

Chapter IV

Housing and Land Supply

My Belief

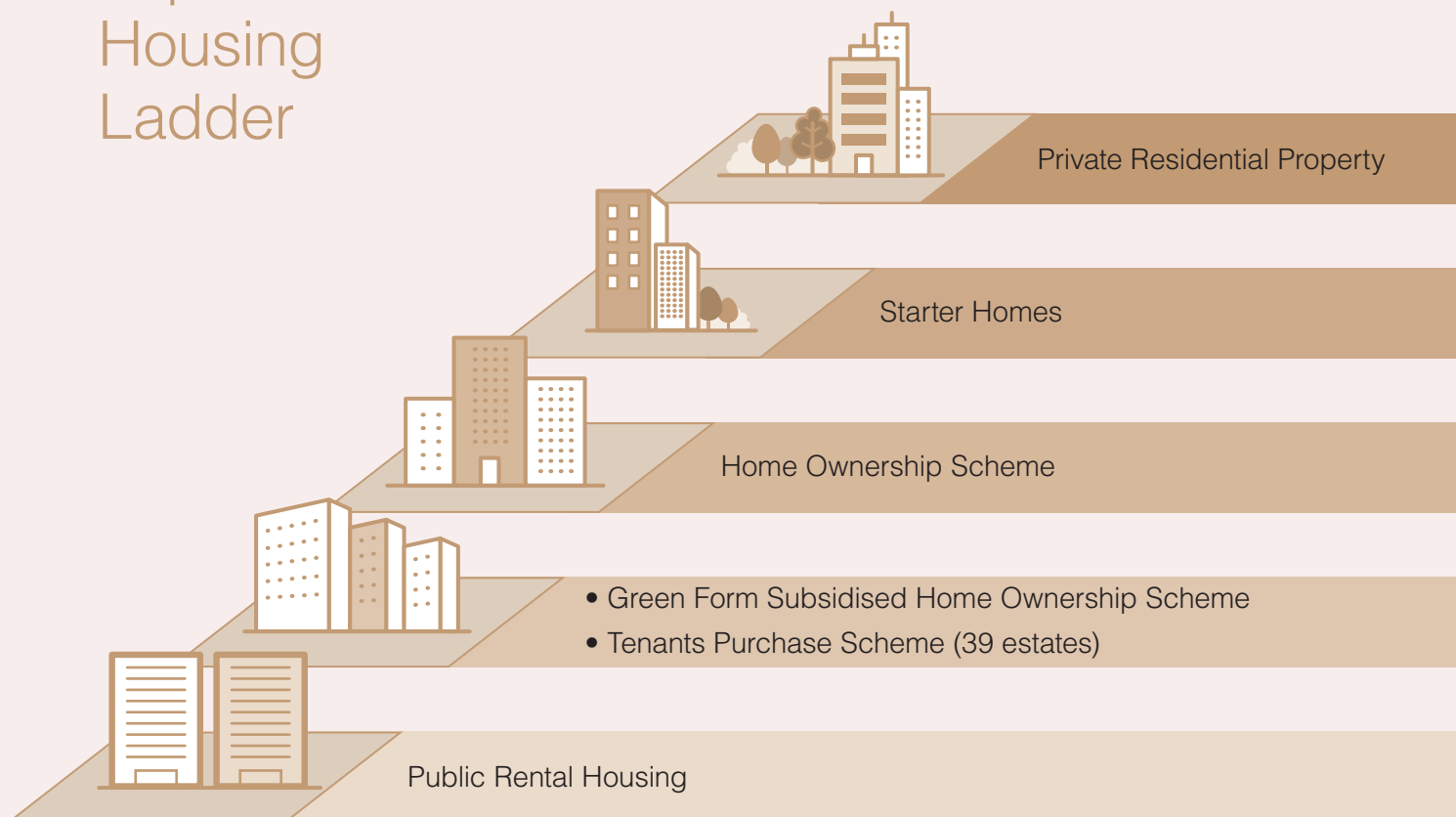
“Our people will call Hong Kong their home only when there is adequate housing for all to enjoy living in this city, and it is the Government’s responsibility to provide suitable housing for families in different income brackets.”

The housing policy of the current-term Government comprises four elements:

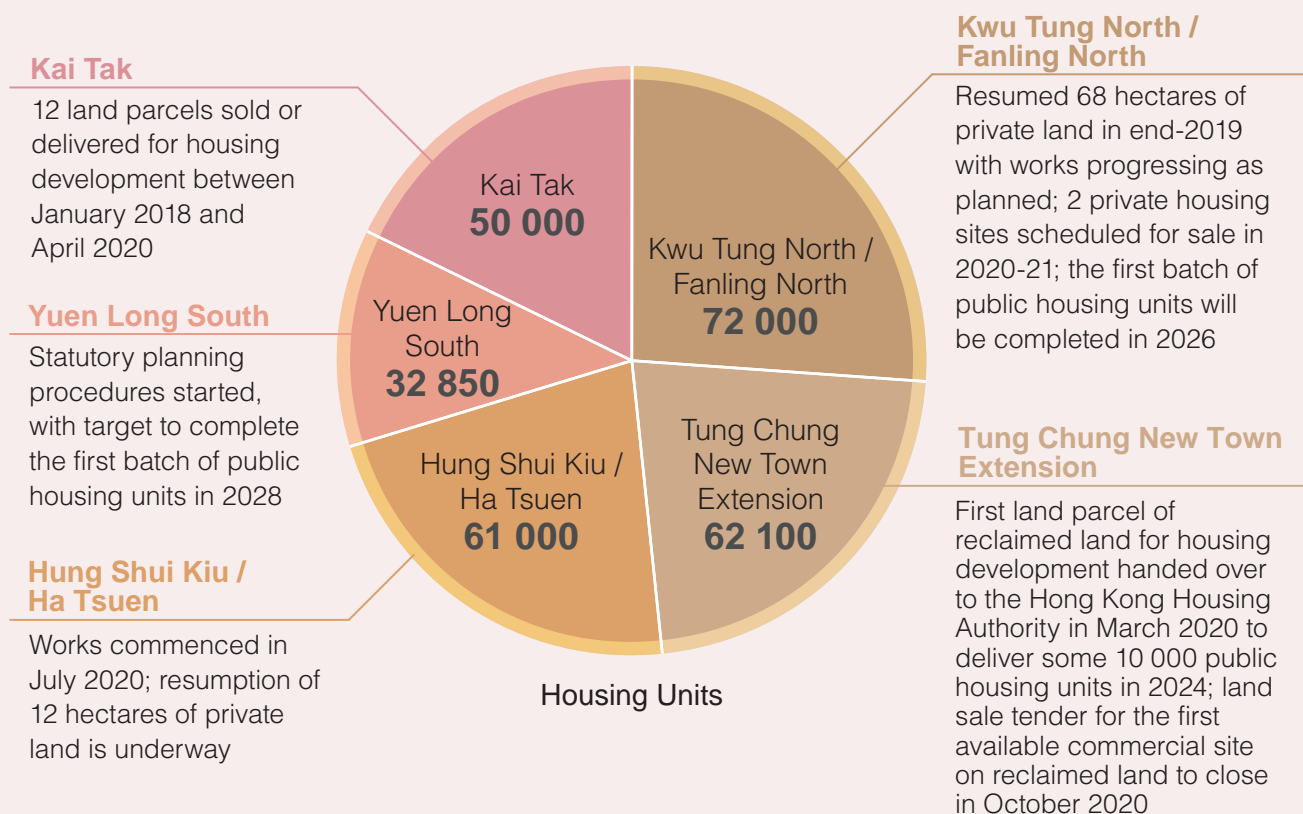
- (1) housing is not a simple commodity; while maintaining respect for a free market economy, the Government has an indispensable role to play in this area;
- (2) we will focus on home-ownership and strive to build a housing ladder to rekindle the hope of families in different income brackets to become home-owners;
- (3) we will focus on supply and, based on the Long Term Housing Strategy, increase the supply of housing units; and
- (4) when new supply is not yet available, we will optimise the existing housing resources to help families that have long been waiting for public rental housing (PRH) and residents in poor living conditions.

To implement the aforesaid housing policies and meet the demand for land and housing in the course of our economic development, it is imperative for us to increase land supply and develop land resources in a resolute and persistent manner. To prevent the acute problem of land shortage from emerging again, the determination of the Government to identify and produce land and build a land reserve should never waver in face of short-term changes in economic environment or fluctuations in property prices.

Improved Housing Ladder

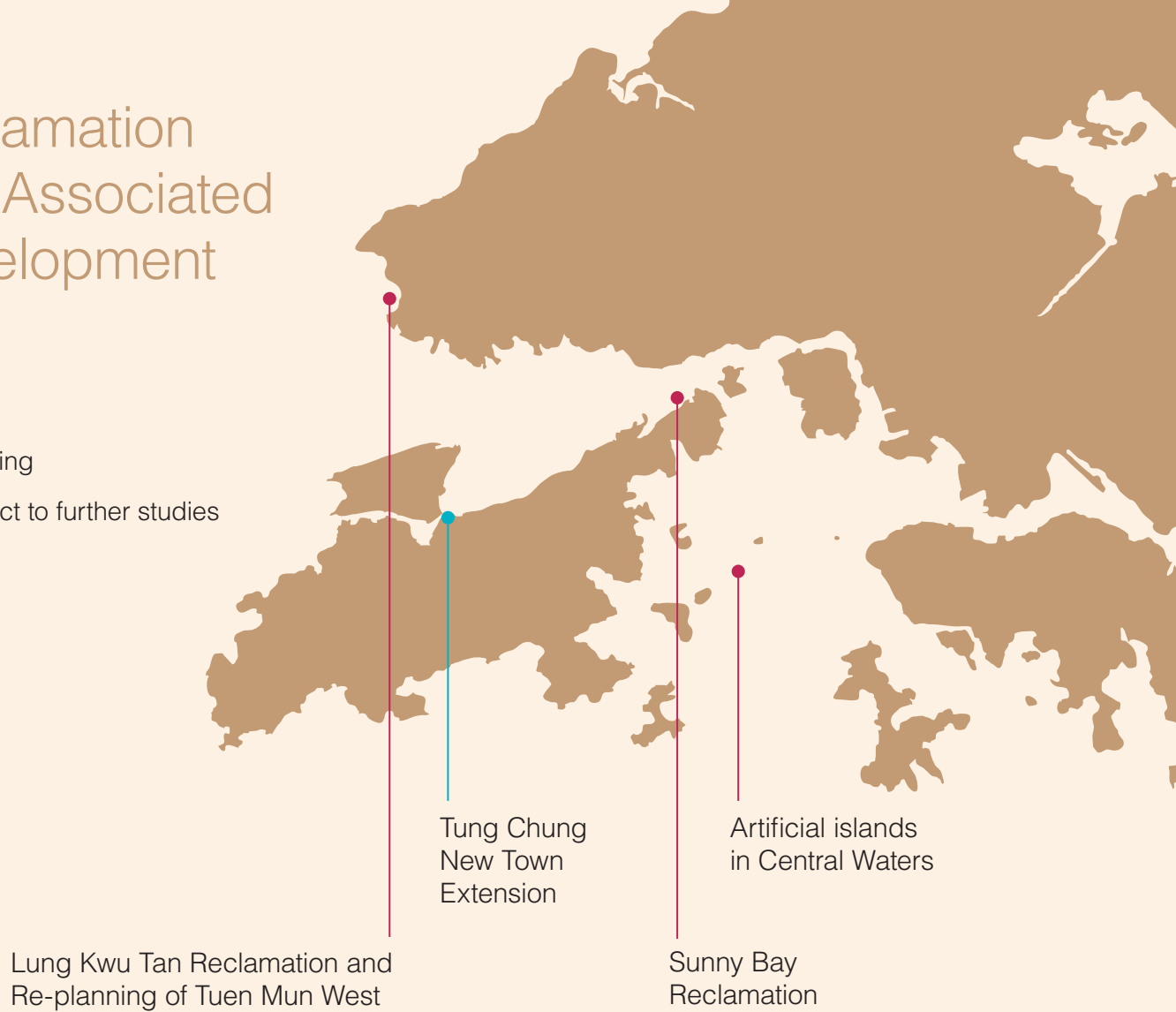


Major Development Projects

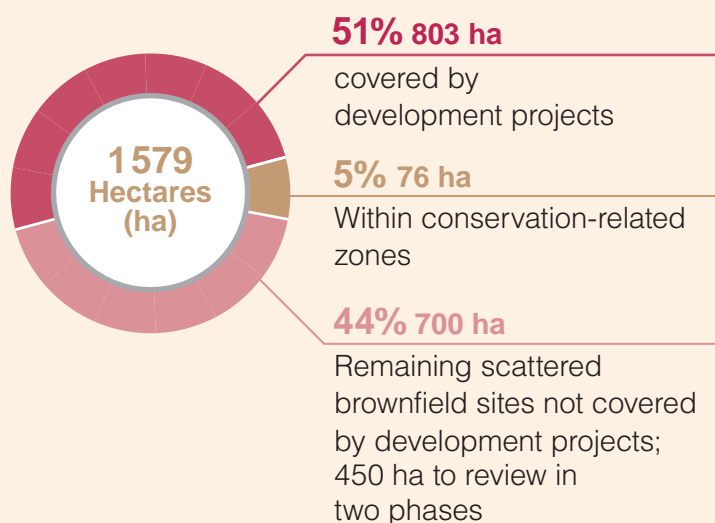


Reclamation and Associated Development

- Ongoing
- Subject to further studies



Brownfield Development



| | Possible Development Potential | Review Progress |
|---------------|--------------------------------|---------------------------|
| 160 ha | High | Completed |
| 290 ha | Medium | Complete within this year |

Progress

8 brownfield clusters

(Over 20 000 public housing units)

- Most engineering feasibility studies commenced
- Transform into "spade-ready" sites within 6 years
- Include Ping Shan North, Ping Shan South, Shap Pat Heung, Tai Kei Leng, Sha Po, Nai Wai, Lam Tei North and Tai Hang

Progress Made

A total of 63 new initiatives were announced since July 2017 in respect of the policy areas of housing and land supply, of which 55 have been completed or are progressing on schedule.

Key initiatives completed or major progress made are as follows:

Housing Supply

Policy and Long Term Housing Strategy

- Revised the public/private split of new housing supply from 60:40 to 70:30 in 2018. According to this ratio, the housing supply targets for public and private housing for the 10-year period from 2020–21 to 2029–30 are 301 000 units and 129 000 units respectively. (THB)
- Established a housing ladder with five rungs meeting the needs of families of different means, supplemented by transitional housing to provide early relief to families living in poor conditions. (THB)

Subsidised Sale Flats Supply

- Regularised Green Form Subsidised Home Ownership Scheme (GSH) and White Form Secondary Market Scheme (WSM); and introduced Starter Homes (SH) pilot projects. Since January 2018, about 6 200 GSH flats have been sold/are being sold and about 4 700 GSH flats will be available for sale in the coming months. WSM quotas were increased from 2 500 in 2018 to 4 500 in 2020. (THB)

- Sped up the sales of Tenants Purchase Scheme (TPS) flats. The Hong Kong Housing Authority (HKHA) approved the sales arrangements of recovered TPS flats in July 2020, with a view to putting up these flats for sale to Green Formers on a trial basis from the next GSH exercise. (THB)
- Revised the pricing mechanism of Home Ownership Scheme (HOS) in 2018 such that prices are delinked from market prices and kept at an affordable level. Since then, a total of about 9 300 flats have been sold and 7 000 flats are being sold under HOS 2020. To maintain relativity among different rungs of the housing ladder, the discount rate for GSH units is 10% more than that for the preceding HOS sale exercise, and for SH pilot projects, about 10–20% less than HOS. (THB)
- Entrusted the Urban Renewal Authority (URA) with a new mission to actively provide more SH or other types of subsidised sale flats (SSFs) in its redevelopment projects. The URA sold 450 units at its first SH pilot project eResidence at Ma Tau Wai Road in mid-2019, and plans to sell the remaining 43 units by early 2021. The URA has also decided to assign the redevelopment project adjacent to eResidence as another SH project, which is expected to provide about 260 units for sale in 2024. (DEVB, THB)
- Successfully tendered the second SH pilot project at Anderson Road in May 2020. (THB)

Public Housing Supply

- Allowed a further increase of domestic plot ratio for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by 10% (i.e. up to maximum 30% increase in total) where technically feasible. (THB)
- Re-allocated nine private housing sites in Kai Tak Development and Anderson Road Quarry for public housing in 2018 to provide some 11 000 units. (THB)
- Revised the land premium arrangement for Hong Kong Housing Society's (HKHS) subsidised housing projects, which will enable HKHS to continue to provide rental units and SSFs and implement the re-development programme of aged rental estates on a financially sustainable basis. (THB)
- HKHA is exploring the feasibility of redeveloping individual factory estates under suitable conditions and arrangements for public housing use. The study includes technical assessments on air quality, noise, traffic, infrastructure, air ventilation, etc., to ascertain the feasibility of residential development at the factory estate sites. (THB)

Effective Use of Public Housing Resources

- HKHA joined the HKHS' enhanced "Letting Scheme for Subsidised Sale Developments with Premium Unpaid" on a trial basis in July 2019. As at end-September 2020, about 330 and 260 applications from owners and tenants had been approved respectively with more than 40 tenancy agreements signed. (THB)
- Facilitated HKHS' launch of "Flat for Flat Pilot Scheme for Elderly Owners", allowing eligible elderly owners of HKHS' SSFs with premium unpaid to sell their original flats and then buy a smaller one in either HKHA's or HKHS' Secondary Market. (THB)
- HKHA launched a trial scheme in December 2019 for granting lifetime full rent exemption to under-occupation households whose family members are all aged 70 or above upon their transfer to suitably-sized flats. As at end-September 2020, about 270 applications have been approved with 35 households successfully transferred to suitably-sized flats. (THB)

Maintaining a Healthy Private Residential Market

- Amended the Lands Department (LandsD) Consent Scheme, requiring developers to offer for sale no less than 20% of the total number of residential units that are subject to the relevant pre-sale consent at each turn of sale, regardless of the sales method. (THB)
- Raised the cap on the value of properties eligible for a mortgage loan of maximum cover of 90% loan-to-value (LTV) ratio from \$4 million to \$8 million for first-time home buyers, and that of maximum cover of 80% LTV ratio from \$6 million to \$10 million. From October 2019 to August 2020, around 25 200 applications were approved, with over 90% being first-time home buyers. (FSTB)
- URA commenced two pilot Civil Servants' Co-operative Building Society Scheme redevelopment projects in Kowloon City in May 2020 to provide about 3 000 flats, of which one-third (around 1 000 flats) will be subsidised housing. (DEVB)

Facilitating Initiatives on Transitional Housing

- Established a Task Force on Transitional Housing to assist and facilitate the implementation of projects by non-governmental organisations (NGOs). (THB)
- Raised the three-year (2020–21 to 2022–23) transitional housing target from 10 000 to 15 000 units with dedicated funding of \$5 billion. As at October 2020, 1 165 units have been completed, about 8 600 units are in projects announced and about 2 900 units are in projects under study. (THB)
- Provided professional advice and consultancy services by the URA, Hong Kong Construction Association and other organisations so as to assist NGO's participation in transitional housing projects. (THB)

Land Supply

Task Force on Land Supply

- Accepted in full the multi-pronged land supply strategy and eight land supply options worthy of priority study and implementation as recommended by the Task Force on Land Supply (TFLS) following an extensive public engagement. (DEVB)
- Taking forward the eight land supply options¹ recommended by the TFLS, including:

- undertaking studies for eight brownfield clusters to provide over 20 000 public housing units;
- launched in May 2020 the three-year Land Sharing Pilot Scheme;
- commenced in September 2019 the study for developing 32 hectares of land of Fanling Golf Course into public housing;
- pressed ahead with the New Development Area (NDA) and other major development projects including Kai Tak Development (12 land parcels sold/delivered for housing development between January 2018 and April 2020); Tung Chung East (reclamation commenced in December 2017, and handed over the first parcel of reclaimed land to the HKHA in March 2020); Kwu Tung North/Fanling North (commenced works in September 2019 and resumed 68 hectares of private land in December 2019); Hung Shui Kiu/Ha Tsuen (commenced works in July 2020 and 12 hectares of private lots to be resumed in October 2020); and Yuen Long South (commenced statutory planning procedures);
- strive for early commencement of the studies related to the artificial islands in the Central Waters, reclamation projects at Lung Kwu Tan and Siu Ho Wan, and re-planning of Tuen Mun West area; and
- commenced works to relocate the Sha Tin Sewage Treatment Works to cavern in February 2019. (DEVB)

¹ The eight options are: (i) expediting brownfield development; (ii) drawing up details of the Land Sharing Pilot Scheme to unleash development potential of private agricultural land; (iii) developing 32 hectares of land east of Fan Kam Road of the Fanling Golf Course for housing development and commencing relevant detailed technical study; (iv) expediting studies on the some 1 000-hectare Kau Yi Chau artificial islands; (v) expediting studies on near-shore reclamation projects including Lung Kwu Tan, Sunny Bay and Siu Ho Wan; (vi) continuing cavern and underground space development and studies; (vii) pressing ahead with New Development Area projects; and (viii) commencing studies on the River Trade Terminal site and the coastal areas of Tuen Mun.

Short to Medium-term Measures

- Relunched the Re-vitalisation Scheme for Industrial Buildings. As at end-August 2020, 31 planning applications for increasing the redevelopment plot ratio were approved, providing a total gross floor area of about 575 000 square metres upon completion of redevelopment. (DEVB)
- Launched a \$1 billion funding scheme to support the use of vacant government sites by NGOs. As at September 2020, 13 applications were approved. (DEVB)
- Pursued more vigorously the “single site, multiple use” model in multi-storey development to facilitate “Government, Institution or Community” projects with cross-department facilities and earmarked \$22 billion for the first batch of projects. (DEVB, FSTB)
- Promulgated seven streamlining measures relating to development control of the Buildings Department, LandsD and Planning Department in three batches by the Steering Group on Streamlining Development Control. (DEVB)
- Set up a dedicated Land Supply Section in the LandsD in 2019 to expedite land sale and processing of high yield lease modification and land exchange cases. (DEVB)
- Taking forward the studies on three urban squatter areas (Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village) with a view to completion in 2021, to be followed by rezoning, funding application, land resumption and clearance etc., with a view to commencing works in around 2025. (DEVB)

- Reviewing the suitability of private land zoned for high-density housing development but without any specific development plan for public housing development. The Development Bureau plans to complete the review by end-2020. (DEVB)
- Rezoned 38 sites since July 2017. Rezoning of another 8 sites is in progress and some 25 sites will commence rezoning process. (DEVB)
- Implemented the enhanced compensation and re-housing arrangements for government development clearance exercises which significantly improve the rehousing prospect of squatter residents and cash allowances for residents and business operators. (DEVB)

Medium and Long-term Measures

- Established the Sustainable Lantau Office in December 2017 to take forward the co-ordination, planning and implementation of development projects and initiatives in conservation, local improvement and leisure and recreation in Lantau. (DEVB)
- Set up the Lantau Conservation Fund (LCF) to promote and implement conservation of rural Lantau and to pursue minor local improvement works in remote villages and communities. The LCF Advisory Committee was established on 1 October 2020 to vet and monitor projects to be funded by the LCF. Application is planned to commence in December 2020. (DEVB)
- Earmarked funding for environmental education and community action projects on nature conservation in South Lantau under the Environment and Conservation Fund. Eleven projects were approved. (ENB, DEVB)

- Commenced investigation and design study with associated site investigation works for the re-location of Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns in December 2018. Continue the planning and engineering feasibility study on development of selected strategic cavern areas at Lantau, Tsing Yi and other suitable locations, as well as the construction of stage one works for the re-location of Sha Tin Sewage Treatment Works to caverns. Having established the feasibility of relocating the Public Works Central Laboratory in Kowloon Bay to caverns in March 2020, we will kick off the next stage of investigation and design by mid-2021. (DEVB)

New Initiatives

Housing

Transitional Housing

- Seek funding from the Community Care Fund for launching a pilot programme to support NGOs renting hotels and guesthouses with substantial vacancies with a view to increasing the provision of transitional housing to those waiting for public housing for some time and living in inadequate housing. (THB)
- Develop transitional housing, including projects at Nam Cheong Street, Lok Sin Tong Primary School and Trackside Villas in Tai Po, for which intake has commenced in 2020, as well as the project in Kong Ha Wai providing around 2 000 units which has been approved by Town Planning Board. The Task Force on Transitional Housing has identified land for providing a total of 12 700 units from 2020–21 to 2022–23. Over \$1.2 billion has been approved to date to subsidise NGOs to pursue eligible transitional housing projects. (THB)

Redevelopment of Tai Hang Sai Estate

- Facilitate collaboration between URA and the Hong Kong Settlers Housing Corporation Limited to take forward the redevelopment of Tai Hang Sai (THS) Estate, with a view to making the best use of the development potential of the site and implementing the project as soon as possible. According to preliminary estimate, redevelopment of THS Estate may double the existing provision of about 1 600 flats. (THB)

Shek Lei Interim Housing

- Complete the clearance of the Shek Lei Interim Housing by end-2022 and redevelop the site for public housing development with target completion in 2028–29. Subject to the Town Planning Board's approval to relax the planning restrictions of the site to optimise its development potential, it is estimated about 1 600 units could be produced. (THB)

Cash Allowance Trial Scheme

- Devise a trial scheme to provide cash allowance for low-income households who have been waiting for PRH allocation over a prolonged period of time. To complement the said measure, the Working Family Allowance Scheme will introduce a set of higher income limits for other eligible non-PRH households. (THB, LWB)

Study on Tenancy Control of Subdivided Units

- Strive to complete the Study on Tenancy Control of Subdivided Units by the first half of 2021 and submit the report for Government's consideration. (THB)

Land Supply

Expediting Development by Rationalising and Streamlining Approval Processes

- Expand the remit of the Steering Group on Streamlining Development Control to streamline approval processes and rationalise requirements not only in respect of those under the planning, lands and buildings regimes but also those involving departments outside of DEVB (e.g. Transport Department and Environmental Protection Department), with the overriding policy objective of increasing and expediting the housing and land supply. The expanded mandate will cover both public and private sector development projects. (DEVB)

Development Projects Facilitation Office

- Establish a Development Projects Facilitation Office in DEVB to facilitate the processing of development approval applications for large-scale private residential development projects leading up to commencement of works, by co-ordinating with the bureaux and departments involved to expedite the approval process and help resolve issues including escalation to higher level set up such as the Committee on Planning and Land Development chaired by the Secretary for Development for steer if necessary. (DEVB)

Investing in Capital Works

- Invest substantially in new infrastructure development projects, including the Tung Chung New Town Extension. (DEVB)

Pressing Ahead with Planning of New Development Areas

- Collect stakeholders' views on the preliminary outline development plan of the San Tin/Lok Ma Chau Development Node from December 2020 to January 2021 and complete by early 2021 the first-stage study of phase one development of New Territories North. (DEVB)

Conserving the Environment

- Consult the relevant panel of the Legislative Council in the coming year on practicable proposal to amend the Town Planning Ordinance (Cap. 131) to better protect areas of high ecological values in the rural parts of the New Territories that are subject to development pressure. (DEVB)

Choi Hung Road Playground and Sports Centre Site

- Commence studying the overall planning and long-term development of the Choi Hung Road Playground and Sports Centre (including Choi Hung Road Market) site to improve recreational and sports facilities and integrate other uses under the principle of "single site, multiple use" to make better use of land resources and meeting societal needs at the same time. (DEVB)