

## Message

There has been increasing awareness at the international level that the performance of the housing sector is inextricably linked to that of the broader economy. This is particularly true in the case of Hong Kong. The Asian financial turmoil has not only brought formidable challenges to the economy of Hong Kong but has also resulted in property prices falling by about half. While moderation in an over-heated property market is in Hong Kong's long-term interest, the speed of the recent correction has hurt many people and adversely affected other sectors of our economy.

Against this background, our housing strategy must be geared to our long term future, yet responsive to short term problems. While we are making good progress towards achieving the various strategic targets set out in the White Paper on our Long Term Housing Strategy published in February this year, we will regularly review our policies and the ways in which we implement them. With this in mind, we have worked out new initiatives for the year ahead, and they are set out in this booklet.

At the same time, we will continue to provide affordable accommodation to people in genuine need; ensure the most equitable use of public resources in subsidising our housing programme; and help families to meet their aspirations towards home ownership.

By combining long-term strategic planning with responsiveness to short-term problems, we will remain on course to achieve "Better Housing for All".



(Dominic S W Wong)  
Secretary for Housing

# Better Housing For All

Our Policy Objective is to ensure better housing for all, through an adequate supply of affordable housing for ownership or rent.

Our targets in pursuing this Policy Objective are –

- to reduce the number of inadequately housed people
- to help all households gain access to affordable housing
- to encourage home ownership in the community

## Key Result Areas (KRAs)

To ensure that this Policy Objective can be achieved, we must deliver results in a number of key areas, that is, we must –

<b>I</b>	<b>Assess housing demand regularly and accurately</b>	<b>Page 4</b>
<b>II</b>	<b>Provide a sufficient supply of land for housing, together with supporting infrastructure, shorten development procedures and relieve constraints on the construction industry</b>	<b>Page 6</b>
<b>III</b>	<b>Draw up and maintain a long term flat production programme and put in place an efficient mechanism for monitoring progress and problem solving</b>	<b>Page 8</b>
<b>IV</b>	<b>Create the conditions to enable the private sector to make the fullest possible contribution towards meeting the demand for housing</b>	<b>Page 9</b>
<b>V</b>	<b>Implement subsidised housing schemes to enable those in the relevant income groups to buy their own homes</b>	<b>Page 11</b>
<b>VI</b>	<b>Provide housing at reasonable rents to those who cannot afford any other type of housing</b>	<b>Page 14</b>

**VII Implement initiatives to address the housing requirements of groups in special need**

**Page 16**

The following sections of this booklet explain the importance of these KRAs, describe the broad thrust of our efforts, and outline the indicators which we are using to assess progress. Each section lists the new key initiatives being taken to achieve our objectives and pinpoints the agency accountable for each initiative and the specific targets which we intend to meet.

# I

## Assess housing demand regularly and accurately

The Planning Department runs a Working Group on Housing Demand under the direction of the Housing Bureau to assess overall housing demand. The Group has developed a housing demand model which is capable of responding to changes in government policy and the most up-to-date statistics.

The data and assumptions used in the model are regularly updated, and the model itself is continuously refined and re-run to provide regular and accurate assessments of housing demand.

### Indicator

Our indicator of progress in this area is the regular review of our demand assessments.

### Initiatives

### Targets

To publish annual reports on housing demand

*(Planning Department (Plan D))\**

To publish annual reports starting from 1999

To put in place and operate a specialised model for housing demand for the elderly

*(Plan D)*

To develop a model and to produce projections within 1999

\* the brackets denote the agency with lead responsibility for the initiative

<b>Initiatives</b>	<b>Targets</b>
To conduct a new survey of housing aspirations, including a sub-survey of elderly households <i>(Plan D)</i>	To complete the survey within 1999

## II

### **Provide a sufficient supply of land for housing, together with supporting infrastructure, shorten development procedures and relieve constraints on the construction industry**

A steady and sufficient supply of land for housing is necessary for meeting housing demand and minimising instability in the property market. The Planning, Environment and Lands Bureau will continue to make land available through a well-planned land production programme, and will announce each year a rolling five-year Land Disposal Programme which will provide land for housing development. We will continue both to develop strategic growth areas, including new and existing land for housing, and to capitalise on opportunities for additional urban development arising from strategic rail and road projects. We will also continue to rezone agricultural and industrial land for housing where appropriate.

Housing-related infrastructure and land development procedures (including statutory procedures for reclamation works, planning and engineering feasibility studies, and tendering for and detailed design of site formation and infrastructure) will continue to be accelerated and fast-tracked to reduce average development time. Already, both the Housing Authority and the Housing Society have significantly reduced their standard production lead-time by streamlining their flat production processes.

#### **Indicator**

Our indicator of progress in this area is the amount of land available for flat production annually.

Initiatives	Targets
<p>To redevelop old flatted factory estates for housing <i>(Housing Department (HD))</i></p>	<p>To complete a study of the implications and options for redevelopment in 1999</p>
<p>To identify more areas where infrastructure will permit more intensified private housing development <i>(Territory Development Department)</i></p>	<p>To complete three studies of intensification of development in 1999-2000</p>
<p>To identify more areas where infrastructure will permit more intensified public housing development <i>(HD)</i></p>	<p>To intensify the development density of nine public housing projects by 2002</p>
<p>To monitor labour requirements of different trades in the construction industry <i>(Education and Manpower Bureau)</i></p>	<p>To ensure that there is a sufficient supply of labour to meet the needs of housing development in 1999</p>



## Draw up and maintain a long term flat production programme and put in place an efficient mechanism for monitoring progress and problem solving

We have drawn up and will roll forward annually a 13-year flat production programme.

The production of this programme requires the maintenance of a centralised inventory of housing sites, a clear delineation of responsibility for the delivery of housing projects and an efficient system for solving problems relating to flat production. Accordingly, a computerised inventory of all housing development has been compiled and is updated and reviewed continuously by the Housing Bureau. A system defining accountability and a mechanism for problem-solving in respect of individual housing sites has been put in place.

### Indicator

Our indicator of progress in this area is the extent to which we meet our annual flat production programme.

### Initiatives

### Targets

To assess infrastructure requirements arising from the housing development programme

*(Works Bureau)*

To establish within 1998 a control list of housing-related infrastructure projects

To fast-track more infrastructural projects to avoid delays to housing production

*(Housing Bureau)*

To fast-track 80 projects to allow housing development to proceed on time during the period up to 2002-2003

# IV

## Create the conditions to enable the private sector to make the fullest possible contribution towards meeting the demand for housing

The private sector has a crucial role to play in meeting the housing needs of the community. Through schemes such as the Private Sector Participation Scheme and mixed development, the private sector can make a major contribution to the public housing programme.

To ensure the fair and free operation of the private residential property market, and to avoid instability, we will continue to monitor the market closely, adopt a flexible and prudent approach to land disposal and guard against the revival of speculative activities.

### Indicator

Our indicator of private sector progress in this area is the number of flats produced in or through the private sector.

### Initiatives

To entrust the provision of more housing-related infrastructure projects to the private sector

*(Housing Bureau (HB))*

### Targets

To entrust four projects to the private sector in 1999-2000

Initiatives	Targets
<p>To develop “mixed development” schemes <i>(HB)</i></p>	<ul style="list-style-type: none"> <li>● To embark on two “mixed development” schemes with the private sector on a pilot basis through the Housing Society in 1999-2000</li> <li>● To consider and develop in 1999-2000, in consultation with the Housing Authority, alternative forms of mixed development</li> </ul>

# V

## Implement subsidised housing schemes to enable those in the relevant income groups to buy their own homes

Owning one's home is an aspiration shared by many in the community. It is one of the main factors that fosters social stability and a sense of belonging as well as helping families to provide for their future financial security.

We will continue to operate and expand existing subsidised schemes for low and middle income families. This will be done without neglecting the demand for public rental housing from people in genuine need.

### Indicator

Our indicator of progress in this area is the number of subsidised home ownership flats, loans and subsidies provided to eligible low and middle income families.

### Initiatives

### Targets

To continue to provide sufficient subsidised home ownership flats to meet assessed demand from low and middle income families  
*(Housing Department (HD))*

To build 20 000 flats in 1999-2000 under the Home Ownership Scheme and the Private Sector Participation Scheme

To increase the provision of home ownership loans to eligible low income families  
*(HD)*

To offer 10 000 loans under the Home Purchase Loan Scheme in 1998-1999

Initiatives	Targets
<p>To continue to provide home ownership loans to eligible middle income families <i>(Housing Bureau (HB))</i></p>	<p>To offer 1 500 loans under the Sandwich Class Housing Loan Scheme in 1999-2000</p>
<p>To continue to provide loans to genuine first time home buyers in the low and middle income groups <i>(HB)</i></p>	<p>To offer 12 000 loans under the Home Starter Loan Scheme in 1998-1999</p>
<p>To review the existing subsidised home ownership loan schemes to determine whether improvements can be made to their operation and effectiveness <i>(HB)</i></p>	<p>To complete the review in 1998-1999</p>
<p>To replace progressively the existing Sandwich Class Housing Main Scheme with loan assistance <i>(HB)</i></p>	<p>To suspend the construction of further flats for the sandwich class, with the exception of projects to which we are already committed and which are under construction, and to provide loans to this group to allow them a flexible choice of home purchase in the private sector</p>

Initiatives	Targets
<p>To continue implementation of the Tenants Purchase Scheme <i>(HD)</i></p>	<p>To launch Phase 2 of the Scheme in 1999</p>
<p>To expand the “Buy or Rent Option” for families on the Waiting List for public rental housing to cover eligible residents of Squatter Areas, Cottage Areas and old-style Temporary Housing Areas <i>(HD)</i></p>	<p>To finalise details of the “Buy or Rent Option” by end 1998</p>
<p>To allow public rental housing tenants to buy Sandwich Class Housing flats <i>(HB)</i></p>	<p>To implement this measure as and when the next phase of the Sandwich Class Housing Scheme is launched</p>

# VI

## Provide housing at reasonable rents to those who cannot afford any other type of housing

We will continue to meet the housing needs of people who cannot afford to buy a home or rent private accommodation.

We are determined to reduce the waiting time for public rental housing for families in genuine need by increasing the number of public housing flats allocated to such families. We will reduce the average waiting time to under five years by 2001, four years by 2003 and three years by 2005.

### Indicator

Our indicator of progress in this area is the waiting time for public rental housing applicants on the Waiting List.

### Initiatives

### Targets

To ensure that sufficient public flats are available to meet our Waiting List targets

*(Housing Department (HD))*

To supply 20 000 flats for families on the Waiting List in 1999-2000

To adopt a more proactive approach to shortening the waiting time list for public rental housing

*(HD)*

To give priority to families in need and to simplify the system of choice by geographical area starting from 1999

Initiatives	Targets
<p>To provide a long term solution to the housing problem of people who are not yet eligible for public rental flats</p> <p><i>(HD)</i></p>	<p>To build 13 000 self-contained interim housing units by 2001</p>
<p>To improve security facilities in public housing estates</p> <p><i>(HD)</i></p>	<p>To complete upgrading of security facilities in public housing estates by 2002</p>

# VII

## Implement initiatives to address the housing requirements of groups in special need

We will attend to the needs of certain categories of household which require special consideration, either because of their particular circumstances or for historical reasons. Such categories include single person households, the elderly, squatters, residents of Cottage Areas and bedspace apartments, and rooftop dwellers. We are on schedule to meet our existing commitments in respect of these groups, including our pledges to clear all remaining Cottage Areas by 2001 and all old-style Temporary Housing Areas by 2000, and to introduce a new “Senior Citizens Residence Scheme” by 2001.

### Indicator

Our indicator of progress in this area is the extent to which we are able to meet the housing requirements of special need groups.

### Initiatives

To rehouse eligible households living in unauthorised rooftop structures which are cleared to improve fire safety

*(Housing Department (HD))*

### Targets

To rehouse occupiers of unauthorised rooftop structures demolished by the Buildings Department. Demolition will be carried out in two phases –

- Phase 1 : involves 1 300 single stair buildings from 1998-1999 to 2001-2002
- Phase 2 : involves the remaining 3 300 single stair buildings from 2002 onwards

Initiatives	Targets
<p>To address the housing needs of singleton households <i>(Housing Bureau (HB))</i></p>	<p>In 1999, to consider providing loans to singleton households under the Home Starter Loan Scheme</p>
<p>To continue to work towards reducing the waiting time for public rental housing for the elderly <i>(HD)</i></p>	<ul style="list-style-type: none"> <li>● To provide 6 500 public rental flats for allocation to the elderly in 1999-2000</li> <li>● To provide 1 200 specially designed rental housing units with warden service in 1999-2000</li> </ul>
<p>To give higher priority for public housing to households with elderly members <i>(HD)</i></p>	<ul style="list-style-type: none"> <li>● Starting from late 1998, extend the Families with Elderly Persons Priority Scheme to non-nuclear families</li> <li>● Starting from late 1998, to enhance the success rate of households who apply under the Special Scheme for Families with Elderly Persons by providing a steady and adequate supply of public rental flats of appropriate types</li> </ul>

Initiatives	Targets
	<ul style="list-style-type: none"> <li>• To accord priority to households with elderly members in their applications for Home Ownership Scheme and Private Sector Participation Scheme flats and Home Purchase Loans starting from late 1998</li> </ul>
<p>To encourage the private sector to provide affordable flats to single elderly persons</p> <p><i>(HB/Health and Welfare Bureau)</i></p>	<p>To develop proposals in consultation with the Elderly Commission in 1999</p>
<p>To provide more elderly people living in inadequate private sector accommodation with easy access to information on public housing</p> <p><i>(HB)</i></p>	<p>To set up one additional Housing Information Centre in Hong Kong Eastern District in 1999</p>