
Housing Bureau

In the past year, we have been working on 73 pledges, of which :

- we have completed 30;
- we are on schedule with 22;
- four are under review;
- we are taking active measures to speed up the progress on six which are behind schedule; and
- we are pressing ahead with 11 on-going commitments.

The following sets out the detailed report for each main programme area.

Public Rental Housing

<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
<i>Action Completed</i>		
1997	1. To review public housing allocation arrangements to encourage eligible family members to live with elderly members.	The review was completed in June 1998.
1997	2. To expand our existing Housing for Senior Citizens (HSC) Scheme to provide more specially designed rental housing units with warden service to able-bodied elderly persons not living with their families.	In the past 12 months, an additional 1 800 units were produced under the HSC Scheme.

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| 1996 | 3. | To make at least one offer of rehousing to all those who were living in Temporary Housing Areas (THAs) in September 1995 by the end of 1997. | All households (39 000 persons) living in THAs in September 1995 have been given at least one offer of rehousing. |
| 1996 | 4. | To introduce amendments to the Housing Ordinance in 1997 to increase sanctions against the false declaration of income and assets. | Amendments to the Housing Ordinance to impose heavier fines on tenants who made false statements to the Housing Authority came into effect on 24 April 1998. |
| 1996 | 5. | In 1997, to work proactively with other departments involved in public housing production to ensure quick and responsive action to achieve public housing targets. | A new accountability system has been established to define the specific responsibilities of three key departments (Housing Department, Lands Department and Territory Development Department) involved in housing production. Individual directorate officers at the district level have been appointed as Project Directors. |
| 1995 | 6. | To take action to relieve overcrowding in public housing estates. In the coming three years, we will rehouse at least 24 000 families with living space now below 5.5 square metres per person. | We rehoused 6 200 overcrowded families in the past 12 months. 24 100 overcrowded families have been rehoused since September 1995. |
| 1995 | 7. | To work towards the extension of the Estate Management Advisory Committee (EMAC) Scheme to all public rental estates by 1997. | The scheme was extended to all public rental estates (except estates scheduled for imminent demolition, newly completed estates or estates with only one block) by the end of 1997. |

- 1995 8. To provide by 1997 decent accommodation for all elderly people currently living in bedspace apartments. 100 elderly persons living in bedspace apartments were rehoused in the past 12 months, bringing the total number to 550 since 1995.

With the enforcement of the Bedspace Apartment Ordinance in July 1998, the living conditions of lodgers in these apartments will be improved.

The Government will continue to offer public housing, including interim housing, to all eligible persons displaced from bedspace apartments which do not meet the safety standard for licensing under the Ordinance.

- 1995 9. To provide new types of housing for the elderly from 1997. We will also upgrade the HSC flats by improving flat design and providing more living space. Based on new designs, we completed seven new HSC projects (1 058 units) which were constructed over carparks and in small household blocks.

Action in Progress : On Schedule

- 1997 10. To reduce the average waiting time for public rental flats to under five years by 2001, to four years by 2003, and to three years by 2005, by increasing the number of flats sold or rented to Waiting List applicants. In the past 12 months, we provided public rental flats to 12 000 Waiting List applicants. The average waiting time is now about 6.5 years.

- 1997 11. To increase the supply of public rental flats for families on the Waiting List from an average of 14 000 flats to 20 000 flats from 2001. In the past 12 months, we have commenced the construction of 69 000 flats. In 1998-1999, we shall allocate 17 550 public rental flats to Waiting List applicants.

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| 1997 | 12. | To offer, by 2001, public housing, including interim housing, to all eligible persons displaced from bedspace apartments which do not meet the safety standards for licensing so as to provide decent accommodation to bedspace apartment lodgers. | We visited 1 000 lodgers in bedspace apartments and 225 were registered on the Waiting List. 200 eligible bedspace apartment lodgers on the waiting list were rehoused in the past 12 months. |
| 1997 | 13. | To draw up a programme for clearance of squatter areas affected by new development for a public purpose in order to improve the living conditions of about 12 000 families. | A clearance programme involving 12 000 families over the next five years was drawn up. 780 families were rehoused in the past 12 months. |
| 1997 | 14. | To clear all remaining old-style THAs by 2000, by rehousing eligible clearers in public housing, including interim housing, in order to improve the living conditions of those affected and to free land for development. | Six old-style THAs were cleared in the 12-month period ending September 1998. The remaining ones (12) will be cleared by 2000. |
| 1997 | 15. | To build over 15 000 units of vertical interim housing between 2001 and 2005, as required. | We commenced the construction of over 8 700 interim housing units and started the planning of another 9 700 units for completion in 2001 to 2005. |
| 1997 | 16. | To clear the remaining five Cottage Areas by 2001 to provide a more satisfactory living environment to resettled households. | Clearance plans for the five remaining Cottage Areas were drawn up in liaison with other government departments. Clearance of the first of these Cottage Areas was announced in September 1998. |

- 1997 17. To invite the Hong Kong Housing Society (HS) to undertake a pilot “Senior Citizen Residence Scheme” comprising 500 flats to be completed by 2001. The flats will be leased for life to elderly people in the middle income group to give them access to affordable, purpose-built accommodation with integrated care services.
- A project architect was appointed in March 1998. Several non-government organisations with relevant experience in elderly care have been invited to develop operational models for the scheme. Two sites have been identified and construction work will start shortly.
- 1997 18. To continue to provide public flats, with suitable facilities and services, for allocation to elderly people. To provide 30 000 public rental flats to the elderly by 2001-2002. In ten years, single elderly people will only need to wait for about two years to be allocated a public rental flat.
- We have drawn up a programme to provide 30 000 public rental flats, including HSC flats and self-contained flats, to single elderly persons by 2001-2002. We completed 6 300 flats in the past 12 months. At present, the average waiting time for a single elderly person to be allocated a HSC unit is two years, while that for a self-contained flat is four years.
- 1997 19. In 1998, to introduce a means test, covering income and assets, for prospective Housing Authority tenants and for adult members of a family where the tenant and spouse are deceased, to ensure that public rental housing flats are allocated to families in genuine need.
- A comprehensive means test for prospective tenants has been introduced. The means test for applicants for the transfer of public housing tenancies upon the death of the principal tenant and spouse will be introduced by end 1998.
- 1997 20. To continue to provide elderly people living in inadequate private sector accommodation with easy access to information on public housing. To set up one additional Housing Information Centre in 1998.
- The fitting out work of the new Housing Information Centre in Sheung Wan has been completed for opening in October 1998.

- 1995 21. To detect and remedy as soon as practicable all structural defects, particularly in older housing blocks. Over the next five years, to implement a Special Repair Programme for about 230 blocks of older public rental housing intended for redevelopment (at a cost of about \$1 billion).
- The first cycle of the programme covering 230 blocks was completed in 1997. The second cycle will commence in January 1999. The programme will continue until all target blocks are redeveloped.
- 1993 22. To tackle urgently the problem of some 27 000 elderly people living in sub-standard accommodation but who are not on the Housing Authority's Waiting List.
- 26 200 elderly persons were registered on the Waiting List since 1 October 1993. Over 2 300 elderly people were compassionately rehoused and 13 700 were rehoused based on the normal waiting list procedure.

Action in Progress : Under Review

- 1996 23. To maintain progress in redeveloping our older public housing blocks. In 1996-1997, to redevelop nearly 22 000 flats, including 7 000 non-self-contained flats. We aim to redevelop all non-self-contained flats before 2001 and to complete the programme by 2005.
- We cleared 37 blocks in the 12 months ending September 1998. These include the 27 blocks (7 200 flats) originally scheduled for redevelopment in 1996-1997. We are reviewing the redevelopment dates for the remaining blocks. The target of redeveloping all non-self-contained blocks by 2001 and completing the overall programme by 2005 can, however, still be met.

Action in Progress : Behind Schedule

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| 1995 | 24. | To implement a fast-track programme to produce nearly 10 000 new public rental and Home Ownership Scheme (HOS) flats by 1998 on sites in or adjacent to existing housing estates. | We have completed 10 projects (5 000 flats) in the past 12 months, bringing the total number of completed flats to 7 000 since 1995. The remaining eight projects will be completed by 2001. The delay is due to changes in site availability, foundation conditions and slow progress of contractors. |
| 1995 | 25. | To replace fresh water pipes in 450 public housing blocks (200 000 flats) with non-ferrous piping (at a cost of \$755 million) over the next three years. | In the past 12 months, fresh water pipes in 211 blocks (85 000 flats) were replaced, bringing the total number to 306 blocks (161 000 flats). We expect to meet the overall target in mid-1999. |
| 1994 | 26. | To build an additional 22 300 flats for the elderly on five new urban sites and in a number of existing public housing estates over the next four years. | We completed the construction of 4 142 flats in the past 12 months, bringing the total number to 15 426 since 1994. The remaining 6 900 flats will be completed by 2000. The slippage is due to delays in site availability and slow progress of contractors. |

Good progress has been made with the following commitments in the past year. We will continue to work on them on an on-going basis.

- | <i>Year</i> | | <i>Pledge</i> |
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| 1996 | 27. | To give better-off tenants priority in the purchase of subsidised home ownership flats in order to encourage them to vacate their public rental flats for use by more needy families |
| 1995 | 28. | To minimise the number of vacant flats in public rental housing by speeding up the allocation of new flats to Waiting List applicants. |
| 1995 | 29. | To minimise the number of vacant flats in public rental housing by allocating in advance flats under refurbishment to avoid delays in occupation. |

- 1995 30. To minimise the number of vacant flats in public rental housing by allowing tenants eligible for rehousing as a result of redevelopment of rental estates to select flats before construction is completed.
- 1995 31. To minimise the number of vacant flats in public rental housing by ensuring that tenants will be able to move into new flats within three weeks after physical completion of the building.
- 1995 32. To ensure that repairs and maintenance are carried out promptly in response to requests from public housing tenants. Estate management staff to visit every public rental flat in the territory, irrespective of age, at least once every 18 months.
- 1995 33. To improve co-ordination between government departments and bureaux to deal effectively and flexibly with emergency clearances of squatter areas resulting from poor weather or dangerous slope conditions.
- 1993 34. To give priority to the elderly who apply for public housing.

Subsidised Home Ownership

<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
Action Completed		
1996	1. In 1997-1998, to promote home ownership and complement efforts to release public rental housing flats for those in genuine need by considering permitting the sale of Sandwich Class Housing Scheme (SCHS) flats to public housing tenants who meet the normal eligibility criteria.	Policy approval has been given to implement the proposal. Public housing tenants will in future be allowed to buy SCHS flats subject to meeting normal eligibility criteria.
1996	2. In 1997-1998, to consider with the HS the feasibility of a further scheme to build specially-designed flats for non-elderly singletons and two-person households.	Since the Housing Authority (HA) will increase the supply of small rental flats to meet demand, the HS will instead concentrate its resources on other projects.

- 1995 3. To introduce a new incentive scheme to encourage tenants affected by the Housing Authority's redevelopment programme to opt for home ownership.
- A new Mortgage Subsidy Scheme for tenants affected by the Comprehensive Redevelopment Programme has been introduced by the Housing Authority.

Action in Progress : On Schedule

- 1997 4. In 1998, to invite the HS to launch a "mixed development" scheme on a pilot basis, under which private developers will be required to make available at least 30% of flats in a development for sale under our subsidised home ownership programme. The pilot scheme will provide about 500 subsidised home ownership flats by 2001.
- The HS has agreed to act as the implementation agent for the mixed development pilot scheme. Two sites have been identified. We remain on schedule to provide 500 flats under the scheme by 2001.
- 1997 5. Beginning in 1998, to offer all subsidised home ownership flats directly to families on the Waiting List when it comes to their turn for public rental flat allocation.
- Details of the Buy or Rent Option are being finalised. We intend to introduce this option by end 1998.

Action in Progress : Under Review

- 1997 6. In view of anticipated future demand and as a further effort to assist sandwich class families to purchase their own homes at affordable prices, to build another 20 000 flats under the SCHS by 2005, in addition to the 30 000 flats we have pledged to build under the Scheme by 2003.
- 2 898 flats were completed by August 1998. Another 7 500 flats are expected to be completed by early 1999. A further 1 600 flats will be completed in stages by 2001. We are reviewing the SCHS in the light of recent market developments. We will continue to ensure that the housing needs of sandwich class families are properly addressed.

Good progress has been made with the following commitment in the past year. We will continue to work on it on an on-going basis.

<i>Year</i>	<i>Pledge</i>
1997	7. To build more subsidised home ownership flats.

Financial Assistance to Home Buyers

<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
Action Completed		
1997	1. To seek the Finance Committee's approval for funds to launch a new "Home Starter" loan scheme targeted at first time home buyers. Under this scheme, we will provide loans of \$600,000 each to 6 000 eligible families in each of the next five years.	The Home Starter Loan Scheme was launched in April 1998. The number of loans available in 1998-1999 has been increased to 12 000 to cater for increased demand.
1997	2. In 1998, to explore with the Housing Authority the possibility of increasing the number of loans under the Home Purchase Loan Scheme.	The quota for the Home Purchase Loan Scheme was increased from 4 500 to 10 000 for the 12-month period ending July 1999.
1995	3. To help about 6 000 families to buy their own homes by providing interest-free loans (or equivalent mortgage subsidies) totalling some \$2 billion over the next two years under the Housing Authority's Home Purchase Loan Scheme (or a total of \$4 billion for 12 000 families over the six-year period up to April 2001).	In the past 12 months, 2 009 loans and subsidies were granted, bringing the total number to 12 009 since October 1995.

Action in Progress : Under Review

1997	4.	To provide loans totalling \$1.38 billion through the Sandwich Class Housing Loan Scheme in 1997 and 1998 to benefit about 3 000 families.	Phase VI of the Scheme, with a quota for 1 500 families, was launched in late 1997. More than 750 loans have been drawn down. Remaining applications are being processed. The Government is reviewing various loan schemes, including the Sandwich Class Housing Loan Scheme. The timing of the next launch would be determined after the review.
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Private Sector Housing

<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
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Action Completed

1997	1.	In 1997-98, to dispose of about 260 Government quarters and three sites now used for staff quarters to boost the supply of larger flats in the market.	260 government quarters were released for sale and 133 quarters were sold. Three quarters sites were released and sold.
1997	2.	To enhance our ability to monitor the market by improved data co-ordination and computerisation in 1998.	A price index/analysis based on estate agents' data for improving price analysis was completed and brought into operation in September 1998.
1997	3.	To review in 1998 the provisions of building covenants for sites under development to help ensure that completed flats are put onto the market speedily.	The review was completed in February 1998 and the findings were reported to the Steering Committee on Land Supply for Housing (HOUSCOM). No change to the existing provisions was necessary.

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| 1997 | 4. | To introduce a new service in 1997 to facilitate access to property-related information by the public and estate agents. | A new infoline service providing information on saleable area and date of completion of residential properties has been set up and is being tested prior to official launch. |
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Action in Progress : On Schedule

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| 1997 | 5. | To speed up the processing of land transactions and pre-sale consent applications in 1998 so that the issue of pre-sale consents can be advanced from 12 months to 15 months before completion of a development. | A consultancy was commissioned in mid-1997 and completed in November 1997 to review the Consent Scheme as part of the Government's commitment to help the business sector by streamlining procedures. Some of the Consultant's recommendations have been adopted and some are being examined. Progress is being monitored by a Consultancy Implementation Steering Group and Working Group. On average, pre-sale consent can be issued 15 months before completion of a development. |
| 1997 | 6. | In 1998, to monitor the property market closely and implement appropriate anti-speculation measures as and when the situation so requires. | In the first nine months of 1998, speculative activities greatly subsided. The anti-speculation measures under the Consent Scheme were relaxed in May and September 1998. |

Action in Progress : Behind Schedule

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| 1996 | 7. | To enhance the protection of home buyers' interests in 1997 by introducing legislation to ensure that developers provide accurate information about uncompleted residential flats in sales brochures. | As the Bill is not considered essential, it was not introduced during the 1997-1998 legislative session. We will introduce the bill into the Legislative Council in the 1998-1999 session. |
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1996	8. To introduce amendments to the Landlord and Tenant (Consolidation) Ordinance in 1997 to simplify the procedures for renewing private tenancies and increase the penalties for unlawful eviction and harassment of tenants.	As the Bill is not considered essential, it was not introduced during the 1997-1998 legislative session. We will introduce the bill into the Legislative Council in the 1998-1999 session.
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Good progress has been made with the following commitment in the past year. We will continue to work on it on an on-going basis.

<i>Year</i>	<i>Pledge</i>
1997	9. To monitor production in the private sector closely to ensure that targets are met.

Housing Demand and Flat Production

<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
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Action Completed

1997	1. To draw up and roll forward annually a 13-year rolling programme for flat production in three segments covering the : <ul style="list-style-type: none"> – First three years – where land allocation is largely completed and building is under way; – Subsequent five years – where sites are being prepared for allocation or sale for housing development; and – Last five years – identifying new areas capable of developing sufficient land for meeting the annual flat production target. 	The 13-year programme has been drawn up and rolled forward.
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| 1997 | 2. | In 1998, to allocate specific responsibilities to individual departments so that every step in the flat production process is properly accounted for. | The specific responsibilities of three key departments (Housing Department, Lands Department and Territory Development Department) involved in housing production have been defined under a new accountability system. |
| 1997 | 3. | In 1998, to put in place a well-structured mechanism to resolve problems in housing projects speedily at both central and district levels. | A mechanism to monitor progress and resolve problems affecting housing projects at both central and district levels has been established. |
| 1997 | 4. | In 1998, to adopt a streamlined process for public housing production under which the average planning and development time will be reduced from 62 months to 47 months for the Housing Authority and from 52 months to 46 months for the HS. | The HA and the HS have adopted the streamlined process for housing production. |
| 1997 | 5. | In 1998, to seek approval from the Finance Committee for funds to enable detailed design of housing-related site formation and other infrastructure work to be carried out in parallel with statutory procedures. | The arrangement has been put into practice. |
| 1997 | 6. | In 1998, to allow tenders to be invited for housing-related site formation and other infrastructure work in parallel with seeking approval from the Finance Committee for upgrading projects to Category A status. | The arrangement has been put into practice. |

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| 1997 | 7. | In 1998, to review our land use policy to allow rezoning of existing land, including agricultural land, where infrastructural capacity and environmental considerations permit. Also, to increase the density of development in selected locations where there is spare infrastructural capacity. | The review was completed on schedule. Based on the review findings, we have rezoned about 20 hectares of agricultural land and about 45 hectares of industrial land for housing and associated development. We shall continue to optimise the development potential of individual housing sites as an on-going commitment. |
| 1997 | 8. | In 1998, increase the development density of Housing Authority estates by improving supporting infrastructure and exercising flexibility in the application of planning guidelines where this is difficult to achieve in the short term. | We have identified projects with the potential for increasing housing production by 5 400 flats through intensification, increasing plot ratio or changing block type. |
| 1997 | 9. | The HOUSCOM to complete its review of organisation and procedures for housing development by the end of 1997 to increase the efficiency of housing production. | Upon completion of a review by HOUSCOM, a new system has been established for monitoring housing production and dealing with problems affecting housing projects. |
| 1997 | 10. | In 1998, to entrust housing-related infrastructure works to the private sector where appropriate. | We have entrusted one housing-related infrastructure project to the private sector in 1998, and we are examining further projects for the coming year. |

Action in Progress : On Schedule

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| 1997 | 11. | To build at least 85 000 flats a year in the public and private sectors beginning in 1999-2000. | Sufficient land has been allocated for the construction of 85 000 flats in 1999-2000. |
| 1997 | 12. | To spend about \$11 billion over the next five years to accelerate 61 housing-related infrastructure projects, including waterworks, sewage, land formation and schools. | Housing-related infrastructure projects are proceeding on schedule. The related expenditure on 62 projects was \$853 million in 1997-1998 and is estimated to be \$1,750 million in 1998-1999. |

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| 1997 | 13. In 1998, to monitor our inventory of housing developments on a site by site basis to detect and remedy potential shortfalls in flat production speedily. | A detailed inventory of housing sites for the next eight years has been compiled. Housing Bureau and other departments continue to monitor the progress of housing production. |
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Action in Progress : Under Review

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| 1997 | 14. To make available about 285 hectares of land for public housing development and about 405 hectares of land for private housing development over the next five years. | The Land Disposal Programme for 1998-1999 to 2002-2003, as announced in March 1998, originally provided for a land supply of 250 hectares and 400 hectares for public and private housing development respectively. Owing to the moratorium on land sales announced in June 1998, the next Land Disposal Programme has yet to be drawn up. |
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Good progress has been made with the following commitment in the past year. We will continue to work on it on an on-going basis.

- | <i>Year</i> | <i>Pledge</i> |
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| 1997 | 15. To review our housing production requirements regularly in the light of the latest projections by the Housing Demand Model operated by the Planning Department under the direction of the Housing Bureau. This will enable us to adjust production targets to meet actual demand. |

Long Term Housing Strategy Review
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<i>Year</i>	<i>Pledge</i>	<i>Present Position</i>
Action Completed		
1997	1. To publish a White Paper within 1997 setting out a new Long Term Housing Strategy (LTHS) for the provision of adequate and affordable housing to the community into the next century.	The Long Term Housing Strategy White Paper was published in February 1998.

Action in Progress : On Schedule

1997	2. To increase the overall home ownership rate to 70% by 2007.	About 27 000 public rental flats were offered for sale to existing tenants in February 1998. A Home Starter Loan Scheme was launched in April 1998 to assist low to middle income families to purchase their own homes, and over 4 000 loans had been approved by September 1998. The current home ownership rate is 52%.
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- 1997 3. To provide the opportunity over the next ten years for at least 250 000 families living in public rental housing to buy their flats at reasonable and affordable prices, taking into account the age and location of the flats as well as other relevant factors. Flexible mortgage arrangements will be negotiated with financial institutions; the condition of flats will be checked and essential renovation work carried out before sale; a structural guarantee will be provided; Owners' Corporation will be set up; maintenance funds will be established, partly with contributions from sale proceeds; and reasonable re-sale conditions will be set.

To receive details of such a scheme from the Housing Authority in time for the Government to take a decision by the end of 1997, so that the first batch of about 25 000 flats can be sold early in 1998.

The Tenants Purchase Scheme was launched in January 1998. About 27 000 flats were offered for sale in Phase 1. Phase 2 will be introduced in early 1999.

Action in Progress : Behind Schedule

- 1997 4. Within 1997, establish a LTHS Advisory Committee to be serviced by the Housing Bureau.

The LTHS Advisory Committee will be set up within 1998.