

**Memorandum for the Building Committee and
the Strategic Planning Committee of
the Hong Kong Housing Authority**

Public Housing Construction Programme 2015/16 to 2019/20

PURPOSE

This paper informs Members of the Public Housing Construction Programme (PHCP) for the period 2015/16 to 2019/20.

BACKGROUND

2. Based on the latest projection of the Long Term Housing Strategy (LTHS) on the housing demand, the Government has adopted the total housing supply target of 480 000 units for the coming ten-year period from 2015/16 to 2024/25, among which the public housing supply target is 290 000 units, comprising 200 000 public rental housing (PRH) units and 90 000 subsidized sale flats. As the production of public housing involves a number of factors such as land use planning, design, construction and resource allocation, the Hong Kong Housing Authority (HA) has put in place the five-year PHCP which rolls forward on a yearly basis, in order to closely monitor the progress of each project.

**PUBLIC HOUSING CONSTRUCTION PROGRAMME 2015/16 TO
2019/20**

3. The following table summarizes the HA's PHCP for 2015/16 to 2019/20 (**Table 1A** refers). The Subsidized Sale Flats include Home Ownership Scheme (HOS) and Green Form Subsidized Home Ownership Pilot Scheme (GSH). For a more comprehensive picture of supply of public housing, **Table 1B** shows similar figures of the production by the Housing Society (HS).

Table 1A: Public Housing Production of HA's PHCP (2015/16 to 2019/20)[@]

HA*	2015/16	2016/17[^]	2017/18	2018/19	2019/20	Total
PRH	23 300	11 300	19 000	12 800	9 200	75 500
Sale	-	3 000	4 100	4 300	6 100	17 600
Total	23 300	14 300	23 200	17 100	15 300	93 100

* The estimated completion year refers to the substantial completion of building contract based on the latest PHCP (as at May 2015).

[^] San Po Kong Flatted Factory has been converted from PRH to GSH.

[@] Figures may not add up to total due to rounding.

Table 1B: Public Housing Production of HS (2015/16 to 2019/20)

HS	2015/16	2016/17	2017/18	2018/19	2019/20	Total
PRH	-	100	-	1 000	-	1 100
Sale	-	-	-	1 000	600	1 600
Total	-	100	-	2 000	600	2 700

4. **Table 2** below compares the five-year's total production of public housing, comprising HA's PHCP (2015/16 to 2019/20) together with HS's production, against the preceding five-year programmes:

Table 2: Five-year Public Housing Production under Different Timeframes (HA and HS)[@]

PHCP	HA Flat Production (PRH + Sale)	HS Flat Production (PRH + Sale)	Total Production (PRH + Sale)
2012/13 to 2016/17	74 600 (71 600 + 3 000)	1 100 (100 + 1 000)	75 800 (71 800 + 4 000)
2013/14 to 2017/18	84 700 (77 500 + 7 200)	1 100 (100 + 1 000)	85 800 (77 700 + 8 100)
2014/15 to 2018/19	87 700 (76 300 + 11 500)	3 100 (1 100 + 2 000)	90 900 (77 400 + 13 500)
2015/16 to 2019/20	93 100 (75 500 + 17 600)	2 700 (1 100 + 1 600)	95 800 (76 600 + 19 200)

[@] Figures may not add up to total due to rounding.

5. The combined public housing production of the HA and HS from 2015/16 to 2019/20 amounts to 95 800 flats. Whilst this still falls short of the level required by the LTHS target for 2015/16 – 2024/25, the five year's total production has been increasing steadily. It is also relevant that from the point

of view of applicants waiting for PRH, in addition to the new PRH flats envisaged in the programme, the sale flats will also indirectly lead to the supply of PRH flats available for allocation. In the past about 55% of HA's HOS flats were purchased by Green Form holders. Assuming a similar take up rate, the 17 600 sale flats could release up to thousands of PRH flats that can be recycled.

6. Under HA's PHCP from 2015/16 to 2019/20, HA will produce about **93 100 flats** (including about 75 500 PRH flats and about 17 600 sale flats) -

Public Rental Housing (PRH)

- (a) Of the HA's production of about **75 500 PRH flats** in 2015/16 to 2019/20, most will be located in urban (54%) and extended urban areas (32%) with the remaining in the New Territories (14%). In terms of flat types, about 18% are one/two person units, 24% two/three person units, 36% three/four person units and 22% four/five person units.

Subsidized Sale Flats

- (b) About **17 600** sale flats will be completed by HA in the four years from 2016/17 to 2019/20. The first batch of newly built HOS projects is located in Shatin, Tsuen Wan, Tsing Yi and Yuen Long, providing a total of about 2 200 flats. These projects are under construction and expected to be completed in 2016/17, and they have been offered for pre-sale.

7. Given that each individual site varies in scale, site specific characteristics, complexities and construction period, public housing production for different years may vary. In the last five years, we consulted District Councils (DCs) on 80 public housing projects, involving a total of about 107 700 public housing units. This comprises 52 PRH projects of about 82 300 flats and 28 projects for Subsidized Sale Flats of about 25 400 flats (Paper No. **SPC 16/2015** refers). Out of these 80 projects, 48 have been included in the 2015/16 – 2019/20 PHCP, and 32 will be completed in 2020/21 or beyond. Amongst these sites, there are some sizeable housing sites like Queen's Hill Site 1 capable of producing about 12 000 flats.

PRINCIPAL FACTORS ASSOCIATED WITH THE DELIVERY OF PUBLIC HOUSING

8. The average lead time of a typical public housing development with 40-storey domestic block(s) sitting on ground (i.e. without podium or basement) generally takes around seven years from planning stage to completion, after land resumption, clearance and site formation if any have been completed¹. We have been explaining to the public that we will endeavor to fast track the process and where possible aim to complete a project in around five years for “spade ready sites” (i.e. sites that have been properly zoned for residential use, resumed, cleared and formed, and with adequate provision of infrastructure), by compressing the three years for planning and design into one year. In practice, in some special cases we have managed to do better than that. In such cases, once the sites have been earmarked for public housing use, design and tender for foundation works would proceed in parallel with land use rezoning. This requires us to take some risk of abortive work and rework, and we have to proceed carefully to ensure that quality and site safety would not be compromised. In other cases, despite our best efforts some projects are taking longer than we wish.

9. The challenges that we face and that affect the lead time to deliver a project include the following –

- (a) Most of the sites (about 80% of those we have consulted DCs in the past five years) are not “spade ready” (i.e. those sites have not been properly zoned, require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure);
- (b) For sites requiring rezoning and planning applications, it takes time to complete the town planning process. Among the 80 sites that we have consulted DCs in the past five years, about 90% involve rezoning or planning applications. Some of these processes may take longer than others and may require further studies during the planning process, resulting in additional time before we can start construction;

1 The seven-year lead time comprises three years for early planning and design stage (including consultation), half a year for documentation and tendering, and three and a half years for construction.

- (c) In cases involving Government-funded works, the time taken to secure such funding depends on the Government's internal process and the process for securing the Legislative Council's funding approval;
- (d) Sites encountering difficult or complex site conditions require longer time for foundation works, while some others involving refuge floors, basement and/or podium construction require longer time for construction; and
- (e) Planning issues involving other developments in the vicinity may affect our acquisition of land. For example, a recent judicial review (JR) case of the Kwai Chung OZP² has delayed our Tai Wo Hau Road Phases 1 and 2 (800 flats). The JR has led to the deferral of the approval of the OZP, and the Tender Committee had no choice but to cancel the foundation tender in May 2015 after the Department issued the tender in March 2015.

10. Despite these challenges, we have managed some success in pushing forward projects. Notable examples of "spade ready" sites that we have managed to fast track include the first batch of six HOS projects and East Harbour Crossing Site Phase 7 which do not require rezoning. Also, we have further fast tracked other sites on government land even though they required rezoning, such as Shek Mun (Shek Mun Estate Phase 2), Lai Chi Kok Road – Tonkin Street Phases 1 & 2, Cheung Sha Wan Wholesale Food Market Site 3 and Site 5 Phase 1 due for completion in 2017/18 to 2019/20, as well as Queen's Hill Site 1 Phases 1 to 3 due for completion beyond 2019/20.

11. The above said, our super-fast tracking actions may be met with risks and uncertainties, posing delays during the course of delivery hence frustrating early completion as we had wished. Given its site complexity, Tai Wo Hau Road Phases 1 & 2 mentioned in paragraph 9(e) above could have made history in fast-tracking towards completion in 2019/20, had it not been for the JR case that deter us from acquisition of site. We also faced challenges for fast tracking projects for completion in 2019/20, such as Hang Kin Street in Ma On Shan which we encountered local objections, Pak Tin Phases 7 & 8 that a petition staged at the site entrance thus causing delay to the regular progress of works, and the Tsing Hung Road project that the rezoning process might have

2 Although the JR is not related to Tai Wo Hau Road site, the court granted an interim stay of submission of the OZP for ExCo approval pending the determination of the JR.

uncertainty as a motion was passed by the Kwai Tsing DC to request for the re-planning of the site.

12. For further supply of land, the Government is carrying out a number of planning and engineering feasibility studies in different districts. When the sites from these studies are available, they will form the major source of HA's housing sites. The delivery of these sites in general requires a lead time of about 13 years from the commencement of the studies and they are therefore long term housing sites with anticipated production mostly beyond the next ten years, such as sites located in North East New Territories New Development Areas, Hung Shui Kiu New Development Area, Kam Tin South and Pat Heung, Anderson Road Quarry, Yuen Long South, Tung Chung New Town, Ex-Lamma Quarry Area at Sok Kwu Wan of Lamma Island, Pokfulam South and Tseung Kwan O.

13. We will continue with our endeavor to push forward the delivery of public housing projects as quickly as possible. We will put in extra efforts to make up the difference in the second five-year period (from 2020/21 to 2024/25). The timely completion of the relevant procedures and obtaining community support are critical for HA in meeting the government production target.

DECLASSIFICATION OF DOCUMENT

14. We will declassify the paper, which will enable the public access through HA's website and library as well as District Access to Information Officer (DAIO).

INFORMATION

15. This paper is issued for Members' information.

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