

**Address by the Governor,
Sir Edward Youde, GCMG, MBE,
at the opening of the 1986/87
Session of the Legislative
Council on 8 October 1986
(extract on Housing)**

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(b) Housing

(i) Housing Production

81. The Housing Authority looks forward to another

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highly productive year with over 43,000 flats being added to the public housing stock. For the seventh consecutive year the Authority will exceed its annual target. At this rate, the outstanding demand for rental housing should be met by the mid-1990s. Steady progress continues to be made in improving the standards of new public housing and in upgrading the Authority's older properties.

82. Private sector production is forecast to reach a record 37,000 flats in this calendar year, rising to 38,000 in 1987. These flats, together with over 10,000 flats which will be produced under the Home Ownership and Private Sector Participation Schemes next year, will help to cater for the growing demand from families wishing to own their own homes.

83. It is now timely for the Government to review its production programmes and to formulate long-term housing strategies for the 1990s, and beyond, which can form a solid base for future development plans. While the Housing Authority should be in a position to meet the demand for rental housing by the mid-1990s, the growing wish among the population, to own their own homes, will take many years to satisfy at the current rate of flat production by the public and private sectors. The review will consider how private sector output can be encouraged, and how public resources can best be used to complement the private sector to meet the overall demand for housing. The results of these studies are expected towards the end of this year.

(ii) Redevelopment Programme

84. In the shorter term, the programme to re-develop the older housing blocks continues and is expected to be

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completed in 1990. Understandable public concern was echoed in this Council over the discovery that a number of blocks were of sub-standard structural quality. Demolition of these blocks will begin next year. Meanwhile, their structural condition is being monitored closely. In rectifying the mistakes of the past we must not lose sight of the achievements of a programme which has housed some 2 1/2 million people, over the last quarter of a century, and provides homes for nearly half our population.

(iii) Public Housing Subsidies

85. Two committees, set up by the Housing Authority to review special aspects of public housing policy, published their reports last month. After careful consideration of the public comments expressed on the proposals in last year's Green Paper, the Committee on Housing Subsidy to Tenants of Public Housing has concluded that there is considerable public support for the principle that housing subsidies should be given only to those who are really in need of them. The Committee recommends that tenants who have occupied public housing for ten years, or more, and whose household income has risen to a level which is twice the equivalent income limit for those on the waiting list for public housing, should be required to pay double rent. The Committee does not support the suggestion that more prosperous tenants should be evicted.

86. The Committee set up to review domestic rent policy in public housing has concluded that a maximum of 15% of the median income of new tenants should be used as a guideline in determining rents for new estates. Both

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reports will be considered by the Housing Authority in November.

(iv) Squatter Area Improvement

87. Satisfactory progress towards the achievement of our public housing targets has enabled a start to be made on a comprehensive 10-year programme to clear and rehouse families living in urban squatter areas. A major clearance in the Shau Kei Wan area will be carried out soon. Significant improvements in the environment of many squatter areas have been achieved as a result of the programme launched in 1983. They include the provision of better drainage, water supply, footpaths, street lighting and fire fighting and refuse collection arrangements.

(c) New Towns

88. Development of the new towns continues with expenditure at the rate of around HK\$3 billion a year. Work has commenced on the construction of two new towns at Junk Bay and Tin Shui Wai. The first stage of development at Junk Bay will accommodate 75,000 people, in public housing and 48,000 in private housing. The first public housing intake is expected in early 1987. Work on the Junk Bay tunnel, which will provide the primary means of access to the new town, will start later this-year.

89. At Tin Shui Wai, preparatory work continues. This new town is expected to receive its first residents in the early 1990s. The Government has so far committed \$130 million on planning, investigation, design and construction works. Tenders for work valued at several hundred million dollars will be invited in the next twelve

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months, to support the initial development for over 145,000 people.

(d) Land Development Corporation

90. Hong Kong has been very successful in creating new towns and in redeveloping the central business district. We have been less successful in redeveloping some of the older areas whose dilapidated condition is no credit to this city. The decision to establish a Land Development Corporation is designed to provide a means of tackling this complex problem in conjunction with the private sector.

91. The Provisional Board of the Corporation was formed in September under the chairmanship of the Secretary for Lands and Works. Its first job is to recruit a Chief Executive and it is hoped a suitable person will be appointed in early 1987. In parallel with this, the Board will be advising on the draft legislation for establishing the statutory Corporation under an unofficial Chairman. It is intended to bring the legislation before this Council within the current session.

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