

Government releases Long Term Housing Strategy Annual Progress Report 2023

The Government released today (October 30) the Long Term Housing Strategy Annual Progress Report 2023 (Progress Report).

According to the established projection methodology of the Long Term Housing Strategy (LTHS), the gross total housing demand projection for the next 10-year period (i.e. 2024-25 to 2033-34) takes into account the housing demand derived from the following four components:

- (i) net increase in the number of households;
- (ii) households displaced by redevelopment;
- (iii) inadequately housed households; and
- (iv) miscellaneous factors.

Based on the projection framework as mentioned above, and adding a margin for vacancy of private flats, the gross total housing demand for the next 10-year period is 432 000 units, hence the Government set the supply target at 440 000 units.

"Since the LTHS in 2018, the Government has set the public/private split of new housing supply at 70:30. Balancing various considerations, including the need to increase public housing supply substantially to meet the demand and the community's demand for private housing, the Government will maintain the public/private split of 70:30 for the next 10-year period. According to this ratio, out of the total housing supply target of 440 000 units, the public housing supply target will be 308 000 units and the private housing supply target will be 132 000 units," a spokesman for the Housing Bureau said.

"At the same time, considering that the demand for all types of public housing has remained strong, the Government will maintain the ratio between Public Rental Housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) and other subsidised sale flats (SSFs) for the 10-year period at 70:30. According to this ratio, out of the public housing supply target of 308 000 units, there will be 216 000 units for PRH/GSH and 92 000 units for other SSFs," the spokesman added.

As announced in the 2023 Policy Address, the Government has identified sufficient land for providing about 410 000 public housing units in the coming 10-year period, an increase of about 50 000 units over the previous 10-year period, which can meet the estimated public housing demand of 308 000 units. Such supply, in terms of housing units, mainly comes from New Development Areas and major development projects, site rezoning, and other projects.

As for private housing, the Government will continue to adopt a multipronged approach to achieve the private housing supply target of 132 000

units for the next 10-year period. In particular, the Government will get land ready for providing around 80 000 private housing units in the coming five years. As regards the private housing supply in the shorter term, based on the latest projection as at end-September 2023, the supply of first-hand private residential flats for the coming three to four years is about 107 000 units.

To gradually avert a supply-demand imbalance, the Government announced the LTHS in 2014. According to the "supply-led" and "flexible" strategy of the LTHS, the Government updates the long-term housing demand projection annually and presents a rolling 10-year housing supply target to capture social, economic and market changes over time, and makes timely adjustments where necessary.

The Progress Report has been uploaded onto the Housing Bureau's website. The link is www.hb.gov.hk/eng/policy/housing/policy/lths/index.html.