

LCQ1: Redevelopment of public housing estates

Following is a question by Dr the Hon Priscilla Leung and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (August 25):

Question:

Since September 2014, not only has the Hong Kong Housing Authority (HA) been unable to meet the target of providing the first public rental housing (PRH) unit offer to general applicants at around three years on average, but it has also moved increasingly further away from the target. Some political parties have suggested that the Government should expedite the redevelopment of 26 aged public housing estates (PHEs) to give full play to the development potential of the lands concerned and boost the supply of PRH units. In this connection, will the Government inform this Council:

(1) whether, in the past six years, the HA speeded up the implementation of the second cycle of the Comprehensive Structural Investigation Programme and reviewed afresh the four basic principles under the "Refined Policy on Redevelopment of Aged Public Rental Housing Estates", in order to expedite the redevelopment of aged PHEs;

(2) as the HA has indicated that redevelopment of housing estates may reduce the supply of PRH units in the short term because PRH units which would otherwise be available for allocation need to be used for rehousing the PRH residents affected by the redevelopment, whether the HA has considered adopting the following approach to redevelop a PHE: firstly a building is to be built on a site within the PHE, such as the site of a ball court or vacant school premises, for rehousing the residents affected by the redevelopment, and then the existing buildings of the PHE, taking turn one by one, are to be vacated, demolished, redeveloped and used for rehousing the remaining affected residents; and

(3) as the Director of the Hong Kong and Macao Affairs Office of the State Council said last month that he hoped that by the time the Country's second centennial goal was achieved, Hong Kong had bid farewell to subdivided units and caged homes, whether the Government has adjusted its land and housing policies, including expediting the redevelopment of PHEs, in order to eradicate all inadequate housing no later than 2049; if so, of the details; if not, the reasons for that?

Reply:

President,

My consolidated reply to the question raised by Dr the Hon Priscilla

Leung is as follows:

The Hong Kong Housing Authority (HA) launched the first cycle of the Comprehensive Structural Investigation Programme (CSIP) in 2005, covering 42 public rental housing (PRH) estates aged 40 years or above, with a total of 272 buildings and involving about 132 500 PRH units. The first cycle of CSIP lasted for 13 years and was completed in 2018. Commenced in late 2018, the second cycle of CSIP covers 71 PRH estates aged 40 years or above with a total of 519 buildings and involving about 272 300 PRH units. So far, the HA has completed the investigation works at 11 PRH estates, covering a total of 90 buildings and about 42 000 PRH units. The HA has allocated additional resources to expedite the relevant work, and the entire second cycle of CSIP is expected to be completed by phases before 2032.

As regards redeveloping aged PRH estate, the HA has all along been considering the actual circumstances in a prudent manner in accordance with the four basic principles, namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped and build-back potential upon redevelopment, when deciding whether to redevelop a PRH estate.

In addition to redevelopment, the HA has been actively examining the feasibility of making use of vacant land within or in the vicinity of existing PRH estates for additional public housing development. If these additional buildings are suitable to be used as rehousing resources for the redevelopment of aged PRH estates, the HA will give consideration in conjunction with the above-mentioned four basic principles.

Redevelopment of PRH estates may increase the supply of PRH in the long run, but redevelopment takes a prolonged period of time. For example, the ongoing redevelopment of Pak Tin Estate (older portion) takes about 15 years from announcement to completion. The net gain in flat supply from redevelopment will take a long time to realise, and very often towards the latter if not the last phase of the redevelopment. In the short term, redevelopment will reduce the number of PRH units available for allocation because a large number of PRH units has to be used to rehouse the affected PRH residents. These units could otherwise be allocated to families with pressing housing needs. Such arrangement will not only result in an immediate reduction in PRH supply, but will also inevitably lengthen the waiting time for households who have pressing housing needs and are waiting for PRH allocation. We have to admit that the housing need of those who are waiting for PRH allocation, such as households living in subdivided units (SDUs), is far more pressing than PRH residents. Hence, when making long-term plans, we must take into account the imminent need of the PRH applicants on the waiting list and strike a balance and, where feasible, consider redeveloping individual PRH estates in an orderly manner.

In fact, the HA has completed 12 redevelopment projects involving seven PRH estates with a total of about 28 400 flats in the past ten years (from 2010-11 to 2019-20). The HA is in the process of redeveloping Pak Tin Estate (older portion), Mei Tung Estate (older portion) and Wah Fu Estate involving

a total of about 13 300 units.

In conclusion, taking into consideration the acute demand for PRH, the HA's policy and principles on redevelopment of aged PRH estates are practical and proactive.

The Government appreciates that the imbalance between housing supply and demand, high residential property prices and rents, and long waiting time for PRH, etc. are issues of great concern to the people of Hong Kong. Actively identifying land for housing construction is the fundamental solution to increasing housing supply and the Government has all along been fully committed to identify land for housing development in a continuous manner. After several years of efforts, the Government has identified 330 hectares of land for the production of 316 000 public housing units, which is sufficient to meet the public housing supply target of about 301 000 public housing units for the ten-year period (from 2021-22 to 2030-31). Among these 330 hectares of land, about 35 per cent comes from New Development Areas and large-scale development projects, about 40 per cent comes from re-zoning of various sites, and the remaining about 25 per cent comes from other developments including brownfield. This indicates that the Government's multi-pronged land supply strategy is starting to bear fruits. Two-third of the abovementioned public housing supply in the coming 10 years will be available in the latter half of the 10-year period, and some of them are facing various kinds of challenges and uncertainties, hence we need to continue our efforts in a persistent manner and can never be complacent.

President, the Government is determined to solve the housing problems. Before the new housing supply is fully in place, the Government will implement various measures to relieve the hardship of the households living in inadequate housing and people who have been waiting for PRH for a prolonged period of time. In terms of transitional housing, as at July 2021, the Government has already identified land for the provision of over 15 000 transitional housing units.

In order to alleviate the difficulties on livelihood faced by grassroots families who have been waiting for PRH for a prolonged period of time, we have launched a three-year Cash Allowance Trial Scheme which involves non-recurrent expenditure of some \$8 billion. The first round of cash allowance was disbursed to about 10 900 eligible applicant households in end-July this year. The Government has also introduced a bill into the Legislative Council to implement tenancy control on SDUs, including mandating standard tenancy terms setting out the respective rights and obligations of SDU landlords and tenants; providing security of tenure for the tenants; setting caps on the rate of rent increases upon tenancy renewal; and prohibiting landlords from overcharging tenants, etc.

Thank you, President.