



Encouraging Wider Home Ownership

Owning one's home is an aspiration shared by the people of Hong Kong. It nurtures a sense of belonging and maintains social stability, as well as providing personal financial security. We need sufficient subsidised and private housing to meet demand for home ownership at affordable prices and attain 70% home ownership in 2007.

To increase production of subsidised home ownership flats, implement sale of public rental flats to tenants, address needs of Sandwich Class and guard against speculation

Initiatives	Benefits
We will work out with the Housing Authority a plan for the sale of public rental flats to tenants by end 1997 covering block type, location, timing, pricing level and other details with a view to offering the first batch of flats for sale in early 1998.	✓ This will ultimately provide the opportunity for all Housing Authority tenants to buy their own homes.
We will produce 30 000 Sandwich Class housing flats by 2003 and raise the total stock to 50 000 by 2006.	✓ This is an increase of 40% from our original target.
We will explore with the Housing Authority the possibility of increasing the number of loans under the Home Purchase Loan Scheme.	✓ This will assist more low income families to purchase their homes in the private sector.
We will continue to provide loans through the Sandwich Class Housing Loan Scheme.	✓ \$1.38 billion will be distributed in 1997 and 1998 to benefit about 3 000 families.



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<p>We will launch a new loan scheme targeted principally at first time home buyers.</p>	<ul style="list-style-type: none"> ✓ We will seek the Finance Committee's approval for funds to provide loans of \$600,000 each to 6 000 eligible households for each of the next five years.
<p>We will invite the Housing Society to launch a "mixed development" scheme on a pilot basis, under which private developers will contribute a proportion of flats in a development to our subsidised home ownership programme.</p>	<ul style="list-style-type: none"> ✓ The pilot scheme will enable us to maximise the contribution of the private sector to the production of subsidised home ownership flats.



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Initiatives

In principle, market forces should be allowed to determine property prices through a balance of supply and demand. To ensure the proper operation of this free market system, we have devised a range of anti speculation measures which can be implemented at short notice. We will monitor the property market closely and implement appropriate measures if and when the situation so requires.

We will dispose of about 260 government quarters and three sites now used for quarters in the 1997 98 financial year.

Benefits

- ✓ The combination of a steady and sufficient supply of land for housing and a firm resolution to check speculation will stabilise the property market.
- ✓ This will boost the supply of large flats.