

Box 4.1**Latest Government measures on land and housing supply**

In the 2014 Policy Address, the Chief Executive announced further initiatives and outlined the latest progress of the various on-going measures to increase the land and housing supply, as summarised below.

(I) Land Supply

Over the past year, the Government has stepped up its efforts to boost land supply on various fronts. These include identifying through land use reviews about 80 additional sites with the potential to be rezoned for providing for some 89 000 residential units. Including sites identified earlier on, upon amendments to the respective Outline Zoning Plans, about 150 sites could be made available over the next five years (i.e. from 2014-15 to 2018-19) to provide around 210 000 units.

The Government is also taking forward the following new/on-going measures to increase the land supply over the short to medium term:

(1) Streamlining Procedures and Enhancing the Mechanism

- Continue to rationalise land administration processes, including consolidating the practice notes on granting approval under lease.
- Introduce a Pilot Scheme for Arbitration on Land Premium for lease modification/land exchange applications to facilitate early agreement on land premium payable.
- Set up a dedicated cross-disciplinary team to assist the Steering Committee on Land Supply chaired by the Financial Secretary in monitoring land supply and promoting land development.

(2) Increasing Development Intensity and Reducing Development Restrictions

- Increase the maximum domestic plot ratio currently permitted for some less densely populated areas by around 20% as appropriate.
- Increase the plot ratios and number of flats to be built on Kai Tak New Development Area and Tuen Mun East.
- Lift the development moratorium at south of Pok Fu Lam to provide about 11 900 additional public rental housing (PRH) and Home Ownership Scheme (HOS) units.

(3) Land Use Reviews, Development of Quarry Sites and Review of Deserted Agricultural Land

- Continue to carry out land use reviews and rezone suitable sites and, where the originally intended use is no longer required, convert the land for housing development or other uses that meet the more pressing needs of the community as soon as possible.
- Take forward the residential developments at the former Diamond Hill squatter areas and other quarry sites.
- Review the deserted agricultural land in North District and Yuen Long. Some sites will be available for housing development as early as 2020.

(4) New Development Areas (NDAs) and Extension of New Town

- Implement the North East New Territories NDAs project, which would become the major source of housing supply from 2022 onwards and provide for about 60 000 units in total.

Box 4.1 (Cont'd)

- The Preliminary Outline Development Plan for the Hung Shui Kiu NDA has been formulated. It can accommodate a new population of 175 000 and provide about 100 000 job opportunities.
- Propose to extend the Tung Chung New Town to the east and the west for supplying about 53 000 units.

(5) Other Long Term Land Supply

To ensure a steady and stable long-term land supply, the Government will continue to undertake a number of studies and assessments in several directions to keep developing new land :

- Commence the Preliminary Feasibility Study on Developing the New Territories North to facilitate optimal land use planning.
- Actively take forward further studies on reclamation outside Victoria Harbour, including strategic studies on artificial islands in central waters for the development of the East Lantau Metropolis, planning and engineering study on the reclamation in Sunny Bay, and preliminary feasibility studies on other near-shore reclamation sites.
- Commence the feasibility studies on rock cavern development, including relocating Sai Kung Sewage Treatment Works, Sham Tseng Sewage Treatment Works and Diamond Hill Fresh Water and Salt Water Service Reservoirs to rock caverns. Meanwhile, the feasibility study on relocating the Sha Tin Sewage Treatment Works to caverns is largely completed. The Government plans to carry out the investigation and design work soon.
- Continue a study to identify districts with potential for developing urban underground space. A pilot study for four selected strategic districts, i.e. Tsim Sha Tsui West, Causeway Bay, Happy Valley and Admiralty/Wan Chai will also be conducted.

(II) Housing Supply

- The Government has adopted the recommendation of the Long Term Housing Strategy Steering Committee to increase housing supply with a target to provide a total of 470 000 units in the coming ten years, of which 60% will be public housing and 40% private housing.
- The Government aims at providing an average of about 20 000 PRH units and about 8 000 HOS units per year, and providing land for private housing according to the new target.

These measures would help increase the land and flat supply over the short, medium and long terms, thereby ensuring the stable and healthy development of the property market.