

LCQ2: Housing problem

Following is a question by the Hon Shiu Ka-fai and a reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (June 2):

Question:

Some members of the community have indicated that after improving the electoral system, the Government may focus on developing the economy, improving people's livelihood and, in particular, resolving the long-standing and deep-seated problems in Hong Kong such as housing problem. However, quite a number of comments have pointed out that land planning work and housing projects have still been progressing at a slow pace. In this connection, will the Government inform this Council:

(1) of the procedures to be gone through currently regarding a housing site from land identification to planning and consultation, and then from the site as a piece of "primitive land" to its being transformed into a "spade-ready site" and, regarding the implementation of a housing project on the spade-ready site, from the commencement of works to completion, as well as the time taken in general to complete each procedure; whether it knows how such procedures and the time taken respectively compare with those in advanced countries;

(2) as there is a proposal that the Government may explore the construction of housing units on the periphery of country parks to increase land and housing supply, whether the Government will conduct a study on the proposal; if so, of the details; if not, the reasons for that; and

(3) whether it has assessed the deep-seated reasons why the housing problem remains unresolved for a long time, and what new solutions are available?

Reply:

President,

The current-term Government has since long adopted a multi-pronged strategy to strive to develop land. In particular, it announced in early 2019 its full acceptance of the recommendations set out in the report of the Task Force on Land Supply (TFLS) and is taking forward in full swing the eight land supply options recommended for priority studies and implementation.

After consulting the Transport and Housing Bureau (THB), my reply to the various parts of the question is as follows:

(1) At present, it usually takes at least six years to transform a piece of "primitive land" (i.e. land without concrete development plan) into a "spade-ready site" (i.e. land ready for commencement of works). To take the example of rezoning a single land parcel for the development of public housing, the first step is to conduct a technical feasibility study to assess the impact

on transport, environment, etc, which takes around two years. Rezoning will then proceed under the Town Planning Ordinance (Cap. 131) (the Ordinance) (normally requiring 11 months in accordance with the Ordinance), followed by detailed engineering and architectural designs (normally requiring 18 to 24 months), and the gazettal of land resumption and works area under the Lands Resumption Ordinance (Cap. 124) and other ordinances as well as the handling of objections if any private lot is involved. When the detailed studies and estimated expenditures are ready, the Government will seek funding approval from the Legislative Council (LegCo) for the works and if approved, the land resumption procedures will commence and rehousing compensation will be arranged for the affected tenants or operators. Afterwards, the land will be cleared for site formation and infrastructural works, which would take around two to three years (depending on site conditions). Some of the above processes will be conducted in parallel and they altogether take around six years or more to complete, while the building of flats requires at least around four to five years.

Given the differences in legal and administrative systems, as well as in public sentiments, it is not appropriate to make direct comparison between the development timeframe in Hong Kong and that in other places.

(2) The development of the periphery of country parks is one of the 18 land supply options put forward by the TFLS during the public consultation in 2018. After extensive consultation with different sectors in the community, the TFLS considered that the option failed to garner majority support from the general public and did not include it as one of the recommended options for priority studies and implementation in the report submitted to the Government in December 2018. This option was also not included in the land supply strategy announced by the Government in February 2019. The Government will continue to focus its resources on taking forward in full steam the various land supply measures announced, including the eight priority options as recommended by the TFLS, and there is no plan to restart the study on developing the periphery of country parks for now.

(3) The housing problem of Hong Kong can be attributed to various complex factors. As an open economy, Hong Kong is susceptible to external factors, and asset prices have remained high due to persistent ultra-low interest rates. Also, there had been a lack of progress in Hong Kong's land creation work for a period of time in the past. The current-term Government has spared no efforts in increasing land supply since taking office, and its work in the recent years is starting to bear fruit. To take land resumption as an example, in just 2019-20 and 2020-21, the Government has resumed around 90 hectares of land, which is much more than the 20 ha resumed over the immediate past five years. Looking ahead, about 700 ha of land will be resumed from 2021-22. In addition, various large-scale land supply projects are being launched successively. We are actively taking forward the studies related to the artificial islands in the Central Waters, which are expected to commence this month and take about three and a half years to complete. Subject to the findings of the studies, we expect that the first phase of the reclamation works for the development of the Kau Yi Chau Artificial Islands will commence in 2027. Another large-scale land creation project is the New

Territories North (NTN) Development. We have previously consulted the LegCo Panel on Development on the planning and engineering study of the NTN Development, and will submit it to the Public Works Subcommittee shortly. We hope that one of the essential projects of the NTN Development, i.e. the construction of the San Tin/Lok Ma Chau Development Node, will start in 2025.

Besides, the Steering Group on Streamlining Development Control of the Development Bureau (DEVB) will identify room, if any, for further expediting or streamlining the development processes. This includes the review of statutory procedures, such as the timeframe for processing development applications and the handling of representations according to existing legislation, etc. We have also endeavoured to expedite the creation of land while pressing ahead with individual projects. For example, we applied the latest engineering technology of "Deep Cement Mixing" method in the reclamation works for the Tung Chung New Town development, taking only 27 months to deliver the first parcel of land with an area of around 7 ha. We expect that about 10 000 public housing units can be provided in 2024 at the soonest.

The DEVB also set up the Development Projects Facilitation Office in December 2020 to facilitate the processing of development approval applications for private residential developments capable of providing 500 flats or more, with a view to ensuring effective processing of development applications.

As for public housing, Government departments will, in collaboration with the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society, explore ways to expedite the development process and optimise the development potential of each and every public housing site. For example, where feasible, we will suitably relax the development restrictions of the sites, or enlarge and/or amalgamate sites in order to create larger site area with a view to increasing the housing production.

In recent years, the HA has implemented a series of concrete measures to increase the supply of public housing, including clearing the Shek Lei Interim Housing for public housing development and redeveloping its individual factory estates for housing purpose. In order to expedite the construction time while ensuring site safety and the construction quality, the HA will continue to improve its construction technologies and work flow, adopt prefabricated technologies and facilitate the use of other innovative construction methods, such as the use of Modular Integrated Construction, with a view to further enhancing productivity.

In addition, the Government has been actively taking forward and facilitating the transitional housing project implemented by non-governmental organisations with a view to providing 15 000 transitional housing units by 2022-23 to alleviate the hardship faced by families living in inadequate housing while waiting for the public rental housing for a long time.

After taking office, the Chief Executive has immediately indicated clearly that housing is not a simple commodity and that our community has a rightful expectation towards the Government to provide adequate housing. This

is fundamental to social harmony and stability. The Government will continue to strengthen its efforts in land creation and housing construction, and will take increasing and expediting housing supply as the foremost objective.