

Land and Housing



- Resolving the housing and land supply problems tops the priorities of the current-term Government. The crux of our housing problem lies with the serious supply-demand imbalance, with rising property prices and rents exceeding the affordability of the general public. To resolve the supply-demand imbalance problem at root in the long run, the Government is striving to increase land and housing supply in a timely manner. In the short-to-medium term, the Government introduced a series of demand-side management measures to curb speculative activities and contain external demand, stabilise the private property market and maintain the healthy development of the property market.
- With concerted efforts, our measures have proved effective in stabilising the property market over the past year. Since the introduction of the latest round of demand-side management measures in February 2013, as at April 2014, overall property prices have only slightly increased by 0.1% per month on average, much lower than the average monthly increase of 2.7% in the first two months of 2013 (i.e. before the introduction of the relevant measures). Residential property prices also decreased slightly (around 0.6%) in the first quarter of 2014.
- The Government has adopted a multi-pronged strategy to increase land supply in the short-, medium- and long-term, including making optimal use of developed land as far as practicable and creating new land for development, in order to cater for the housing needs of the community and

the socio-economic development needs of Hong Kong. Over the past year, while the Government has encountered difficulties in taking forward various initiatives to increase land supply, we managed to achieve the following:

- Announced in July 2013 the latest recommendations of the North East New Territories New Development Areas (NDAs) Planning and Engineering Study to develop the Kwu Tung North and Fanling North NDAs as an extension of the Fanling/Sheung Shui New Town to provide about 60 000 residential flats.
- Conducted the Stage Two Community Engagement of the Hung Shui Kiu NDA Planning and Engineering Study between July and October 2013, which proposed to accommodate an additional population of 175 000 and provide about 100 000 employment opportunities in the NDA.
- Completed the public engagement for the initial land use options formulated in July 2013 for the Tung Chung New Town Extension Study, which proposed to provide about 50 000 residential flats and a commercial hub in the New Town.
- Commenced the Preliminary Feasibility Study on Developing the New Territories North in January 2014. The Land Use Review for Kam Tin South and Pat Heung was completed in April 2014 and public consultation started. The Preliminary Outline Development Plan for the Planning and Engineering Study for Housing Sites

in Yuen Long South was drawn up and the Stage Two Community Engagement commenced in April 2014.

- Completed the Stage 2 Public Engagement for Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development in January 2014 and proceeded to the technical study stage. 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 feasibility studies for the relocation of three government facilities into rock caverns.
- Announced in July 2013 the Recommended Outline Development Plan for the Lok Ma Chau Loop, which proposed that the Loop (involving about 88 hectares of land) be developed with higher education as the leading future land use, to be complemented by high-tech research and development, and cultural and creative industries.
- Commenced in December 2013 a study to explore the potential and constraints of developing underground space, with a view to creating usable space and enhancing connectivity in the urban areas. Active preparatory work is being carried out for a pilot study on underground space development for four strategic urban areas, viz. Tsim Sha Tsui West, Causeway Bay, Happy Valley and Admiralty/Wan Chai.

- Announced in January 2014 that except for the north of Hong Kong Island and Kowloon Peninsula which are already more densely populated, the maximum domestic plot ratio currently permitted for the other “density zones” in the territory would be suitably increased by about 20%, planning terms permitting.
- Announced in January 2014 that the development moratorium in the area covering the south of Pok Fu Lam and Wah Fu Estate would be lifted to enable public housing development on six sites and to tie in with the redevelopment of Wah Fu Estate, to provide a total of about 11 900 additional Public Rental Housing (PRH) and Home Ownership Scheme (HOS) flats.
- Substantially completed the technical study on increasing the development intensity in the Kai Tak Development in May 2014. The study confirmed that an additional floor area of about 430 000 square metres for office accommodation and about 6 800 new residential units could be provided in the Kai Tak Development. The total population would be increased from about 90 000 to 110 000.
- Announced in January 2014 the introduction of the Pilot Scheme for Arbitration on Land Premium to explore the option of arbitration to facilitate the Government and private land owners in reaching agreement on land premium payable for lease modification/land

- exchange, with the objective of expediting housing land and flat supply. The Pilot Scheme is expected to commence in the second half of 2014.
- Completed the feasibility study on relocation of the Sha Tin sewage treatment works to caverns in May 2014, and commenced preparations for the investigation and design for the relocation project.
 - The Urban Renewal Authority (URA) completed the third round of invitation for applications for the Demand-led Redevelopment Project Pilot Scheme in 2013-14. It has commenced two of the selected projects from that round, and another project under the industrial building redevelopment pilot scheme in Cheung Sha Wan.
 - Announced in January 2014 the results of a series of land use reviews in which about 80 sites in various districts totalling about 150 hectares which could be converted in the short and medium term for housing development were identified. Together with the sites previously identified, a total of about 150 sites had been identified as suitable for housing development. Subject to the smooth passage of amendments to their respective plans under the town planning procedures, these sites are expected to become available in the coming five years (2014-15 to 2018-19) and can provide over 210 000 public and private flats.
 - Under the 2013-14 Land Sale Programme (LSP), 36 residential sites that could provide about 13 700 private residential flats were put up for sale, representing a significant increase of about 67% compared to last year and a record high since the 2000-01 LSP. Four commercial sites that could provide about 146 000 square metres of commercial floor area and one hotel site that could provide about 300 hotel rooms were also put up for sale under the 2013-14 LSP.
 - On housing, the Government has completed the review on the Long Term Housing Strategy (LTHS). It was decided that a supply-led strategy should be adopted, the total housing supply target for public and private housing for the coming 10 years should be set, and new sites should be actively identified and developed to increase the supply of public and private housing. To meet the supply target, not only do we need to devote financial resources and overcome challenges in land supply and planning, we must also tackle the labour shortage issue in the construction sector and secure the support from District Councils (DCs) and local communities. Over the past year, the major progress has been:
 - Completed the public consultation exercise on LTHS in December 2013. The Government is now formulating the LTHS, taking into account the report submitted by the LTHS Steering Committee and the views of the community.
 - Announced in January 2014 that the total housing supply target in the coming 10 years was 470 000 units, with public housing accounting for 60%, i.e. about 280 000 units (including about 200 000 PRH flats and 80 000 HOS flats). The total supply of public housing in the coming 10 years would increase by 36% compared to the Government's previous pledge.
 - Commenced preparation for the pre-sale of the first batch of about 2 200 new HOS flats at end-2014, in order to rebuild the housing ladder; address the home ownership aspirations of youngsters and low-to-middle income people; and provide an avenue for better-off PRH tenants to achieve home ownership. The HOS units are scheduled for completion in 2016-17.
 - Finalised the future land use of the former Queen's Hill military barracks site in January 2014. The western part of the site would be reserved for public housing development and is expected to provide about 11 000 flats by 2019-20 at the earliest. Studies on development of the remaining part of the site would commence in due course.
 - The URA carried out tendering for the redevelopment projects at Shun Ning Road, San Shan Road/ Pau Chung Street and the Kwun Tong Town Centre (Development Areas 2 and 3) which could provide about 1 950 residential flats in total.
 - Completed the legislative work in February 2014 to enhance the Special Stamp Duty and to introduce the Buyer's Stamp Duty, which proved effective in curbing speculative activities, giving priority to the home ownership needs of Hong Kong permanent residents and preventing further exuberance in the property market.
 - Launched the pilot "AP Easy" Building Maintenance Advisory Service Scheme in April 2014 in collaboration with three professional institutes. The Scheme aims to provide professional and tailor-made advisory and support services to owners' corporations to assist them in appointing suitable authorised persons for carrying out building maintenance works.
 - Launched a new phase of the Building Management Professional Advisory Service Scheme in April 2014 to engage property management companies to provide one-stop and tailor-made advisory and support services regarding building management and maintenance to 1200 old buildings without any form of management.
 - Introduced the Property Management Services Bill in May 2014 to provide a legal framework for the licensing regime of the property management industry.