

Report of the
Task Force on Land Supply
and Property Prices
Planning, Environment and Lands Branch
June 1994

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Executive Summary

The Problem

- Residential property prices have risen beyond the reach of the average family in recent years. There are consequential effects on rents.
- The sharp increases in property prices reflect an exceptionally strong demand and a shortfall of supply in 1992 and 1993, due to a combination of factors.
- About 250,000 households who live in rented accommodation in the private sector are most directly affected, of whom about 190,000 households are eligible for some form of assisted housing. Other households who aspire to improve their living conditions may also have been frustrated by the high property prices.

The Study

- In considering measures to cool the property market, the Task Force has taken a cautious and incremental approach which deals with both the short and long-term. Market intervention is kept to the minimum necessary to remove distortion, ensure fair competition and protect the interests of genuine home buyers.

Housing Supply

- Current housing supply consists of about 30,000 private domestic flats and 44,000 assisted housing units each year.

- To meet the housing demand from a larger and more affluent population, a minimum of 45,000 and, if necessary, 60,000 additional flats are proposed to be produced before 2001.
- The minimum target of 45,000 additional flats will be made up of 20,000 public housing units, including HOS/PSPS and rental housing, 10,000 Sandwich Class Housing (SCH) flats and 15,000 private domestic flats.
- The possibility of increasing output through acceleration of projects in the pipeline, increasing the density of development and entrusting infrastructural works to developers will be considered on a case by case basis.
- The Housing Authority will be invited to consider relaxing the re-sale restriction on HOS/PSPS flats, step up efforts to reduce vacancies, introduce fixed-term tenancies for new tenants, and further promote home ownership among public housing tenants.
- Loans, totalling up to \$7 billion, will be provided to assist the Housing Society in expediting the provision of SCH flats.
- Early pre-sale of SCH flats will be arranged, so that eligible families will be assured of a permanent home.
- The Land Development Corporation will be advised to sell its existing rehousing stock of 250 flats which are surplus to requirement.
- A high level interdepartmental Project Action Team will be set up under PELB to "fast track" major housing development projects which would produce a large number of flats.
- To speed up redevelopment projects, modification letters will be used more widely than surrender and regrant in future. With this approach, there is potential for reducing the overall processing time by up to 3 months.
- Building covenants will be introduced for redevelopment schemes to increase the certainty of the building completion date.

Land Supply

- About 120 ha of land have been identified for housing development. This is in addition to the provisions in the five-year land disposal programme, land from Airport Railway development and military sites which may become available.
- Out of the 120 ha, about 70 ha have been earmarked for allocation before 1997/98 to meet the additional housing commitment of 45,000 flats, subject to agreement by the Land Commission. The remaining 50 ha will be held in reserve.
- About 15 ha of land suitable for high density development are available for allocation in 1994/95, some of which will require agreement by the Land Commission.
- To free up more land for residential development, the Task Force recommends that the strategic road and rail links should be built as soon as possible and with private sector participation.
- To increase the Administration's responsiveness to unforeseen additional demand, it is desirable to maintain a land reserve equivalent to about a year's land disposal programme and to allow a margin for growth in designing the infrastructure.
- The proposal to use the Government's powers of resumption to assist in private redevelopment projects should be further developed and discussed with interested parties.
- Higher priority will be given to clearances of government land required for land exchanges to facilitate private redevelopment projects in the New Territories.

Planning and development processes

- Planning Department will undertake a comprehensive review of the scale and composition of the demand for both public and private housing, for strategic planning purposes, and will assume overall responsibility for regularly assessing and updating housing demand.
- A land inventory system will be established in the Lands Department, with input from the Territory Development Department and Planning Department, to give an overview of the location, current and planned use, and the timing of availability for disposal, and to facilitate forward planning and monitoring of the land disposal programme.
- To ensure that the forecast supply of new flats from redevelopment is achievable, Planning Department will undertake a comprehensive assessment of redevelopment potential throughout the territory.
- The Town Planning Board will be requested to provide more information to assist developers to meet its requirements in considering planning applications.

- Lands' Department will establish targets for completion of various stages of land transactions within a certain time.
- An integrated project monitoring system is recommended to enable more accurate forecasts of housing supply in the short and medium-term and to identify the sources of supply, i.e. from new land, modifications/exchanges or other redevelopments.

Speculation

- About 10% of sale and purchase agreements presented for stamping in the two years between February 1992 and March 1994 involved short-term resales. About 23% involved new properties offered for sale after 31 January 1992.
- About 18% of the units in large developments completed in 1992 were still vacant at the end of April 1994, i.e. over a year. These are prima facie cases of hoarding.
- The arrangement of private sales is widely believed to have fuelled speculation. The quota will be reduced to 10%. No re-sale will be allowed before the Certificate of Compliance or the consent to assign is given, whichever is the earlier.
- To reduce the opportunities for speculation, forward sales will be reduced to not more than nine months before the completion date to be specified in the Sale and Purchase Agreement. No re-sale will be allowed before the Certificate of Compliance or the consent to assign is given, whichever is the earlier.
- To increase the cost to speculators the initial deposit will be fixed at 10% of the purchase price and 5% will be forfeited if the purchaser fails to sign the formal sale and purchase agreement or enters into a Cancellation Agreement with the developer.
- To reduce speculation in carparking spaces, no forward sales of carparking spaces will be allowed unless they are sold with the residential units.
- To exercise control over pre-sale of flats from redevelopment, the Consent Scheme will be extended to cover substantive modifications and exchanges involving residential accommodation.
- The Legal Advisory and Conveyancing Office will step up monitoring of the Consent Scheme and a coordinated information system will be established to monitor speculative activities in the market.
- The Administration will continue to examine legislative measures to dampen speculation and consider the Law Reform Commission's proposals on legislation relating to sales descriptions.

Consumer Protection

- The terms of the Sale and Purchase Agreement will be amended to re-define the date for completion of construction as the date of compliance with the lease conditions or consent to assign, whichever is earlier. Home buyers will thus have more certainty over the date of occupation, failing which they would be able to take action against the developer under the Agreement.
- The Task Force welcomes the recommendation of the Working Group on Real Estate Agents to establish a statutory Authority to license and regulate the conduct of real estate agents.
- A new property column will be introduced in Consumer Council's "Choice" magazine to provide unbiased information on details of presale flats, future supply and recent transaction prices.

Implementation

- A sub-committee will be established under the Land and Building Advisory Committee to follow up the recommendations of the Task Force and to monitor progress.

I. INTRODUCTION

In response to public concern about rapid increases in property prices in recent years, the Governor ordered the establishment of an interdepartmental Task Force to look into the problem. Accordingly, a Task Force was set up in mid-April to examine and make recommendations on :-

- (a) the causes and size of the problem, having regard to the demand for and supply of housing and the actual take-up of flats;

- (b) the scope and means of providing more sites for public and private housing, including housing for the sandwich class;
- (c) the means of removing constraints on development of sites caused by the lack of infrastructure and other problems and of bringing forward their development;
- (d) measures to speed up redevelopment, including the Processing of development proposals;
- (e) measures to discourage speculation in the property market; and
- (f) ways of assisting the Housing Society and the Land Development Corporation to expand and speed up their development or redevelopment programmes.

1.2 The Task Force is chaired by the Secretary for Planning, Environment and Lands, and consists of representatives from Finance Branch, Financial Services Branch, Transport Branch, Works Branch, Environmental Protection Department, Housing Department, Inland Revenue Department, Land Registry, Lands Department, Planning Department, Rating and Valuation Department, Territory Development Department and Transport Department. Other departments, such as Buildings Department, Census and Statistics Department and Information Technology Services Department also assist, on a need basis, in the deliberations of the Task Force and the Working Groups under it.

II. THE PROBLEM

This chapter analyses the problem of rising property prices and its impact on Hong Kong.

Price and Rental Movements

2.2 Prices for all classes of private domestic properties have risen an average of 150% between year-end of 1989 and 1993. Prices in respect of the more popular estate-type developments have increased by more than 200%. Whereas price increases in respect of small-sized flats moderated somewhat in 1993, steeper increases were seen in the luxury sector. Further tightening of lending policies by the major financial institutions in July and August 1993 had a temporary cooling effect on the market. However, the record land auction in December 1993 for a residential site in Kowloon Tong sent prices in popular developments soaring by another 30% in the first quarter of 1994.

2.3 Rental increases averaged 40% between 1989 and 1993 for all classes of domestic properties. Rents for luxury flats have risen more significantly in the last two years. The shortage of residential property for lease coupled with strong demand has resulted in another 10.7% increase in luxury rents during the first quarter of 1994. The price and rental movements are illustrated in Annex A.

Affordability

2.4 Over the same period (1989 to 1993), the composite consumer price index increased 46.65% and median household income 60%. Using the ratio of average monthly repayment of mortgage loan to the median household income as the indicator, Annex B shows that affordability by the end of 1993 has deteriorated markedly from the level in 1990, although it was still substantially better than the worst situation experienced in 1981. Due to the likelihood of understatement of household income, the traditional practice of pooling resources among relatives, and the fact that 43% of the population are in rental public housing, actual affordability may be better than what Annex B suggests.

Housing Demand

2.5 The 1993 year-end population was estimated to be 6.02 million and the number of households 1.71 million. With a total stock of about 1.8 million public and private permanent housing units, which is 5% more than the estimated number of households, there should be no shortage of housing for the purpose of shelter. The notional surplus is accounted for by the existence of vacancies, second homes, smaller households and a growing tendency for emigrants to retain their properties in Hong Kong.

2.6 There was a strong demand for housing in 1993 due to a combination of factors, namely :-

(a) an exceptionally high population growth of 2% (or 117,800), compared with 0.4%, 1.2% and 1.3% in 1990, 1991 and 1992 respectively. The high growth is the result of an increase in immigrants, returning emigrants, imported labour and expatriates working in Hong Kong;

(b) changing social patterns which see a shift from extended to nuclear families and a growing tendency for working youths to live away from home;

(c) increasing affluence which generates higher aspirations for home ownership and better living conditions, i.e. trading up. Regression analysis of historical data shows that the demand for housing is more sensitive to household income than property prices;

(d) the HK dollar peg to the US dollar has resulted in interest rates being lower than the rate of inflation, i.e. negative real interest rates. The situation has encouraged property investment as a way of safeguarding the value of savings. The property market has become more of a commodity market with futures trading through extensive pre-sale of uncompleted flats; and

(e) inflow of foreign capital, including that from China, into the property market has fuelled demand, and hence property prices.

2.7 The latest population and household projections indicate a higher rate of household formation in the region of 36,000 to 39,000 a year between 1994 and 2000. This is 4,000 to 6,000 households a year more than the earlier projections. It is more difficult to quantify the additional housing demand for purposes other than shelter. Investment demand depends on a number of factors, such as interest rates, costs, risks and opportunities, which vary over time. As such, the additional demand for non-shelter purposes has to be closely monitored and treated with care in planning for long-term housing production.

Housing Supply

2.8 Between 1990 and 1993, the average annual housing production was about 30,000 private domestic units and 44,000 public housing units, of which about 26,000 were rental units and 18,000 home ownership flats. These figures have included Housing Society's production. After discounting demolitions, the net average annual increase in the housing stock was about 28,000 private domestic units and 28,000 public housing units, i.e. about 3% of existing stock.

2.9 In both 1992 and 1993, production of new private housing units fell short of the original forecasts due to various reasons. The output was in the region of 26,000 to 28,000 flats, as compared with 33,400 in 1991. Several thousands units were virtually completed at the end of the year but could not yet be occupied pending the issue of the consent to assign or Certificate of Compliance". Part of the shortfall could be explained by the fact that sites zoned for commercial/residential use were developed for commercial use only, in the face of a strong demand for office space and the higher plot ratio (15) permitted. Also in response to demand, some developers have chosen to build larger, hence fewer, flats.

2.10 The exceptionally low production at a time when demand was particularly strong, has led to rapid property price increases. The situation also provides opportunities for speculative activities.

(1) This is a letter to certify that the lease or land grant conditions have been fully complied with. The flats cannot be individually assigned without this Certificate. In cases of very large developments which are proceeding in phases, the Lands Department may give consent to assign and complete the sales to purchases in respect of individual blocks before full compliance with the lease conditions which may take several years.

Who are most affected?

2.11 About half of the population live in public housing and are insulated from the impact of rising property prices. A survey conducted by the Housing Authority in November 1992 showed that about 13 % of public housing tenants (i.e.

74,000 households) own private domestic properties. Other households, who may have similar aspirations for home ownership, may have been frustrated by the high property prices.

2.12 Among private housing units, about 70% are owner-occupied. Some of the owners may wish to trade up their properties to improve their living conditions but are unable to do so because of the differences between the prices of new and older properties. Many of the remaining 30%, representing some 250,000 households, who rent accommodation, may feel a heavier burden as rents increase, albeit at a slower rate compared with property prices. Of the 250,000 households, just over 105,000 are eligible for public rental housing and about 75,000 for home ownership scheme flats. Another 10,000 households will benefit under the SCH scheme, leaving about 60,000 households who have to rely entirely on their own means or employers' assistance.

(2 graphs missed)

Indices of movement in prices and rentals of residential property

&Affordability Index of Home Purchasers under 90% Loan-To-Assessment Ratio

III. THE STUDY

General Approach

The Task Force realised from the outset that the ultimate solution to the problem of property prices lies in supplying more land and housing to meet demand. The long lead time for housing production, however, necessitates interim measures to ease demand. The Task Force, therefore, has taken a three-pronged approach to deal with the short and long term :-

- (a) to introduce measures to reduce speculation, thereby freeing up more housing units for genuine home buyers in the short-term;
- (b) to increase housing supply through the provision of more land, accelerating projects already in the pipeline and facilitating private redevelopment; and
- (c) to review existing planning and development processes, and improve management information systems, so as to streamline procedures, and increase the Administration's knowledge of and responsiveness to changes in the market situation.

The Task Force's recommendations in each of these areas are discussed in the following chapters.

Guiding Principles

3.2 In its deliberations, the Task Force has been mindful of the following considerations and general principles :-

- (a) over the past five years, private sector property development, comprising building expenditure and the service margin of real estate developers, accounts for nearly 40% of the overall investment expenditure in the economy, which is a key component of the Gross Domestic Product. The economic significance of the property sector to Hong Kong calls for a prudent and incremental approach to moderating property prices so as to avoid any damage to the economy;
- (b) the property market is sensitive to external factors which are beyond the control of Hong Kong, for example, interest rates in the United States and events in China. With interest rates increasing steadily, the property market is expected to cool off gradually;
- (c) scarcity of land in Hong Kong and the importance of housing to people's livelihood and social stability sufficiently differentiate housing from other commodities to justify cautious intervention in exceptional circumstances;
- (d) any form of intervention should be kept to the minimum necessary to remove distortion in the market, ensure fair competition and protect the interests of genuine home buyers.

Scope

3.3 Within the time constraint, the Task Force has concentrated on residential properties. Some of the recommendations of the Task Force may also apply to the commercial sector, if necessary. This will be considered in a separate exercise.

IV. HOUSING SUPPLY

The Policy

The Government's Long Term Housing Strategy was first promulgated in 1987, although the provision of assisted housing has a much longer history. The declared policy objectives are, inter alia, to provide adequate housing at an affordable price or rent to all households, and to achieve efficient and equitable use of resources by ensuring that housing subsidy is provided in relation to financial needs. It is also government policy to promote home ownership in Hong Kong. The declared objective is to achieve an overall home ownership rate of 60% by 1997.

4.2 In pursuance of a free market economy, the Government's philosophy on housing development is to provide sufficient land, supporting infrastructure and a financial environment which induces private sector investment in property development. Through the Housing Authority and the Housing Society, Government also provides assisted housing for people who cannot afford private housing or who are affected by clearances and redevelopment. A number of programmes exist to meet the needs of different income groups.

Housing Authority

4.3 The Housing Authority (HA) is the biggest developer and estate management agent in Hong Kong. As at the end of 1993, the Housing Authority had a stock of 181,954 Home Ownership Scheme (HOS)/Private Sector Participation Scheme (PSPS) flats, and 653,362 public rental flats, i.e. a total of 835,316 housing units, which together accommodate nearly half of the population of Hong Kong. As at the end of March 1994, the Public Housing Development Programme envisaged an averaged annual production target of about 40,000 flats between 1994/95 and 1998/99.

4.4 There are income limits to determine eligibility for the various housing schemes. Existing income limits range from \$5,000 per month for a one-person household to \$21,800 per month for a 10-person household. For the HOS/PSPS, the existing household income limit is \$22,000 per month. These income limits are reviewed annually.

Housing Society

4.5 The Housing Society is an independent non-profit making Organisation. As at the end of 1993, the Society had a total of 33,027 rental housing units and 7,061 flats under the urban improvement and flats-for-sale schemes. Its annual production varies from year to year and averaged about 1,600 flats per annum over the last five years.

4.6 In 1993, the Administration introduced the Sandwich Class Housing (SCH) Scheme and entrusted it to the Housing Society. The SCH Scheme aims to provide home purchase assistance for families with monthly income between \$22,000 and \$44,000. The interim scheme started with a capital injection of \$2 billion from public funds to provide loans at concessionary interest rates for up to 4,000 eligible families to purchase flats in the private sector. The first phase of the interim scheme was launched in August 1993, the second phase in April 1994 and the third phase is tentatively set for October 1994. Under the loan scheme, successful applicants may borrow up to 25 % of the flat price or \$550,000, whichever is less.

4.7 The main scheme aims to produce 10,000 flats for sale to middle- income families at affordable prices. These flats will be completed before the end of 1997. The first batch of about 1,000 flats is expected to be completed in 1995.

Private housing

4.8 For land production planning purposes, the annual supply of private housing is estimated to be 35,000 flats, of which about 13,000 are assumed to come from new land and the rest from redevelopment. Actual supply since 1990 averaged about 30,000 flats per annum, of which about 20,000 were estimated to have come from redevelopment.

4.9 In a free market, demand and supply determine prices. However, the property market is not a completely free market in that the supply of new land is constrained and large areas of land are either owned by a relatively small number of major developers or are in fragmented ownership. There are geographical and financial constraints on new land production. It is more important, therefore, to encourage redevelopment of land which has not been fully utilised.

Land Development Corporation

4.10 The Land Development Corporation (LDC) was established by statute in 1988. Its role is to undertake urban renewal in partnership with private developers, with the latter providing expertise and bearing the financial risk of development in return for a share of the profit. LDC obtains land through acquisition by purchase or, where necessary, through resumption by Government under the Crown Lands Resumption Ordinance and subsequent grant. The primary objective of urban renewal is to improve housing standards and the urban environment. It may not necessarily lead to additional housing provision, e.g. thinning out development densities can actually reduce the housing stock.

4.11 LDC projects completed or under construction will generate about 770 flats by the end of 1997. Other projects which are under acquisition are estimated to produce another 1,100 flats by the end of 1998. Acquisition is a difficult and time-consuming process. The re-housing commitment adds pressure to the demand for housing in the short-term.

Additional Housing Supply

4.12 To determine the additional production required to meet demand, the Task Force has examined the results of a correlation study encompassing the take-up of private housing, real income, mortgage rates, flat prices etc. Additional demand from the projected increase in new household formation is estimated to be about 5,000 per annum (para 2.7). Further supplies of 2,500 flats per annum are estimated to be required in order to meet public aspirations for better housing standards as income increases.

4.13 The Task Force has, therefore, taken an average of 7,500 flats per annum, as the minimum target of additional supply. In view of the lead time for processing land grants and housing production, the Task Force has aimed to increase output by at least 45,000 housing units by 2001, which is the last year of the Long Term Housing Strategy, i.e. over six years. To cater for further demand due to increasing affluence of the community, acceleration of the public housing programme or further increases in new households, the Administration will build up a capacity to increase output by up to 60,000 flats by 2001, i.e. an average of 10,000 additional flats per annum. This will be over and above the current production levels of 30,000 private domestic flats and 44,000 assisted housing units per annum.

4.14 To achieve additional output in the short and medium-term, consideration will be given to: -

- (a) accelerating projects already in the pipeline and, where possible, increasing the density of development, so that more flats will be produced within three years;
- (b) granting additional land for residential development to bring more flats onto the market from the third year onwards.

Public vs Private Housing

4.15 At the middle to lower end of the market, particularly in respect of HOS/PSPS and SCH flats, public and private housing are mutually substitutable. Demand for each is influenced by the location and quality of the available flats, affordability, waiting time, and other personal considerations. Given that prices of private domestic properties have risen beyond the affordability of the average household in Hong Kong, a higher proportion of households who might not otherwise have required housing assistance may now come forward to apply for assisted housing. There is thus a need to provide additional public rental housing along with more home ownership flats, as well as to maintain a balance between public and private housing. The Task Force proposes the following division for the minimum target

of 45,000 additional flats :-

| | |
|------------------------|--------------|
| HOS/PSPS/PRH | 20,000 flats |
| Sandwich Class Housing | 10,000 flats |
| Private | 15,000 flats |

Public Housing

4.16 The Task Force has identified 30 ha of land in areas such as Tseung Kwan O, Ma On Shan, Tin Shui Wai and Hong Kong Island, which may be allocated to the Housing Authority between 1995 and 1997. This will enable a minimum of 20,000 flats to be built between 1998 and 2000. The majority of these should be HOS/PSPS flats, so as to reduce the demand on private housing, and hence property prices. Since two-thirds of HOS/PSPS flats are earmarked for rental housing tenants, an increased production of HOS/PSPS flats will also benefit families on the Waiting List. Allocation of land for HOS/PSPS flats will require the agreement of the Land Commission.

4.17 The Working Group on Housing Sites will continue to work with the Housing Authority to identify more sites for public housing development. In view of the lead time for construction, the production from some of these additional sites may fall outside the term of the Long Term Housing Strategy. To ease the pressure imposed by the expiry date, the Task Force recommends that the feasibility of rolling forward the Long Term Housing Strategy beyond 2001 should be explored.

4.18 The Working Group on Housing Sites will also explore the possibilities of :-

(a) increasing the development densities of some of the sites already allocated, e.g. West Kowloon Reclamation and Aldrich Bay, so as to increase the overall housing supply; and

(b) bringing forward the development of some of the sites which have been allocated and, where appropriate, discussing proposals for entrustment of local infrastructural works in the Works Liaison Committee to be established on implementation of the new financial arrangements between the Government and the Housing Authority.

4.19 In the interest of maximising the utilisation of public housing resources, the Task Force also recommends that the Housing Authority be invited to: -

(a) consider the feasibility of relaxing the re-sale restriction on HOS/PSPS flats. This would free up more housing units for circulation in the market;

(b) step up efforts to reduce vacancies and recover unoccupied public rental units;

(c) consider introducing fixed-term tenancies for new tenants; and

(d) further promote home ownership among public housing tenants.

Sandwich Class Housing

4.20 To meet the needs of middle-income families who are probably most affected by rising property prices, the Task Force recommends that the Sandwich Class Housing (SCH) Scheme be extended to provide 10,000 more flats between 1997 and 2000. Suitable sites in Hong Kong, Kowloon and the New Territories have been identified and earmarked for this purpose. Subject to the agreement of the Land Commission, these sites may be allocated to the Housing Society between 1994/95 and 1996/97.

4.21 To assist the Housing Society in funding and expediting the SCH Scheme, the Task Force recommends that loans, totalling up to \$7 billion, should be provided to overcome the Housing Society's cashflow problem.

4.22 The Housing Society is working on the eligibility criteria, resale restriction, pricing and application procedures for pre-sale of SCH flats, which may begin as early as the end of 1994, for the first project in Tsing Yi. The Society is also examining the feasibility of early registration and vetting of eligible households prior to pre-sale of flats for the

latter projects, so as to offer some assurance to successful applicants concerning their eligibility to buy a flat in subsequent phases of the SCH Scheme.

LDC's Rehousing Stock

4.23 The LDC has about 250 vacant flats in its existing rehousing stock which will not be required for some time to come. Rather than leaving them vacant, these flats may be sold in the market. A further 600 flats are being built under two of its projects, which should also be available for pre-sale in about mid-1995. Modest though the numbers may be, they are a welcome source of supply to meet some of the demand for small and medium-sized flats.

Speeding Up Private Development

4.24 To speed up the processing and development of private housing projects, the Task Force recommends the establishment of an interdepartmental project action team (PAT) to accelerate the processing of major development or redevelopment projects which would produce a large number of residential units, say about 1,000 or more. The team will be chaired by the Secretary for Planning, Environment and Lands, or his deputy, and consist of representatives from relevant departments (e.g. Planning, Land, Buildings, Environmental Protection, Transport, Territory Development and Works Branch) at a sufficiently senior level to coordinate action, resolve problems and monitor progress. Developers whose projects have been identified for "fast tracking" will be so informed and requested to cooperate with corresponding expediency on their part. Six possible land exchanges, involving a total of 12,152 flats, have been identified as pilot projects. Developers are also welcome to put forward projects for consideration by the PAT.

4.25 For more immediate gains in housing supply, the Task Force recommends that the PAT should examine all the sizeable lease modifications or land exchanges currently being processed or which have just been granted, to see if there is scope for :-

- (a) bringing forward the development by entrusting infrastructural works to the developer, with reimbursement of costs from public funds; and
- (b) increasing the density of development or relaxing the restriction on the number of flats permitted in the lease conditions, where infrastructural services can cope and in a way which would not slow down the development.

Private developers are also invited to make proposals to the Administration. Each case will be considered on its merits.

4.26 Furthermore, to speed up the processing and completion of redevelopment projects in general, the Task Force recommends that:-

- (a) as far as possible, lease modification should be dealt with through modification letters, rather than surrender and grant. Potentially, this could reduce the processing time by up to 3 months from the time of application to execution;
- (b) in future, a building covenant which specifies the completion date of the development should apply to all substantive modifications and exchanges which involve the construction of residential units. Moreover, compliance with the building covenant will be tightened to ensure completion of 100% of the residential units specified.

V. LAND SUPPLY

The Policy

Government's policy on land supply has always been to provide land in sufficient quantities to meet the projected housing demand and development needs of Hong Kong. New land mainly comes from reclamation and opening up new areas, mostly in the New Territories. The other more significant source of land is redevelopment, the initiative for which largely rests with private developers. To give an indication of proportions, it is noteworthy that 25 ha of land were sold in 1993 for residential and commercial uses, but land exchanges and lease modifications, i.e. redevelopment, accounted for 174 ha. The latter figure does not include redevelopment on sites with unrestricted leases for which lease

modification or land exchange is not required.

Land Disposal

5.2 Each year, the Lands Department puts together a land sales programme based on the projected housing demand three years hence and the availability of formed land. The Department also produces a five-year forecast of land sales using information available at the time, but the programme is susceptible to change.

5.3 Land disposals for residential development in the period from 1990/91 to 1993/94 and the approved programme for 1994/95 are as follows:

| | <u>1990/91</u> | <u>1991/92</u> | <u>1992/93</u> | <u>1993/94</u> | <u>1994/95</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| C/CR/R1/R2 | 12.55 | 20.04 | 18.25 | 15.71 | 19.43 |
| R3/R4 | 2.94 | 3.42 | 2.08 | 2.65 | 5.95 |
| HOS/PSPS | 17.65 | 13.51 | 1.87 | 14.79 | 19.10 |
| SCH | N/A | N/A | N/A | 4.8 | 5.74 |
| HKHS | 0.51 | 0.02 | 1.43 | 3.17 | 3.59 |
| Total | 33.65 | 36.99 | 35.63 | 41.12 | 53.81 |

As regards public rental housing, 180 ha of land have been vested in the Housing Authority over the past five years ending December 1993.

5.4 These figures show that the Government has produced a steady supply of land for residential development over the years. Because of the long lead time involved in land production, the planning horizon for housing demand and land requirement is normally 10 years and is rolled forward annually. The Public Works Programme for land production and the associated infrastructure is adjusted accordingly to ensure sufficient serviced land is produced on time.

Constraints

5.5 There are various constraints on land supply for residential development :-

(a) Transport -- the capacity of existing roads restrains the amount of housing development in a particular area. For example, the Pokfulam area is constrained by the capacity of Pokfulam Road; developments in northeast New Territories is restricted by the capacity of the transport links to the urban area, i.e. the Lion Rock Tunnel, Tate's Cairn Tunnel and the Kowloon-Canton Railway;

(b) Infrastructural capacity -- the Territorial Development Strategy and Metroplan have laid down population standards for various parts of the territory. The capacity of associated infrastructure is designed according to the target population. Any subsequent changes in the density of development which would result in an overall increase in population would risk over-stretching the infrastructure. In the rural areas, development potential is also severely constrained by the lack of infrastructure;

(c) Environment -- as public aspirations for a higher quality of living rise, more meticulous environmental planning is required to ensure that the consequences of traffic noise, wastes and emissions are properly taken into account in site selection for, and planning and design of, residential developments. Often there have to be tradeoffs between the costs (e.g. lower development density) and benefits (e.g. better quality of living);

(d) Competing land uses -- not all of the land which has been formed is available for disposal. Some of the sites are required for temporary use (e.g. as works areas), some are reserved for longer-term developments (e.g. railway reserve and road widening) and some may have been zoned for other purposes (e.g. open space and GIC facilities to meet

longer-term needs).

Potential Sites for Housing Development

5.6 In identifying sites for residential development, the Task Force has considered the following possibilities :-

- (a) bringing forward the land production programme and associated infrastructural development works;
- (b) speeding up redevelopment of government sites which are currently under-utilised;
- (c) where appropriate, re-zoning open space, GIC and industrial sites which are not required;
- (d) speeding up the planning and infrastructural development for the Tin Shui Wai Reserve Zone to tie in with the target opening of Route 3 (Country Park Section) at the end of 1998.

5.7 As a result of these efforts, the Task Force has been able to identify about 120 ha of land in various parts of Hong Kong, Kowloon and the New Territories, which are potentially suitable for housing development. These are in addition to the provisions in the five-year land disposal programme. Of the sites identified, about 15 ha of land suitable for high density development are available for allocation in 1994/95, some of which will require agreement by the Land Commission. Subject to further traffic and environmental impact studies, and re-zoning in some-cases, another 55 ha would be allocated before 1997/98 to meet the additional housing commitment of 45,000 flats before 2001. The remaining 50 ha will be held in reserve for longer-term uses.

5.8 In addition, the Task Force has noted that development along the Airport Railway would produce about 24,000 flats between 1997 and 2001, once agreement has been reached with the Chinese side over the Airport financing. There is also the possibility, subject to negotiation with the Chinese side, of releasing for residential development some land currently used as military sites.

5.9 Another area deserving review is the West Kowloon Reclamation. At present, residential development on the Reclamation is constrained by the capacity of existing roads and sewage system in Central Kowloon. The interdepartmental project action team will examine in more detail the scope for higher density development in the Reclamation and the possibility of bringing forward infrastructural development to cater for a larger population.

Other Measures

5.10 The Task Force also recommends the following measures to increase land supply for housing development in the longer-term:-

- (a) under the Territorial Development Strategy, the provision of primary transport links should tie in with the programme of land formation. To free up more development potential in the New Territories, it is necessary to strengthen transport links with the urban area by speeding up the construction of Route 16 and implementation of the territorial railway strategy;
- (b) it will be prudent to build up over time a reserve of immediately disposable land equivalent to, say, one year's land disposal, so that the Administration can respond more quickly to unforeseen demands. This can be achieved by bringing forward the land production programme and reviewing land uses in rural New Territories to maximise development potential;
- (c) in the same spirit, it is desirable to allow a margin for growth, say 10%, in designing the capacity of infrastructural projects when developing new towns and opening up rural areas for development.

Land Assembly for Redevelopment

5.11 The process of acquisition for redevelopment of land or properties in multiple ownership can be lengthy, frustrating and at times emotive. There has been public discussion of the possibility of the Government using its

powers of resumption to assist private developers in site assembly for redevelopment in Comprehensive Development Areas. The proposal is understandably controversial but potentially could bring substantial benefits to the community, in terms of both environmental improvement and additional housing. The Task Force has given some thought to the criteria for giving assistance in resumption. For example, the developer would :-

(a) have to demonstrate significant planning gains and public benefits from the development, such as better use of under-utilised land, improvements to the infrastructure or environment etc;

(b) have to have acquired, say, at least 85 % of the individual property interests first and must demonstrate, to the satisfaction of the Town Planning Board or ExCo, that he has taken all reasonable steps to acquire the remaining interests on terms that are considered reasonable and fair;

(c) be required to provide at his own expense a relocation package for all affected tenants at terms which are no less favourable than that provided by the Land Development Corporation on resumption;

(d) have to pay a premium at full market value for the exchange site, including the resumed properties.

5.12 The above are illustrations of possible guidelines. Given the complexity and sensitivity of the issues involved, more detailed consideration and thorough discussion will be required. The Task Force recommends that the proposal should be actively pursued with interested parties.

5.13 Where a developer has applied for an exchange in order to redevelop agricultural lots interspersed with small pockets of government land, problems of clearance sometimes arise because the government land is occupied, either legally or illegally. No resumption is involved since the structures are on government land. In some cases, rehousing of a few squatters may be required. The Task Force recommends that such clearances should be given higher priority by relevant departments. This will help to facilitate redevelopment. Several such cases have been identified which, if the land could be redeveloped, would produce up to 5,000 housing units.

VI. PLANNING AND DEVELOPMENT PROCESSES

Planning Processes

At the strategic level, the Territorial Development Strategy and the various sub-regional and district plans lay down the broad land use, transport, and environmental planning framework for growth and development. Every year, based on Housing Department's assessment of demand under the Long Term Housing Strategy and Territory Development Department's (TDD) land formation programme, the Planning Department updates the assessment of land requirements and supply over the next 10 years. In making the assessment, certain assumptions are made regarding the level of private housing production and the proportion of new supply from redevelopment. Where a shortfall is projected, TDD is expected to adjust its land production programme to ensure that the shortfall is eliminated before it arises. The Task Force has noticed a number of weaknesses in the process and proposes the following changes to strengthen coordination and the accuracy of assessment.

(a) Assessment of housing demand

6.2 At present, the Housing Department updates the Long Term Housing Strategy annually and reviews the housing demand as part of the process. There is a natural tendency to focus on the demand for shelter and on public housing only. For many years, the demand and supply of private housing have been fixed at 35,000 units in Planning Department's assessment of land requirement. The Task Force proposes a comprehensive review of the scale and composition of housing demand in both the public and private sectors to provide realistic targets at which to aim over the short, medium and long terms. The Task Force also recommends that overall responsibility for assessing and updating housing demand should rest with Planning Department, since housing demand is a key parameter for territorial development planning.

(b) Assessment of land supply

6.3 At present, assessment of land supply is based on existing formed land not permanently allocated and TDD's land formation programme. However, as pointed out in para. 5.5(d) above, not all of the formed land is available for disposal and not all of the disposable land can actually be sold because of the need to maintain a balance between sites of varying development densities and in various districts in each year's land sales programme. The Task Force recommends that more detailed analysis of the annual land requirements and supply by category and location should be undertaken, involving both Lands Department and TDD. There should also be mid-term reviews to monitor progress and any changes in demand.

6.4 Following on the recommendation in para 5.10(b) to establish a land reserve in the longer-term, the Task Force also proposes to establish a land inventory system which would enable relevant departments to have access to the following information :-

(a) sites which are available for disposal, i.e. formed, serviced and vacant, for inclusion in Lands Department's five-year land disposal programme;

(b) sites which will become available for disposal, i.e. TDD's land production programme and government land under temporary use with expiry dates;

(c) sites which may become available subject to completion of certain infrastructure, e.g. trunk roads or water supply, or clearances, with an estimate of the timing of availability.

(c) Assessment of redevelopment potential

6.5 Based on past experience, the supply of private housing from redevelopment has been assumed to be 22,000 flats each year, in planning for the supply of new land. Private developers have recently expressed the view that, due to a shortage of major redevelopment sites and the difficulty of site assembly, past performance may not be repeated in future. If this is correct, to continue to rely on an annual output of 22,000 flats from redevelopment may lead to an under-provision of new land for housing development. The Task Force does not see any immediate threat of a reduction of supply from redevelopment in view of the large number of modifications and exchanges which have been approved or are being processed. However, it acknowledges that there may be a problem in the future and recommends that Planning Department should undertake a comprehensive study of redevelopment potential throughout the territory. The information will also be input into the land inventory system referred to above.

Development Processes

6.6 There are three stages in the processing of development proposals, requiring planning, land and building approvals respectively.

(a) Planning approvals

6.7 Procedures for planning applications, appeals and objections are bound by time limits laid down in the law. For example, S. 16 applications are required to be submitted to the Town Planning Board (TPB) for consideration within two months, and applications for review have to be considered by TPB within three months. It is more difficult to control the time for processing objections to draft, or amendments to, statutory plans, as the number and complexity of the objections can vary considerably.

6.8 As a contingency measure to produce more housing supply, the Task Force recommends that a priority system be established within Planning Department to deal with major projects involving residential development, so as to expedite the approval process further within the statutory time limits. The need to continue such a system should be reviewed in a year. The TPB should also consider giving more information and advice to developers to assist them in meeting its requirements.

(b) Land transactions

6.9 Due to their wide-ranging nature and complexity, lease modifications and land exchanges are not governed by any

time limits. The time taken can vary between 260 days for a straight-forward modification case to over 1,000 days for a non-straightforward land exchange case. The Task Force accepts that it may not be realistic to set a time limit on the whole process from application to execution because of frequent referrals between the Lands Department and the developer throughout the process. However, the Task Force recommends that Lands Department should consider publishing targets for individual stages of the process. For example, the Department may consider reducing the time between acceptance of basic terms and execution of document, and shortening the time allowed for circulation of lease conditions among government departments.

(c) Building approvals

6.10 The approval of building plans and issue of occupation permits are governed by statutory time limits. By and large, the industry is content with the present system. There is an existing arrangement for fast tracking minor alteration and addition works. A priority system will be introduced for major residential development projects which produce a large number of flats.

Monitoring System

6.11 At present, each department keeps track of cases being processed in the department. There is no overall monitoring of the progress of individual projects across departments. For example, it is not possible to tell how many flats will be produced in three years from lease modifications approved this year because, first of all, redevelopment projects are not subject to any time limit on completion. Secondly, the actual number of flats to be built is only confirmed when the building plan is approved and Building Department's record does not differentiate between redevelopment and new development.

6.12 The Task Force recommends an integrated project monitoring system to be based in the Rating and Valuation Department and with input from Planning Department, Lands Department and Buildings Department, so as to :-

- (a) monitor the progress of individual projects and enable a more accurate forecast of supply in the short and medium term;
- (b) identify the sources of new housing production, i.e. from new land, modifications/exchanges, or redevelopment of land with unrestricted leases, to facilitate future planning of land requirements;
- (c) give early warning of any slippage or changes in development plans which may have a significant impact on housing supply, so that corrective action can be taken e.g. by granting new land and accelerating other projects to make up the shortfall.

VII. SPECULATION

Speculation is a feature of a buoyant property market. It feeds on strong end-user demand and expectations of rising prices. Speculation adds pressure to demand and, through hoarding, reduces the number of flats directly available to home buyers, thereby pushing up prices and reinforcing expectations of further price increases. Though it may not be the primary cause of property price increases, speculation exacerbates the problem nonetheless.

The Task Force, therefore, considers it necessary to introduce short-term measures to curb speculation and to complement the efforts to increase supply.

Evidence of Speculation

7.2 There are two indicators of speculative activities, i.e. rapid turnover of ownership and hoarding of properties. Small speculators looking for quick returns usually sell off a property soon after purchase when a profit can be made, whereas the financially strong speculators can afford to hold onto the property much longer for higher profits. The following facts and figures give an indication of the extent of the two forms of speculation.

(a) Resale

7.3 Analysis of the sale and purchase agreements in respect of residential property transactions presented to the Inland Revenue Department for stamping between February 1992 and March 1994, i.e. since the introduction of the Stamp Duty (Amendment) Ordinance 1992, shows that :-

- (a) out of a total of 214,683 sale and purchase agreements, 8,617 (4.0%) were resold before assignment, and 13,565 (6.3%) were resold shortly after assignment. Of these, 5,373 (24%) were in the name of companies;
- (b) not included in the above statistics were 2,212 cases which involved property resales through transfer of shares in landholding companies. These cases were spotted through random checking. They may not represent the full picture regarding property transactions through transfer of shares in landholding companies;
- (c) among the 8,617 cases of re-sale before assignment, 3,710 (43 %) were in respect of new properties first offered for sale after 31 January 1992. Of these, the great majority were by first hand purchasers;
- (d) a comparison of the number of pre-sale flats for which consent has been granted with the number of cancellation agreements registered shows that up to 25 % of the purchasers who signed the sale and purchase agreement in respect of pre-sale flats may have entered into a cancellation agreement subsequently;
- (e) taking all the 22,182 cases from (a) together, 23 % involved new properties first offered for sale after 31 January 1992.

(b) Vacancy

7.4 The following information is based on surveys conducted by the Rating and Valuation Department. A unit is regarded as vacant if it is not put to beneficial use, i.e. neither used for dwelling nor storage. Premises under decoration are treated as vacant but furnished premises awaiting occupation are reckoned to be occupied. Effective supply represents the number of units which became available for assignment and/or occupation by purchasers/tenants. The supply date is the Occupation Permit date unless a Certificate of Compliance (CC) or consent to assign (CA) is required in which case it is the earlier of the CC or CA date. The survey shows that :-

(a) the overall vacancy, as a percentage of total stock, has remained steady over the years :-

| | |
|------|------|
| 1989 | 4.2% |
| 1990 | 3.5% |
| 1991 | 4.2% |
| 1992 | 4.2% |
| 1993 | 3.9% |

(b) as a percentage of the effective supply of new flats, the year-end vacancy position in 1992 and 1993 was 51 % and 56% respectively.

(c) a sample survey of 10,078 units (31.7%) in large developments completed in 1992 showed that 1,803 units (17.9%) were still unoccupied at the end of April 1994, i.e. more than a year after completion. These are prima facie cases of hoarding;

(d) a sample survey of 17,544 units (69.6%) in large developments completed in 1993 showed that 7,099 (40.5%) remained vacant at the end of April 1994. Nearly half of these vacant unit's were held by developers or certain individuals who have purchased blocks of flats in the same development;

(e) an analysis of the ownership of vacant premises in selected developments showed that a relatively higher percentage of the flats sold through private sales remained vacant for a longer period of time, as compared to those sold openly to the public.

7.5 The above statistics suggest that approximately one out of ten transactions in residential properties over the last two years could be regarded as speculative. Speculation is particularly prevalent in estate-type developments and among

pre-sale flats.

Modifications to the Consent Scheme

7.6 The Task Force has considered a range of measures to dampen speculation and proposes, first of all, to tighten control over pre-sale flats which tend to be the market barometer and price leader. This will be achieved through modifications to the Consent Scheme so as to reduce the opportunities for speculation.

7.7 The Consent Scheme was introduced in 1961 to protect the interests of flat buyers and to prevent speculative dealings in undeveloped land. Under the Consent Scheme, upon application by the developer and on the Director of Lands being satisfied with the financial arrangements, the stage of development reached and the acceptability of the proposed conveyancing documents, consent for forward sales of uncompleted flats will be given, subject to conditions specified in a consent letter.

(a) Private sales

7.8 At present, a developer is allowed to place up to 50% of the number of uncompleted flats through private sales. It is widely believed that this arrangement has fuelled speculation since the vast majority of such buyers are not end-users. With half of the units being out of reach of the public, private sales reduce the effective supply of flats to genuine home buyers. The Task Force recommends that the quota for private sales should be reduced to 10%. Special consent may be given for end-users who purchase in bulk exceeding 10% (e.g. a company purchasing quarters for its employees). The developer will be required to submit to the Legal Advisory and Conveyancing Office (LACO) a schedule of the purchasers and the units to be allocated through private sales. Purchasers through private sales will also be required to pay a 10% deposit before the date of public sale and to sign the formal sale and purchase agreement within 7 days. No re-sale will be allowed before the Certificate of Compliance or the consent to assign is given, whichever is the earlier.

(b) Period of forward sales

7.9 Currently, consent can be given if the foundation works of the development have been completed and approval to commence construction works on the superstructure has been given. Forward sales of up to 600 days have been given consent. The long period between sale and assignment encourages speculation. The Task Force recommends that the period of forward sales should be reduced.

7.10 In determining the optimum period of forward sales, the Task Force has taken account of the likely impact on both the developer and genuine home buyers. To the developer, forward sales provide an early cash return on investment. However, the construction cost only makes up a small percentage of the development cost and many developers are able to offer supplementary financing for buyers. To home buyers, however, it is reasonable to allow time for them to arrange for financing or to dispose of their existing properties. The Task Force recommends that forward sales should not exceed nine months before the completion date to be specified in the Sale and Purchase Agreement (see paragraph 7.15 below).

7.11 The terms of the sale and purchase agreement (ASP) will be amended to prohibit re-sale before the Certificate of Compliance or consent to assign is given, whichever is the earlier. The re-sale restriction should not affect genuine home buyers but will require them to consider their own financial position more carefully before entering into any commitment.

(c) Initial deposit

7.12 At present, a deposit of 5-10% is required to be paid upon signing the preliminary agreement. To increase the cost of speculation, the Task Force recommends that the initial deposit should be fixed at 10% of the purchase price. The existing arrangement of paying another 10% upon signing the formal sale and purchase agreement will be maintained. The sale and purchase agreement will have to be stamped and registered within one month of the preliminary agreement. If a purchaser fails to sign the sale and purchase agreement, or enters into a Cancellation Agreement before assignment, half of the initial deposit (i.e. 5% of the purchase price) will be forfeited.

(d) Parking spaces

7.13 To reduce the opportunity of speculation in carparking spaces, the Task Force proposes that forward sale of car parking spaces will not be allowed, unless they are to be sold together with the residential units covered by consent. In other words, a specified number of parking spaces may be sold with each residential unit but carparking spaces cannot be sold on their own before the building is completed.

(e) Coverage

7.14 At present, the Consent Scheme is only applicable to buildings on new land which is governed by a building covenant. The Task Force recommends that the Scheme be extended to buildings on redeveloped land.

(f) Consumer protection

7.15 In addition, the Task Force recommends that the date for completion of construction in the ASP be re-defined as the date of compliance with the lease conditions or consent to assign, whichever is the earlier. Home buyers will thus have more certainty over when they can take possession of the flats they have purchased and to take action against the developers under the agreement if the completion date is not met. At present, the developer fulfils his obligation under the ASP once the OP is issued, even though the building cannot yet be assigned because the lease conditions have not been fully complied with.

7.16 The Task Force also welcomes the recommendations of the Working Group on Regulation of Estate Agents which are being finalised. The principal recommendation is to establish a statutory Authority to regulate the conduct of and prescribe the licensing requirements for estate agents. The Authority will be empowered to determine licence fees, prescribe the standard documents to be used in all property transactions, draw up practising guidelines, take disciplinary action against offenders and consider appeals. The Authority will be self-financing. The legislation to be introduced will stipulate the obligations of an estate agent, which will include full disclosure of his interest in a property transaction to his client. These measures will go a long way towards safeguarding the interests of home buyers.

Other Measures

7.17 The Task Force acknowledges that modifications to the consent scheme cannot tackle speculation in the secondary market. The Task Force has considered a range of measures, namely, re-sale restriction on all pre-sale flats, punitive rates of stamp duty on short-term resales and penal rating on vacant premises. All of these, however, will require legislation and, therefore, take time to implement. -

7.18 Within the time constraints the Task Force has not been able to study fully the practical implications of such legislative measures but will continue to examine these options. The Task Force will wish to see the effect of the other recommendations before deciding whether or not to recommend introducing any of the legislative measures.

7.19 In this connection, the Task Force has taken note of the Law Reform Commission's proposals on reform of the law relating to sales descriptions of uncompleted residential property. The Commission proposed that legislation should be introduced to require developers to provide clear and accurate descriptions in the sales brochures of the prices of individual units, gross floor area, saleable area, fittings and finishes, financing arrangements, transaction fees, defect liability period etc in respect of the flats being offered for sale. The Administration will consider whether more wide-ranging legislation should be introduced to replace the Consent Scheme so as to put all property transactions within the same regulatory framework.

7.20 An information system for monitoring speculative activities will be established and coordinated by the Planning, Environment and Lands Branch. The Inland Revenue Department, Rating and Valuation Department and the Legal Advisory and Conveyancing Office of the Lands Department will step up their efforts to track down profits from property trading, to monitor the extent of hoarding and to ensure compliance with the Consent Scheme respectively.

Consumer Education

7.21 There is no place for speculators if there are no buyers. Sometimes, the line' between speculators and end-users is blurred. As part of their marketing strategy, speculators create an impression of short supply of new flats and expectation of further price increases, so as to lure buyers, some of whom may not have an immediate housing need. An individual who buys a flat in anticipation of future housing need is an investor. The line becomes blurred when he subsequently re-sells the flat because prices have risen so much that the profit is too good to resist.

7.22 One way of countering premature buying is to provide consumers With more accurate information of the market situation and future supply. The Task Force recommends that the Consumer Council be invited to include a property column in its magazine 'Choice' to provide prospective home buyers with regular information on:-

* the programme of pre-sales approved by LACO and the number of flats involved

* for each consent given :

- the number of units in the entire development
- the number offered for sale in each phase
- the number and location of units available for public balloting
- the price range, including the highest and lowest prices

* up to date transaction prices

* future supply of land and housing in different parts of the territory and transport links

7.23 Developers will also be required to advertise detailed information on the pre-sale flats, including flat prices, at least 7 working days before registration for public balloting.

VIII. IMPLEMENTATION

The Task Force has made wide-ranging proposals on measures to increase housing supply, to curb speculation, and to improve the systems of planning, development and monitoring. It recommends that a sub-committee be established under the Land and Building Advisory Committee to follow up these recommendations, advise on details and monitor progress.