

HONG KONG:

A THOUSAND DAYS AND BEYOND (extract on Housing)

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THE 1994 POLICY ADDRESS

THE HOMES HONG KONG NEEDS

41. If a decent job is the best guarantee of a Hong Kong family's wellbeing, a decent home is what determines the Hong Kong family's quality of life. Over the last forty years, the Government has made a relentless effort to provide our people with a safe, affordable and increasingly comfortable and well-designed alternative to the slum tenements and the squatter colonies of the 1950s and 1960s. Hong Kong has built a total of 1.2 million public and private flats over the last 20 years. This year, we are spending \$15.4 billion on our housing programmes, about 400% more in real terms than we spent ten years ago. I would like to take this opportunity to acknowledge the enormous contribution which the Housing Authority has made to providing Hong Kong's people with the homes that are needed.

42. Our continuous investment in new housing means that we have been able to afford to raise our sights well above the mass resettlement programmes of the past.

- Public housing estates are being made safer and more pleasant.
This year, we are spending \$3.3 billion to improve

and maintain our public housing estates, including \$433 million to refurbish and renovate the older public housing estates. We will spend \$650 million over the next three years on the staff and technology to keep crime away from public housing estates.

- We are starting to get rid of Temporary Housing Areas and squatter settlements. By 1997, everyone living in a Temporary Housing Area at the end of last year will have had at least one offer of rehousing. By March 1996, all urban squatters on government land will have been offered rehousing.

Stable Prices, Increased Supply

43. Earlier this year, this Council and the whole community became alarmed that ordinary families might lose all hope of being able to buy their own home. There were also fears that the property sector was becoming perilously overheated. I shared these concerns, especially after our experience in 1993 when the average price of flats in the more popular private estates rose by 21%. As Honourable Members know, a Task Force on Land Supply and Property Prices was set up to identify how we could assist the property sector to return to more stable prices and more orderly trading conditions. It produced a package of measures designed to curb speculation, to eliminate bottlenecks, reduce bureaucracy and, generally, to improve the production of new flats in both the private and the public sectors. We have accepted its recommendations for immediate action

- We have taken vigorous steps to discourage the speculator, for example, by reducing the quota for the private sale of uncompleted flats.
- We will provide an extra 70 hectares of land for housing before 1997-98, subject to the agreement of the Land Commission.
- We will continue to provide sufficient land to the Housing Authority for the development of public housing.
- We have established a project action team specially charged with overcoming problems in the processing of new housing projects in order to speed up the supply of new flats.
- We will create a new Policy Branch to be responsible for housing matters.

44. The announcement that we intended to implement these recommendations encouraged a welcome slackening of the price spiral. The best long-term contribution the Government can make to ensuring that our people have access to affordable housing is to boost the supply of new flats to match demand. We shall achieve our goal through pursuing well-managed investment and construction programmes, to which the private sector will continue to make a major contribution. Before April 2001, we plan:

- to help the private sector to produce 195 000 new flats (an increase of 15 000 over the previous target), by accelerating the formation of sites and the development of our infrastructure;
- to help an additional 180 000 families to buy their own homes by providing subsidised housing or financial assistance; and
- to produce at least 310 000 new flats in the public sector (an increase of 30 000 over the previous target).

45. I want to assure this Council that the Government has no higher priority than meeting the community's housing needs. We have set ambitious goals for both the Housing Authority and the private sector. I believe that the programme I have just outlined to this Council offers our best chance over the long run of stabilising the price cycle and enabling more families to find the modern, comfortable homes they expect, at prices and rents they can afford.