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Replies to supplementary questions raised by Finance Committee Members in examining the Estimates of Expenditure 2019-20

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CONTROLLING OFFICER'S REPLY

S-THB(H)01

(Question Serial No. S053)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Building Control
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

This is a follow-up question in relation to Reply Serial No. THB(H)036.

- (1) In respect of the Housing Electronic Building Records Online System, what were the numbers of registered users and inspection as well as the amount of revenue received in the past 3 years? Will the Government consider allowing free public access to such information?
- (2) At present, any applicant intends to conduct building works involving building structures or material change of use within those housing estates / courts and retail and carparking (RC) facilities to which the Buildings Ordinance applied should apply for approval and consent from the Independent Checking Unit. In this connection, what are the vetting criteria and regulatory measures of the Transport and Housing Bureau on the conversion works of the RC facilities divested by the Housing Authority?

Asked by: Hon AU Nok-hin

(Question raised on 10 April 2019)

Reply:

The Independent Checking Unit (ICU) works directly under the Office of the Permanent Secretary for Transport and Housing (Housing). Under the delegated authority from the Building Authority (BA) (i.e. the Director of Buildings), the ICU exercises statutory building control to properties developed by the Hong Kong Housing Authority (HA) that have been sold or divested, in accordance with the Buildings Ordinance (the Ordinance) and the policies and guidelines of the BA.

(1) In the past 3 years, the registered number of users of Housing Electronic Building Records System (HeBROS) is approximately 3 800. The total number of transactions for viewing building records is approximately 900 and relevant payment received is approximately \$34,000.

The current fee mechanism of HeBROS is based on the user-pays principle. There is currently no plan to provide the service free of charge.

(2) Retail and car-parking (RC) facilities divested by HA are subject to the control under the law same as that for private properties. If any applicant intends to carry out building works involving building structures or material change in use in these RC facilities, the ICU will check and approve the relevant submission, conduct site monitoring, etc. in accordance with the Ordinance and the policies and guidelines of the BA. Also, the ICU implements a centralised processing system for building plans and refers the concerned submission to relevant government departments including the Fire Services Department, the Lands Department, the Planning Department, etc. for their checking on areas under their respective ambits.

Examination of Estimates of Expenditure 2019-20

Reply Serial No.

CONTROLLING OFFICER'S REPLY

(Question Serial No. S056)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Private Housing
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

Please advise on the stock of private domestic units by district and flat class with reference to floor area:

	Cla	ass A			Class D	Class E
District	less than 20 m ²	20 - 39.9 m²	Class B	Class C		
Central and Western						
Wan Chai						
Eastern						
Southern						
Yau Tsim Mong						
Sham Shui Po						
Kowloon City						
Wong Tai Sin						
Kwun Tong						
Kwai Tsing						
Tsuen Wan						
Tuen Mun						
Yuen Long						
North						
Tai Po						
Sha Tin						
Sai Kung						
Islands						
Overall						

Asked by: Hon CHU Hoi-dick

(Question raised on 9 April 2019)

Reply:

The stocks of private domestic units at 2018 year-end with a breakdown by (a) area (i.e. Hong Kong, Kowloon and the New Territories) and class; and (b) by district are set out in **<u>Table I</u>** and <u>**Table II**</u> respectively. The Rating and Valuation Department (RVD) has not compiled stock figures by district and class.

Area	Α	В	С	D	Ε	All classes
Hong Kong	108 493	138 149	39 604	27 539	16 345	330 130
Kowloon	134 416	169 930	42 145	18 868	3 198	368 557
New Territories	129 769	272 551	64 359	20 936	7 669	495 284
Overall	372 678	580 630	146 108	67 343	27 212	1 193 971

Remarks

- (i) The figures are provided by RVD.
- (ii) All figures exclude village houses.
- (iii) The figures are provisional. RVD will announce the finalised figures in the "Hong Kong Property Review 2019" to be published later.

Class A - saleable area less than 40 m²

- Class B saleable area of 40 $m^2 to \ 69.9 \ m^2$
- Class C saleable area of 70 m^2 to 99.9 m^2
- Class D saleable area of 100 m^2 to 159.9 m^2
- Class E saleable area of 160 m^2 or above

District	Number of units
Central and Western	93 823
Wan Chai	72 647
Eastern	121 309
Southern	42 351
Yau Tsim Mong	113 167
Sham Shui Po	77 425
Kowloon City	111 633
Wong Tai Sin	19 230
Kwun Tong	47 102
Kwai Tsing	35 618
Tsuen Wan	81 479
Tuen Mun	60 109
Yuen Long	80 974
North	28 156
Tai Po	32 428
Sha Tin	82 579
Sai Kung	67 229
Islands	26 712
Overall	1 193 971

Table II: Stocks of private domestic units at 2018 year-end by district

<u>Remarks</u>

- (i) The figures are provided by RVD.
- (ii) All figures exclude village houses.
- (iii) The figures are provisional. RVD will announce the finalised figures in the "Hong Kong Property Review 2019" to be published later.

- End -

CONTROLLING OFFICER'S REPLY

S-THB(H)03

(Question Serial No. S057)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(5) Support Services
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

Please inform this Committee of the projects completed, with a breakdown by year of completion and district, subsequent to the Government's announcement in 2014 on the relaxation of plot ratios for public housing sites:

Year of	Project	Housing	Site	Original	Additional	Additional	Additional
Completion /	Title	Туре	Area	Plot	Plot Ratio	Residential	Flat
Estimated				Ratio	Sought	Floor Area	Production
Year of					_		
Completion /							
District							
(Year)							

Asked by: Hon CHU Hoi-dick

(Question raised on 10 April 2019)

<u>Reply</u>:

Following the announcement of increasing the development intensity of residential sites under 2014 Policy Address, the Town Planning Board has approved planning applications relating to 10 public housing projects under the Hong Kong Housing Authority (HA), with details as listed in the table below.

T T 0		at	0 1 1 1	D		
Year of	Project Title	Site	Original	Proposed	Additional	Additional
Completion/		Area	Maximum	Plot Ratio /	Total Gross	Flat
Estimated		(ha)	Plot Ratio/	Total Gross	Floor Area^	Production
Year of		(about) [@]	Maximum	Floor Area	(m ²)	
Completion*/			Total Gross	(m^2)	(about)	
District			Floor Area	(about)		
			(m^2) (about)			
2019-20	1	r				
Sha Tin	Fo Tan	3.89	194 500^	237 290^	42 790	650
North	Choi Yuen	1.24	69 500^	83 400^	13 900	260
	Road					
North	Fanling Area	0.82	38 500^	45 000^	6 500	161
Tion	49	0.02	50 500	12 000	0.200	101
Kwai Tsing	Texaco Road	0.46	5.0#	$6.0^{\#}$	Not	91
Kwai I sing	Texaco Road	0.40	5.0	0.0		71
2020 21					Applicable	
2020-21	NU C1	0.07	12 (00)	40.0004	< 2 00	0.1.6
Sha Tin	Wo Sheung	0.86	43 600^	49 880^	6 280	246
	Tun Street, Fo					
	Tan					
2021-22						
Kwai Tsing	Near Lai King	0.41	5.0#	6.0#	Not	108
U	Hill Road				Applicable	
Tuen Mun	Tuen Mun	3.45	5.0#	6.0#	Not	883
	Area 54 Sites	5.75	5.0	0.0		005
					Applicable	
	3 & 4 (East)		#	- #		
Tuen Mun	Tuen Mun	2.89	5.0#	$6.0^{\#}$	Not	742
	Area 54 Sites				Applicable	
	1 & 1A					
2022-23						
Kwai Tsing	Lai Cho Road	0.58	5.0#	$6.0^{\#}$	Not	153
e					Applicable	
Beyond 2023-2	4					
North	Fanling North	28.39	Fanling	Fanling	Not	4 300
	and Kwu		North	North	Applicable	
				$3.9 \text{ and } 6.0^+$	rr	
	Tung North		$3.5 \text{ and } 5.0^+$	5.9 and 0.0		
	NDA~		V	V		
			Kwu Tung	Kwu Tung		
			5.0^{+}	5.1, 5.8 and		
				6.0^{+}		
			North 5.0 ⁺	North 5.1, 5.8 and		

Note: The above projects information is based on the relevant planning application documents. Regarding the housing type, to cater for any shift of demand among public rental housing/ Green Form Subsidised Home Ownership Scheme, and other subsidised sale flats, HA will allow flexibility in housing types and the final housing type of the projects will be determined by HA.

- * Year of completion is estimated as at December 2018.
- ^(a) The figure provided is the approximate gross site area, which is subject to detailed survey and detailed design.
- # The planning application is based on domestic plot ratio.
- + The planning application is based on total plot ratio.
- ^ The planning application is based on maximum gross floor area.
- [~] The planning application includes public housing developments by HA and the Hong Kong Housing Society.

- End -

CONTROLLING OFFICER'S REPLY

S-THB(H)04

(Question Serial No. S058)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Private Housing
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

<u>Question</u>:

Regarding the redevelopment of Chun Seen Mei Chuen, Lok Man Sun Chuen and Kwun Tong Garden Estate Phase 2 by the Hong Kong Housing Society (HKHS), will the Government advise this Committee on:

- 1) the site area, year of completion and the numbers of blocks, flats, households and residents for each of the three public housing estates;
- 2) the arrangements on the grant of the site at Ting On Street in Ngau Tau Kok for the redevelopment of Kwun Tong Garden Estate Phase 2;
- 3) whether Kwun Tong Garden Estate Phase 2, after redevelopment, will provide a larger number of flats than it did before the redevelopment; if yes, the use of these flats; and
- 4) the uses of the original sites of Lok Man Sun Chuen and Kwun Tong Garden Estate Phase 2 after the demolition of the two estates and whether the sites will continue to be granted to HKHS for the construction of new public rental housing estates?

Asked by: Hon CHU Hoi-dick

(Question raised on 10 April 2019)

Reply:

Information regarding Chun Seen Mei Chuen, Lok Man Sun Chuen, and Kwun Tong Garden Estate Phase 2 under the Hong Kong Housing Society (HKHS) is set out at <u>Annex</u>.

HKHS plans to redevelop the Kwun Tong Garden Estate Phase 2, and intends to develop about 400 rental units on a site at Ting On Street, Ngau Tau Kok for decanting tenants affected by the redevelopment programme. These decanting units are expected to be completed in 2023-24 such that HKHS can start redeveloping the Estate by phases. The Government is considering HKHS's land grant application for the site at Ting On Street.

The redevelopment programme of Kwun Tong Garden Estate Phase 2 is estimated for completion by phases from 2029-30 to 2041-42, and will provide about 5 000 public housing units (including rental, subsidised sale, and Senior Citizen Residences Scheme units), which is about 2 650 units more than the number of units before redevelopment.

The Government announced on 29 June 2018 the reallocation of 9 sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for public housing. 1 of the sites in Kai Tak will be allocated to HKHS for the redevelopment of Chun Seen Mei Chuen and other rehousing purposes. HKHS can then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen by phases. HKHS is now formulating details of the redevelopment programmes of Chun Seen Mei Chuen.

Annex

	Chun Seen Mei Chuen	Lok Man Sun Chuen	Kwun Tong Garden Estate Phase 2
Site area	$11\ 047\ { m m}^2$	$38\ 240\ m^2$	38 726 m ²
Year of	1965	1970 to 1974	1965 to 1967
completion			
Number of	3	9	5
blocks			
Number of units	1 027	3 674	2 353
Number of	1 013	3 618	2 311
households			
Population	2 576	9 051	6 051

Note: Figures as at 31 March 2019.

Examination of Estimates of Expenditure 2019-20

Reply Serial No.

CONTROLLING OFFICER'S REPLY

S-THB(H)05

(Question Serial No. SV004)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(-) Not Specified
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

Please provide the number of lettable vacant public rental housing units.

Asked by: Hon SHEK Lai-him, Abraham

Reply:

As at the end of December 2018, the number of the Hong Kong Housing Authority's lettable public rental housing (PRH) units was around 784 000. The number of lettable vacant flats was about 6 700 and the vacancy rate was about $0.8\%^{1}$.

¹ Vacancy rate refers to the percentage of lettable vacant units (excluding those units which have been offered for PRH applicants' consideration and are expected to be let out in the short term) out of the total lettable PRH stock.

CONTROLLING OFFICER'S REPLY

S-THB(H)06

(Question Serial No. S049)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Private Housing
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

Regarding the Estate Agents Authority (EAA)'s sanctions against a licensed estate agency engaged in the sale of non-local properties, what were the malpractices involved in the case and in which country or place are the non-local residential properties located? As for the remaining 34 licensees and 26 unlicensed individuals / companies, how many licensees and unlicensed individuals / companies are still under investigation? Of the complaints received, in which countries and places are the non-local residential properties located and which country or place has the largest number of such properties?

Does EAA have any plans to raise the penalties to deter licensed individuals / companies from misconduct or malpractice in the sale of non-local properties?

Since the guidelines on appropriate practices and measures took effect on 1 April 2018, how many complaints received involve licensees and unlicensed individuals / companies failing to apply due diligence measures or observe the record keeping requirements?

Has EAA referred any cases, which involved unlicensed individuals' unauthorised sale of non-local properties, to the Police? If it has, what are the results?

What issues has EAA reminded consumers to pay attention to in the purchase of non-local properties? Please provide details of such issues.

Asked by: Hon TO Kun-sun, James

(Question raised on 9 April 2019)

Reply:

As set out in the reply with the serial number THB(H)047 (the Reply), from 2015 to 2018, the Estate Agents Authority (EAA) received a total of 52 complaint cases on the sale of non-local properties in Hong Kong, involving 35 licensed estate agents and 26 non-licensed individuals/companies. The cases involved properties located in Australia, Canada, Japan,

Malaysia, Thailand, the United Kingdom (UK), the United States and the Mainland. A majority of these properties were located in UK. As mentioned in the Reply, the EAA had sanctioned a licensed estate agency company involved in a complaint case on the sale of non-local properties in Hong Kong in 2018. The related residential property was located in UK. The licensed estate agency company failed to state in the advertisements whether or not purchasers were acquiring an interest in the land, the building to be erected thereon, and/or a right to use and occupy the properties in the building, and was therefore in breach of the EAA's guidelines on the sale of uncompleted properties situated outside Hong Kong. The company was reprimanded and fined \$3,000 by the EAA. With regard to the remaining 51 complaint cases, 4 cases are still under investigation, involving 2 licensed individuals/companies and 2 unlicensed individuals/companies.

The EAA will impose disciplinary sanctions against licensees who are found to have breached the Estate Agents Ordinance, or the Code of Ethics or practice circulars issued by the EAA. The disciplinary sanctions imposed by the EAA on licensees include admonishment, reprimand, fine, attachment of conditions to licence, suspension of licence, and the most severe penalty is revocation of licence. The cases are all considered by the Disciplinary Committee under the EAA. In deciding the sanctions of different cases, the Disciplinary Committee will consider the nature of the cases, severity of non-compliance, mitigating factors, the disciplinary record of the licensees, etc. The EAA reviews the sanctions against non-compliant licensees from time to time to ensure that the sanctions are proportionate to the severity of the non-compliance and create sufficient deterrence.

After the Practice Circular regarding the sale of uncompleted properties situated outside Hong Kong took effect on 1 April 2018, the EAA received 11 complaints about properties situated outside Hong Kong as of end March 2019. None of them involved failure to apply due diligence measure or observe the record keeping requirements.

From 2015 to 2018, the EAA referred 6 cases involving unlicensed individuals participating in the sale of properties situated outside Hong Kong to the Police. The EAA was informed that the Police completed the investigation of 2 cases and no one has been prosecuted; while the remaining 4 cases are still under investigation.

The EAA has all along been putting much effort in educating the public. It has from time to time reminded consumers of the issues that they need to pay attention to before deciding to purchase non-local properties through news articles, publications and other media, as well as large-scale public seminars. Consumers are recommended to appoint licensed estate agents to purchase non-local properties for better protection; as currently licensed estate agents in Hong Kong should comply with the guidelines set out in the EAA's practice circular, including providing various documents to the consumers. Consumers are also reminded to note that the regulatory regime and taxation systems in different places may be different from those in Hong Kong. Hence, they should seek advice from lawyer or professionals in the place where the property is situated. Furthermore, even when licensed estate agents fully comply with the EAA's guidelines, consumers may still subject to the risk of purchasing a "failed property" and neither the EAA nor estate agents can help them recover their loss. For a safer consideration, the EAA advises consumers to visit the place where the property is situated and understand more on the actual situation of the project and the background of the developers to evaluate their financial ability to complete the project, before making any purchase decision. The EAA also reminds consumers to find out whether their investment on non-local properties involves the Collective Investment Scheme, as well as other details concerning the property, such as the socio-economic situation and local investment environment where the property is located, the method of calculating the area of property, the planning of the peripheral area, the permitted use of the property, property mortgage and resale restrictions, etc.

CONTROLLING OFFICER'S REPLY

S-THB(H)07

(Question Serial No. S050)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Private Housing
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

Regarding the 9 000 unsold units, what is the number of units for which stamp duty on tenancy agreements had been paid to the Inland Revenue Department (IRD) since 2011, and what was the total amount of stamp duty involved?

Among these 9 000 unsold units, please provide the number of units for which application had been made to the IRD for the exemption of stamp duty on tenancy agreements, as well as the number of units for which approval for exemption of stamp duty had been given and the total amount of stamp duty exempted.

Asked by: Hon TO Kun-sun, James

(Question raised on 9 April 2019)

Reply:

The Government releases statistics on private housing supply in the primary market on the website of the Transport and Housing Bureau (THB) on a quarterly basis, including the number of unsold units in completed projects (i.e. projects that have obtained occupation permit (OP)). The concerned statistics are consolidated by THB based on inputs provided by various Government departments (e.g. Buildings Department, Land Registry, etc.). As at 31 December 2018, there were around 9 000 unsold units with OP issued since 2011. These unsold units may be vacant units, or units rented out by developers (e.g. serviced apartments).

As advised by the Stamp Office of the Inland Revenue Department, it does not keep the particulars (e.g. address, rental, tenancy period, etc.) of all properties concerned in processing applications for the stamping of tenancy agreements. Also, developers currently are not required to declare the status of the unsold units to the Government. Therefore, the Government does not have information about the number of units rented out by developers, or whether stamp duty has been paid for the relevant tenancy agreements among these 9 000 unsold units.

CONTROLLING OFFICER'S REPLY

S-THB(H)08

(Question Serial No. S069)

Head:	(62) Housing Department
Subhead (No. & title):	(-) Not Specified
Programme:	(5) Support Services
Controlling Officer:	Permanent Secretary for Transport and Housing (Housing) (Stanley YING)
Director of Bureau:	Secretary for Transport and Housing

Question:

The Housing Department (HD) monitors the supply and timely delivery of suitable sites for development of public housing to meet its policy pledge that "an applicant will be allocated a public housing flat within three years", and supplies adequate Home Ownership Scheme flats to meet home ownership aspirations of families in need. In this regard, has HD, in light of a recent court ruling on a judicial review case involving small house concessionary rights, approached the Development Bureau (DEVB) to explore the possibility of releasing the over 900 hectares of land in the rural New Territories, which were originally set aside for building small houses, for the planning and development of public housing?

As initiated by Mrs Carrie LAM, the then-Secretary for Development, over 900 hectares of land were reserved by the Government for building small houses. Has HD enquired of DEVB about the details of these 900 or more hectares of land, including the number of land plots involved, the geographical location of each of these land plots and its respective area, the infrastructural and housing facilities available in their vicinity as well as the land plots suitable for constructing public housing and their areas involved?

Will the Government advise on the approximate geographical locations of these land plots on the over 900 hectares of land and their respective District Council districts?

Asked by: Hon TO Kun-sun, James

(Question raised on 10 April 2019)

Reply:

Matters relating to the 900 hectares of land in the rural New Territories mentioned in the question are not under the purview of Head 62 Housing Department, hence we provide the following information given by the Development Bureau:

The Government announced on 20 February 2019 its full acceptance of the recommendations tendered by the Task Force on Land Supply on land supply strategy and 8

land supply options worthy of priority studies and implementation. Relevant bureaux and departments are putting in concerted efforts to take forward those recommendations.

As the Government has explained before, the 900 hectares of unleased and unallocated government land zoned for "Village Type Development" was compiled by the Development Bureau 2012 one-off in on basis а (https://www.devb.gov.hk/en/publications_and_press_releases/press/index_id_7408.html) and is not equivalent to the land area capable of being developed for small houses or other types of housing. This is because the figure was derived by taking the total area of land carrying the "Village Type Development" land use zoning and deducting from it the area of private land, land already allocated for specific uses and land involving features like slopes and roads. By nature, the figure so derived illustrates just the area of land carrying the status of being "unallocated and unleased"; it is not an indication of the suitability of individual land parcels therein for development. In fact, a considerable portion of such land involves gaps or passageways between existing small houses, slopes and other fragmented or irregular land parcels not suitable for development. Even if individual land parcels may support development, the development potential may still be limited by factors such as topography and infrastructural constraints, making it difficult to use such land for high density development.

The Court of First Instance of the High Court handed down a judgment on 8 April 2019 on a judicial review of the small house policy, and ruled that the Free Building Licence arrangement under the policy, being a lawful traditional right and interest of the indigenous inhabitants of the "New Territories" within the meaning of Article 40 of the Basic Law, is lawful and constitutional, while the Private Treaty Grant (PTG) and Land Exchange arrangements under the policy are not. The Government is considering whether to lodge an appeal. The possibility of other parties lodging an appeal also cannot be ruled out. Since the judicial review and subsequent appeals, if any, would have implications for the small house policy and the use of government land falling within areas zoned "Village Type Development", a review into the land use of such government land is not a priority for the Development Bureau for the time being. In the meantime, the Government will continue to accord priority to other land use reviews and studies, such as those involving new development areas, brownfields, rezoning of land for public housing, etc.

- End -