

LCQ15: Processing of applications for building New Territories small houses

Following is a question by the Hon Yung Hoi-yan and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (November 6):

Question:

According to a research publication of the Legislative Council Secretariat, as at end 2021, more than 10 000 applications for building New Territories small houses (small house applications) were yet to be processed. Some members of the public have relayed to me that the speed of vetting and approving such applications has become increasingly slow in recent years. In this connection, will the Government inform this Council:

- (1) of the following information in respect of small house applications:
 - (i) the number of applications received in each of the past five years;
 - (ii) the number of Certificate of Exemption and Certificate of Compliance granted in each of the past five years;
 - (iii) the current number of applications of which the Certificate of Exemption and Certificate of Compliance are yet to be processed;
 - (iv) the current backlog of applications;
 - (v) among the applications mentioned in (iv), of the number of those which have been backlogged for more than five years; among them, the duration of the 10 longest backlogs, and the reasons for the prolonged backlogs; and
 - (vi) the staff establishment and posts involved in processing the vetting and approval of applications;
- (2) of the reasons for the increasingly slow speed in vetting and approving small house applications, and whether the problem of manpower shortage is involved;
- (3) given that the sale and purchase of small houses may require payment of land premium, of the respective current number of small houses for which land premium is to be paid but the procedure of paying the land premium has not yet completed, and the amounts involved;
- (4) whether the Lands Department (LandsD) could achieve its target of processing 2 300 small house applications per year in the past five years; whether the LandsD will, in view of the huge backlog of applications, adjust upwards the target number of applications to be processed; and
- (5) of the plans in place to handle the backlog of applications so as to keep the backlog in check?

Reply:

President,

The New Territories Small House Policy has been implemented since December 1972 to allow an indigenous villager to apply for permission to, for once in his lifetime, erect a small house on a suitable site within his own village. The small house shall neither contain more than three storeys nor exceed a height of 8.23 metres (27 feet); and the roofed-over area shall not exceed 65.03 square metres (700 square feet).

After an application to build a small house (small house application) is approved by the Lands Department (LandsD), the applicant has to pay an administrative fee and/or a premium. The applicant will then have to, in accordance with the Building Ordinance (Application to the New Territories) Ordinance (Cap. 121), apply to the LandsD for and obtain the Certificates of Exemption (CoE) in respect of building works, site formation works and drainage works before the commencement of construction works (Note 1). After the construction works are completed, the applicant has to submit a construction completion report to the LandsD. The LandsD will issue a Certificate of Compliance (CoC) if, having conducted on-site checking, it is satisfied that the applicant has complied with all relevant conditions, requirements and obligations.

My reply to the various parts of the question raised by the Hon Yung is as follows:

(1) In the past five years (2019 – 2023), the numbers of small house applications received, CoEs issued, and CoCs issued by year are tabulated below:

Year	Number of applications received (Note 2)	Number of applications processed (Note 2/3)	Number of CoEs issued (Note 2/4)	Number of CoCs issued (Note 2)
2019	2 175	2 265	1 384	817
2020	814	2 137	868	397
2021	1 741	2 200	1 269	584
2022	1 054	2 706	1 184	520
2023	814	2 376	1 558	591

As at September 30, 2024, there were 10 661 small house applications pending completion of processing by the LandsD ; the numbers of applications for CoEs and CoCs being processed are 2 654 and 939 respectively.

(2) For straightforward cases, it may be possible for the processing of a small house application to be completed within 24 weeks from the date of the interview with the applicant. For non-straightforward cases such as those associated with local objections or land title problems, it may take longer processing time. Delay in some cases may also be attributable to factors

which are beyond the control of the LandsD, such as the applicant's late submission of technical reports or unavailability to attend interviews. As regards the processing time of CoEs and CoCs, it would hinge on the complexity of the relevant works and technical issues and hence it is difficult to set a broad target. The LandsD does not maintain detailed statistics relating to the processing time of small house applications, CoEs and CoCs. As regards manpower, around 100 staff of the LandsD, mainly deployed to the eight District Land Offices (DLOs) in the New Territories, are involved in processing small house applications. However, these staff are also responsible for other land administration duties in the DLOs, and the above figure is therefore provided for general reference only. The LandsD will continue to review and redeploy its manpower from time to time having regard to factors such as changes in operational needs and resources.

(3) Land grants or Building Licences to indigenous villagers under the Small House Policy usually contain restrictions on the sale or other disposal of the land. These restrictions may remain in force even after the development has been completed, e.g. an owner may be required to pay an additional premium to the Government before the restrictions can be removed. Specifically, for a small house constructed on a villager's private land with a Building Licence, the villager is required to pay an additional premium to the LandsD if he transfers ownership of his small house within the five-year alienation restriction period after the issue of the CoC. For a small house constructed by a villager on a land granted by the Government, the villager is required to pay an additional premium whenever he transfers ownership of his small house. As of September 30, 2024, about 105 applications for the removal of the alienation restriction are being processed by the LandsD. As the processing of application is still underway, the amount of premium involved is not yet available at this stage.

(4) and (5) The performance pledge of the LandsD between 2019 and 2023 was to process not less than 2 300 small house applications per year (Note 5). As illustrated in the table above, except for 2020 and 2021, when the special work arrangement was in place due to the COVID-19 pandemic, the LandsD was largely able to fulfil its performance pledge.

To streamline the procedures for processing small house applications and expedite approvals, the LandsD enhanced the processing procedures in October 2021 and January 2023, including:

- (i) To commence the procedures under various aspects in parallel, such as the verification of land ownership and lot boundary, and consultation with relevant departments;
- (ii) To simplify the procedures for handling objections so as to shorten the time involved;
- (iii) To encourage more face-to-face meetings with applicants for direct discussion;
- (iv) To delegate the approval of relatively straightforward cases to officers under the District Lands Officer, and only non-straightforward cases will be submitted to the District Lands Officer or DLO Conference for approval;
- (v) To strengthen the monitoring role and functions of the Headquarters in

reviewing the processing of small house appeal cases; and
(vi) To enhance the workflows of processing straightforward and non-straightforward cases, and redefine the criteria for straightforward and non-straightforward cases, etc.

Following the implementation of the above streamlined procedures, the number of small house applications annually processed by the LandsD in 2022 and 2023 rebounded to more than 2 300, with an average of 2 541, surpassing the level of performance pledged by the LandsD. With the expedited processing of applications over the past two years, coupled with the slowdown in the number of new applications, the number of small house applications pending completion of processing by the LandsD decreased from 12 600 at the end of 2021 to 10 661 as of September 30, 2024, representing a decrease of about 15 per cent. Meanwhile, the number of CoEs and CoCs issued last year was also maintained at a high level.

To implement the Development Bureau's goal to streamline development-related procedures, the LandsD will continue to review and revise its internal guidelines in a timely manner as necessary to expedite the processing of small house applications. The LandsD is studying the implementation of self-certification arrangements on a pilot basis for the approval of CoCs and related documents. That means land owners will have the choice to appoint external professionals to self-certify the compliance of relevant approval requirements, thereby optimising the use of resources in the industry and streamlining and expediting the approval process, with the target of completing the approval of straightforward cases within 10 weeks. The LandsD plans to launch a pilot scheme by the end of this year.

Note 1: If CoE in respect of site formation and drainage works are not issued by the District Lands Officer due to geographical and topographical constraints, the applicant is required to submit site formation and drainage plans formally to the Building Authority for approval prior to commencement of construction works.

Note 2: As the processing of applications received during a year may not be completed within the same year, the applications processed in a particular year and its number may not correspond with the applications received in the same year and its number. Likewise, CoEs/CoCs issued in a particular year and their respective number may not correspond with applications for CoEs/CoCs processed in the same year and their respective number.

Note 3: The number of applications processed refers to applications which the LandsD approves, rejects or classifies as non-straightforward cases for further processing in a particular year.

Note 4: More than one CoE may be issued for one small house.

Note 5: The number of applications processed covered by the LandsD's performance pledge refers to the applications which the LandsD approves, rejects or classifies as non-straightforward cases for further processing in a particular year.