



Public Forum on Housing and Land in Hong Kong: Policies, Issues and Debates

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Permanent Secretary
for Transport and Housing (Housing)**

23 February 2013

Scarce Housing Resources



Housing Issues

- ❖ Private / public
- ❖ Elderly / younger generation
- ❖ Rental housing / home ownership



PRH Waiting List (as at Sept 2012)

- ❖ General applications : 110 400
- ❖ Non-elderly one-person applicants : 100 000



Private Residential Property

- ❖ Flat prices (Dec 2012) : 31% higher than the peak in 1997
- ❖ Rental index (Dec 2012) : 9% higher than the peak in 1997
- ❖ Mortgage-to-income ratio : 50% (3Q 2012)

Policy Objectives for Housing

- ❖ To accommodate grass-roots families in PRH.
- ❖ To assist the middle class in home ownership.
- ❖ To build a progressive housing ladder.
- ❖ To maintain the healthy and steady development of the private property market, with priority given to HK permanent residents.

Public Rental Housing (PRH)

- ❖ **734 000** households
- ❖ Population : **2.1** million
(30% of the total population in Hong Kong)
- ❖ Average Waiting Time : around **3** years
- ❖ Production over the next five years :
79 000 PRH units.

Public Rental Housing (cont'd)

- ❖ Increase flat production through optimising the development potential of available sites.
- ❖ Working with relevant departments to relax plot ratio and building height restrictions.
- ❖ Lead time for construction: one year for foundation works and two and half years for superstructure works.



Hung Shui Kiu Area 13
洪水橋第13區



Fo Tan
火炭

Public Rental Housing (cont'd)

- ❖ Increase production target : 100 000 units in total for the five year from 2018 onwards
- ❖ Keep on engaging the relevant District Councils and local communities in addressing their concerns.



Redevelopment of Aged Estates

❖ Refined policy

- build back potential
- availability of suitable rehousing resources
- Comprehensive Structural Investigation Programme



Redevelopment of Pak Tin Estate

Before Redevelopment : 3 500 flats

After Redevelopment : 5 650 flats

Net increase : 2 150 flats



Subsidised Sale Flats (cont'd)

- ❖ Over 1.2 million people (17% of the total population) are living in various forms of subsidised sale flats.

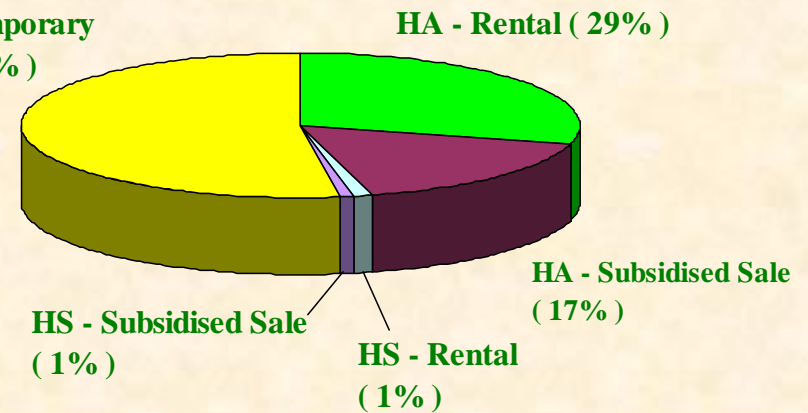


Sha Tin Yue On Court (HOS)



Tuen Mun Lung Mun Oasis (PSPS)

Private / Temporary
Housing (52%)



Resumption of Home Ownership Scheme (HOS)

- ❖ In response to the aspirations of low and middle-income families to buy their own homes, the Government announced the resumption of the HOS in 2011.
- ❖ The Government has set a planning target to provide some **17 000** HOS flats over four years from 2016/17 onwards. Thereafter about 5 000 flats per annum.

Resumption of HOS (cont'd)

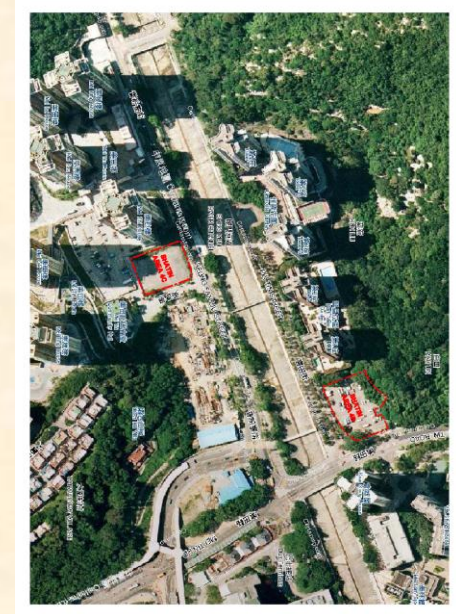
- ❖ The first batch of some **2 100** HOS units will be available for pre-sale in 2014/15.



Sha Tsui Road, Tsuen Wan
荃灣沙嘴道



Wang Yip Street West, Yuen Long
元朗宏業西街



Sha Tin Area 4C & 4D
沙田4C及4D區



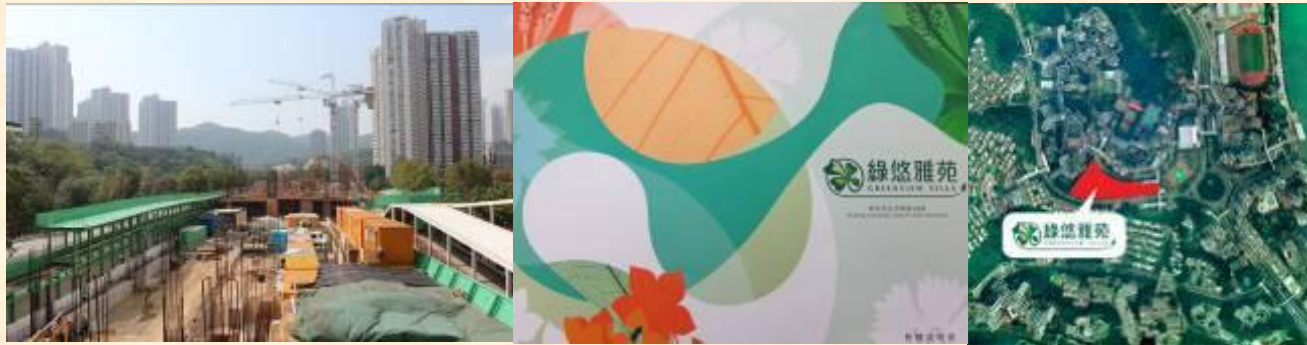
Ching Hong Road, Tsing Yi
青衣青康路

Resumption of HOS (cont'd)

- ❖ Interim Measure before the completion of the first batch of new HOS flats in 2016/17 :
Extension of the HOS Secondary Market to **5 000** White Form buyers each year.

Resumption of HOS (cont'd)

- ❖ Sale of Surplus HOS flats
- ❖ Sale of Greenview Villa in Tsing Yi
- ❖ Sites originally earmarked for MHPP will be used for HOS development



Private Housing

- ❖ **67,000** first-hand private residential units available in the coming three to four years.
- ❖ The purchase of a residential property is a major undertaking for most Hong Kong people.
- ❖ In June 2012, we took a significant and crucial step forward to enhance consumer protection of first-hand residential property buyers by getting the Residential Properties (First-hand Sale) Ordinance (the Ordinance) passed through the Legislative Council.

Private Housing (cont'd)

- ❖ The Ordinance seeks to enhance the transparency and fairness of the sales arrangements of first-hand residential properties. It aims to strike a balance between enhancing consumer protection and allowing developers to continue to take business decisions.



Special Stamp Duty (SSD)

- ❖ The Government announced the introduction of the Special Stamp Duty (SSD), on top of ad valorem stamp duty, in November 2010. It applied to transactions of residential properties acquired by the seller on or after 20 November 2010 and resold within 24 months. The objective is to curb short-term speculation.
- ❖ In view of the market exuberance, the Government launched a new round of demand-side management measures in October 2012, which include strengthening SSD by increasing the rates and extending its coverage period to 36 months.

Buyers Stamp Duty (BSD)

- ❖ On the other hand, we also note that the share of residential property market transactions taken up by non-local buyers has been increasing.
- ❖ In order to accord priority in addressing the housing needs of Hong Kong permanent residents (HKPRs) amid the tight supply of residential flats, we also introduce a Buyer's Stamp Duty on residential properties acquired by any person except a HKPR.
- ❖ The BSD is to be charged at a flat rate of 15% on all residential properties, on top of the existing stamp duty and the SSD, if applicable.

Buyers Stamp Duty (BSD)

- ❖ We have introduced the Stamp Duty (Amendment) Bill 2012 into the Legislative Council (LegCo) to implement the two demand-side management measures. We will collaborate with the LegCo in scrutinising the Bill with a view to giving legal effect to the measures as soon as possible.



Long Term Housing Strategy

- ❖ Examine the housing needs of specific groups in the community:
 - Poorly-housed households
 - Accommodation for the elderly
 - Housing need for the non-elderly singletons
- ❖ Explore means to further rationalise the use of our PRH resources.
- ❖ Examine the overall demand and supply of public and private housing.

Long Term Housing Strategy (cont'd)

- ❖ Public consultation in around mid-2013.
- ❖ Target to publish the consultation report by end 2013



Thank you