been put into operation and about 1 600 units are expected to be completed by the end of 2022. The remaining units will be completed in the coming one to two years. Except for a few projects which have reached a mature stage, with funding applications expected to be submitted within this year and works to be commenced within nine months upon funding approval, the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (Funding Scheme) will no longer accept funding applications for construction of new transitional housing on vacant land. Nevertheless, in view of the continued popularity of transitional housing converted from vacant residential/non-residential buildings in the urban area, the remaining funding under the Funding Scheme may continue to be used for transitional housing development through conversion of vacant residential or non-residential buildings, such as government properties / schools in the urban area.

Increasing Substantially Public Housing Supply

9. According to the forecast as at September 2022, traditional public housing production in the first five-year period (i.e. from 2023-24 to 2027-28) will increase to about 128 000 units, comprising about 83 000 PRH / Green Form Subsidised Home Ownership Scheme (GSH) units and about 45 000 other SSFs. The relevant public housing production forecast and project information are set out at **Annex 2**.

10. Taking into account the construction of about 30 000 additional LPH units mentioned above, the overall public housing production will be increased from about 105 000 units in the last five-year period (i.e. 2022-23 to 2026-27) to around 158 000 units, including the 12 000 PRH units provided under the PRH Advance Allocation Scheme (see paragraph 13 below for details). This represents a significant increase of some 50% compared to the previous five-year period (from 2022-23 to 2026-27).

Index of Composite Waiting Time for Subsidised Rental Housing

11. The Government will introduce an index of Composite Waiting Time for Subsidised Rental Housing (CWT) to reflect applicants' composite waiting time for traditional PRH or LPH. The methodology in calculating the CWT is largely the same as that of the average waiting time (AWT) for PRH, in which the waiting time of applicants for the two types of PRH will be counted. The new index will not replace the existing AWT for PRH. Taking into account the supply of new LPH and the anticipated increase in the supply of traditional PRH, our target is to reduce the CWT to about 4.5 years in four years' time (i.e. in 2026-27), on the basis that the number of newly registered applicants and the number of recovered PRH units will remain unchanged at the current level. In other words, by that time, the AWT for PRH applicants to be allocated with adequate housing will be around 4.5 years.

12. Currently, the AWT for PRH only calculates the waiting time of PRH general applicants (i.e. family and elderly singleton applicants) who are given a flat offer of traditional PRH. LPH provides one more option for PRH applicants to enhance their living environment as soon as possible. For PRH applicants, the CWT provides them with a better idea of the overall waiting time for improving living conditions through the allocation of traditional PRH or LPH. Also, the introduction of CWT can reflect more comprehensively and clearly the overall effectiveness of the Government's provision of different types of subsidised rental housing (including both traditional PRH and LPH) to improve the living conditions of the public.

Public Rental Housing Advance Allocation Scheme

13. The Policy Address also states the implementation of the PRH Advance Allocation Scheme. HA will enable phased completion of some public housing projects as far as practicable through planning, design and construction measures, thus allowing the earlier intake of PRH applicants. At present, it has been confirmed that phased completion can be achieved in some flats in nine PRH projects, involving about 14 000 units. Among them, about 12 000 units (involving eight projects) are scheduled for completion between 2023-24 and 2027-28. Compared with the scheduled completion dates of the entire development projects, an advanced completion for a period ranging from about 3 to 18 months can be achieved for these units. HA will continue to examine the projects to be completed at a later stage. Subject to further study and design, it is preliminarily estimated that phased completion may be achieved in six other PRH projects (involving about 12 000 units) and some other projects that have yet to enter the feasibility study stage.

14. HA will also further advance the implementation of the Modified Advance Allocation Scheme for new PRH estates, doubling the time of advance allocation to eligible PRH applicants from currently about three months before the Occupation Permit (OP) is issued to six months before, so as to further expedite the allocation process and complete the allocation of new flats earlier. Once the new flats are issued with OPs, all applicants who have accepted the advance housing offer can complete the intake formalities immediately, speeding up the intake process for applicants.

MiC Approach

15. To accelerate housing production, it is proposed in the Policy Address that HA should require all new public housing projects scheduled for completion in the first five-year period to adopt the Design for Manufacture and Assembly (DfMA) approach, with the adoption of the MiC approach in suitable projects. As for the second five-year period, no less than 50% of the projects will adopt the MiC approach, and DfMA must be used for the remaining projects.

16. To promote MiC approach, HA has selected a 12-storey domestic block (about 200 units, expected to be completed in 2024) at Tung Chung Area 99; a 33-storey domestic block (about 400 units, expected to be completed in 2027) at Tak Tin Street; two 28-storey domestic blocks (about 1 000 units, expected to be completed in 2025) and another 17-storey domestic block (about 400 units, expected to be completed in 2024) at Anderson Road Quarry Site as MiC projects, so as to facilitate the mapping out of solutions for applying MiC under different site constraints.

17. In addition, HA has identified additional projects in the New Development Area which are suitable for MiC application. The preliminary estimation is that about 20 000 units can be provided upon completion. HA will continue to select more projects suitable for MiC application and collaborate with the industry to resolve the challenges identified, such as increasing upstream module suppliers and studying the technical problems in applying concrete MiC for high-rise buildings.

Adopting the "Design-and-Build" Model to Accelerate Housing Production

18. As proposed in the Policy Address, HA should adopt the "Design-and-Build" (D&B) procurement model for the construction of at least 50% of the flats scheduled for completion in the second five-year period. In June this year, HA tendered out the first project (situated in Kwu Tung North) which will adopt the D&B procurement model whereby contractors will undertake both design and construction in a single contract. Under the D&B procurement model, the Housing Department (HD) will provide the basic layout 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. The second project adopting the D&B model is located in Tuen Mun and will be tendered out in December this year. HA will adopt the D&B procurement model more widely in suitable projects in future and tender out D&B projects progressively.

19. The D&B procurement model will help keep up with the increasing housing production through supplementing HA's limited human resources in detailed design work so that HA 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 the expertise of the construction industry. By carrying out design and construction works in parallel, mobilisation time can be shortened and contractors will have greater flexibility in material procurement, construction methods and workflow.

Continuing Redevelopment of PRH Estates

20. HA has completed 13 redevelopment projects in the past 10 years (from 2012-13 to 2021-22), involving six PRH estates and three factory estates and with a total of about 23 000 units cleared and about 19 900 units provided upon redevelopment. HA is now proceeding with 10 redevelopment projects, comprising Pak Tin Estate (older portion), Mei Tung Estate (older portion), Wah Fu Estate, Sai Wan Estate, Ma Tau Wai Estate, Shek Lei Interim Housing, Yip On Factory Estate, Sui Fai Factory Estate, Wang Cheong Factory Estate and Kwai On Factory Estate. The 10 redevelopment projects above involve demolition of about 17 000 domestic units and 4 800 factory estate units. It is initially

estimated that they will provide a total of about 32 000 domestic units in the future.

21. The Policy Address also suggests HA to select one more PRH estate to commence redevelopment study. HA will give consideration based on the actual circumstances in a prudent manner in accordance with its 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, in selecting the PRH estate for the study.

Strengthening Inter-departmental Collaboration

22. As stated in the Policy Address, the Secretary for Housing will chair an inter-departmental action group on public housing projects to strengthen collaboration among relevant Government departments, rationalise and resolve inter-departmental issues encountered during the development process of public housing projects with a view to accelerating the implementation of public housing projects. For instance, HA has to reserve spaces in public housing projects for the provision of a range of facilities to residents and the public, including social welfare facilities, public transport interchanges, community halls, clinics, etc. During the planning and design stage, HA needs to co-ordinate closely with the relevant Government departments. The procedures involved, inter alia, confirmation of the scale of facilities, user requirements and equipment specifications, funding application and approval, as well as determining the management and maintenance arrangements in future.

23. To cope with the above tasks, dedicated contact points for public housing projects have been set up in relevant departments to expedite the handling of issues related to public housing projects. Designated teams will also be established in individual departments to facilitate the processing of necessary vetting, inspection and testing works.

Enhancing Public-Private Partnership

24. It is mentioned in the Policy Address that the Government will introduce a new Pilot Scheme on Private Developer Participation in Subsidised Housing Development to tap into market forces by enhancing public-private partnership. The Government plans to formulate the policy framework for the Pilot Scheme in the first quarter of 2023, and to put up three sites for tender in batches from the next financial year onwards for developers to build SSFs which will be sold to eligible persons at a specified discount rate from the market price. Under the Pilot Scheme, developers will also be encouraged to apply for rezoning of their own private land for SSF development.

Enhancing the Sense of Well-being of Public Housing Residents

25. The Policy Address suggests providing better public space, facilities and estate environment for public housing residents. An action group, led by the Secretary for Housing, will conduct a consultancy study on the public space, facilities and estate environment of new public housing projects, and develop "Well-Being" design guidelines. The study is expected to be completed in 2024.

26. The same concept will be applied to existing PRH estates to improve the facilities. The action group will select five existing PRH estates as a pilot scheme for conducting improvement works based on various themes, preliminarily including Green Environment, Elderly-friendly Home, Inter-generational Harmony, Vitality and Health, as well as Community Connection. Under the approach of "Coherent Planning, Phased Implementation", HA will explore ways to further improve the estate environment and refurbish public facilities (such as recreational and fitness equipment, pitches/courts, sitting-out areas, etc.), and will carry out the improvement in phases within five years, with a view to creating an estate environment with an enhanced sense of well-being for residents.

27. In addition, HA will select about ten PRH estates each year for façade beautification and minor estate improvement works (e.g. enhancement of recreational facilities). Also, HA will select about 20 other estates for landscape improvement (e.g. planting suitable flowering plants to blend well with the landscape of estates) to provide a pleasant and healthy green environment for residents, thereby enhancing their quality of life.

Setting a Minimum Saleable Size for Newly-built Public Housing Units

28. The Policy Address requires that the saleable area of all HA's SSFs completed from 2026-27 onwards will be no less than 26 square metres in general, and the internal floor area of all newly-built PRH units (except for one-person and two-person units) will be no less than the equivalent threshold level in general[2].

Enhance Transparency

29. To enhance transparency and to facilitate monitoring of future public housing supply, the Housing Bureau (HB) will provide the public with more information on public housing land and supply. As the development schedules and parameters of public housing projects scheduled for completion in the first five-year period are generally more certain, HB will provide more information by

[2] The internal floor area of newly-built PRH units (except for one-person and two-person units) will be no less than 21 square metres, which is roughly equivalent to the threshold level for SSFs of no less than 26 square metres in saleable area.

uploading the names, locations, estimated numbers of flats and completion years of the projects in the first five-year period onto HB's website on a quarterly basis, so that the public can have an easier access to the details of the various projects. The Development Bureau (DEVB) will release information on the progress of land production of public housing projects in the second five-year period on a yearly basis. The latest relevant information as at September 2022 has been uploaded onto the websites of HB and DEVB.

Housing Ladder

30. On building the housing ladder, it is stated in the Policy Address that the Government will continue to make available SSFs such as those under the Home Ownership Scheme (HOS), GSH and Starter Homes for Hong Kong Residents (Starter Homes) projects to meet the home ownership aspirations of the public. The provision of SSFs also offers an avenue to better-off PRH tenants to acquire their own homes, thereby releasing their PRH units for PRH applicants with more pressing housing needs.

"Starter Homes" Projects

31. The "Starter Homes" projects aim to help address the home ownership aspirations of higher-income families who are not eligible for HOS but cannot afford private housing. It is mentioned in the Policy Address that the Government will launch the Starter Homes projects again in the Land Sale Programme in the next financial year. The Government will announce relevant details in due course.

Private Housing Supply

32. Based on the latest projection in the LTHS, the demand for private housing in the next decade will be 129 000 units. The Government will work to achieve this basic target and get sufficient land ready for providing no less than 72 000 private residential units in the next five years. Such land may be put forward for land sale or railway property developments. Together with the development projects of the Urban Renewal Authority and other private development projects, the overall supply will exceed the projected demand.

INDICATORS FOR INDICATORS FOR SPECIFIED TAKS

33. To monitor the progress and effectiveness for specified tasks under various policy areas, the Government has adopted different indicators (including key performance indicators), which are set out in the Annex to the Policy Address. The indicators for specified tasks concerning HB/HD are at **Annex 3**.

WAY FORWARD

34. The Government will spare no efforts in taking forward the new initiatives stated in the Policy Address, continue to implement the LTHS, and work closely with HA and HKHS to increase public housing supply by enhancing the quantity, speed, efficiency and quality of housing production, and shorten the waiting time for PRH.

ADVICE SOUGHT

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

Housing Bureau
November 2022

Annex 1

Long Term Housing Strategy
Annual Progress Report 2022
(for the 10-year period from 2023-24 to 2032-33)

PURPOSE

This paper sets out the latest progress of key aspects of the Long Term Housing Strategy (LTHS) as at October 2022.

BACKGROUND

2. Following deliberations 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.

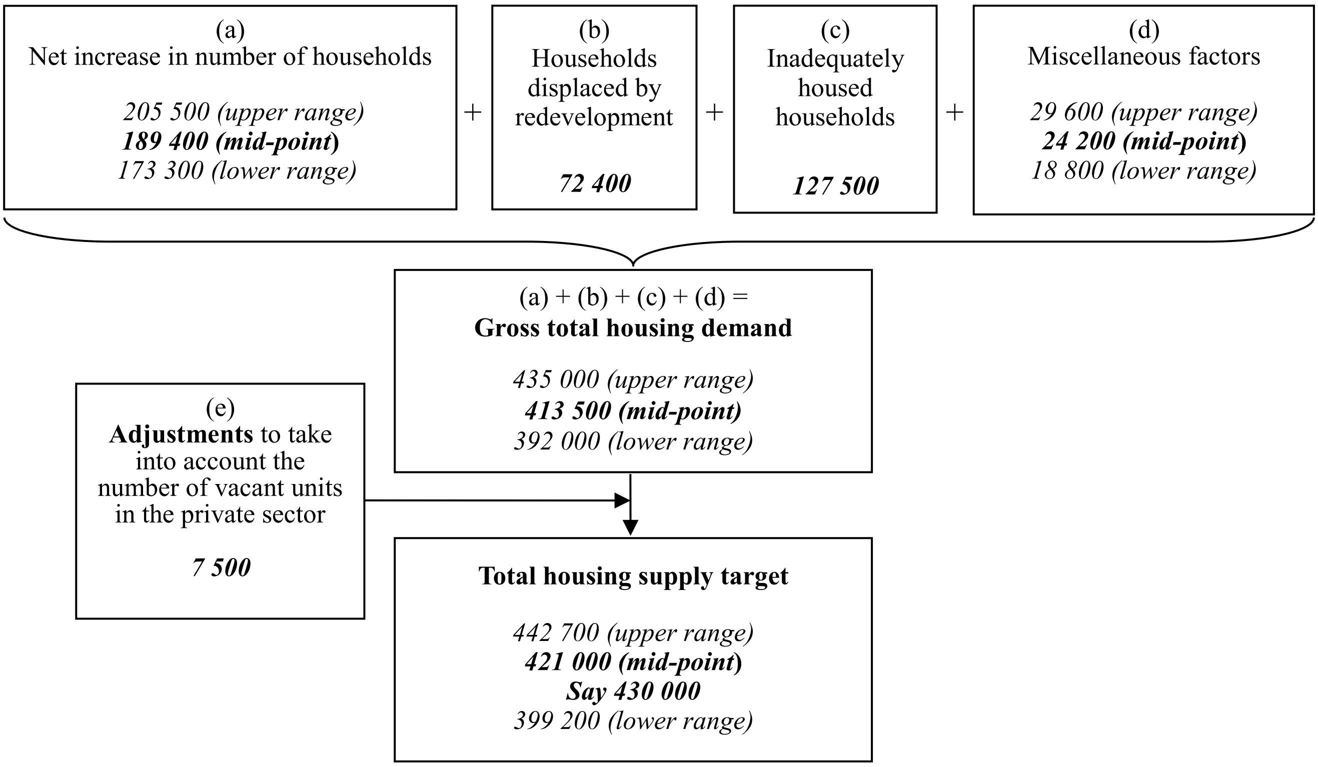
4. This annual exercise serves as an important policy tool to enable the Government to continually plan ahead on developing land and housing, in order to meet the housing needs of the community over the long term. The relevant work is set out in the ensuing paragraphs.

HOUSING DEMAND PROJECTION FOR 2023-24 TO 2032-33

10-year Housing Supply Target

5. Based on the latest projection, the projected **total housing supply target for the 10-year period from 2023-24 to 2032-33** is 421 000 units (rounded up to **430 000 units**), with an upper and lower range of 442 700 and 399 200 units respectively. This target is the same as the supply target for the 10-year period from 2022-23 to 2031-32 as announced in 2021.

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 2023-24 to 2032-33. 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 70:30. As demand for all types of public housing has remained strong, we will maintain this ratio for the 10-year period from 2023-24 to 2032-33. 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 2023-24 TO 2032-33

Public Housing

11. As at end-September 2022, the **estimated total public housing production** of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) **in the five-year period from 2023-24 to 2027-28** is about **128 000 units**, comprising about 83 000 PRH/GSH units and about 45 000 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 2019-20 onwards), **the trend has been on the rise in general** –

	HA housing production (PRH/GSH + other SSFs)	**HS housing production (PRH^ + SSFs)**	**Total housing production (PRH/GSH + other SSFs)**
2019-20 to 2023-24	73 800 (55 500 + 18 300)	3 000 (1 300 + 1 600)	76 800 (56 800 + 20 000)
2020-21 to 2024-25	89 300 (62 600 + 26 700)	5 900 (3 100 + 2 800)	95 200 (65 700 + 29 500)
2021-22 to 2025-26	104 100 (74 300 + 29 800)	8 100 (4 000 + 4 200)	112 200 (78 200 + 34 000)
2022-23 to 2026-27	93 700 (61 800 + 31 800)	11 800 (4 000 + 7 900)	105 500 (65 800 + 39 700)
2023-24 to 2027-28	110 600 (76 100 + 34 500)	17 100 (6 500 + 10 600)	127 700 (82 600 + 45 100)

Note: Figures may not add up to total due to rounding.
^ There is no GSH production under HS.

12. As announced in the Chief Executive's 2022 Policy Address (2022 PA), **the Government has identified sufficient land for providing about 360 000 public housing units** in the coming 10-year period from 2023-24 to 2032-33, 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 and major development projects (about 38%); site rezoning (about 37%); 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. The Government would make the best use of the valuable land resources through optimisation of development potential (such as increasing plot ratio and building height where feasible and appropriate), to increase public housing production.

13. Of the 360 000 units, about **one-third** are scheduled for completion in the first five-year period (i.e. 2023-24 to 2027-28) whereas the other **two-thirds** fall in the second five-year period (i.e. 2028-29 to 2032-33). The timetable of projects within the first five-year period is relatively more certain as most of these projects are under construction or at the later stage of land production. 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 timely completion of the necessary processes (e.g. rezoning, consultation with local communities, infrastructure construction, land resumption, clearance, reprovisioning of affected facilities, funding approval by the Legislative Council, site formation works, etc). Their production programme is more fluid. 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, the Government will strive to get ready land capable of providing no less than **72 000 units** through land sale and railway property developments in the coming five years. Coupled with development projects undertaken by the Urban Renewal Authority and other private land development projects, we should be able to meet the private housing supply target under LTHS. The Government will continue to spare no efforts in creating sufficient land to meet the private housing supply target of 129 000 units for the 10-year period from 2023-24 to 2032-33.

15. As regards private housing supply in the shorter term, based on the latest projection as at end-September 2022, the supply of **first-hand private**

residential flats for the coming three to four years is about **95 000 units**.

CONTINUOUS EFFORTS IN INCREASING/EXPEDITING HOUSING SUPPLY

Establishing the "Steering Committee on Land and Housing Supply" and the "Task Force on Public Housing Projects"

16. With a view to strengthening the momentum of development and improving people's livelihood, the current-term Government has been pressing ahead with raising the production and speed of public housing supply. To this end, the "Steering Committee on Land and Housing Supply" chaired by the Financial Secretary and the "Task Force on Public Housing Projects" (Task Force) chaired by the Deputy Financial Secretary have been established to co-ordinate work relating to land and housing.

Increasing/Expediting Public Housing Supply

17. The Task Force is responsible for overseeing the production of public housing. Its terms of reference include monitoring the timely handover of sites earmarked for construction of public housing projects; exploring measures to expedite their construction and intake; producing and continually updating forecast of new public housing supply; considering and resolving major cross-bureaux or inter-departmental issues affecting the timely completion of public housing projects, as well as considering and formulating measures to increase the supply of public housing.

18. As tasked by the Chief Executive, the Task Force has submitted a report to the Chief Executive within the first 100 days of the current term of the Government. The Chief Executive has accepted the proposals and announced in the 2022 PA a series of measures to increase and expedite public housing supply. In particular, the Government will develop Light Public Housing (LPH) with a target to provide about **30 000 LPH units** in the five-year period from 2023-24 to 2027-28, with a view to filling the supply gap of public housing supply in the short term and providing an option for PRH applicants who have waited for three years or more to improve their living environment. The Task Force would

oversee the implementation of the measures proposed and continue to explore ways to increase the quantity and pace of public housing supply.

Housing Bureau
October 2022

Annex

Housing Supply Target Projection for the 10-year period from 2023-24 to 2032-33

Gross Housing Demand Projection (413 500 units)

According to the projection methodology adopted by the Long Term Housing Strategy (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 factors[1].

A. Net increase in the number of households (189 400 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 latest set of domestic household projections published by C&SD in September 2020[2], the net increase in the number of households from mid-2023 to mid-2033 is about **189 400** units. This is adopted for the 10-year period from 2023-24 to 2032-33.

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[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.

[2] The latest set of domestic household projections was published by C&SD in September 2020. It is based on the set of population projections from 2020 to 2069 and the results of the 2016 Population By-census. C&SD has been publishing the results of the 2021 Population Census (21C) gradually and is updating the domestic household projections based on the results of 21C and the latest population trend. The new set of domestic household projections will be available in the first half of 2023 and will be adopted in the LTHS Annual Progress Report 2023.

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 formation under different economic and property market situations. Results show that the net increase in households ranges from 173 300 to 205 500, representing a +/– **8.5%**[3] from C&SD's domestic household projection of 189 400.

B. Households displaced by redevelopment (72 400 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 **72 400** units for households displaced by redevelopment for the 10-year period from 2023-24 to 2032-33, with breakdown as follows –

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3 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 2012 to 2021 (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) Redevelopment of public housing units (based on the estimated number of public housing units to be redeveloped by HA and HS in the next 10 years from 2023-24 to 2032-33) (see paragraph 5 – 7 below)	32 400
(b) Redevelopment of private units (based on past trend of private flats demolished from 2012 to 2021[4])	40 000
Total = (a) + (b)	**72 400**

5. According to the established methodology, we have projected the housing demand for the coming 10 years (covering the period from 2023-24 to 2032-33) 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 of HA and HS; and

(ii) ***potential/possible*** redevelopment need of 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**.

4 From 2012 to 2021, 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 2012-13 and 2021-22, 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 (i.e. 2 000 x 2 x 10).

6. The estimated number of public housing units under known redevelopment programmes of HA and HS is **19 600**[5] (paragraph 5(a)(i)). Drawing reference from the Rating and Valuation Department (RVD)'s data[6], it is estimated that the additional housing demand from public rental estates aged 50 years and above would be **12 800** units[7] (about 16.8% of the 76 000 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 **32 400** (i.e. 19 600 under paragraph 5(a)(i) + 12 800 under paragraph 5(a)(ii)).

7. The number of public housing units demolished in the past 10 years (from 2012-13 to 2021-22) was 7 500 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. **32 400** units, has been adopted as the estimated housing demand arising from public housing redevelopment from 2023-24 to 2032-33.

C. Inadequately housed households (IHHs) (127 500 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 –

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[5] Based on the known redevelopment programmes under HA and HS, the housing demand for 19 610 units arises from the following redevelopments: (a) 130 units in HA's Shek Lei Interim Housing; (b) 2 490 units in HA's Ma Tau Wai Estate; (c) 8 250 units in HA's Wah Fu Estate; (d) 750 units in HA's Sai Wan Estate; (e) 2 570 units in HA's Pak Tin Estate; (f) 1 320 units in HS' Ming Wah Dai Ha, (g) 860 units in HS' Yue Kwong Chuen; (h) 2 240 units in HS' Kwun Tong Garden Estate; and (i) 1 000 units in HS' Chun Seen Mei Chuen.

[6] 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 2021, about 606 of these 36 000 units were demolished annually, representing a demolition rate of 16.8% over a 10-year period (i.e. 606 units x 10 years / 36 000 units). The demolition rate of 16.8% is used for projecting potential/possible redevelopment need for those PRH estates aged 50 years and above.

[7] There will be 76 000 units in 27 public rental estates (including 20 under HA and 7 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 12 800 (= 76 000 x 16.8%).

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

(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).

10. As regards this year's projection, estimate of the four categories of IHHs as mentioned in paragraph 8 above are compiled on the basis of the 2021 Population Census (21C) conducted by C&SD. According to the results of the 21C, it is estimated that there were about **23 700** households under category (a), **7 000** households under category (b) and **3 200** households under category (c).

11. Regarding category (d), the number of households living in SDUs is estimated to be 107 400, based on the results from the 21C. 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 above 50 years (i.e. 16.8%; see footnote 6 under paragraph 6) to the number of households living in SDUs located in private buildings aged above 50 years (i.e. 82 100 as estimated by C&SD), which is 13 800 units (i.e. 82 100 x 16.8%). Accordingly, **93 600** units (i.e. 107 400 – 13 800) is adopted as the relevant housing demand from households living in SDUs.

12. 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, adopting a conservative approach, we have continued to include all these households in this year's housing demand projection.

13. Summing up the above components, the estimated number of IHHs is **127 500**, with the following breakdown –

	Category of IHHs	**Estimated number**
(a)	Households living in units made up of temporary structures	**23 700**
(b)	Households living in non-residential buildings	**7 000**
(c)	Households sharing the same unit with other households	**3 200**
(d)	Households living in SDUs	**93 600**
	Total	**127 500**

D. Miscellaneous factors (24 200 units)

14. 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) <u>private permanent living quarters occupied by households with mobile residents[8] only</u> –

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;

8 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.

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

The estimated housing demand is **540** units each year, having regard to the average increase of about 1 800 student visas each year from 2012-13 to 2021-22; 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 market[9] (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 640 to 1 720 units per year, i.e. a mid-point of about **1 180** units per year[10].

15. Assuming that the above past trends will continue in the next 10 years, the estimated additional housing demand arising from miscellaneous factors is 2 420 units per year (i.e. 700 + 540 + 1 180), or **24 200** units over the 10-year period from 2023-24 to 2032-33, with an upper and lower range of 29 600 and 18 800 units respectively.

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9 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.

10 Using the average annual stamped transactions from 2012 to 2021 (about 68 860 cases as provided by IRD) as a rough indication, the purchases by non-local buyers would be around 3 443 cases per year as the upper range (on a crude assumption that about 5.0% of purchases were by non-local buyers) and 848 cases per year as the lower range (on a crude assumption that about 1.2% 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 1 720 units per year at the upper range (assuming 50% of non-local buyers' purchases would fall under this category) and 640 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 1 180 units per year.

Gross total housing demand

16. Taking the above four demand components together, the estimated gross total housing demand is **413 500** units, being the mid-point between the upper and lower ranges of 435 000 and 392 000 units respectively for the 10-year projection period from 2023-24 to 2032-33.

Vacancy adjustment in the private housing sector (7 500 units)

17. 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.

18. 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 46 500 units and 4.0% respectively from 2012 to 2021[11]), the vacancy adjustment for the 10-year projection period from 2023-24 to 2032-33 is **7 500** units[12].

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[11] Based on RVD's latest available data (i.e. as at end-2021).

[12] Vacancy adjustment is estimated by –

=	Estimated total number of private housing units at the end of projection period	X	Average vacancy rate in the past 10 years	–	Average number of vacant units in the past 10 years

= 1 350 000 units x 4.0% – 46 500 units

= 54 000 units – 46 500 units

= 7 500 units

Total housing supply target

19. 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 2023-24 to 2032-33 is **421 000 units (say 430 000 units**), with an upper and lower range of 442 700 and 399 200 units respectively. Details are summarised below –

(a)
Net increase in number of households

205 500 (upper range)
189 400 (mid-point)
173 300 (lower range)

\+

(b)
Households displaced by redevelopment

72 400

\+

(c)
Inadequately housed households

127 500

\+

(d)
Miscellaneous factors

29 600 (upper range)
24 200 (mid-point)
18 800 (lower range)

(a) + (b) + (c) + (d) =
Gross total housing demand

435 000 (upper range)
413 500 (mid-point)
392 000 (lower range)

(e)
Adjustments to take into account the number of vacant units in the private sector

7 500

Total housing supply target

442 700 (upper range)
421 000 (mid-point)
Say 430 000
399 200 (lower range)

Public Housing Production Forecast of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) in 2022-23
(Based on the Forecast as at September 2022)

(A) HA's Public Rental Housing (PRH) / Green Form Subsidised Home Ownership Scheme (GSH) and Other Subsidised Sale Flats (SSFs)

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Kwai Tsing	Ching Fu Court #	PRH/GSH	2 900
Tuen Mun	Tuen Mun Area 54 Sites 3 & 4 (East)@	PRH/GSH	900
		Sub-total of PRH/GSH	**3 700**
Wong Tai Sin	Kai Cheung Court	Other SSFs	900
Sha Tin	Kam Chun Court	Other SSFs	2 100
	Yu Tak Court	Other SSFs	500
Islands	Yu Nga Court @	Other SSFs	3 300
		Sub-total of Other SSFs	**6 900**
		Yearly Total	**10 600**

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 Project.

@ Project completed.

(B) HKHS's Public Rental Housing (PRH) and Subsidised Sale Flats (SSFs)

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Kowloon City	Lee Kung Street*	PRH	300
		Yearly Total	**300**

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.

* Senior Citizen Residences Scheme Project.

Public Housing Production Forecast of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS)
(from 2023-24 to 2027-28)
(Based on the Forecast as at September 2022)

(A) HA's Public Rental Housing (PRH) / Green Form Subsidised Home Ownership Scheme (GSH) and Other Subsidised Sale Flats (SSFs)

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2023-24			
Sham Shui Po	Pak Tin Phase 10	PRH/GSH	900
Wong Tai Sin	Kai Chuen Court #	PRH/GSH	2 100
Kwai Tsing	Ching Hong Road North Phase 1	PRH/GSH	900
	Ching Hong Road North Phase 2	PRH/GSH	600
	Lai Cho Road	PRH/GSH	800
Tai Po	Tai Po Area 9	PRH/GSH	6 800
Tuen Mun	Yip Wong Road Phase 1	PRH/GSH	700
		Sub-total of PRH/GSH	**12 800**
Eastern	Kei Wah Court	Other SSFs	200
		Sub-total of Other SSFs	**200**
		Yearly Total	**13 000**

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2024-25			
Kwun Tong	Ko Wang Court #	PRH/GSH	2 000
Islands	Tung Chung Area 99	PRH/GSH	4 800
	Tung Chung Area 100	PRH/GSH	5 200
Tuen Mun	Hin Fat Lane	PRH/GSH	900
	Tuen Mun Area 29 (West)	PRH/GSH	1 000
	Yip Wong Road Phase 2	PRH/GSH	2 600
North	Ching Tao Court #	PRH/GSH	800
		Sub-total of PRH/GSH	**17 300**
Kowloon City	Kai Yan Court	Other SSFs	1 800
	Kai Tak Site 2B6	Other SSFs	2 000
	Kwun Shan Court	Other SSFs	500
Sai Kung	On Sau Court	Other SSFs	1 900
	Anderson Road Quarry Site R2-5	Other SSFs	1 100
	Anderson Road Quarry Site R2-6	Other SSFs	1 000
	Anderson Road Quarry Site R2-7	Other SSFs	400
	Anderson Road Quarry Site R2-8	Other SSFs	1 400
	Chiu Ming Court	Other SSFs	600
Tuen Mun	Hang Fu Street	Other SSFs	500
		Sub-total of Other SSFs	**11 300**
		Yearly Total	**28 600**

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2025-26			
Kwun Tong	Hiu Ming Street	PRH/GSH	1 100
	Wang Chiu Road Phase 1	PRH/GSH	2 700
	Wang Chiu Road Phase 2	PRH/GSH	1 500
Sham Shui Po	Northwest Kowloon Reclamation Site 1 (East)	PRH/GSH	2 500
Sha Tin	Kam Pak Court #	PRH/GSH	1 900
North	Fanling North Area 15 East Phase 1	PRH/GSH	1 000
	Kwu Tung North Area 19 Phase 1	PRH/GSH	4 300
	Sheung Shui Areas 4 & 30 Site 1 Phase 1	PRH/GSH	1 500
	Sheung Shui Areas 4 & 30 Site 2 Phase 2	PRH/GSH	1 400
		Sub-total of PRH/GSH	**17 900**
Kowloon City	Kai Tak Site 2B5	Other SSFs	1 700
Islands	Tung Chung Area 103	Other SSFs	2 000
	Tung Chung Area 109	Other SSFs	1 300
Yuen Long	Long Bin Phase 1	Other SSFs	3 100
		Sub-total of Other SSFs	**8 200**
		Yearly Total	**26 000**
Estimated Project Completion in 2026-27			
Southern	Wah King Street	PRH/GSH	1 200
Kwun Tong	Tak Tin Street^	PRH/GSH	500
Kwai Tsing	San Kwai Street^	PRH/GSH	700
	Tai Wo Hau Road Phase 2	PRH/GSH	400
North	Fanling North Area 15 East Phase 1	PRH/GSH	2 100
	Fanling North Area 15 East Phase 2	PRH/GSH	3 000
	Kwu Tung North Area 19 Phase 1^	PRH/GSH	600
Yuen Long	Kam Sheung Road Site 1 Phase 1^	PRH/GSH	900
	Kam Sheung Road Site 6 Phase 1^	PRH/GSH	700
		Sub-total of PRH/GSH	**10 200**
Kowloon City	Kai Tak Site 2B3	Other SSFs	1 200
	Kai Tak Site 2B4	Other SSFs	1 300
Tuen Mun	Wu Shan Road^	Other SSFs	2 600
		Sub-total of Other SSFs	**5 200**
		Yearly Total	**15 400**

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2027-28			
Southern	Wah Lok Path^	PRH/GSH	400
Kowloon City	To Kwa Wan Road^	PRH/GSH	600
Sham Shui Po	Pak Tin Phase 13	PRH/GSH	2 600
Wong Tai Sin	Mei Tung (Older Part)	PRH/GSH	2 900
Kwai Tsing	Tai Wo Hau Road Phase 1	PRH/GSH	500
Islands	Tung Chung Area 42 Phase 1^	PRH/GSH	1 700
North	Kwu Tung North Area 19 Phase 2^	PRH/GSH	4 300
Yuen Long	Kam Sheung Road Site 1 Phase 2^	PRH/GSH	2 800
	Kam Sheung Road Site 4a Phase 1^	PRH/GSH	1 400
	Kam Sheung Road Site 6 Phase 2^	PRH/GSH	900
		Sub-total of PRH/GSH	**18 000**
Kwun Tong	Pik Wan Road Site A^	Other SSFs	2 300
	Pik Wan Road Site B^	Other SSFs	900
Sham Shui Po	373 Lai Chi Kok Road^	Other SSFs	300
Islands	Tung Chung Area 23 Phase 1^	Other SSFs	500
Sai Kung	Ying Yip Road^	Other SSFs	1 600
North	Po Shek Wu Road^	Other SSFs	1 900
	San Wan Road^	Other SSFs	400
Yuen Long	Wang Chau Site B^	Other SSFs	1 700
		Sub-total of Other SSFs	**9 500**
		Yearly Total	**27 500**
		Five-year (2023-24 to 2027-28) Total	**110 600**

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.

^ Sites that have not been handed over to the HA.

(B) HKHS's Public Rental Housing (PRH) and Subsidised Sale Flats (SSFs)

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2023-24			
Sha Tin	Jat Min Chuen	PRH	100
		Yearly Total	**100**
Estimated Project Completion in 2024-25			
Southern	Shek Pai Wan Road	PRH	600
North	Pak Wo Road	PRH	500
	Pak Wo Road*	PRH	300
Yuen Long	Hung Shui Kiu/Ha Tsuen New Development Dedicated Rehousing Estate Phase IB	PRH	400
		Sub-total of PRH	**1 700**
Sai Kung	Anderson Road Quarry Site R2-2	SSFs	1 400
	Anderson Road Quarry Site R2-3	SSFs	400
North	Pak Wo Road	SSFs	700
Yuen Long	Hung Shui Kiu/Ha Tsuen New Development Dedicated Rehousing Estate Phase IA	SSFs	300
		Sub-total of SSFs	**2 800**
		Yearly Total	**4 600**
Estimated Project Completion in 2025-26			
Kwun Tong	Ting On Street	PRH	400
Kowloon City	Kai Tak Area 1E1	PRH	1 500
		Sub-total of PRH	**1 800**
Kowloon City	Kai Tak Area 1E1	SSFs	700
North	Jockey Club Road	SSFs	600
		Sub-total of SSFs	**1 300**
		Yearly Total	**3 200**
Estimated Project Completion in 2026-27			
Kowloon City	Kai Tak Area 2B1	SSFs	1 800
Sai Kung	Anderson Road Quarry Site R2-4	SSFs	1 000
Yuen Long	Hung Shui Kiu/Ha Tsuen New Development Dedicated Rehousing Estate Phase II	SSFs	1 000
		Yearly Total	**3 700**

District Council Districts	Project Title	Housing Type	Estimated Flat Number
Estimated Project Completion in 2027-28			
Eastern	Ming Wah Dai Ha Phase 2	PRH	1 600
Kowloon City	Ma Tau Kok Link Site^	PRH	400
North	Kwu Tung North Area 24	PRH	900
		Sub-total of PRH	**2 900**
Kowloon City	Ma Tau Kok Link Site^	SSFs	800
North	Kwu Tung North Area 24	SSFs	2 000
		Sub-total of SSFs	**2 700**
		Yearly Total	**5 600**
		Five-year (2023-24 to 2027-28) Total	**17 100**

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.

* Senior Citizen Residences Scheme Project.

^ Sites that have not been handed over to the HS.

Annex 3

Indicators for Specified Tasks under Housing Bureau/Housing Department (including key performance indicators)

I. Indicators included in the Annex to the Policy Address

Increase public housing supply

1. Increase the supply of public housing units (including both traditional public rental housing (PRH) and Light Public Housing (LPH), Green Form Subsidised Home Ownership Scheme and Home Ownership Scheme flats) in the coming five-year period (2023-24 to 2027-28) to about 158 000 units, 50% higher than the previous five-year period (2022-23 to 2026-27).

2. Construct about 30 000 LPH units by the Government in the next five years (2023-24 to 2027-28).

3. Rationalise PRH resources by vetting no less than 450 000 Income and Assets Declaration Forms under the Well-off Tenants Policies within a two-year cycle, and conduct in-depth investigation of no less than 10 000 households involving cases related to income and asset declaration and occupancy position per year.

Shorten waiting time

4. Reduce the Composite Waiting Time for Subsidised Rental Housing to about 4.5 years in 2026-27, on the basis that the number of new PRH applications and the number of recovered PRH units available for allocation will remain at the current level.

Advance moving-in

5. Arrange PRH applicants to move in earlier-than-scheduled by advancing the completion of around 12 000 PRH units by phases in the next five years (2023-24 to 2027-28), reaching a total of about 14 000 PRH units in the next 10 years (2023-24 to 2032-33).

6. Arrange early allocation of PRH units for all new public housing projects, doubling the time from currently about three months before the Occupation Permit (OP) is issued to about six months.

Speed up construction

7. Require all public housing projects in the first five-year period (2023-24 to 2027-28) to adopt the Design for Manufacture and Assembly (DfMA), including Modular Integrated Construction (MiC) approach.

8. Require no less than half of the public housing projects in the second five-year period (2028-29 to 2032-33) to adopt MiC approach; and DfMA for the remaining projects.

9. Adopt Design and Build procurement model for suitable public housing projects, covering no less than half of the total flat production to be completed in the second five-year period (2028-29 to 2032-33).

10. Formulate the policy framework for the "Pilot Scheme on Private Developer Participation in Subsidised Housing Development" in Q1 2023.

Improve facilities

11. Select about 10 PRH estates for façade beautification and/or minor estate improvement works, and about 20 PRH estates for landscape improvement per year.

12. Select five existing PRH estates for conducting theme-based improvement works in the next five years as a pilot scheme.

Others

13. Publish information on public housing projects in the first five-year period on a quarterly basis[1].

14. The Rating and Valuation Department and the Water Supplies Department to conduct joint visits to about 4 000 sub-divided units (SDUs) households by end-2023-24, in order to step up enforcement of tenancy control and inspection of overcharging for water in SDUs.

15. The Hong Kong Housing Authority (HA) and different stakeholders in PRH estates to conduct about 500 joint environmental hygiene operations on a yearly basis.

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[1] The Development Bureau will provide land creation information on items to be provided in the second five-year period

II. Other Indicators for Specified Tasks

16. Reduce the processing time of the first plan submissions from 30 days to 15 days; and reduce the subsequent amendment submissions from 15 days to 10 days for new public housing projects using pre-accepted typical design/ details.

17. Arrange pre-OP inspection for new public housing projects in order to identify essential non-compliant items for rectification before formal OP application, such that the processing of the formal OP application can be reduced from 15 days to 10 days.

18. Reduce the processing time of Temporary OP applications for domestic blocks in new public housing projects from 15 days to 10 days.

19. Install flexible Photovoltaic panels at 25 existing PRH estates by the first quarter of 2024.

- END -