

**THE HONG KONG HOUSING AUTHORITY**

**Memorandum for the Home Ownership Committee**

**Progress Report of the 2000/2001 Home Ownership Business Plan  
for the Period Ending 30 September 2000**

**PURPOSE**

This paper presents the progress report of the 2000/2001 Home Ownership Business Plan for the period ending 30 September 2000.

**BACKGROUND**

2. As part of the corporate planning process, Heads of Branches will draw up Business Plans in respect of their core businesses for the coming financial year. This is to ensure that a coherent and effective set of policies and programmes can be put in place to achieve the strategic objectives of the Housing Authority (HA). The 2000/2001 Business Plan for the Home Ownership business was approved by Members in November 1999 vide Paper No. HOC 101/99.

**PROGRESS**

**Key Initiatives**

3. A total of 27 initiatives are covered in the 2000/2001 Business Plan and all of them have been implemented. The overall position is as below –

<b>Initiatives under Implementation</b>					<b>Total</b>
<b>Action Completed</b>	<b>On Schedule</b>	<b>On-going</b>	<b>Under Review</b>	<b>Behind Schedule</b>	

4 (14.8%)	10 (37.1%)	8 (29.6%)	4 (14.8%)	1 (3.7%)	100%
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A detailed report on the progress of individual initiatives is at **Annex A**.

### Key Performance Indicators (KPIs)

4. A total of 26 KPIs have been developed and their progress is summarized below –

KPI		Target	Position as at 30.9.2000
<b>(1) HOS</b>			
(a)	Number of flats offered for sale under the HOS	23,000 <sup>Note 1</sup>	3,883 (including 2,901 resale flats)
(b)	Number of HOS land grants processed	11 <sup>Note 1</sup>	1
(c)	Number of premium assessment cases processed	5,500	1,400
(d)	Average lead time from invitation of applications to flat selection	90 working days	90 working days
<b>(2) PSPS</b>			
(a)	Number of PSPS flats offered for sale	3,900	3,166 (including 194 resale flats)
(b)	Number of PSPS tenders processed	6	3
<b>(3) HPLS</b>			
(a)	Number of loans granted	At least 4,500	3,380
(b)	Number of letters of Approval-in principle issued	8,000	6,500
(c)	Number of PRH flats recovered	2,700	2,200
<b>(4) SMS</b>			
(a)	Number of transactions	1,300	1,320
(b)	Number of PRH flats recovered	1,100	1,160
<b>(5) MSS</b>			
(a)	Number of flats offered for sale with MSS	3,200 <sup>Note 1</sup>	0
(b)	Number of MSS land grant processed	2 <sup>Note 1</sup>	0

<b>(6) TPS</b>			
(a)	Number of PRH flats offered for sale under the TPS	No less than 25,000	27,400
(b)	Number of TPS land grants processed	6	6
<b>(7) BRO</b>			
(a)	Number of flats offered for sale under the BRO	No less than 3,000 <sup>Note 1</sup>	0
(b)	Number of BRO land grants processed	4	4
<b>(8) Agency Management</b>			
(a)	Number of OCs formed in new HOS estate	14	3
(b)	Number of pre-18A HOS estates handed over for self-management	21	13
(c)	Average period of formation of one OC in an HOS estate	6 months	6 months
(d)	Average tendering time to appoint a PMA to a new HOS/BRO estate	6 months	6 months
<b>(9)</b>	<b>Public Sector Home Ownership Rate</b>	37% <sup>Note 2</sup>	34%
<b>(10)</b>	<b>Average number of defects per newly completed flat reported at handover</b>	4	4
<b>(11) Financial</b>			
(a)	Total operating surplus for 2000/2001	\$15,150M	\$3,764M
(b)	Total HPLS loan payments in 2000/2001	\$2,886M	\$2,277M
(c)	Total HPLS loan repayments in 2000/2001	\$996M	\$596M

Note 1 : The sale programme is being reviewed as a result of adjustment of Home Ownership Programme. We will transfer some 16,000 HOS units to rental use in the 4-year period up to 2003/04. About 6,000 HOS units will be transferred to rental in 2000/01.

Note 2 : Due to adjustment of Home Ownership Programme, the KPI was revised from 39% to 37% for 2000/01.

## ADJUSTMENT OF HOS PROGRAMME

5. Following the endorsement by HA vide Paper No. HA 47/2000 in July 2000, 16,000 Home Ownership Scheme flats (including 6,000 flats in 2000/01) will be transferred to rental housing in the coming four years up to 2003/04.

## FINANCIAL PERFORMANCE

6. For the first six months ending 30 September 2000, the total income and expenditure of the Home Ownership Business were \$9,897M and \$6,133M respectively representing 24.3% and 23.9% of the Approved Budget 2000/01. The resulting operating surplus of \$3,764M achieved was 24.8% against budget. A summarised financial position of the Home Ownership Business is at **Annex B**.

7. For income, sales proceeds of Tung Shing Court, Kwun Hei Court, Lung Tak Court and Tsz Oi Court were realised during the period upon their completion. Sales income was also generated on assignment of flats under Tenants Purchase Scheme Phases 2 and 3.

8. For Home Purchase Loan Scheme, there were 3,197 loan payments made amounting to \$2,277M and loan repayment of \$596M.

9. The below budget performance in the period was mainly due to delay in completion of Kam Tai Court and Ching Wang Court. It is anticipated that the 2000/01 Approved Budget for Home Ownership Business is likely to be affected by the effects of transferring some sale flats to rental, deferring the next sales exercise of new flats to early 2001 and the possible delay in completion of a few projects arising from quality initiatives.

**INFORMATION**

10. This paper is for Members' information.

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