

Report on the Review of the Home Ownership Scheme

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<b>Paper No</b>	32/96
<b>Title</b>	Report on the Review of the Home Ownership Scheme
<b>CONTENTS</b>	<p>HA 32/96</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Housing Authority</p> <p>Report on the Review of the Home Ownership Scheme</p> <p>PURPOSE</p> <p>To seek Members' endorsement of the Report on the Review of the Home Ownership Scheme (HOS).</p> <p>BACKGROUND</p> <p>2. Members agreed to an overall review of the HOS vide Paper No.HA 27/95 which set out the background as well as the terms of reference of the review. Moreover, a brain storming session of the Housing Authority (HA) was held on 4 November 1995 to generate ideas for improvements to the HOS and to provide a steer for the review.</p> <p>3. Subsequently, Home Ownership Committee (HOC) considered measures to promote home ownership and improve various aspects of the HOS. Having received the advice and comments of the HOC, a draft review report has been prepared (Annex). For ease of reference, a summary of improvements already introduced and recommendations for further changes to the HOS is at Chapter 10 of the draft report.</p> <p>4. The draft report was considered and endorsed by the HOC at its meeting on 18 April 1996.</p> <p>RECOMMENDATION</p> <p>5. It is recommended that the draft report at Annex be endorsed.</p> <p>PUBLIC CONSULTATION</p> <p>6. There has been good media coverage on some of the proposals when they were put to the HOC for consideration. Some community groups had urged that there should be public consultation on the report. Moreover, the Legislative Council (LegCo) Housing Panel, at its meeting on 16 April 1996, passed a motion urging the HA to undertake comprehensive consultation with members of the public on new measures proposed in the review of the HOS.</p> <p>7. Since measures to promote home ownership among Comprehensive Redevelopment Programme (CRP) tenants was the only issue on which some divergence of views have been expressed, the HOC recommended that the related proposals should be incorporated in the Long Term Housing Strategy (LTHS) review and the ensuing public consultation exercise.</p> <p>8. As regards the other recommendations which are all part of the continuing efforts to improve the HOS, it might not be necessary to undertake a formal public consultation exercise before taking them forward. Nevertheless, we propose that the review report should be published and widely distributed. Any public views received would be taken into consideration by the HA as part of the ongoing development of the HOS. Moreover, the implementation of the recommendations relating to the relaxation of resale restrictions, and the establishment of a secondary market for HOS flats will require amendments to the schedule of the Housing Ordinance and there will be opportunity for further public discussions on these subjects.</p> <p>PUBLICITY AND PUBLIC REACTION</p> <p>9. As mentioned earlier, it is recommended that the review report should be published for distribution to interested parties and that it should also be made available to members of the public for general information. The report will also be submitted to the LegCo through the Housing Branch as undertaken by the Secretary for Housing during the LegCo motion debate on 17 May 1995.</p> <p>10. A press conference will be held to launch the report when it is ready for distribution, and to emphasize that any views and comments on the proposals would be most welcomed for future development of the HOS.</p> <p>11. The recommendations of the review reports are all related to improving the quality of HOS flats, the management of HOS estates, promotion of home ownership through enhancement of opportunities and provision of financial incentives to certain target groups, and encouraging the turnover of HOS flats. As such, they should be generally welcomed by owners and potential purchasers of HOS flats. CRP tenants who have no intention of buying HOS flats might criticize the recommendation to sell reception estates for reducing their choice of new rental flats. Others might criticize that the review did not go far enough to promote home ownership. Nonetheless, it is believed that the recommendations are reasonable and should be well received by the public at large.</p> <p>ADVICE SOUGHT</p> <p>12. At the Housing Authority meeting to be held on 25 April 1996, Members will be asked to discuss and endorse the recommendations set out in paragraph 5 above, and to approve the publication of the Report on the Review of HOS.</p>

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