

## LCQ8: Youth Hostel Scheme

Following is a question by the Hon Benson Luk and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (November 15):

Question:

In the 2022 Policy Address, the Chief Executive proposed to expand the Youth Hostel Scheme (YHS) by subsidising non-governmental organisations to rent suitable hotels and guesthouses for use as youth hostels (i.e. the Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels (Subsidy Scheme)), with the target of providing about 3 000 additional hostel places within five years. However, the data released by the Home and Youth Affairs Bureau show that as at July 20 this year, the number of hostel places provided by the projects approved under the Subsidy Scheme was 478, accounting for less than one sixth of the target number under the Subsidy Scheme. In this connection, will the Government inform this Council:

(1) of the latest progress of YHS and the Subsidy Scheme, including but not limited to: (i) the number of hostel places supplied, (ii) the number of hostel places to be supplied under the projects being vetted, (iii) the number of applicants for the projects launched, (iv) the number of successful applicants, (v) the number of tenants already living in the hostels, (vi) the term of residence of hostel tenants, and (vii) the number of tenants who have surrendered their tenancy (set out in a table);

(2) of the number of organisations with which the authorities are negotiating for the supply of hostel places, as well as the approximate number of hostel places involved;

(3) given that the Government obtained approval from the Finance Committee of this Council at the end of last year for the creation of a new non-recurrent commitment of \$1 billion to implement the Subsidy Scheme, of the remaining amount of such funding at present; and

(4) whether it has plans to assist young people whose youth hostel tenancy will soon expire in bridging over to the existing housing ladder; if so, of the details; if not, the reasons for that?

Reply:

President,

After consulting the Development Bureau and the Housing Bureau, a consolidated reply to the various parts of the question raised by the Hon Benson Luk is provided as follows:

(1) to (3) Youth Hostel Scheme (YHS) is an important youth development initiative. Apart from providing a relatively stable and long-term housing option for young people to meet their aspirations of having their own living

space, the young people could also benefit from the various support and training activities provided by the non-governmental organisations (NGOs) operating the youth hostels. The Home and Youth Affairs Bureau (HYAB) has been proactively implementing the YHS through a multi-pronged approach. In addition to fully funding NGOs to construct youth hostels on under-utilised sites, the HYAB obtained the funding approval of \$1 billion from the Finance Committee in late 2022 to launch the Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels (Subsidy Scheme). Furthermore, the Government has identified a site at Tung Chung East and plans for its launch on a pilot basis under the Land Sale Programme, requiring the developer to construct a number of youth hostel units as designated by the Government in addition to private residential units.

There are currently seven youth hostel projects whose construction costs are fully funded by the Government. The first youth hostel providing 80 hostel places has commenced operation by the Hong Kong Federation of Youth Groups upon completion in 2020, while the second youth hostel providing 1 680 hostel places, which is the largest youth hostel in Hong Kong, has started operation by the Po Leung Kuk upon completion in March this year. The two completed projects already account for half of the total provision of 3 400 hostel places under all the seven YHS projects at present. Our target is to complete three more projects to further provide about 1 000 additional hostel places within the current-term Government.

Since the launch of the Subsidy Scheme in early 2023, three projects located in the Hong Kong Island, Kowloon and the New Territories have been approved, offering about 480 hostel places. Our target is to provide about 3 000 hostel places within five years.

Four out of the five operating youth hostels as mentioned above have commenced operation in or after the second quarter of this year. Most of the NGOs running youth hostels are recruiting youth tenants and making move-in arrangements as planned. In general, the first tenancy of the relevant youth hostels should be for a term of not less than two years, which may be renewed upon expiry but the aggregate tenancy period shall not exceed five years. The latest development and relevant information of the concerned youth hostel projects are at Annex.

NGOs operate the youth hostels on a self-financing basis. NGOs under the Subsidy Scheme use the subsidies from the scheme and the rents collected from the youth tenants as their major sources of income to pay off the rent payable to the hotel or guesthouse owners, their own administrative expenses and other expenditures, etc. Since the full resumption of normal travel with the Mainland and the international community, there has been an increasing demand for hotels and guesthouses by visitors to Hong Kong, as compared to the time during the pandemic. In view of the improving operating environment of the hotels and guesthouses, NGOs have encountered greater challenges when negotiating the terms of collaboration with individual hotels and guesthouses, as compared to the period during the pandemic. However, we note that there are hotels and guesthouses which are still willing to fulfil their social responsibilities and responding to the Government's appeal to support youth development through the tripartite collaboration among the Government,

business sector and community, and expressing interest in offering rooms to take part in the Subsidy Scheme. The HYAB will continue to proactively communicate with NGOs and relevant stakeholders for implementing the Subsidy Scheme. We will announce the details of new approved project as soon as possible.

As the software and hardware of each project under the Subsidy Scheme differ and the subsidy amount involves sensitive market information, it is not appropriate to disclose the financial details of individual projects.

(4) Other than providing affordable rental housing to low-income persons with housing needs, the Government has been sparing no efforts in identifying land for housing construction and enriching the housing ladder, including revising the pricing policy of the Home Ownership Scheme (HOS) so that HOS price is delinked from private market, making the flats more affordable; launching Starter Homes for Hong Kong Residents (Starter Homes) projects; and regularising Green Form Subsidised Home Ownership Scheme and White Form Secondary Market Scheme (WSM), so as to provide more opportunities for the youth to purchase subsidised sale flats (SSFs). In fact, among the buyers of SSFs, youth aged 40 or below has been taking up a significant proportion. For example, almost half of the applicants who successfully purchased first-hand HOS flats are youth aged 40 or below; in addition, three quarters of WSM buyers are aged 40 or below. In terms of Starter Homes, more than 85 per cent of those who have applied for purchasing Starter Homes flats were youth aged 40 or below.

The Chief Executive announced in 2023 Policy Address that the Hong Kong Housing Authority (HA) would relax the arrangements on mortgage default guarantee for SSFs, including extending the maximum mortgage default guarantee period of the second-hand market from 30 years to 50 years to allow purchasers to have mortgage loans of longer tenor, so that there would be more flats circulating in the market, increasing the home ownership opportunities for young families. Furthermore, to support families with newborns, the HA will introduce "Families with Newborns Flat Selection Priority Scheme" and "Families with Newborns Allocation Priority Scheme", so as to increase the chance for families with newborns to successfully purchase SSFs and expedite the process of their public rental housing applications respectively. These relevant measures will all help address the housing needs of young people.

We are working in full steam to increase public housing supply by enhancing quantity, speed, efficiency and quality. With an increase in SSFs, we can address the home ownership aspirations of more young families.