

Opening remarks by STH on housing at LegCo Finance Committee special meeting

Following is the opening remarks (English translation) by the Secretary for Transport and Housing, Mr Frank Chan Fan, on housing at the special meeting of the Legislative Council Finance Committee this afternoon (April 6):

Chairman,
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Housing is a livelihood issue of greatest concern to the current-term Government. Based on the "supply-led" and "flexibility" principles under the Long Term Housing Strategy, the Government will continue to increase public and private housing supply through a multi-pronged strategy. I am going to briefly introduce the following measures.

According to the projection announced in the Long Term Housing Strategy Annual Progress Report 2019, the total housing supply target for the 10-year period from 2020-21 to 2029-30 will be 430 000 units. According to the public/private split of new housing supply of 70:30, the public housing supply target will be 301 000 units, comprising 210 000 public rental housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) units and 91 000 other Subsidised Sale Flats (SSFs).

Assuming that all sites identified as of now can be smoothly delivered on time for housing development, the estimated public housing production for the 10-year period from 2020-21 to 2029-30 is about 272 000 units, which is 24 000 units more than that for the 10-year period from 2019-20 to 2028-29 as announced in 2018. The extent of the shortfall has narrowed from 67 000 units as projected in 2018 to 29 000 units.

The Government will continue to spare no efforts in increasing the short, medium and long term housing land supply through a series of measures, including pressing ahead with various planned initiatives such as rezoning existing sites and carrying out major development projects. Furthermore, the Chief Executive announced in the 2019 Policy Address a series of new measures to increase land supply, such as invoking the Lands Resumption Ordinance and other applicable ordinances to resume private land for development of public housing or Starter Homes for Hong Kong Residents (SH) project, and the concrete implementation of the Land Sharing Pilot Scheme. These measures help increase the land supply for public housing development. Relevant departments will strive to implement these new initiatives.

In view of the current tough economic situation, the Financial Secretary has introduced a series of counter-cyclical measures, which include paying one month's rent for lower-income tenants living in the public rental units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society

(HKHS). The estimated expenditure of the proposed measure is about \$1,829 million. It is estimated that the HA and the HKHS will implement the rent payment about one month to one and a half months after the passage of the Appropriation Bill and a total of around 790 000 tenants will benefit.

Furthermore, the 2019 Policy Address proposed that the HA make active preparation to accelerate the sale of the unsold flats in the Tenants Purchase Scheme (TPS) estates, with a view to further meeting the home ownership aspirations of PRH tenants. Currently, there are around 41 000 unsold flats in the 39 TPS estates. We will, at a later time, consult the Legislative Council Panel on Housing regarding how to accelerate the sale of these flats, and put up concrete recommendations on sales arrangements for HA's consideration in the second quarter or third quarter of 2020.

As regards SH, the Government invited public tenders for a private residential site on Anderson Road, Kwun Tong, on March 20 for implementing the second SH pilot project. The tender invitation will close on May 15 this year. According to the land sale conditions, the Government will randomly select no less than 1 000 SH units from the completed residential units built by the developer. The SH units will be offered for sale at 80 per cent of the prevailing market prices to eligible applicants.

In the aspect of increasing public housing development, the HA is exploring the feasibility of redeveloping individual factory estates as appropriate for public housing use, particularly to increase the supply of PRH units, taking into account individual site conditions and arrangements. The HA has progressively commenced the respective preliminary assessments, which are expected to be completed gradually in end of this year. The HA will announce the results and recommendations as appropriate.

With regards to the promotion of transitional housing, the Task Force on Transitional Housing under the Transport and Housing Bureau has been working closely with community organisations to facilitate completion of projects to increase supply. At present, the Task Force has identified sufficient sites for the provision of 10 000 transitional housing units in the coming three years. The Government is assessing the feasibility to develop transitional housing on a number of government, institution or community sites that have no development plan in the short term, with a view to meeting the further increase of the supply target of transitional housing to 15 000 units for the coming three years, as announced by the Chief Executive in mid-January this year. The relevant organisations will announce details of individual projects at suitable junctures.

We are grateful for the Legislative Council's approval of the funding allocation of \$5 billion last month to set up a Funding Scheme to support the implementation of Transitional Housing Projects by Non-government Organisations. The Government expects to formally launch the Funding Scheme in mid-2020. Furthermore, the Task Force will continue to provide assistance and offer advice to organisations taking into account the needs of individual projects.

Furthermore, to alleviate the hardship faced by the families waiting for

PRH and those living in unpleasant environments, the Government will, on a trial basis, provide cash allowance to eligible General Applicant households who are not living in public housing, not receiving Comprehensive Social Security Assistance (CSSA) and have been waiting for PRH for more than three years, until they are offered the first PRH allocation. The Government is working out the details of the trial scheme for the provision of a cash allowance, with a view to launching the scheme in the second half of next year. Before the introduction of the trial scheme, the Community Care Fund will put forward two rounds of "one-off living subsidy" for the low-income households not living in PRH and not receiving the CSSA in the financial year of 2020-21.

The Transport and Housing Bureau will also set up a Working Group, which will engage a consultant to examine the feasibility and, if so, viable options for implementing tenancy control on subdivided units (SDUs) as well as examine various subjects relevant to SDU tenancy control. We aim to complete the consultancy studies by the first half of next year.

Chairman, I am pleased to answer policy-related questions from Members, while the Controlling Officers and my other colleagues would respond to those questions relating to implementation matters and the use of financial resources.