

**Box 3.1****Latest Government measures on housing and land supply (October 2023)**

In the 2023 Policy Address, the Chief Executive announced various measures and plans on housing and land supply, as well as some adjustments to the demand-side management measures for residential properties, as summarised below.

*Public Housing Supply*

- The Government has identified sufficient land for developing about 410 000 public housing units for the next ten years (2024-25 to 2033-34), about 100 000 units above the public housing supply target of 308 000 units. Separately, about 30 000 Light Public Housing units will be completed by 2027-28.
- The Government will continue to advance the completion of 14 000 public rental housing units in phases, making them available about 3 to 18 months ahead of the completion date of the whole development project and enabling applicants to move in earlier than scheduled.
- The Government will continue to make full efforts to take forward Transitional Housing. As at the end of September 2023, about 8 000 units are already in operation and another 13 000 new units are expected to be completed and commissioned in the coming two years.
- The Hong Kong Housing Authority will relax the arrangements on mortgage default guarantee for subsidised sale flats, including extending the current maximum mortgage default guarantee period of the secondary market from 30 years to 50 years to allow purchasers to have mortgage loans of longer tenor and help the circulation of flats.

*Private Housing Supply*

- Sufficient land will be made available for the production of about 80 000 private housing units through land sale or railway property development in the next five years (2024-25 to 2028-29).

*Adjustments to the Demand-side Management Measures for Residential Properties*

- From 25 October 2023 onwards, the applicable period of the Special Stamp Duty is shortened from three to two years. The respective rates of the Buyer's Stamp Duty (BSD) and the New Residential Stamp Duty (NRSD) are reduced by half, from 15% to 7.5%.
- From 25 October 2023 onwards, a stamp duty suspension arrangement for incoming talents' acquisition of residential properties is introduced, where the BSD and NRSD payment is suspended at the time of property acquisition and such payment is required only if the talents are subsequently unable to become a Hong Kong Permanent Resident.

*Establishing a Task Force on Tackling the Issue of Subdivided Units (SDUs)*

- An in-depth study will be conducted on options for tackling the issue of SDUs in the long run, which include setting the minimum standards of living conditions for SDUs, measures to eradicate substandard SDUs and prevent their resurgence, and solutions to address the problem in an orderly manner, with a view to submitting a report to the Chief Executive in ten months.

**Box 3.1 (Cont'd)**

*Land Supply*

- More than 7 000 hectares of land supply will be available in the 30-year period up to 2048. Netting the projected land demand, there will be a land reserve of at least 1 000 hectares. For the coming ten year in particular (2024-25 to 2033-34), the supply of developable land (“spade-ready sites”) will reach 3 370 hectares, including no less than 1 400 hectares in the Northern Metropolis and about 400 hectares in the Kau Yi Chau Artificial Islands.
- The Government targets to complete the formulation of all land use and development proposals of the Northern Metropolis in 2024, commence land resumption by 2027, and form 40% of the new development land and complete 40% of the new flats by 2032.
- The Government will regularise the arrangement for charging land premium at standard rates for redevelopment of old industrial buildings and extend the arrangement to agricultural land in the New Territories in phases by end-2023.
- The Government plans to adopt a more target-oriented approach in lowering the compulsory sale application thresholds by adopting lower thresholds for older buildings in districts with more pressing need for redevelopment. An amendment bill will be introduced into the Legislative Council by end-2023.
- The Government will continue to streamline statutory and administrative procedures to expedite land production.

The Government is taking all possible steps to spearhead land production, and there have been signs of improvement in housing supply. The measures and plans put forward will enhance the quantity, speed, efficiency and quality in land and housing production and help solve the longstanding land supply issue.