

Doc Type	HA
Paper No	11/96
Title	Sale of Flats to Sitting Tenants Scheme
CONTENTS	<p>HA 11/96 HOC 17/96</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Housing Authority and the Home Ownership Committee</p> <p>Sale of Flats to Sitting Tenants Scheme</p> <p>PURPOSE</p> <p>To inform Members of the Legislative Council's Motion Debate concerning the sale of flats to sitting tenants of public rental housing on 7 February 1996.</p> <p>BACKGROUND</p> <p>2. Members would recall that the Authority launched a "Sale of Flats to Sitting Tenants Scheme" in 1991. Eleven public rental housing blocks were selected for the scheme. However, response from tenants involved was disappointing. The acceptance rate at 7.4% was well below the approved threshold of 50%. Having taken into account views expressed by tenants and members of public, efforts were made to modify the scheme to make it more attractive. In the event, the revised proposal did not have the support of the Government because the proposed terms of offer were not considered sufficiently attractive to sitting tenants, and that the proposed 30% threshold could lead to problems of management in a mixed ownership situation. As a result, the proposal was not pursued further.</p> <p>CURRENT DEVELOPMENT</p> <p>3. The Honorable Mr Edward HO moved a motion in the Legislative Council on 7 February 1996. The wording of the motion is as follows -</p> <p>"That, in order to solve the housing problem of the public and achieve the aim of real `full home ownership', this Council urges the Government to proceed with the sale of public housing rental units to sitting tenants as soon as possible, and to use the sales proceeds thus derived to expedite the production of new public housing units and the development of old public housing estates."</p> <p>4. The Honorable Miss CHAN Yuen-han and the Honorable Mr FUNG Kin-kee have proposed amendments to the wording of the motion. Their motions are reproduced in Annex 1 for Members' reference. In the event, the amending motions were not supported, and the wording of the original motion was endorsed unanimously by all 46 Members of the Legislative Council present at the debate. Secretary for Housing, Mr Dominic S.W. WONG's response to the motion is also attached at Annex 2 for reference.</p> <p>5. While Members of the Legislative Council are in support of a scheme to sell public rental housing flats to sitting tenants, their views on pricing and future maintenance of flats sold under the scheme were diverse. Secretary for Housing has undertaken to examine the idea in the current review of the Long Term Housing Strategy.</p> <p>INFORMATION</p> <p>6. This paper is issued for Members' information.</p> <p>---0---0---0---</p> <p>File Ref. : HD(HOS) 12/1/46 III</p> <p>Date : 22 February 1996</p> <p>Annex 1</p> <p>(Translation)</p> <p>Motion Debate on "Sale of Flats to Sitting Tenants Scheme" to be held on 7 February 1996</p> <p>Mr Edward HO's original motion -</p> <p>"That in order to solve the housing problem of the public and achieve the aim of real `full home ownership', this Council urges the Government to proceed with the sale of public housing rental units to sitting tenants as soon as possible, and to use the sales proceeds thus derived to expedite the production of new public housing units and the redevelopment of old public housing estates."</p> <p>Mr Edward HO's motion as amended by Miss CHAN Yuen-han -</p> <p>"That, in order to solve the housing problem of the public and achieve the aim of real `full home ownership', the Government's public housing policy should focus on public rental housing and be supplemented by the Home Ownership Scheme; this Council urges the Government to proceed</p>

with the sale of public housing rental units to devise a new scheme under which public housing units are sold at replacement cost so as to attract sitting tenants as soon as possible to purchase their housing units, and to use the sales proceeds thus derived to expedite the production of new public housing units and the redevelopment of old public housing estates."

Mr Edward HO's motion as amended by Mr FUNG Kin-kee -

"That, in order to solve the housing problem of the public and achieve the aim of real 'full home ownership', this Council urges the 'Government to proceed with the sale of suitable public housing rental units to sitting tenants at replacement cost as soon as possible, and to use the sales proceeds thus derived to expedite the production of new public housing units and the redevelopment of old public housing estates."

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