

2. CORPORATE STRATEGIES

- 2.1 The core function of the HA is to assist low-income families who cannot afford private rental accommodation through the provision of PRH flats, with a target of maintaining the average waiting time (AWT)^[2] at around three years for general applicants on the PRH Waiting List (WL), as well as to meet the home ownership aspirations of the low-to-middle income families by building subsidised sale flats.

The Latest Situation in Hong Kong and its Impact on the HA's Work

- 2.2 Housing is the top priority of the Government. As an important provider of housing and the implementation agent of the Government's public housing policy, the HA is assuming a bigger role and shouldering even more responsibilities in addressing the housing problem in Hong Kong.
- 2.3 Hong Kong is now faced with an acute housing problem, triggered by a severe demand-supply imbalance in the housing market. Fundamental to meeting the basic housing requirements of those most in need is the provision of PRH. The HA's objective is to provide PRH to those who cannot afford private rental accommodation, with a target to maintain the AWT^[2] for general applicants at around three years. Nonetheless, the WL for PRH has been lengthening. As at end-September 2013, there were about 118 900 general applications and about 118 900 non-elderly one-person applications under the Quota and Points System on the WL for PRH. At the same time, the AWT^[2] for PRH has also been increasing, and stood at 2.8 years for general applicants as at end-September 2013. It is becoming increasingly challenging for the HA to maintain its three-year AWT^[2] target for general applicants.

Note [2] : Under the established methodology, waiting time refers to the time taken between registration on the WL and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc). The AWT for general applicants refers to the average of the waiting time of general applicants housed to PRH in the past 12 months.

- 2.4 On the other hand, the prices of residential properties remained stubbornly out of reach by many prospective home buyers, despite the introduction of demand-side management measures by the Government. According to the Rating and Valuation Department, the mortgage-to-income ratio in the third quarter of 2013 was about 54%, which was higher than the figure for the third quarter of 2012 of around 50% by 4%. It was also significantly higher than the average mortgage-to-income ratio of 48% in the past 20 years (1993 to 2012). It remains difficult for prospective home buyers to afford and pursue home ownership in the private sector.
- 2.5 In view of the housing situation in Hong Kong, the Government's policy objectives are to assist grassroots families to secure PRH to meet their basic housing needs, assist the public to choose accommodation according to their affordability and personal circumstances, and provide subsidized home ownership flats on top of PRH so as to build a progressive housing ladder. On the PRH side, the HA has in place a rolling public housing production programme to address the demand for PRH. For the first five years from 2012/13 to 2016/17, by fast-tracking two PRH projects with about 3 400 flats, the total PRH production has been increased from the target of 75 000 to about 79 000 flats. For the second five years from 2017/18 to 2021/22, sufficient land has already been identified to produce more than 100 000 flats.
- 2.6 In light of the community's aspirations for home ownership, the HA has also been working very hard on the development of Home Ownership Scheme (HOS) projects to meet the Government's planning target of providing a total of some 17 000 new HOS flats over the four-year period from 2016/17 and thereafter an annual average of 5 000 HOS flats. It is expected that the first batch of new HOS units will be completed in 2016/17, and the pre-sale will take place in end-2014. Apart from the development of new HOS units, the HA also offers the HOS Secondary Market Scheme, under which Green Form applicants can purchase HOS flats with premium not yet paid. In response to the home ownership aspirations of those with White Form (WF) status before the first batch of new HOS flats are completed in 2016/17, an interim scheme whereby 5 000 WF buyers each year will have a chance to purchase HOS flats with premium not yet paid has also been introduced. In addition, the HA has sold the 800 odd remaining Surplus HOS flats in the Sale of Surplus HOS Flats Phase 7.

- 2.7 Despite the relentless efforts of the HA, there is still a lot of work to do to tackle the housing problem in Hong Kong. The HA will rise up to the challenge, and support the Government's policies and strategies to deal with various housing issues. It is noteworthy that the Steering Committee on Long Term Housing Strategy (LTHS), chaired by the Secretary for Transport and Housing, has recently completed a public consultation on the LTHS for Hong Kong for the next ten years. For housing issues under the HA's purview, the Steering Committee's recommendations and views of the public collected during the consultation period will be referred to the HA for consideration and implementation. The HA will follow up on these recommendations and continue to assist the Government to satisfy the housing needs of the Hong Kong community. In particular, the HA will work closely with the Government to identify land to meet the Government's public housing supply target.
- 2.8 The Corporate Plan (CP) 2014/15 has taken into account the latest developments as elaborated above, and set out strategies and initiatives to fulfill the HA's vision and meet the community's housing needs. It guides and directs the HA's efforts to cope with the mounting challenges, while reinforcing the HA's role in providing affordable quality housing to the Hong Kong people.

Strategic Objectives

- 2.9 Having regard to the HA's latest work priorities and initiatives, we have developed the following strategic objectives –
- To facilitate the cost-effective provision of quality PRH^[3]
 - To maximize the rational allocation and to eliminate abuse of housing resources with a view to enhancing the turnover of PRH

Note [3] : "Quality" public housing, in a broad sense, refers to (a) safe and healthy accommodation for the low-income household / persons suitable for the formation of a harmonious and sustainable community, with estate facilities and domestic flats well-matched to the essential needs of modern living, and with estate designs serving the purpose of aging in place and socio-spatial equity for people of all ages and abilities; and (b) building and maintaining the public housing in accordance with the principles of environmental protection and greening, with the application of green construction materials and energy-saving installations to minimize the burden on the environment; and the procurement of value-for-money and durable construction materials, coupled with comprehensive maintenance services, to maintain a decent living environment for the residents.

- To work in partnership with customers and other stakeholders to enhance service quality
- To address the aspiration of low-to-middle income families for home ownership by planning for a sustainable HOS programme
- To manage and maintain our assets with a view to maximizing their economic life and contribution
- To make effective use of private sector resources
- To make the fullest use of human and financial resources and of information technology (IT) to meet corporate goals
- To contribute actively and positively towards sustainable development
- To be innovative in enhancing operational efficiency
- To promote the core values of the HA among staff members
- To optimize the use of commercial properties

2.10 To achieve the above strategic objectives, we have drawn up 46 key activities (KAs) under four main themes and one KA for considering the recommendations arising from the LTHS review for the 2014/15 CP. Seven KAs are new initiatives while 40 KAs are on-going initiatives. Details are set out in Chapter 4.