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Chapter IV

Housing and Land Supply



From Belief to Implementation

“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: emphasising the Government’s indispensable role; facilitating home ownership; focusing on land supply; and optimising existing resources to help families that have long been waiting for public rental housing (PRH). The Government has spared no efforts to increase the supply of land. To ensure such efforts are sustained, we made it clear that the determination of the Government to produce land and build a land reserve should never waver in face of short-term changes in economic environment or fluctuations in property prices.

To demonstrate our resolve to provide more subsidised flats, either for sale or letting, we revised the public/private housing split from 60:40 to 70:30 in 2018 under the Ten-year Long Term Housing Strategy and in 2020, for the first time since the Strategy was promulgated, we identified adequate land (330 hectares) to provide the 70% portion, that is, around 316 000 units in the coming ten years (2021-22 and 2030-31).

To gain public support for land development, we need to let people know the flats to be built would be affordable to them. In this regard, we have on the one hand expanded the options of subsidised sale flats (SSFs) to enrich the housing ladder and on the other hand revised the pricing policy for SSFs in 2018 to delink the selling price of these flats from the private housing market. Under the revised policy, the median monthly household income of non-owner occupier households is used as the reference point for assessing affordability, with the monthly mortgage payment not exceeding 40% of the household income as the standard. We have introduced the Starter Homes Scheme to help young families with higher income but unable to purchase a flat in the private market to achieve home ownership.

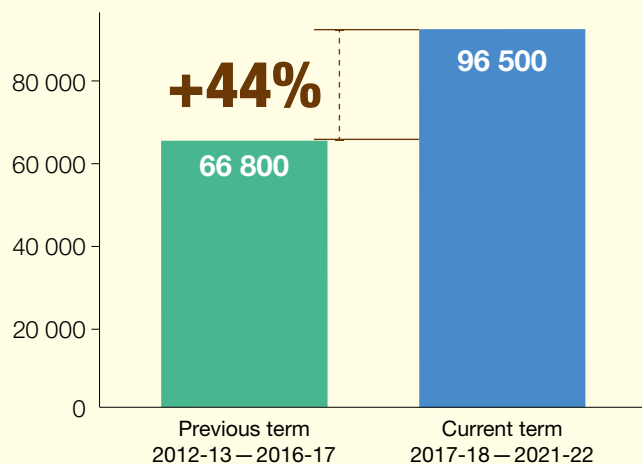
With a view to improving as soon as possible the poor living conditions of families who have been waiting for PRH for a long period of time, we are building transitional housing units in collaboration with private landowners who are lending us their land at no cost and with non-governmental organisations who will manage such projects to achieve also the community building goal. We are piloting with a Cash Allowance Trial Scheme for eligible PRH General Applicant households who have been waiting for PRH for more than three years and have gained the support of the Legislative Council Bills Committee to legislate for tenancy control of subdivided units.

Looking ahead, the Kau Yi Chau Artificial Islands and the Northern Metropolis to be developed under the “infrastructure-led” and “capacity building” principles will provide sufficient land to meet our housing and other demands. Urban redevelopment will also be expedited to arrest urban decay and ensure building safety, while offering an opportunity to provide some much-needed public space in the city environs.

Public Housing

- Revised the public/private split of new housing supply from 60:40 to **70:30**
- Identified last year about **330 hectares** of land to build **316 000** public housing units between 2021-22 and 2030-31
- Invited the Urban Renewal Authority and MTRCL to take part in providing public housing

More public housing units in current 5 years



Public Rental Housing

Green Form Subsidised Home Ownership Scheme



Transitional Housing

- Identified land to build **15 000** units

Cash Allowance Trial Scheme

- **90 000** target households

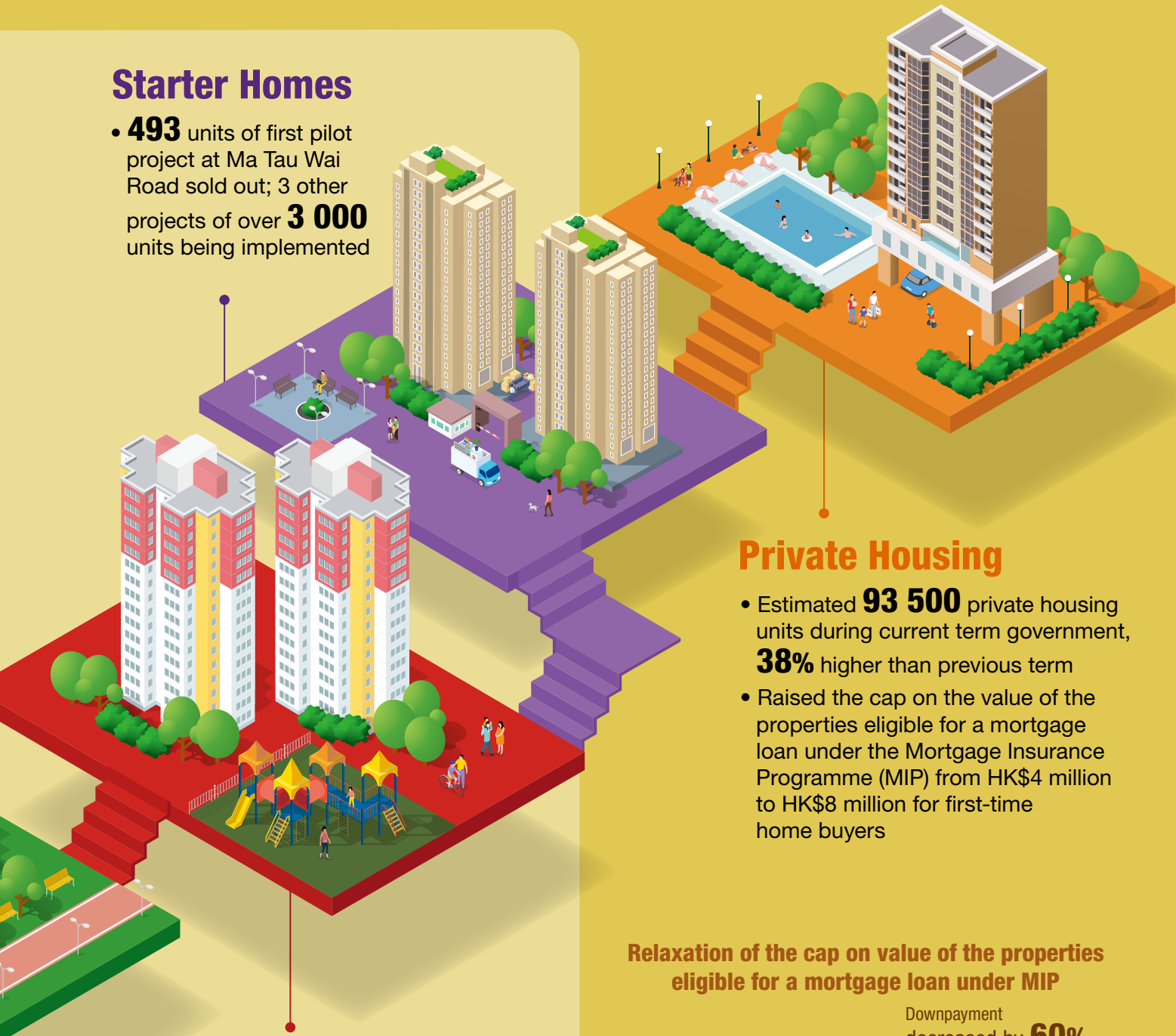
Tenancy Control on Subdivided Units

- Expected to be passed into law by the Legislative Council before end-October 2021

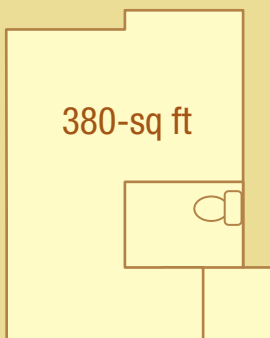
Improving Housing Ladder

Starter Homes

- **493** units of first pilot project at Ma Tau Wai Road sold out; 3 other projects of over **3 000** units being implemented



Home Ownership Scheme



Kai Long Court
sold in 2018

Before new pricing policy:

HK\$3.9 million

After new pricing policy:

HK\$2.9 million

Down by **26%**

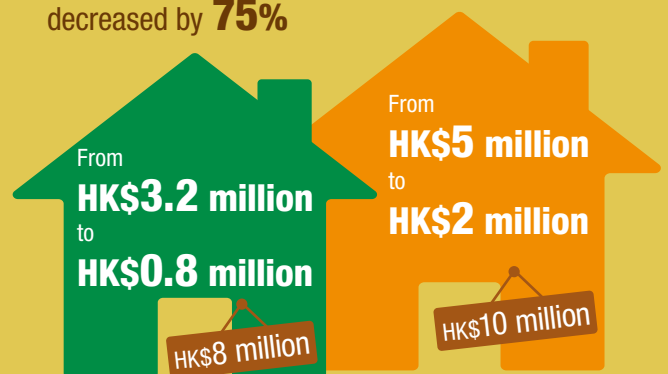
Private Housing

- Estimated **93 500** private housing units during current term government, **38%** higher than previous term
- Raised the cap on the value of the properties eligible for a mortgage loan under the Mortgage Insurance Programme (MIP) from HK\$4 million to HK\$8 million for first-time home buyers

Relaxation of the cap on value of the properties eligible for a mortgage loan under MIP

Downpayment decreased by **75%**

Downpayment decreased by **60%**



Over **90%** of applications were first-time home buyers after the relaxation

Land Supply

Land Supply over Next 30 Years - Major Land Development Projects

Projects	Potential Land Supply (in hectares)	Projects	Potential Land Supply (in hectares)
Lantau Tomorrow Vision		Others	
1 Kau Yi Chau	1 000	7 Ma Liu Shui Reclamation	60
Northern Metropolis		8 Redevelopment of Shatin Sewage Treatment Works Site After Relocation	28
2 Ngau Tam Mei Land Use Review	80	9 Tseung Kwan O Area 137	80
3 San Tin/Lok Ma Chau Development Node	340	10 Lung Kwu Tan Reclamation	220
4 New Territories North New Town	1 180	11 Tuen Mun West (including River Trade Terminal)	220
5 Man Kam To	70	12 Tuen Mun East	70
6 Additional Land under Northern Metropolis Development Strategy	600	13 After Use of Lam Tei Quarry	96
		14 Sunny Bay Reclamation	80

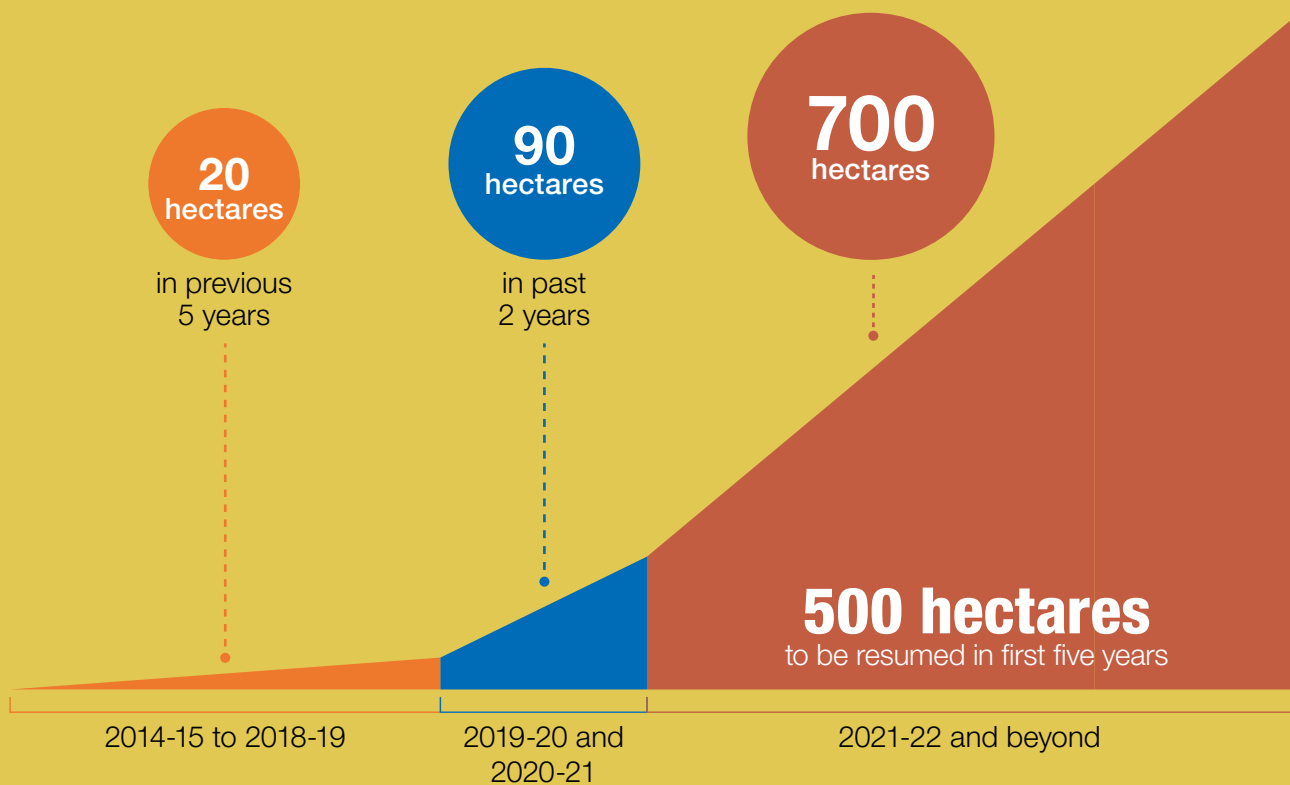
Total: About 4 100 hectares

Note:

- The listed projects have not included
 - those with works commenced/in advanced stage of planning, such as New Development Areas in Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen and Yuen Long South and
 - supply from the Land Sharing Pilot Scheme and Greenbelt review, etc..
- The actual developable area will be subject to detailed studies.



Significant Increase in Private Land Resumed



More Brownfield Areas Converted into Housing

Over 860 hectares of brownfield sites will be gradually redeveloped for housing and other uses, accounting for over **54%** of total brownfield areas

815 hectares	Falling within NDAs projects being implemented or planned, or other known development projects
47 hectares	Shortlisted 12 brownfield clusters (Over 30 000 public housing units) <ul style="list-style-type: none"> • Strive to transform into “spade-ready” sites within 6 years • Engineering feasibility studies commenced



Achievements

Housing Supply

Policy Tilted Towards Public Housing

- Revised the public/private split of new housing supply from 60:40 to 70:30 in 2018 and accordingly earmarked more land for public housing. (THB, DEVB)
- Identified 330 hectares of land in 2020 to provide 316 000 public housing units to meet the 10-year public housing supply target of 301 000 units between 2021-22 and 2030-31. (THB)
- 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%). (THB, DEVB)
- Re-allocated nine private housing sites in Kai Tak Development Area and Anderson Road Quarry for public housing in 2018 to provide some 11 000 units. (THB)
- Revised the land premium arrangement for the Hong Kong Housing Society (HKHS) to continue to provide subsidised housing and to redevelop aged rental estates on a financially sustainable basis. (THB)

Boosting Public Housing Supply

- Increased total public housing production to 96 500 flats in the five-year period 2017-18 to 2021-22, representing an increase of about 30 000 flats when compared with the previous five-year period 2012-13 to 2016-17. In addition, 38 700 flats have been recovered during the same period for re-allocation to waiting list applicants. (THB)

- Approved in 2020 by the Hong Kong Housing Authority (HKHA) the redevelopment of Shek Lei Interim Housing, as well as the rehousing and clearance arrangements with December 2022 as the target clearance date. The redevelopment can deliver about 1 600 units in 2028. (THB)
- Endorsed in 2021 by HKHA the redevelopment of four factory estates for public housing. (THB)

Making Home Ownership More Affordable

- Delinked the price of Home Ownership Scheme (HOS) flats from market prices in 2018 and Green Form Subsidised Home Ownership Scheme (GSH) and Starter Homes (SH) units are priced on HOS basis. A typical flat sold in HOS 2018 is about 26% cheaper as a result of the change. So far, about 16 300 HOS flats have been sold under the revised pricing policy. (THB)

Redevelopment of Tai Hang Sai Estate

- Approved the preliminary proposal from the Hong Kong Settlers Housing Corporation Limited (HKSHCL) and the Urban Renewal Authority (URA) to jointly redevelop the Tai Hang Sai Estate, subject to proper rehousing arrangements by HKSHCL for existing tenants. Subject to the approval of the Town Planning Board, the project will provide about 1 300 flats for rehousing existing tenants by HKSHCL and about 2 000 SH units to be provided by URA. (THB)

Starter Homes to Enrich Housing Ladder

- Established a five-rung housing ladder to meet the needs of families of different means by regularising the GSH and White Form Secondary Market Scheme (WSM); and introducing SH pilot projects. Since January 2018, about 8 400 GSH flats have been put up for sale, while WSM quotas were increased from 2 500 in 2018 to 4 500 in 2020. Under the first SH pilot project, URA sold 493 units in eResidence at Ma Tau Wai Road. (THB, DEVB)
- Took forward three other SH projects with over 3 000 units in total. They are:
 - (1) a URA redevelopment project adjacent to eResidence, providing about 260 units for sale in 2023-24;
 - (2) a private residential site at Anderson Road successfully tendered for development of no less than 1 000 SH units; and
 - (3) redevelopment of Tai Hang Sai Estate jointly undertaken by the HKSHCL and URA to provide about 2 000 SH units. (THB, DEVB)

URA and MTRCL's Greater Participation in Public Housing

- Entrusted the URA with a new mission to actively provide more SH or other types of subsidised sale flats (SSFs) in its redevelopment projects. (DEVB, THB)
- Commenced two pilot Civil Servants' Co-operative Building Society Scheme redevelopment projects in Kowloon City in 2020 by URA to provide about 3 000 flats, of which about 1 000 flats will be allocated to SSFs. (DEVB)

- Pressed ahead with the development at Siu Ho Wan Depot site by MTRCL to provide about 20 000 residential units, with around 50% as public housing. The target is to have the first batch of about 6 000 public and private housing units ready for intake from around 2030. (DEVB, THB)

Rationalising Existing Public Housing Resources

- Implemented an enhanced "Letting Scheme for Subsidised Sale Developments with Premium Unpaid" by HKHS in 2019, which HKHA decided to join on a regular basis in 2021. As at end-August 2021, about 630 and 440 applications from owners and tenants have been approved respectively, with 90 tenancy agreements signed. (THB)
- Facilitated HKHS' launch of "Flat for Flat Pilot Scheme for Elderly Owners" in 2019. As at end-August 2021, 14 applications have been approved. (THB)
- Launched a trial scheme in 2019 by HKHA to grant lifetime full rent exemption to elderly under-occupation households upon their transfer to suitably-sized flats. Regularised the scheme in 2020 and extended its coverage to elderly households residing in Housing for Senior Citizens of Type 1 Design and Non-self-contained Converted-one-person Units. As at end-August 2021, about 430 applications were approved with 111 households successfully transferred to suitably-sized flats. (THB)
- About 800 recovered Tenants Purchase Scheme flats have been put up for sale under GSH 2020-21. (THB)

Maintaining a Healthy Private Residential Market

- Expedited private housing supply, with some 93 500 private housing units expected to be completed in the current five-year term (26 000 units more than that in the previous five years). (THB)
- 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. (THB)
- Raised the maximum property value eligible for mortgage loans up to 90% loan-to-value (LTV) ratio from \$4 million to \$8 million under the Mortgage Insurance Programme for first-time home buyers. For other home buyers, increased the maximum property value eligible for mortgage loans up to 80% LTV ratio from \$6 million to \$10 million. As at end-August 2021, around 69 000 applications were approved under the new mortgage insurance coverage, with over 90% being first-time home buyers. (FSTB)

Providing Transitional Housing

- Identified land for providing over 15 000 transitional housing units, of which 1 306 units were completed, over 4 200 units are under construction, and projects with over 9 900 units have commenced consultation, procurement or tender procedures as at September 2021. (THB)
- Set up in mid-2020 the Funding Scheme to Support Transitional Housing Projects by non-governmental organisations (NGOs), with 24 projects approved under \$5.596 billion funding as at September 2021. (THB)

- Launched a Pilot Scheme in April 2021 with \$95 million from the Community Care Fund to support NGOs to use about 800 rooms in hotels and guesthouses as transitional housing. Approved up to September 2021, a total subsidy of about \$72 million for six projects to provide 576 units. More projects are under consideration. (THB)
- Engaged the URA, Hong Kong Construction Association and other organisations to provide professional advice and consultancy services to assist NGOs in transitional housing projects. (THB)

Relieving Hardship of Public Housing Applicants

- Launched the three-year Cash Allowance Trial Scheme in June 2021 to provide cash allowance to eligible General Applicant households. As at end-August 2021, about 30 000 households received the cash allowance. (THB)
- Gained the support of the Bills Committee of the Legislative Council (LegCo) of a comprehensive bill imposing tenancy controls on subdivided units (SDUs) with a view to securing its passage by the LegCo in October 2021. (THB)

Land Supply

Hong Kong 2030+

- Updated the territorial development strategy under “Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030”. (DEVB)

Multi-pronged Strategy

- Accepted in full the multi-pronged land supply strategy and eight land supply options worthy of priority study and implementation¹ as recommended by the Task Force on Land Supply (TFLS) to encourage redevelopment of brownfield sites and other agricultural lots through government-led resumption and projects, unlock private land under public-private partnership, and create new land through reclamation in strategic spots. (DEVB)
- Resumed significantly more private land for housing development:
 - In 2019-20 and 2020-21, total 90 hectares of land resumed mainly for New Development Areas (NDAs) and public housing development, far more than 20 hectares in the preceding five years (2014-15 to 2018-19).
 - Planned to resume another 500 hectares in five years' time (2021-22 to 2025-26) and a further 200 hectares beyond 2025-26.
 - Implemented in 2018 the enhanced compensation and re-housing arrangements to smoothen the land resumption and clearance for development projects, including NDAs and public housing development. (DEVB)
- undertook studies for 12 brownfield clusters to provide over 30 000 public housing units;
- launched in May 2020 the three-year Land Sharing Pilot Scheme. Three applications involving potentially 12 250 public housing and 5 600 private housing units are under processing;
- commenced in September 2019 the study for developing a 32-hectare portion of Fanling Golf Course into public housing;
- implemented Tung Chung New Town Extension (TCNTE) project in phases. Commenced reclamation of 130 hectares at Tung Chung East in December 2017, with the first land parcel handed over to HKHA in slightly over two years. By now, over 60% of reclamation works were completed with the remaining 40% completed in 2023. The first phase of site formation, roads and infrastructure works commenced in May 2021 for phased completion between 2024 and 2028;
- commenced the engineering study on Road P1 (Tai Ho – Sunny Bay Section) in Lantau in June 2021 with a view to completing the works in 2030 to tie in with the development needs of Northern Lantau including TCNTE;

All-out Efforts in Implementation

- Spared no effort in taking forward the eight priority land supply options recommended by the TFLS, including:

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.

- pressed ahead with NDAs and other major development projects including Kai Tak Development (14 land parcels sold/delivered for housing development between January 2018 and July 2021); 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 resumed 12 hectares of private land in October 2020); and Yuen Long South (completed statutory planning procedures in August 2021 and commenced gazettal of the proposed road and sewerage works);
- completed in March 2021 the study for the first phase development of New Territories North (NTN) covering the San Tin/Lok Ma Chau Development Node (ST/LMC DN) and consulted the local community on the initial land use plan. Aimed to commence in October 2021 the investigation study and detailed design for works for the ST/LMC DN as well as planning and engineering (P&E) study for the second phase development of NTN covering Man Kam To Logistics Corridor and NTN New Town;
- commenced consultancy studies related to the artificial islands in the Central Waters in June 2021 for completion in around 3.5 years. Subject to the findings, first phase of reclamation works is expected to commence in 2027;
- conducted a number of discussion forums and related activities on the development of artificial islands in the Central Waters with relevant stakeholders, including professional institutions and their young members;
- aimed to seek the LegCo's funding approval in the first half of 2022 to commence the P&E study related to reclamation at Lung Kwu Tan and re-planning of Tuen Mun West area while making preparations for the funding application for the P&E study for reclamation at Sunny Bay;
- commenced the main construction works in July 2021 to relocate the Sha Tin Sewage Treatment Works to caverns; and
- undertook investigation and design (I&D) study for the re-location of Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns, and feasibility study on development of selected strategic cavern areas at Lantau, Tsing Yi and other suitable locations. Aimed to commence I&D studies for relocating Public Works Central Laboratory, Yau Tong Group Fresh Water and Salt Water Service Reservoirs, and Tsuen Wan No. 2 Fresh Water Service Reservoir to caverns, and feasibility study on relocating Tuen Mun Water Treatment Works to caverns, starting from end-2021. (DEVB)

Optimising Existing Land Resources

- Completed planning procedures for 40 sites outside NDAs for housing development since July 2017. Rezoning of another 22 sites is in progress. (DEVB)
- Relunched in October 2018 the Revitalisation Scheme for Industrial Buildings (IBs). As at end-August 2021, 52 planning applications for increasing the redevelopment plot ratio were approved under the Scheme, providing a total gross floor area of about 1 084 000 square metres. (DEVB)

- Launched in March 2021 a two-year pilot scheme for charging land premium at standard rates for lease modifications for redevelopment of IBs constructed before 1987 to expedite lease modification and encourage IB revitalisation. As at mid-September 2021, four applications have opted for the scheme with land premium agreed. (DEVB)
- Increased commercial gross floor area in Kowloon East since the announcement of the Energizing Kowloon East initiative in 2011 by 70% to about 2.9 million square metres at present, to be further increased to about 3.9 million square metres taking into account projects under construction or approved. (DEVB)
- Pressed ahead with studies on three urban squatter areas (Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village) with a view to substantial completion in 2021 and commencing works in phases in around 2025 to deliver 8 700 public housing units in phases starting from 2029. (DEVB)
- Completed reviewing suitability of certain private land parcels zoned for high-density housing development but without any specific development plan, and announced that three private land parcels will be resumed to produce around 1 600 public housing flats. (DEVB)
- Launched a \$1 billion funding scheme to support the use of vacant government sites by NGOs. As at end-August 2021, 20 applications have been approved. (DEVB)

Streamlining Controls

- Implemented streamlining measures relating to development control of the Buildings Department, LandsD and Planning Department. Since 2021, the scope of review has been expanded to cover all departments involved in vetting development proposals. (DEVB)

Expediting Development Approvals

- Set up a dedicated Land Supply Section in LandsD in 2019 to expedite land sale and processing of high yield lease modification and land exchange cases. As at September 2021, 29 cases were processed and 93 cases are being actively pursued by this office. (DEVB)
- Set up a Development Projects Facilitation Office under Development Bureau in December 2020 to monitor and ensure effective processing of development approval applications of larger-scale private residential sites in co-operation with designated co-ordinators in the relevant bureaux and departments. As at August 2021, 23 such projects obtained relevant development approvals through such facilitation. (DEVB)

Single Site, Multiple Use

- Pursued more vigorously the “single site, multiple use” model to facilitate multi-storey Government, Institution or Community (GIC) projects and earmarked \$22 billion for the first batch of projects. (DEVB, FSTB)
- Reviewed about 40 GIC sites with joint use potential with a view to formulating development proposals within 2021. (DEVB)

- Commenced the study on the overall planning and long-term development of Choi Hung Road Playground and Sports Centre (including the Choi Hung Road Market) site to improve recreational and sports facilities and integrate other uses such as underground vehicle park and social welfare facilities. (DEVB)

Balancing Development and Conservation

- Established the Sustainable Lantau Office in December 2017 to take forward the development projects including the artificial islands in the Central Waters, TCNTE and initiatives regarding conservation, local improvement as well as leisure and recreation in Lantau. (DEVB)
- Established the Lantau Conservation Fund and its Advisory Committee to promote conservation of Lantau. Aimed to announce the results of the first batch of applications for conservation and related projects in October 2021. (DEVB)
- Formulated the “Lantau Conservation and Recreation Masterplan” to improve the existing natural, cultural and recreational resources of Lantau. (DEVB)
- Formulated “the Lantau Trails and Recreation Plan” for improving the trails and associated facilities in Lantau, including constructing a Round-the-Lantau route. For the improvement and expansion works for mountain bike trail network project, detailed design work for Mui Wo to Pui O section is in progress. (DEVB)
- Approved about \$11.8 million to fund 11 environmental education and community action projects on nature conservation in South Lantau under the Environment and Conservation Fund. (ENB)

New Initiatives

Housing

Expediting Public Housing Construction

- Adopt more widely Modular Integrated Construction (MiC) and innovative construction technology to speed up public housing construction. MiC has been adopted for four public housing projects in Tung Chung, Hung Shui Kiu, Kwun Tong and Anderson Road Quarry sites so far. (THB)
- Leverage private sector expertise to speed up public housing construction by adopting a new contract procurement model to allow contractors to undertake design and construction in a single contract, and improve the standard design and material standards to further improve the efficiency of the construction of public housing. 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. (THB)

Redeveloping HKHA's Factory Estates and Aged Public Housing Estates

- Redevelop four HKHA's factory estates as public housing. These sites are capable of producing some 4 800 units in 2031 and beyond, subject to completion of the necessary rezoning process. (THB)

- Undertake redevelopment of two among the most aged public rental housing estates, namely Sai Wan Estate and Ma Tau Wai Estate by inviting HKHA to draw up a programme taking into account the possibility of enlarging the redevelopment sites by incorporating nearby land to maximise the housing yield. (THB)

Transitional Housing

- Provide a further 5 000 transitional housing units to increase the overall supply to 20 000 units, and to increase the commitment of the relevant funding scheme from \$8.3 billion to \$11.6 billion. (THB)

Relieving Hardship of Public Housing Applicants

- Put in place the implementation details enabling tenancy control for SDUs coming into operation in January 2022 after passage of bill by the LegCo. (THB)

Land Supply

Unlocking Land in the New Territories

- Pursue development in various parts of the New Territories including the NDAs in the light of the Northern Metropolis Development Strategy announced in the 2021 PA. (DEVB)

- Review the administration of Tso/Tong to unlock the development potential of Tso/Tong land through amendment to the New Territories Ordinance (Cap. 97) in consultation with Heung Yee Kuk. (HAB)
- Extend the “standard rates” for premium assessment from redevelopment of IBs to land exchange cases in the NDAs. (DEVB)

Achieving 10-year Public Housing Production

- Strive to ensure timely delivery of the housing production target for the next decade as pledged through high-level steer and monitoring of the about 110 projects involved in the latter five-year period. (DEVB, THB)

Speeding Up Land Supply

- Further streamline the development control procedures by taking a critical and root and branch examination of the statutory town planning, environmental impact assessment, land resumption and works-related procedures and vigorously adopt other administrative measures. (DEVB, ENB and other bureaux)

Near-shore Reclamation

- Revive and expedite near-shore reclamation projects at Lung Kwu Tan (including replanning of Tuen Mun West) and Ma Liu Shui by seeking funding for related studies in the first half of 2022. (DEVB)

“Green Belt” Zone Review

- Conduct a new round of review of sites zoned “Green Belt” to identify potential developable land. The screening process is expected to complete in mid-2022, to be followed by technical studies. (DEVB)

Revitalisation of Industrial Buildings

- Extend the measures of allowing IB redevelopment to exceed permitted plot ratio by no more than 20% and exempting the waiver fees chargeable for wholesale conversion to October 2024. (DEVB)

Improving Registration of Land Titles

- Consult the LegCo on legislative amendments for implementing the Land Titles Ordinance (Cap. 585) on newly granted land first to provide greater certainty to the titles of privately owned land, upon extensively engaging and reaching consensus with key stakeholders. (DEVB)

Balancing Development and Conservation

- Streamline and enhance the public private partnership scheme under the new nature conservation policy to better balance development and conservation. (ENB)