

OUR NEXT FIVE YEARS

THE AGENDA FOR HONG KONG

(extract on Housing)

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RELIEF FROM THE HOUSING SQUEEZE

59. Housing continues to be a major claim on our resources. More and more families want to progress from being rent-paying tenants to owner-occupiers.

- On average, well over 100 new flats will be built every single day between now and 1997 by the Housing Authority and the Housing Society.
- All urban squatters on government land will be rehoused by March 1996.
- Almost three-quarters of people living in existing temporary housing areas will have been rehoused by 1997.
- Just under 60% of families will own their own homes by 1997, one of the highest proportions in the world.

60. These impressive figures show our continuing commitment to the housing programmes which—thanks to the foresight of Lord MacLehose and some of my other predecessors—have transformed the living standards of so many of our families. And we will naturally continue to work closely with the private sector to ensure that the maximum possible supply of accommodation comes onto the market at competitive prices.

61. There is one group in our community whose housing problems cause me particular concern. These are the "sandwich class" families who face special difficulty in realising their ambition to buy their own home. They are above the income limits for public housing but are still unable to afford a flat on the private market. No young family should have to endure the uncertainty and disruption which speculation can create. They should not have to spend half their lives searching for a place they can call their own. I share Members' views that this burden must be eased.

62. Subject to consultation with the Sino-British Land Commission, we propose to introduce a new middle-income housing scheme for the sandwich class. It will be similar to the present Home Ownership Scheme.

- Between now and 1997, these proposals will benefit about 13 000 families.
- As a result, a significant proportion of the sandwich class will have access to affordable housing.
- At the same time, the opportunities for property speculators to exploit their market will be reduced.

63. The land for this scheme will be in addition to the land required for the public housing programme. We aim to allocate the first sites in 1993/94. Because of the time lag in developing new housing projects, the first units

will not be available until 1995/96. Obviously, to wait another three years for assistance from this scheme is not good enough. So, I propose that, in the meantime, we should buy flats from the private sector to sell to the sandwich class at affordable prices. We hope to offer 1000 flats during the first year of operation. This interim plan will be discontinued as soon as flats from the long term scheme become available.