

CE outlines policies to boost housing and land supply

The Chief Executive, Mrs Carrie Lam, has identified housing and land supply as top priorities in her Policy Address announced today (October 16).

Mrs Lam pointed out that housing is the toughest livelihood issue facing Hong Kong society. It is also a source of public grievances and she has never taken this matter lightly. Mrs Lam unveiled a series of measures to support first-time home buyers, launch more "Starter Homes" and resume private land for public housing.

"I propose a Government-led approach for the planning of land use and infrastructure and to resume the required private land for established public purposes, so that members of the public can see that the Government is using its full strength to develop land in the short, medium and long term for our people," Mrs Lam said.

The Chief Executive announced various short- and medium-term support measures to tackle the shortage of housing supply. They include:

- * adding 10 000 transitional housing project units within the next three years, with the provision set aside increasing from \$2 billion to \$5 billion;
- * inviting the Community Care Fund to launch in next financial year two rounds of grants of the one-off living subsidy for low-income households not living in public rental housing (PRH) and not receiving Comprehensive Social Security Assistance (CSSA);
- * increasing the maximum rates of rent allowance for CSSA households;
- * accelerating the sale of about 42 000 flats under the Tenants Purchase Scheme priced at 20 per cent of assessed market value;
- * putting up about 12 000 flats under the Home Ownership Scheme and the Green Form Subsidised Home Ownership Scheme for pre-sale in 2020;
- * launching the second Starter Homes (SH) for Hong Kong Residents pilot project at the Anderson Road site, providing about 1 000 SH units for sale at below-market prices; and
- * raising the mortgage cap for first-time home buyers with the value of property eligible for 90 per cent loan-to-value ratio doubled to \$8 million. For 80 per cent loan-to-value ratio the cap on value will be raised from \$6 million to \$10 million.

Acknowledging the keen housing demands of the public, Mrs Lam said the Government has to increase the supply of land for housing development in a

persistent manner and with a multi-pronged strategy. Her team will make bolder decisions and overcome all difficulties with determination.

The Government will expedite planning work and resume private land for public housing and related infrastructure development by invoking the Lands Resumption Ordinance and other applicable ordinances. Areas targeted for land resumption include about 160 hectares of brownfield sites in Ping Shan and Lam Tei in the New Territories, private land zoned for high-density housing development with no development plans yet, and seven hectares of urban private land in Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village.

Mrs Lam said that about 400 hectares of private land is expected to be resumed in the next five years, which is significantly more than the 20 hectares resumed in the past five years.

The Government will also announce details of the Land Sharing Pilot Scheme (LSPS) and open applications early next year. The LSPS will cover a period of three years with area capped at 150 hectares.

"I appeal to all property developers to support the Government in developing their land for public housing or SH through the application of the Lands Resumption Ordinance and LSPS to make active contributions towards easing the housing problem of Hong Kong people," Mrs Lam said.

The coastal development of Tuen Mun West will also be re-planned, the Government will secure funding to conduct a study exploring the potential of 440 hectares of land along Lung Kwu Tan and Tuen Mun West for residential developments.

"We are determined to create home ownership opportunities for people of different income groups such that they will happily make Hong Kong their home. In particular, we will strive to reduce the average waiting time for PRH for families and elderly singletons to meet the three-year target of flat allocation," Mrs Lam said.