

Housing and Land



- Housing is one of the most important livelihood issues in Hong Kong. The crux of the housing problem lies with inadequate supply. The Government is determined to solve the problem at source by adopting a supply-led strategy and by continuously increasing supply of land and housing. The Long Term Housing Strategy (LTHS) sets the direction of Hong Kong's housing policy and addresses housing problems with a multi-pronged approach.
- In view of the serious supply-demand imbalance and high property prices and rental level, the current-term Government is determined to increase housing supply, rebuild the housing ladder and play a more active role in housing through the provision of public housing so as to address the demand-supply problem at source in the long run.
 - The LTHS promulgated in December 2014 is the Government's first long-term strategy document on housing since 1998. The Government has adopted a supply-led strategy to gradually avert the current serious supply-demand imbalance in housing. With annual updating of the long-term housing demand projection, the Government will work out a rolling 10-year housing supply target in order to reflect any changes in circumstances in a timely manner.
 - Based on the latest projection of housing demand, the Government has adopted a housing supply target of 480 000 units for the 10-year period from 2015-16 to 2024-25, with a public-private split of 60:40. Accordingly, the public housing supply target is 290 000 units, comprising 200 000 public rental housing (PRH) units and 90 000 subsidised sale flats, whereas the private housing supply target is 190 000 units.
 - According to the latest Public Housing Construction Programme of the Hong Kong Housing Authority (HA), there will be a total production of about 93 100 public housing flats for the 5-year period from 2015-16 to 2019-20, comprising about 75 500 PRH units and about 17 600 subsidised sale flats. Among them, about 34 500 PRH units and 3 000 subsidised sale flats will be completed in 2015-16 and 2016-17.
 - In addition, during the 5-year period from 2015-16 to 2019-20, the Hong Kong Housing Society (HKHS) will complete about 2 700 public housing units, including about 1 100 rental units and 1 600 subsidised sale flats.

- On private housing, based on the preliminary assessment of private residential developments known to have started or to be started on disposed sites, it is expected that about 13 000 and 20 000 private housing units will be completed in 2015 and 2016 respectively, a record high in 10 years and about 70% higher than the average of the past 10 years.
- To achieve the 10-year supply target, apart from planning for land supply and obtaining financial, manpower and other resources, we have been working to secure the support of the local communities for adopting an open attitude and according priority to satisfying the overall housing needs through the provision of public housing in different districts.
- In response to the current difficulties in achieving home ownership given the high property prices, the Government has increased the supply of subsidised sale flats to provide more options and home ownership opportunities for low-to-middle income families. About 1 000 subsidised sale flats of HKHS and the first batch of 2 160 new Home Ownership Scheme (HOS) flats were put on pre-sale in 2012 and end-2014 respectively.
- To further expand the forms of subsidised home ownership under the LTHS, HA decided to turn the PRH development at San Po Kong into flats for sale to eligible Green Form applicants, mainly PRH tenants, as a pilot scheme with prices set at a level lower than that of traditional HOS flats (generally referred to as the “Green Form Subsidised Home Ownership Scheme”). Pre-sale is expected to be launched in the second half of 2016.
- HA decided, after initial assessment, to implement one more round of the Interim Scheme in the second half of 2015 to allow 2 500 eligible White Form applicants to purchase subsidised sale flats with premium not yet paid in the HOS Secondary Market.
- The Government remains vigilant, and continues to closely monitor development in the residential property market and the evolving external economic environment. We will implement appropriate measures to stabilise the property market as and when circumstances warrant. The outcome of the review on Special Stamp Duty and the Buyer’s Stamp Duty, as well as the decision to maintain these measures, were reported to the LegCo in March 2015.
- Since the Residential Properties (First-hand Sales) Ordinance came into operation two years ago, it has improved the transparency and fairness of the sale of first-hand residential properties and protection for consumers. For example, vendors must present the area and price per square foot and per square metre of a first-hand residential property in terms of its saleable area. When a vendor wishes to make available show flats, it must first make available an unmodified show flat. Also, prospective purchasers are provided with convenient access to different sales documents.
- The Free Legal Advice Service on Building Management and Free Mediation Service Pilot Scheme for Building Management, supported by the Law Society of Hong Kong and two professional mediation organisations, were launched in January and March 2015 respectively. Volunteer lawyers and accredited mediators provide free legal advice and mediation service to owners’ corporations and owners of private buildings in need on issues relating to building management.
- The pilot “AP Easy” Building Maintenance Advisory Service Scheme has been extended for one year from April 2015. With the continuous support of 3 professional institutes, professional and tailor-made advisory and support services are provided to owners’ corporations in need for free to assist them to commission a suitable authorised person to carry out building maintenance works.
- Land is prerequisite for the livelihood of our fellow citizens and social and economic development. Land development however takes a considerable time from planning to realisation. Due to economic cyclical changes, the land supply in Hong Kong (in particular the housing land supply) has slowed down in the past, leading to the limited land supply today. The current-term Government has set out the blueprint for land supply in the short, medium and long-term. Under a multi-pronged strategy to increase land supply, the current-term Government is determined to avert the supply-demand imbalance progressively, and is confident and capable of achieving that, with a view to planning the long-term land supply of Hong Kong early.

- In the short to medium-term, the Government aims at providing housing land and increasing the flat production as soon as practicable mainly through land use reviews and increasing development intensity (see latest progress below), which include pressing full steam ahead the rezoning of some 150 sites for residential development to provide more than 210 000 flats in 5 years. At the same time, we will develop the various ex-quarry sites and the former squatter area in Diamond Hill, so as to help achieve the housing supply target under the LTHS, and meet the pressing housing need of the community.
- In the medium to long term, we are expeditiously taking forward the various New Development Areas (NDAs) and new town extension, including the Kwu Tong North/Fanling North NDAs, Tung Chung New Town Extension, Hung Shui Kiu NDA, housing sites in Yuen Long South (see latest progress below). The total developable land area is over 1 000 hectares, which is estimated to be capable of providing over 190 000 residential units for phased population intake starting from 2023, 2024 and 2025. The overall development plans are estimated to continue until 2030 and beyond.
- Besides, we need to focus on the future and make long-term planning for our next generation. Therefore, we are studying the long-term development of Lantau and Northern New Territories, and exploring new modes of providing developable land (including reclamation outside the Victoria Harbour as well as cavern and underground space developments). At the same time, we have commenced the “Hong Kong 2030+” study to update the territorial development strategy, with a view to laying a foundation for Hong Kong’s development beyond 2030 (see latest progress below).
- Over the past year, despite difficulties encountered in increasing land supply in the short, medium and long-term, we managed to achieve the following major progress:
 - As stated in the 2014 Policy Address, about 150 potential housing sites were identified through land use reviews. Most of the sites are expected to be ready in 5 years (2014-15 to 2018-19) for commencement of works, and they are expected to provide over 210 000 flats, of which over 70% will be for public housing, subject to timely amendments to statutory plans for change of land use and/or increase in development intensity. As at early June 2015, proposed amendments to statutory plans for 61 sites, involving about 69 000 flats in total, had been submitted to the Town Planning Board (TPB). Among them, statutory planning procedure has been completed for 24 sites, involving about 21 000 flats.
 - Apart from the some 150 sites mentioned above, the 2013 Policy Address set out a number of initiatives to increase land supply. They involve 42 sites which may be used for residential use in the short to medium-term, and were zoned or undergoing rezoning for such use in 2013. These sites are expected to provide about 39 000 flats in total. As of early June this year, 38 of them have been allocated for residential use.
 - Continued to increase the development intensity of housing sites as appropriate where planning terms permit. Since the inauguration of the current-term Government, TPB had, as at end-May 2015, approved applications to relax the development intensity of 39 housing sites, allowing an additional supply of about 7 500 flats.
 - Secured support of major stakeholders, including District Councils (DCs), for the proposal to increase the development intensity of Kai Tak Development. The proposal will provide about 430 000 square metres of additional commercial floor area and about 6 800 additional housing units. TPB approved some of these additional floor areas in April 2015.
 - In 2014-15, the Government sold a total of 20 residential sites under the Land Sale Programme, with a capacity to produce about 6 300 private residential flats. Together with other sources of private housing land supply, the aggregate land supply had an estimated capacity to produce about 21 200 private residential flats, exceeding the land supply target of 18 800 private residential flats set for that year. This is a record high since the Government introduced the private housing land supply target in 2010.

- In the 2014-15 Land Sale Programme, 4 commercial/business sites, a hotel site and a industrial site, which are capable of providing about 170 000 square metres of commercial floor area, about 1 100 hotel rooms and about 12 000 square metres of industrial floor area respectively, were sold. The sites sold included 2 commercial sites in Kowloon Bay, capable of providing about 127 000 square metres of commercial floor area.
- Planning to convert the multi-storey carpark on Murray Road, Central into commercial use, so as to increase commercial land supply in the Core Business District. The site is estimated to provide about 42 000 square metres of commercial floor area. The Government plans to commence statutory planning and other procedures in 2015-16, with a view to releasing the site to the market as early as possible.
- Studying the relocation of government facilities in 2 Action Areas in Kowloon East to release land for comprehensive commercial and mixed-use development, so as to provide about 500 000 square metres of commercial/office floor space. This involves relocating 2 existing vehicle examination centres within the Kowloon Bay Action Area to Tsing Yi. 2 pieces of government land in the Kowloon Bay Action Area were sold in January and May 2015.
- Invited proposals from interested non-profit making organisations in October 2014 to transform 3 sites under the Kwun Tong Bypass for creative, arts and cultural uses. Aim to select a partnering organisation in the third quarter of 2015 to manage and operate the concerned facilities.
- Conducting consultancy studies for formulating short, medium and long-term proposals to implement the concept of “walkable” Kowloon East, with a view to improving the pedestrian and traffic environment in the Kowloon Bay and Kwun Tong Business Areas. The 2 consultancy studies are expected to be completed in mid-2015 and the latter half of 2016 respectively.
- Announced the results of the Kai Tak Fantasy International Ideas Competition on Urban Planning and Design in November 2014, with “Kai Tak 2.0: Healthy Lift Off” as the winning entry. To commence 2 planning and engineering studies for Kai Tak Fantasy in 2015 with reference to the concepts and ideas of the winning design and the other shortlisted schemes. The studies are expected to be completed in the first half of 2017.
- Made good progress in respect of the development of former quarry sites. Stage 2 community engagement for the future development of Ex-Lamma Quarry was completed in May 2014 and the proposal is expected to provide about 1 900 residential units as well as tourism and recreational facilities, including a low-density resort hotel. Amendments to the statutory plan for the development of Ex-Cha Kwo Ling Kaolin Mine were gazetted in December 2014 to kick start the statutory plan-making procedure, and the development is estimated to have a capacity to provide about 2 200 flats. The plan amendment work for the Anderson Road Quarry site has begun in mid-2015, and the proposed development is expected to provide about 9 410 flats.
- Began the detailed design and site investigation of the advance site formation and engineering infrastructure works for the Kwu Tung North and Fanling North NDAs in November 2014. The outline zoning plans for the two NDAs were passed by TPB in April 2015, and have now been approved by the Executive Council.
- Commenced the Stage 3 community engagement for the Hung Shui Kiu NDA Planning and Engineering Study in June 2015 to collect public views on the Recommended Outline Development Plan, which was prepared with reference to public views collected during the Stage 2 community engagement exercise and the outcome of relevant technical assessments.
- Completed the Stage 3 public engagement for the Tung Chung New Town Extension Study in October 2014. The project proposed to provide about 48 000 residential units and about 850 000 square metres of gross floor area for office, retail and hotel uses, and to create about 40 000 job opportunities. The whole study is expected to be completed by 2015.
- Completed in July 2014, the Stage 2 community engagement for the Planning and Engineering Study for Housing Sites in Yuen Long South collected public views on various proposals of the Preliminary Outline Development Plan, such as the provision of some 26 000 residential units. Taking into account the public views collected, the Recommended Outline Development Plan is under preparation for further community engagement.

- Commenced “Hong Kong 2030+: Towards A Planning Vision and Strategy Transcending 2030” in January 2015 to update the territorial development strategy, which includes reviewing the land requirements for Grade A offices, business and industrial uses, as well as studies and assessments on the strategic environment, transport and land use, etc., with a view to providing the latest planning framework and overall direction for Hong Kong’s land and infrastructure development beyond 2030. The study is expected to be completed in phases by 2016.
- Completed site inspections and questionnaire surveys for the Area Assessments on Industrial Land in the Territory in August 2014. Data analysis and formulation of recommendations are expected to be completed by the third quarter of 2015. Between April 2010 and May 2015, a total of 21 applications for redevelopment and 134 applications for whole conversion of industrial buildings were received under the revitalisation measures. Among these, 18 applications for redevelopment and 92 applications for wholesale conversion had been approved, involving about 1.27 million square metres of converted or new floor space. The application deadline for the incentives is 31 March 2016.
- The Urban Renewal Authority (URA) completed a review of the Demand-led Redevelopment Project (Pilot Scheme) (Demand-led Scheme) and the Facilitating Services Pilot Scheme (Facilitating Scheme) with proposed revisions/enhancements in December 2014. Under the revised Demand-led Scheme, applications would need consent from more owners and cover larger site areas so as to ensure sufficient support and greater planning gain. The enhanced Facilitating Scheme has expanded the scope of service from residential buildings to cover commercial buildings and industrial buildings in non-industrial zones.
- Further to last year’s invitation for tender for the Kwun Tong Town Centre redevelopment project (Development Areas 2 and 3, which can provide about 1 700 residential units), URA invited tender for 3 redevelopment projects in the Sham Shui Po district between July 2014 and June 2015, namely the 2 redevelopment projects at Hai Tan Street and 1 at Fuk Wing Street. The 3 projects can provide about 1 000 flats in total.
- The MTR Corporation Limited (MTRCL) successfully tendered 5 railway property development projects from July 2014 to June 2015. The projects have a total capacity of providing about 9 650 residential flats. The Government will continue to actively explore with the MTRCL and Kowloon-Canton Railway Corporation the development potential of stations and related sites along the existing and future rail lines to increase housing land supply.
- Launched the Pilot Scheme for Arbitration on Land Premium in October 2014 to facilitate agreement on land premium for lease modification or land exchange applications, with a view to expediting land supply for housing and other uses.
- Commenced the Preliminary Feasibility Study on Developing the New Territories North in January 2014 for exploring the development potential of Northern New Territories through comprehensive and integrated planning. The study is progressing well and is estimated to complete in end-2015.
- As regards long-term land supply, completed the Stage 2 Public Engagement for Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development in January 2014 and proceeded onto the technical study stage. The cumulative environmental impact assessment of the western Hong Kong waters was completed in March 2015. Active preparatory work is being carried out for the strategic studies for artificial islands in the central waters, the planning and engineering study for Sunny Bay reclamation, and the technical studies for the Siu Ho Wan and Lung Kwu Tan reclamations.
- Feasibility studies on the relocation of 3 public facilities to caverns were commissioned between August and December 2014. Investigation and design work on the relocation of Sha Tin Sewage Treatment Works to caverns commenced in September 2014.
- Commenced the pilot study on underground space development in strategic urban areas in June 2015. The study will formulate a master plan for underground space development in 4 strategic districts, viz. Causeway Bay, Happy Valley, Admiralty/Wan Chai and Tsim Sha Tsui West, with a view to identifying priority projects for early implementation.