

LCQ22: Supply of first-hand private residential units

Following is a question by the Hon James To and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 23):

Question:

Regarding the supply of first-hand private residential units, will the Government inform this Council:

(1) of the number of unsold first-hand private residential units on December 31 in each year from 2008 to 2017 which had been issued with occupation permits ("OPs");

(2) of the number of unsold first-hand private residential units on March 31, 2018 which had been issued with OPs, broken down by the number of years (e.g. one, two or three years) for which OPs had been issued;

(3) of the number of first-hand private residential units under construction on December 31 in each year from 2008 to 2017 and on March 31, 2018 which had been sold;

(4) whether it has set the following target: keeping the number of unsold first-hand private residential units which have been issued with OPs at a low level; if so, of the details; if not, the reasons for that;

(5) whether the Government implemented the following measure in the past 25 years: including in the pre-sale consents a provision requiring the developers to put the residential units concerned on the market for sale within a specified period; if so, of the details of the measure (including the implementation date, content and effectiveness); and

(6) whether the Government will study the implementation of the measure mentioned in (5) in the near future, in order to reduce the number of first-hand private residential units hoarded by developers; if so, of the details; if not, the reasons for that and the alternative measures?

Reply:

President,

After consulting the Lands Department (LandsD), my reply to various parts of the question raised by the Hon James To is as follows:

(1), (2) and (3) The Government releases statistics on private housing supply in the primary market on the website of the Transport and Housing Bureau on a quarterly basis. The statistics include the number of unsold units in completed projects and the number of units under construction that have been

sold.

The statistics requested by Hon James To in parts (1), (2) and (3) of his question are set out in Annex 1, Annex 2 and Annex 3 respectively.

(4), (5) and (6) In the face of the current housing demand-supply imbalance, the Government has been striving to increase land and housing supply through a multi-pronged approach. The Government has all along been closely monitoring the development of the private residential property market and the supply of first-hand private residential units. The Government is also aware that the number of unsold first-hand private residential units in completed projects has been increasing in recent years. We are exploring ways to address the situation.

In March 1997, the Government announced that LandsD would impose a new term in issuing pre-sale consent letters, specifying that the consent given would be valid for six months and that developers would have to offer for sale all residential units covered by the relevant consent letter within the validity period. If the developers concerned failed to sell all the residential units within the validity period but wished to continue offering the units for pre-sale, they would need to apply to LandsD for an extension of the validity period. Subsequently, with the significant drop in housing prices, the Government considered that developers were inclined to sell their units as early as possible. There was hence no longer the need to continue implementing the measure under the prevailing circumstances. The Government announced the cancellation of the measure in May 1998.

According to LandsD's records, the department issued altogether 32 pre-sale consent letters for residential properties during the implementation of the measure. In five of these 32 cases, the developers concerned failed to sell all the residential units before the expiry of the relevant consent letters. LandsD subsequently granted an extension such that the developers concerned could continue offering the remaining units for sale.

As regards whether the above-mentioned measure should be reinstated, the Government has to carefully consider the justifications, feasibility and effectiveness of various proposals before making a decision.