

Address by the Governor,
Sir Edward Youde, KCMG, MBE,
at the opening of the 1982/83
Session of the Legislative
Council on 6 October 1982
(extract on Housing)

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(4) POLICY EMPHASIS IN MAIN SOCIAL PROGRAMME AREAS

(a) Housing

33. As regards housing, construction in both the public and private sectors has been satisfactory: in each of the last three years over 60,000 flats have been completed. Indeed, in 1981-82 a total output of 74,000 flats was achieved, an all-time record.

(i) Public housing

34. Over 2.2 million people or 42% of our population now live in public housing. This percentage will grow as the public sector building programmes proceed. In 1981-82 public housing production, including the Housing Society's contribution, was nearly 40,000 flats, all in modern estates with good amenities. The redevelopment of old estates ensures that earlier public housing tenants also benefit from improved standards. The indications are that this high level of production can be sustained, and every effort will be made to maintain the momentum for many years to come.

(ii) Hong Kong Housing Society

35. Most public housing is, of course, built by the Housing Authority, but last year's production included a significant contribution of some 3,700 flats from the Hong Kong Housing Society. The Society will continue to play a valuable role, complementary to that of the Housing Authority. It is at present directing its energies towards the Urban Improvement Scheme and the provision of small estates in rural areas.

/(iii) Private ...

(iii) Private sector housing

36. More than 34,000 flats and houses were completed last year by the private sector. Not surprisingly perhaps, production at this level, coupled with high interest rates and property values inflated by speculative activities in recent years, led to an abnormally high number of unsold properties. However, the levelling off of sale prices together with a lowering of mortgage interest rates has put more of this large stock of accommodation within the reach of those seeking housing.

(iv) Landlord and tenant

37. A significant advance in the private rental field over the past year has been the introduction, under the aegis of the Lands Tribunal, of a system providing reasonable security of tenure to tenants of premises not subject to rent control, provided they are prepared to pay the fair market rent.

38. All premises completed since June 1981 are now excluded from rent control, and premises of a very high rateable value are being excluded by stages. Well before the expiry in December next year of the existing legislation controlling rent increases for post-war premises, the Government will be considering the future form of these controls, and appropriate legislation will be introduced in this session.

(v) The squatter problem

39. Despite high levels of housing production, in some areas major problems still exist. The most obvious is the squatter problem. Although nearly 1.3 million squatters have been rehoused since the 1950's, latest estimates still put the squatter population at over half a million. Many will be rehoused through development clearances over the next few years; but most large squatter concentrations are likely to

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remain for quite some time, and something must be done to improve living conditions in them. As a first step, a programme has been started to reduce the danger from fire and landslip by improving access and water supply for fire fighting, creating fire breaks and undertaking essential slope stability works. Work is already well advanced in a number of densely populated areas and the programme will be progressively extended to other vulnerable areas. The next step will be to provide basic services such as water, electricity and drainage in areas not due for clearance in the near future.

40. We must, at the same time, endeavour to contain the problem by preventing the proliferation of new squatting. To this end, the higher degree of control now being exercised, together with the recently enacted legislation which provides heavier penalties for racketeering should help to deter new hut building.

(vi) Home ownership

41. A consequence of an improving standard of living has been the trend towards families owning their own homes rather than relying on rented accommodation in either the public or the private sector.

42. To meet the community's aspirations in this field, the Home Ownership Scheme enables lower-income families to buy their own flats at reasonable prices. The policy of excluding land value from the selling price of these flats has proved very popular - over 70,000 applications were received for the first 6,600 flats offered for sale on these terms - and the programme will be continued on this basis. The private sector too has an important role to play in the promotion of home ownership. So more sites will be made available for the Private Sector Participation Scheme and the Middle Income Housing Programme. These Government sponsored home ownership schemes should, by 1985-86, be producing some 12,500 flats

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annually for purchase by better off public housing tenants, to encourage them to vacate their heavily subsidized rental flats, and by those living in rented private flats who could not otherwise aspire to own a house of their own.

43. In the private sector, the latest figures available show that three-quarters of new flats occupied last year were occupied by their owners, bringing the proportion of owner-occupation to about 50% of the total. This movement towards home ownership is one which the Government will encourage.

44. I am confident that, by the end of this decade, the housing problem as we have known it will have been greatly reduced. But our housing standards have in the past had to be modest and there will always be a need for qualitative improvements to bring older housing up-to-date. There will be no pause in our efforts to make Hong Kong a better place to live in.

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