

Government releases Long Term Housing Strategy Annual Progress Report 2024

The Government released today (October 28) the Long Term Housing Strategy Annual Progress Report 2024.

According to the established methodology for projection under the Long Term Housing Strategy (LTHS), the gross total housing demand for the next 10-year period is 438 000 units. Hence, the Government set the supply target at 440 000 units. Meanwhile, having conducted a review of the LTHS, the Housing Bureau put forward three directions for refinement, viz. to continue adopting the supply-led and flexible principles to increase housing supply; to enhance the housing ladder to promote home ownership among young people; and to safeguard the rational use of public rental housing (PRH) resources and encourage PRH tenants to move up the housing ladder.

Continue to adopt the supply-led and flexible principles to increase housing supply

"This year marks the 10th anniversary of the Government's promulgation of the LTHS. Since the LTHS annual update in 2018, we have revised the public/private split of new housing supply from 60:40 to 70:30. Balancing the Government's commitment to increasing public housing supply substantially to meet the community's demand and the demand for private housing in the community, the Government will maintain the public/private split of 70:30 for the next 10-year period from 2025-26 to 2034-35. Accordingly, 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.

For the next 10 years, the Government has identified sufficient land to meet the public housing supply target of 308 000 units. When planning for public housing development, the Government will maintain sufficient flexibility to ensure that the future public housing production can be adjusted in a timely manner in response to changes in the actual circumstances.

As for private housing, the Government will make available land capable of providing around 80 000 units through land sale and railway property developments in the coming five years. Coupled with development projects undertaken by the Urban Renewal Authority and other private land development projects, it is anticipated that the private housing supply target of 132 000 units for the 10-year period from 2025-26 to 2034-35 will be met. As regards private housing supply in the shorter term, based on the latest projection as at end-September 2024, the supply in the first-hand private residential property market for the coming three to four years is about 108 000 units.

Enhance the housing ladder to promote home ownership among young people

"With the stabilising supply of land for housing and the increase in overall public housing supply, we will have more room to increase the ratio of subsidised sale flats (SSF) within the public housing supply to meet the home ownership demand of the public. In recent years, the ratio of PRH/Green Form Subsidised Home Ownership Scheme (GSH) and other SSF has been maintained at 70:30. As announced in the Policy Address, in the next 10 years (i.e. 2025-26 to 2034-35), the Hong Kong Housing Authority (HA) will work towards a 60:40 ratio as a planning basis for the construction of PRH/GSH and other SSF," the spokesman added.

At the same time, the HA will review the following existing policies related to SSF to better meet the home ownership aspirations of young people:

- (i) Allocating an extra ballot number to White Form young families and one-person applicants in SSF sale exercises, with a view to increasing the chance for young families and one-person applicants to purchase SSF successfully;
- (ii) Increasing the quota of the White Form Secondary Market Scheme, and setting up dedicated quotas for young applicants; and
- (iii) Enhancing the existing balloting arrangement for the sale of SSF, with a view to increasing the chance of those applicants who have made repeated attempts to purchase SSF.

Safeguard the rational use of PRH resources and encourage PRH tenants to move up the housing ladder

Ensuring the rational use of existing PRH resources is one of the strategic directions under the LTHS. The HA has been sparing no effort and has long been adopting multipronged and risk-based measures to comprehensively combat tenancy abuse. The HA will strengthen communication with departments/institutions on the Mainland for obtaining information on tenants' ownership of Mainland properties to take appropriate follow-up actions. In addition, the HA will also launch the Cherish Public Housing Resources Award Scheme to offer rewards to non-anonymous persons who provide concrete intelligence that leads to identification of substantiated tenancy abuse of PRH.

To ensure the rational allocation of PRH resources, the HA will comprehensively review the income limits under the Well-off Tenants Policies and require those PRH households who can afford to rent or purchase private properties to vacate their PRH flats. The HA will also consider increasing the amount of additional rent of those "well-off tenants" based on the principle of "ability-to-pay". Meanwhile, the HA will adjust the ratio of Green Form/White Form applicants in Home Ownership Scheme sale exercises with a view to encouraging home ownership for PRH tenants who can afford to purchase properties.

According to the supply-led and flexible principles under the LTHS, the Government updates the long-term housing demand projection annually and formulates a rolling 10-year housing supply target. The gross total housing

demand projection 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.

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