



OUR HONG KONG
FOUNDATION
團結香港基金

Land and Housing Policy Research Report
**Supply Quick Fixes Exhausted:
How to Navigate the
Undercurrents Ahead?**

May 2022



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Executive Summary



Hong Kong has long been plagued by chronic land and housing supply shortage, marked by rising property prices, long public housing waiting list and falling living space per capita. While the Government has adopted quick fixes for both public and private housing supplies in recent years, greater challenges remain for the overall supply outlook.

For private housing, past efforts paid off, as completions are expected to maintain at relatively high levels over the five-year horizon. Nevertheless, it is only a temporary respite. With existing spade-ready land rapidly depleting, it faces a supply chasm in completions over the ten-year horizon before the New Development Areas (NDAs) materialise and come to fruition.

For public housing, with rezoned land yielding results, completions over the ten-year horizon are expected to increase vis-à-vis the next five years. However, the pace of ramping up production has been lacklustre, and recurrent delays have also cast a shadow over the long overdue “back-loaded” supply pattern.

Meanwhile, with on-target supply numbers still taking priority, average flat size of both public and private housing units are anticipated to fall, while realising larger living space remains a long-term aspiration.

Nevertheless, there is light at the end of the tunnel as a sustainable solution lies in the major supply boost from the NDAs. To this end, in Our Hong Kong Foundation (OHKF)’s previous report *Immediate Actions to Resolve Hong Kong’s Housing Conundrum: Cut the Red Tape Now!* published in January 2022, we have put forward 23 detailed recommendations for streamlining land and housing development procedures. We are glad to see that the Government has finally responded to our long-time advocacy, by proposing in March 2022 legislative amendments and procedural changes that will shorten development time, and it is hoped that more of our recommendations will be adopted. If we can expedite all land and housing supply initiatives and get them into high gear, the conundrum can be on the right path of resolution.

Part I: Private Housing Supply

1. With only 14,386 units completed, private housing completions in 2021 declined year-on-year by 31% versus 2020. This was partly attributed to the impact of COVID-19, as both construction activities and government approvals slowed down due to the pandemic.
2. Despite the decline in 2021, it is expected that average annual completions in the next five years (2022–2026) will be around 17,300 units. It is roughly on-par with the past five-year period and significantly higher than that from 2007–2016, where it was only 10,900 units. This is because previous efforts to boost private housing land supply, including rezoning of government sites and lease modifications / land exchange for private land bank have paid off.
3. Improvements in the leading indicators across the development cycle were observed, including pre-sale consent applications pending approval, superstructure commencements, and spade-ready land supply. However, with the tailing off of spade-ready land supply for private housing after 2018 following the Government's revision of public / private housing ratio in the Long Term Housing Strategy (LTHS) target, private housing completions beyond the five-year horizon are expected to decline.
4. In view of the above, we have updated our exclusive ten-year forecast, and it is expected that only an average of 12,000 units per year will be completed between 2027–2031. Not only is this a steep decline from the annual average from 2022–2026, but it also fails to meet the annual target of 12,900 units in the LTHS. To achieve the target, the NDAs and railway projects need to be completed one year ahead of the original schedule, and supply from private development needs to deliver 5% more units each year.
5. Complementing our quantitative analysis above, we have also conducted a qualitative analysis by looking at upcoming private housing land supply trends by various land source. With existing spade-ready government sites dwindling, it is expected that a supply chasm will occur before the major supply boost from the NDAs materialise in the 2030s. The case is similar with railway projects with most spade-ready ones depleted, while impending supply is still in its early stages. Further release of private land bank's potential is also hindered by insufficient infrastructure, and redevelopment is expected to remain sluggish.
6. Given the uncertain outlook over the ten-year horizon, the key lies in expediting the NDAs, bringing forward reinforcements so that we can avoid the supply chasm. We are delighted that the Government has put forward proposals to streamline development procedures in March 2022, and hope that these can be implemented as soon as possible.

Part II: Public Housing Supply

7. Public housing completions in 2021/22 significantly rebounded year-on-year versus 2020/21 and hit a recent high, but over 60% of completions in 2021/22 was contributed by backlogs accumulated from the past two years. Looking ahead, completions are forecasted at 21,100 units per annum for the next five financial years (2022/23 to 2026/27), which will remain short of the LTHS target at 30,100 units per year by a significant 30%.
8. While there seems to be more subsidised sale flats launched for sale in recent years, 82% of them are actually pre-sold, with some even launched for sale four years before scheduled completion. Out of the 38,400 subsidised sale flats to be completed by 2025/26, over half have already been pre-sold. It is clear that existing unsold stock would only last for a year or two.
9. We have updated our exclusive ten-year forecast for public housing. As rezoned land began to yield results, it is expected that 306,600 units can be completed in the next decade, meeting the LTHS target of 301,000 units and fulfilling the “back-loaded” promise. This, however, still falls short of the Government’s claim on its full public housing supply potential at 330,000 units. Furthermore, given the past record of repeated delays, it is not unreasonable for us to expect that a delayed scenario of supplying 277,100 units only.
10. Indeed, the “back-loaded” supply pattern was brought up by the Government as early as in 2015, but it did not materialise because of recurrent project delays. Not only had information disclosure been opaque, but there were also no follow-up actions or consequences observed so far, hence no incentive to improve the situation.
11. The actual situation may be more pessimistic, as the delays currently disclosed are only the tip of the iceberg. Digging deeper into cases not revealed in official documents would reveal delays up to multiple years, stemming from endless deliberations, rigid administrative deadlocks, and squandering of development opportunities.
12. The key to achieving on-target supply thus lies in greater information disclosure and designation of a project manager for each project. These will facilitate more effective monitoring and coordination, break the vicious cycle of project delays, and ensure that the “back-loaded” supply pattern be materialised eventually.

Part III: Looking Beyond Supply Numbers

13. In terms of quality of living, the proportion of small private housing units has rapidly grown in the last decade and is expected to continue in the short term, as reflected in the declining average unit size in upcoming private housing completions. Though the Government has relaxed its mortgage policies for homebuyers to afford bigger and more expensive flats, it is still going through the building plan design and construction stage, and the impact will likely be seen in completions post-2023.
14. The trend in private nano-flat completions is also expected to continue rising, given the time lag needed for the mortgage relaxation to impact the flat-mix in completions. More importantly, given the Government's minimum flat size requirement first announced in December 2021, nano-flats will gradually plateau off in 2024–2025. Nevertheless, despite the extended application of the minimum flat size requirement taking effect from February 2022, most private redevelopment projects are still not covered, hence nano-flats will not completely disappear.
15. Public housing faces a similar predicament. The proportion of small units remains high, and minimum flat size is decreasing. Nano-flats still plague Green Form Subsidised Home Ownership Scheme units, and will make its debut in the Sale of Home Ownership Scheme Flats 2022. While sales of the former have been sluggish, it remains to be observed whether the Government will cease building public housing units of less than 280 sq. ft. to be in line with the minimum flat size requirement imposed on private housing.
16. Ultimately, regulatory restrictions can only be a stop-gap measure, since the root cause lies in the imbalance between housing demand and supply in Hong Kong. The long-term solution, as we have advocated repeatedly, is to increase land and housing supply to stabilise the market. In the meantime, we need to strike a balance between housing production and living space. As housing supply increase and stabilise, the minimum flat size requirement can be raised gradually, so as to achieve the goal of boosting Hong Kong's average living space per capita in the long run.

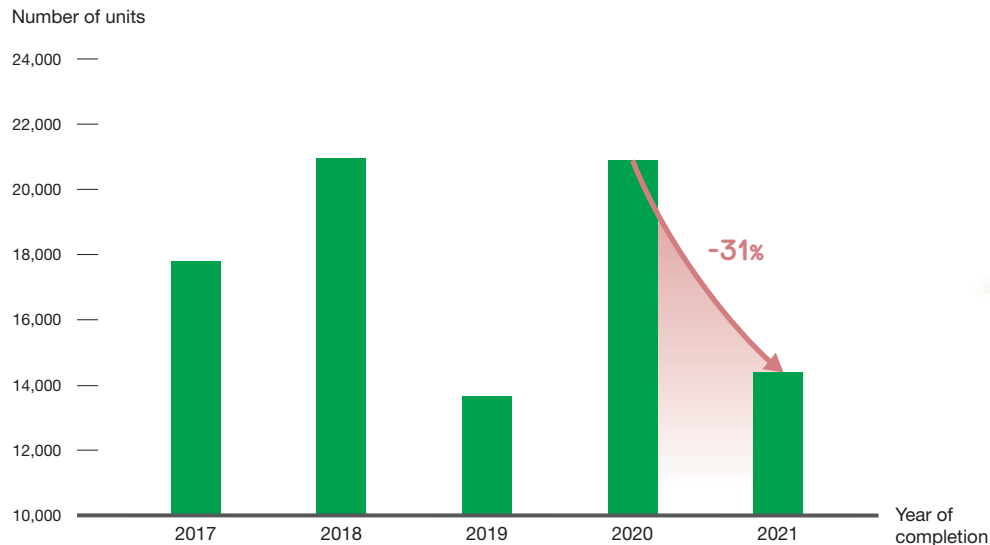
1. Private Housing Supply



Private housing completions in 2021 declined year-on-year versus 2020...



Figure 1. Actual completions of private housing units, 2017–2021



Sources: Rating and Valuation Department, Our Hong Kong Foundation



- Work suspension
- Labour shortage
- Slowdown in government approvals
- Disruptions in material delivery

Following a rebound in 2020, private housing completions fell again in 2021. While there were 20,888 units being completed in 2020, the number was only 14,386 in 2021, translating into a 31% year-on-year decline.

The impact of COVID-19 has an effect on delaying private housing completions. Construction sites saw work suspensions, labour shortage, and disruptions in material delivery amidst the pandemic. Besides the delay in construction, government approvals also slowed down, as the authorities adopted work-from-home arrangements, which inevitably created an adverse impact on processing times.

...which is in line with OHKF's past forecast



Figure 2. The Government's and OHKF's estimates vs. actual completions

Year	Number of units completed	Rating and Valuation Department's estimate	OHKF's estimate
2016	14,595	18,200	17,700 ✓
2017	17,791	17,122	20,200
2018	20,968	18,130	20,800 ✓
2019	14,093 ^[1]	20,415	18,500 ✓
2020	20,888	20,850	17,000
2021	14,386	18,228	15,900 ✓

Note: [1] 450 Starter Homes units included

Sources: Rating and Valuation Department, Our Hong Kong Foundation

At the beginning of 2021, Our Hong Kong Foundation (OHKF) and the Rating and Valuation Department (RVD) estimated that 15,900 and 18,228 units would be completed respectively during the year. The final completion of 14,386 units meant that it missed OHKF's estimate by 10%, and the Government's estimate by 21%.

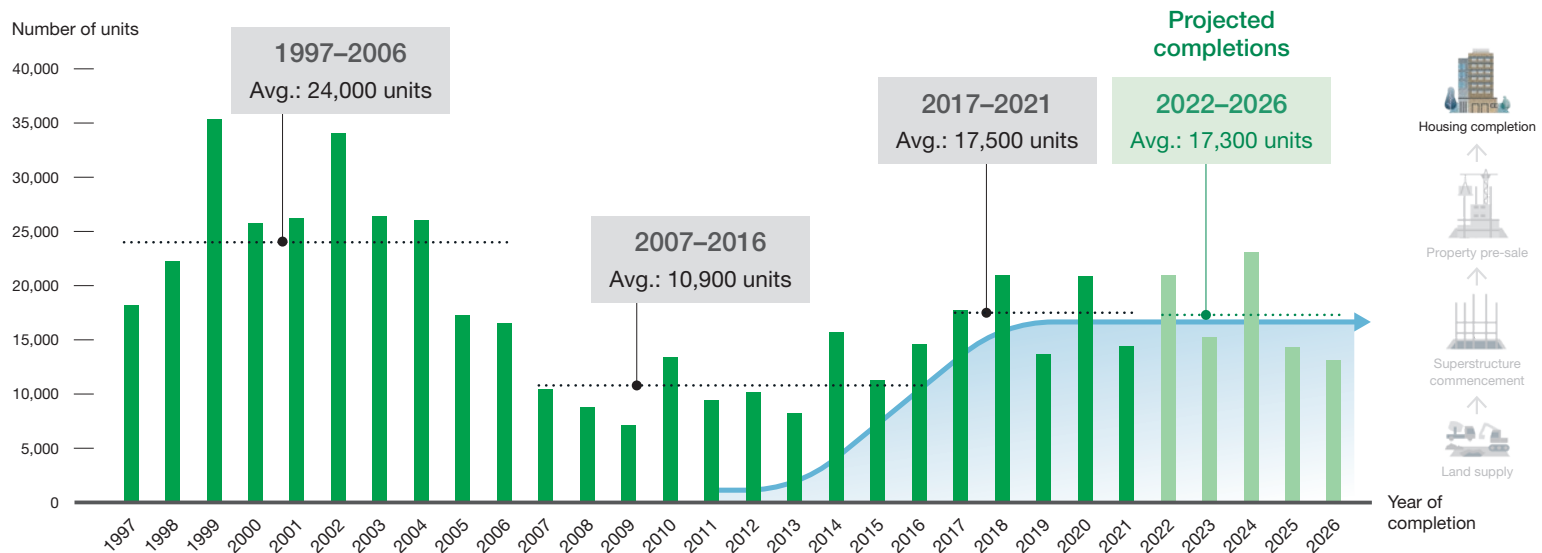
As we look back on the past six years, our estimates have provided more accurate forecasts on private housing completions than that of the RVD on four occasions, more specifically, in 2016, 2018, 2019, and 2021.



Private housing completions over the five-year horizon are expected to maintain at a relatively high level



Figure 3. Actual and projected completions of private housing units, 1997–2026



Sources: Rating and Valuation Department, Buildings Department, Lands Department, Town Planning Board, company data from various developers, and Our Hong Kong Foundation

Despite the year-on-year decline observed in 2021, we expect that the upcoming five-year private housing completions for 2022–2026 will remain at a relatively high level. The estimated annual average completion of 17,300 units is on-par with that of the past five-year period at 17,500 units, and is significantly higher than that from 2007–2016, where it was only 10,900 units per annum. **(See Appendix I for the project-by-project details of forecast future private housing completions from 2022 to 2026)**

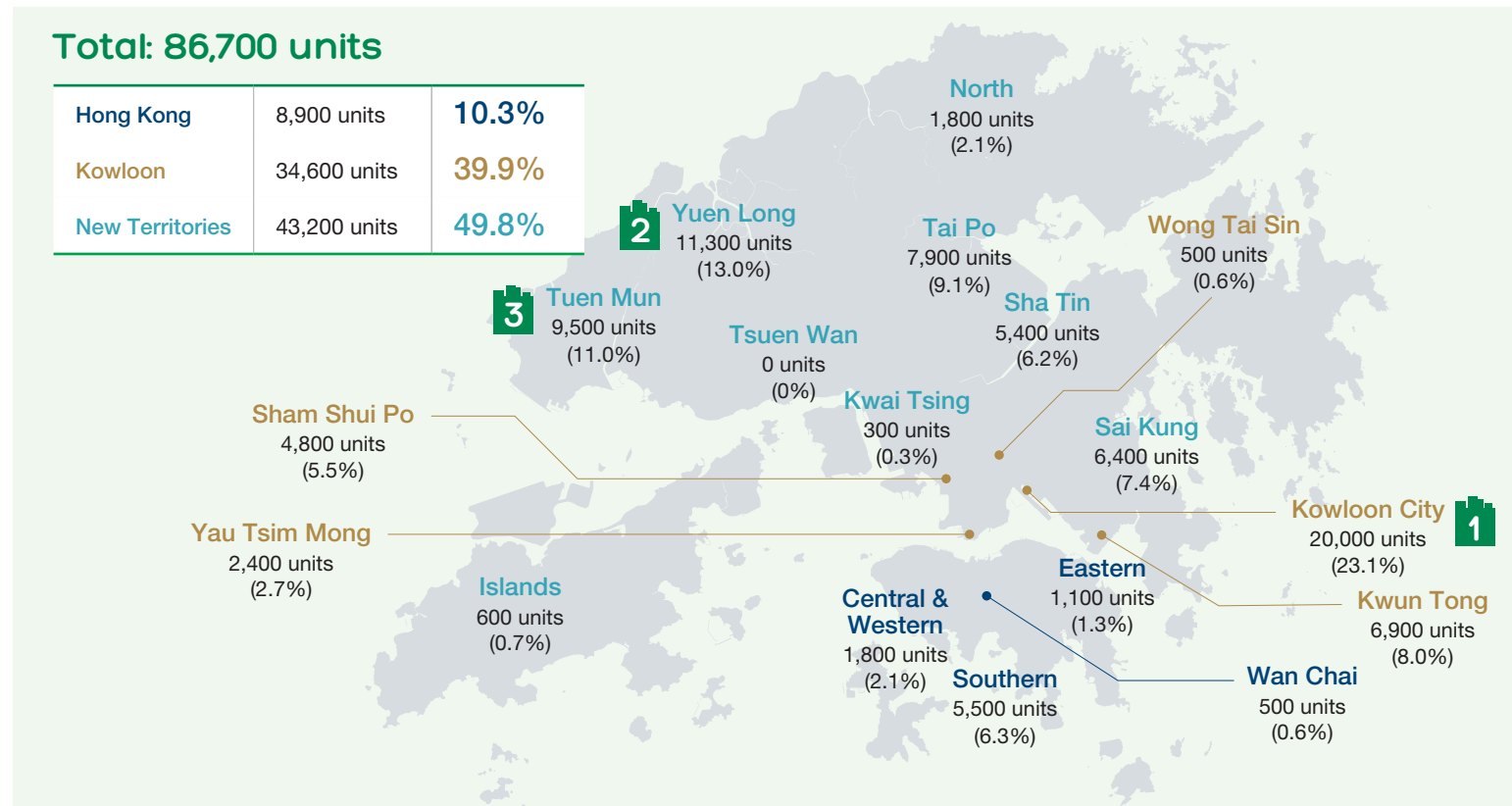
Our rolling five-year estimate on average annual completions has been revised upwards, from 15,000 units for 2021–2025 to 17,300 units this year for 2022–2026. The revision is mainly due to the approximately 12,000 units provided from lease modification / land exchange cases that were concluded in 2021/22, which marked a 300% year-on-year increase. As we will elaborate later in the subsequent sections, the previously unforeseen housing supply from private land bank has delayed the decline in completions in our past predictions.

Trends in various leading indicators in the private housing development cycle have also validated our five-year forecast **(see Figures 5 to 7)**, as mild improvements were observed compared to the previous three years.

Kowloon City, Yuen Long, and Tuen Mun are the top three districts for the projected private housing completions



Figure 4. Projected private housing completions between 2022 and 2026, by district



Sources: Rating and Valuation Department, Buildings Department, Lands Department, Town Planning Board, company data from various developers, and Our Hong Kong Foundation

Before delving into the various leading indicators, upon breaking down the projected private housing completions by district, Kowloon City (including Kai Tak), Yuen Long, and Tuen Mun will be the top three districts with the largest supply in the next five years. Together, they account for close to 50% of all new private housing completions during the period.

Kowloon City (including Kai Tak) will constitute approximately 20,000 units, or around 23% of the total new private housing completions in the next five years. Most of them will come from the government land sale sites in the former runway in Kai Tak, as well as the two packages of Ho Man Tin station residential development.

Yuen Long is anticipated to be the second-largest source of completions, with approximately 11,300 units. These include around 4,000 units in Tin Shui Wai, as well as two large-scale projects in Yuen Long and Kam Sheung Road stations providing around 2,000 units respectively.

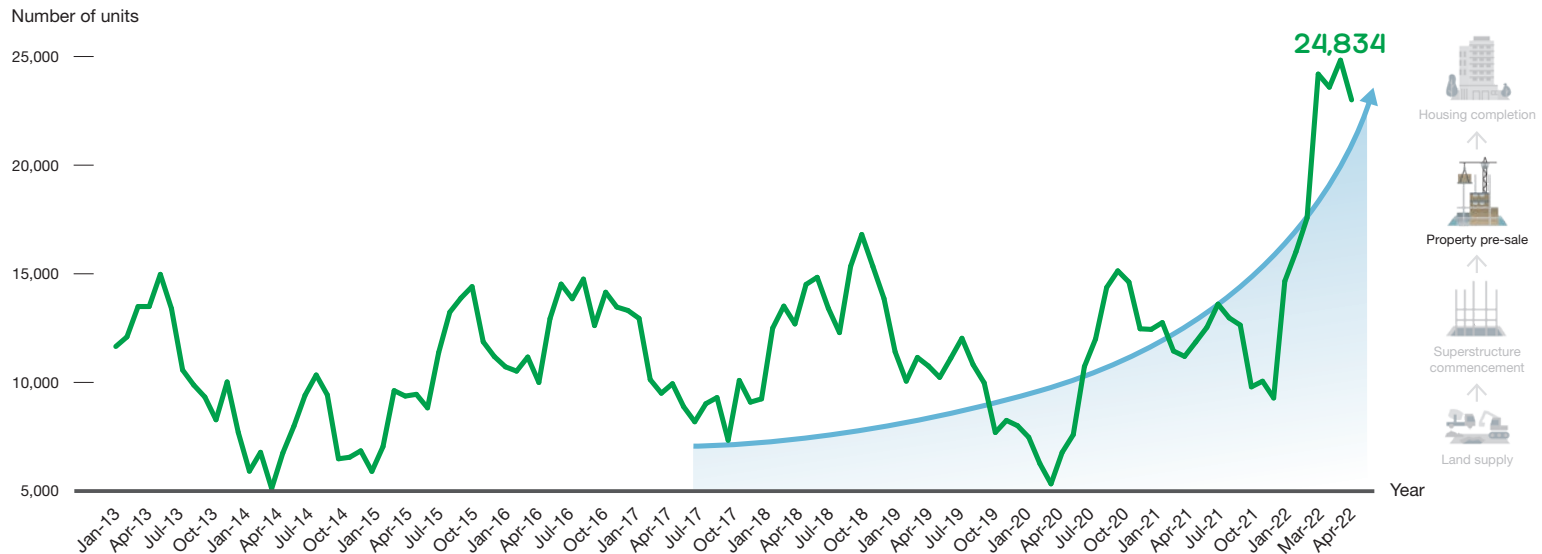
Tuen Mun completes the podium by contributing approximately 9,500 units. The majority will come from large scale residential developments in Siu Hong and So Kwun Wat.



The recent spike in pre-sale consent applications pending approval suggests that upcoming completions would be at a high level



Figure 5. Number of units with pre-sale consent applications pending approval, 2013–2022



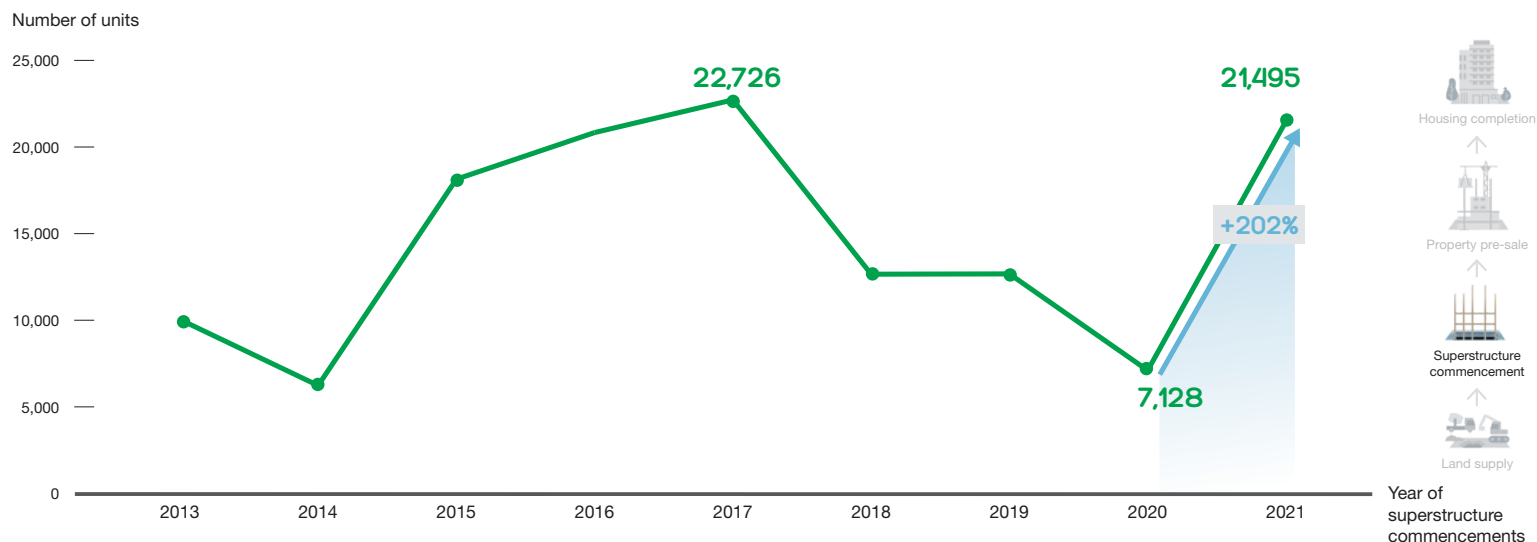
Sources: Lands Department, Our Hong Kong Foundation

Having discussed the anticipated private housing completions by geography, the following sections will switch gears to elaborate on the various leading indicators foretelling the five-year completion forecast. The first indicator is the number of units with pre-sale consent applications pending approval. Since new residential projects in Hong Kong — with the exception of redevelopment projects — are required to apply for presale consents before they can be launched in the market, this can foreshadow the number of units available for sale in the near future, and hence serves as a proxy for the number of units to be completed in the next one to two years. Towards the end of 2021 and the beginning of 2022, there was a spike in applications, reaching as high as 24,834 units in March 2022. With an increasing number of units that are in the pipeline for sale, it suggests that the upcoming completions would be at a high level.

The recovery in superstructure commencements in 2021 also suggests that near-term completions would remain at a high level



Figure 6. Number of superstructure commencements, 2013–2021



Sources: Buildings Department, Our Hong Kong Foundation

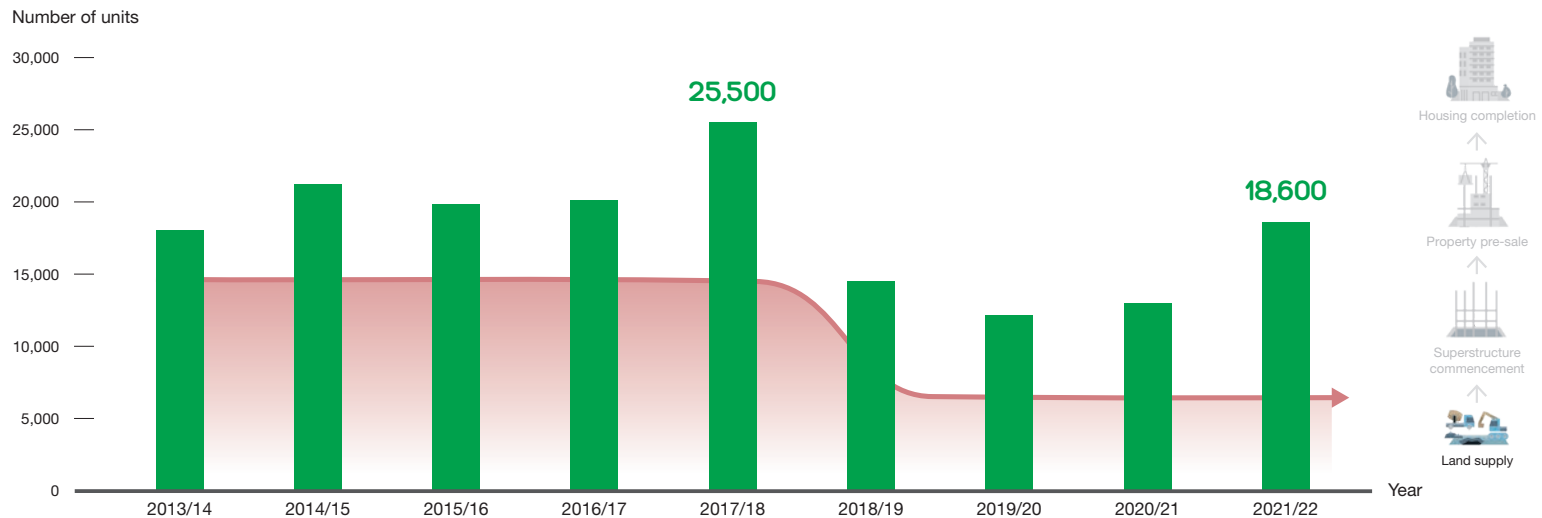
The second indicator is the number of superstructure commencements. According to the Buildings Department (BD), units that have commenced general building and superstructure works in 2021 amounted to 21,495 units. Not only is this a significant year-on-year increase of 202% compared to 2020, but it is also a four-year high since 2017, when 22,726 units were recorded.

As superstructure works generally last for two to three years before units are completed, the rebound in construction activities again suggests that near-term private housing completions would remain at a high level.

However, completions beyond the five-year horizon are expected to decline as spade-ready land supply fell after 2017/18



Figure 7. Private housing land supply, 2013/14–2021/22



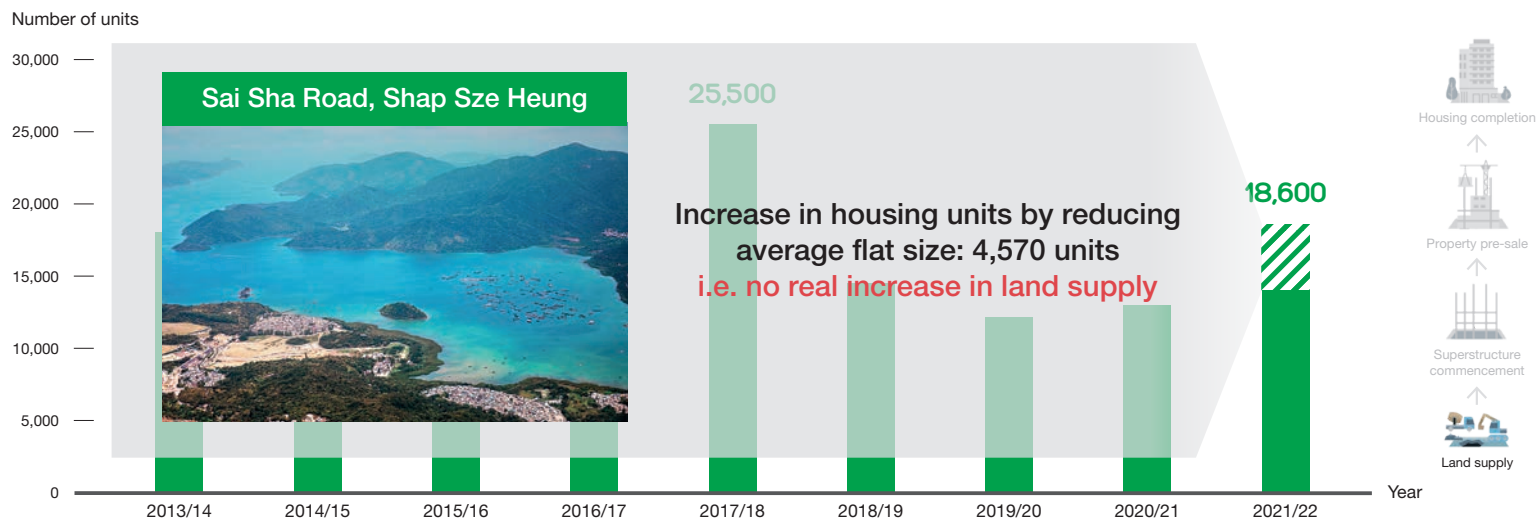
Sources: Lands Department, Our Hong Kong Foundation

The third indicator is the estimated number of private housing units at spade-ready sites. Previous efforts to boost private housing land supply and future completions have paid off, as units provided at spade-ready sites hovered at around the 20,000-unit level between 2013/14 and 2016/17, while hitting a high of 25,500 units in 2017/18. This paved the way for the marked increase in average annual private housing completions, as observed from 2017–2021 vis-à-vis that of 2007–2016, as shown in **Figure 3**. However, in 2018, the Government revised the public / private ratio in the housing supply target of the Long Term Housing Strategy (LTHS), changing it from 60:40 to 70:30. The impact was immediately visible: private housing land supply nosedived in 2018/19, plateaued and did not recover until 2021/22, with the figure hitting 18,600 units. The effect of this on private housing completions is expected to kick in starting from 2025.

The rebound in 2021/22 was also significantly contributed by the reduction of average flat size for a large private housing project



Figure 8. Private housing land supply, 2013/14–2021/22



Sources: Lands Department, Our Hong Kong Foundation

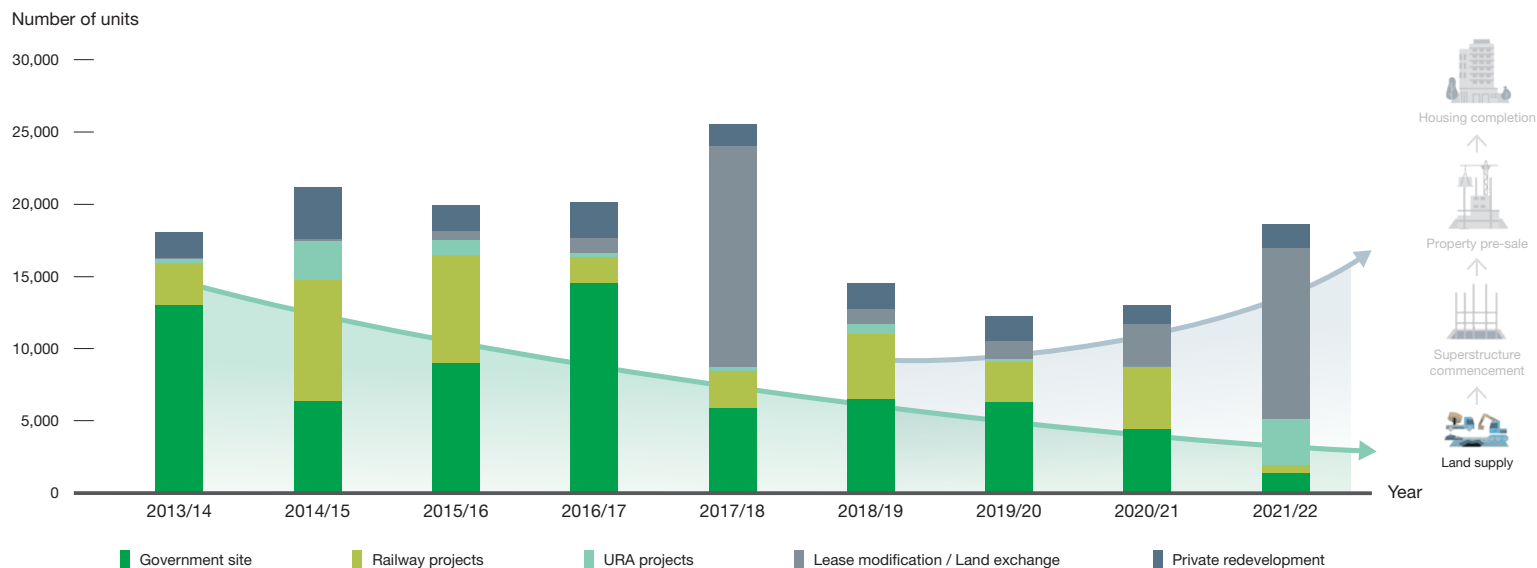
Upon closer scrutiny, however, the rebound in 2021/22 was significantly contributed by the reduction in flat size for a large-scale private housing project in Shap Sze Heung. The resulting increase in the number of units was 4,570, which was then added to the private housing land supply for 2021/22, making up 25% of the total supply in the financial year.

Since there is no real increase in land supply for such an exercise, if we exclude this one-off impact, it would return to a more modest 14,000-unit private housing land supply number in 2021/22 — marking a fourth consecutive year since 2017/18 that the figure has dropped below 20,000 units — and it means that the decline in private housing land supply since 2017/18 has yet to reverse.

The decline was delayed as private land bank partly offset the diminishing government-controlled land supply in recent years



Figure 9. Private housing land supply by land source, 2013/14–2021/22



Sources: Lands Department, Our Hong Kong Foundation

Moreover, further breaking down the private housing land supply by land source, as shown in **Figure 9**, would reveal a more nuanced picture.

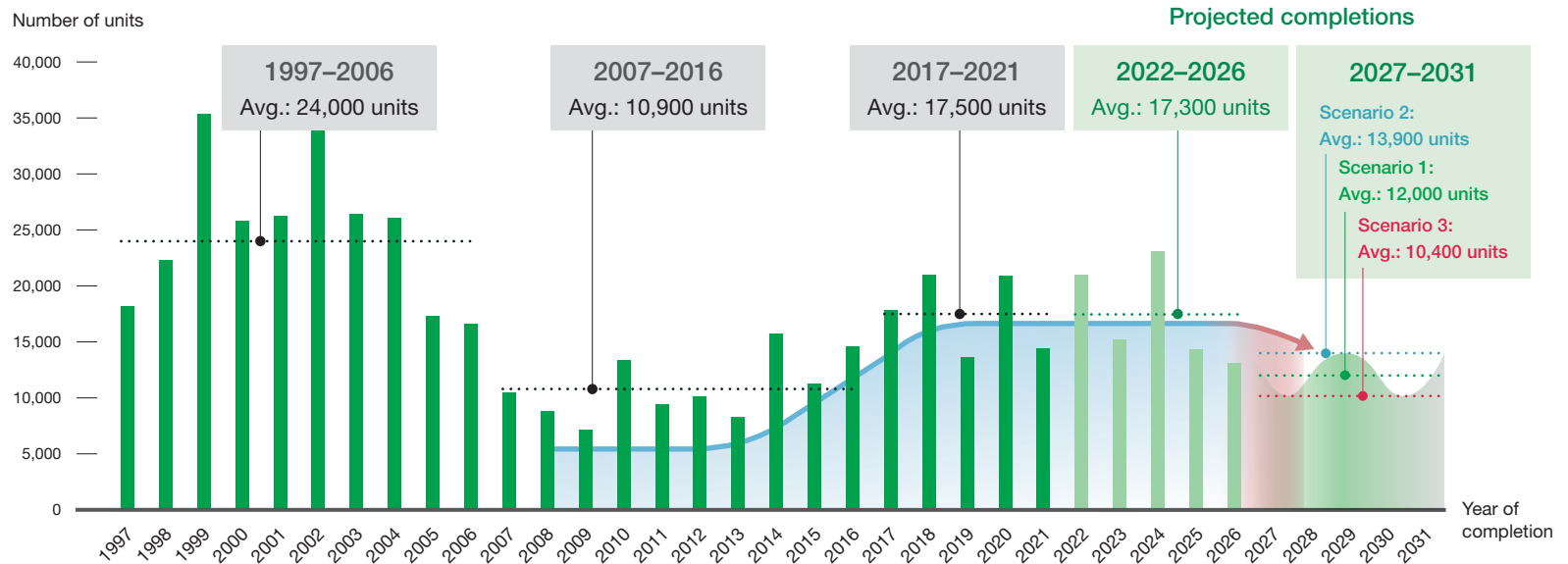
Government-controlled land supply — i.e., government sites, railway projects, and Urban Renewal Authority (URA) projects — has been diminishing in recent years. 2017/18 was a year of anomaly, as there was an outlier where a large-scale private housing project in Shap Sze Heung completed the lease modification and land exchange process that year. Nonetheless, from a high of consisting nearly 90% of total private housing land supply in 2013/14 and hovering at above 80% in the three subsequent financial years, it has dropped to a low of 28% in 2021/22.

Private developers, by more proactively tapping into their land bank, has in fact partly offset the diminishing government-controlled land supply in recent years. In other words, the fall in completions was thus delayed, and would have come earlier if not for private-initiated projects propping up supply numbers. This source of land supply, however, is less certain than government-controlled sources in terms of their future numbers, and hence contributes to the uncertainty of private housing completions beyond the five-year horizon.

Further uncertainties are therefore expected in private housing completions over the ten-year horizon



Figure 10. Actual and projected completions of private housing units, 1997–2031



Sources: Rating and Valuation Department, Buildings Department, Lands Department, Town Planning Board, company data from various developers, and Our Hong Kong Foundation

In view of the above, despite the relatively high private housing completion forecast in the next five years, further uncertainties are expected if we extend it over the ten-year horizon.

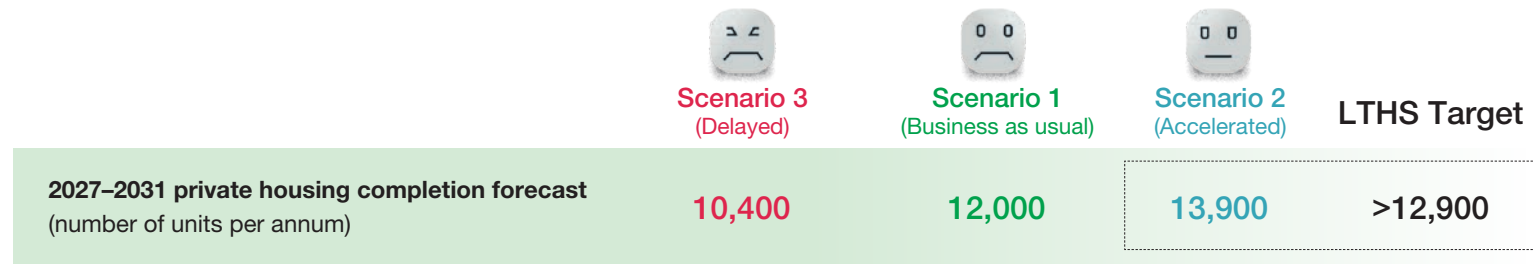
Based on the methodology first introduced in our previous report *Decisive Moment — Can Hong Kong Save Itself from the Land and Housing Supply Crisis?* published in April 2021, we have updated the exclusive ten-year forecast in private housing completions, together with both quantitative and qualitative analyses for the forecast.

Since the longer-term forecasts are more unpredictable than the near-term forecasts, three scenarios were devised to reflect various circumstances. In Scenario 1, or the “business as usual” scenario, we estimate an average of 12,000 units per year to be completed between 2027–2031. Scenarios 2 and 3 illustrate the effects of an accelerated and delayed scenario respectively, with an estimated average annual completion of 13,900 units for the former, and 10,400 units for the latter. **(For details of the forecast methodology, please refer to Figure 11)**

Even if the lowered LTHS target is adopted, meeting it would require strenuous efforts to expedite private housing completions

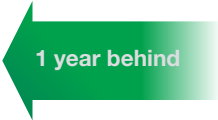
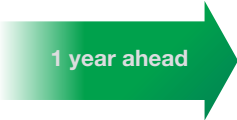




Figure 11. Projected completions of private housing units, 2027–2031



Key assumptions

(in terms of housing unit delivery progress)

New Development Areas Upcoming railway projects		Based on latest market information and timeline of major land supply initiatives	
Major cases currently in planning and / or land administration process		Based on latest market information and timeline of major land supply initiatives	
Spade-ready sites Upcoming supply from the Urban Renewal Authority Privately led redevelopment projects	<ul style="list-style-type: none"> Based on latest market information and timeline of major land supply initiatives Progress remains the same in all three scenario 		

As the forecast for private housing completions in 2027–2031 is less certain than the forecast for 2022–2026, three scenarios have been formulated to assess the possible permutations of the variables via a quantitative approach. These include different levels of progress in four key land supply sources, namely the NDAs, upcoming railway projects, major cases currently in land administration processes, and major cases currently in planning processes.

In Scenario 1, private housing supply has been estimated based on the most up-to-date disclosures from various government departments and property developers. If all projects continue to proceed at the current speed, it is expected that some 14,200 private housing units can be completed in the five years between 2027–2031 from the various NDAs, mainly from Tung Chung New Town Extension, Kwu Tong North / Fanling North, Hung Shui Kiu / Ha Tsuen, and Kam Tin South. Meanwhile, some 13,600 units should be supplied from impending railway supply, including developments of LOHAS Park, Wong Chuk Hang, Kam Sheung Road and Tung Chung East stations, as well as ancillary railway facilities such as the Tung Chung Traction Substation. Moreover, some 4,600 and 13,800 units should be completed from major cases currently in the land administration processes and planning processes respectively. Lastly, it is estimated that a total of 13,800 units could be supplied from spade-ready sites, upcoming URA supply, and private-led urban redevelopment projects. Altogether, the total private housing completions should reach 60,000 units in the five years between 2027–2031, averaging 12,000 units per year.

As stated in the 2021 LTHS report, the Government set the private housing supply target for 2022–2031 at 12,900 units per year. In this connection, the forecasted completion of 12,000 units per year in Scenario 1 translates to a 7% shortfall versus the 2021 LTHS target.

For Scenario 2, it tries to simulate a case whereby private housing completions could reach the LTHS target of 12,900 units per year. Rather than assuming that the NDAs and upcoming railway supply would progress at current speed, an accelerated timeline was presumed, whereby these projects would be advanced by a year. As for the major cases currently in land administration processes and planning processes respectively, a 5% extra delivery on top of Scenario 1 was assumed. The resulting annual average private housing supply in 2027–2031 for Scenario 2 is estimated at 13,900 units, thus meeting the 2021 LTHS target.

However, it should be noted that even at the level of 13,900 units projected in Scenario 2, it will still fall short of the 18,000-unit level as set in the 2017 LTHS report before the ratio adjustment in public / private housing supply target. As mentioned in our previous report *Decisive Moment — Can Hong Kong Save Itself from the Land and Housing Supply Crisis?* published in April 2021, while we welcome the Government's policy of shifting the public-private mix from 60:40 to 70:30, we believe that it would be more ideal if the total housing supply target is raised at the same time. Otherwise, it would simply be “robbing Peter to pay Paul”, hence, from this perspective, private housing completions would still be sub-optimal at the 13,900-unit level projected in Scenario 2.

In Scenario 3, it mirrors Scenario 2 by assessing the impact where there is a one-year delay in the NDAs and railway supply, as well as a 5% reduction on Scenario 1 from cases in land administration processes and planning processes respectively. Under such circumstances, the annual average private housing completions in 2027–2031 is estimated to be 10,400 units, which will fall short of the 2021 LTHS target by 19%.

To further substantiate our ten-year private housing completion forecast, we will move on to explore the trends in the upcoming private housing land supply as a leading indicator. For greater granularity, it has been broken down into five-year periods by various land source, as shown in **Figure 12**.

Cross referencing to **Figure 9**, the period from 2017–2021 has seen government-controlled land supply, more specifically government sites and railway projects, decline as compared to that of the previous five years. In contrast, private developers have been more proactive in tapping into their land bank in the five-year period since 2017, thus partly offsetting the fall in government-controlled land supply. This had the effect of stabilising private housing completions from 2022–2026, which explains our five-year forecast maintaining at and around a slightly lower level as that between 2017–2021.






However, as we will elaborate in greater detail in the subsequent sections, private housing land supply from 2022–2026 is expected to curtail versus the previous five-year period, which will adversely impact private housing completions between 2027–2031, i.e., over the ten-year horizon.





Based on the timelines for the land supply initiatives publicly available at the time of writing, respite will only come from 2027 onwards as spade-ready land from the NDAs begin to bear fruit and can be launched in the market. However, this will come too late to have a game-changing influence in the private housing completions between 2027–2031.

Trends in future private housing supply foretell the uncertainty in completions over the ten-year horizon



Figure 12. Actual and projected trends of private housing land supply by land source, 2017–2031

Land source	2017–2021	2022–2026	2027–2031
 Government site (including Rezoning and New Towns & NDAs)	↓	↓	↑
 Railway projects	↓	↓	↑
 URA projects	—	—	—
 Lease modification / Land exchange	↑	↓	?
 Private redevelopment	↓	—	?

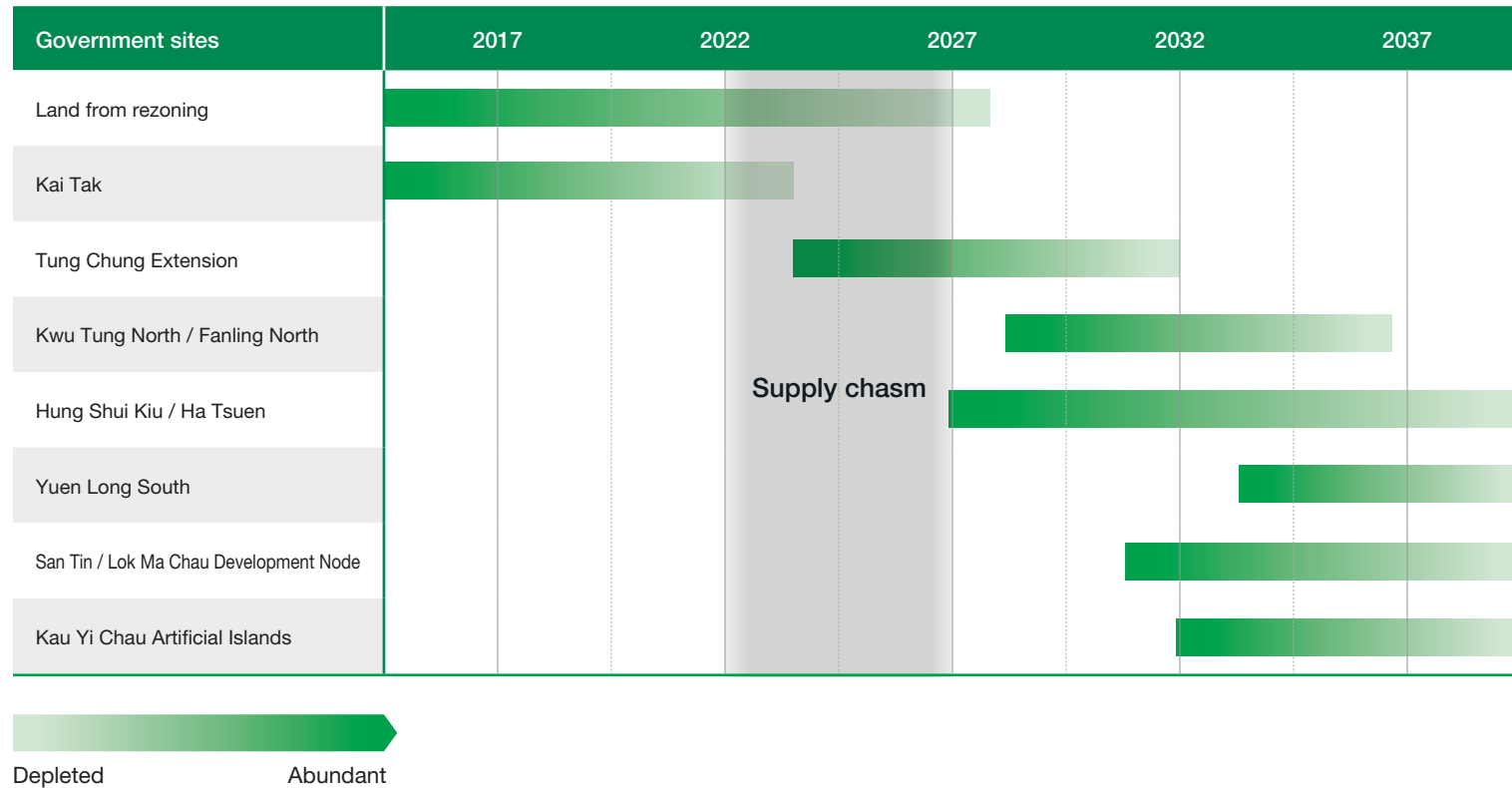
 Increased from the past 5 years
  Decreased from the past 5 years
  Unchanged from the past 5 years
  Trend unknown

Sources: Lands Department, Civil Engineering and Development Department, Rating and Valuation Department, Urban Renewal Authority, MTR Corporation, and Our Hong Kong Foundation

Private housing land supply from government sites faces a supply chasm before the New Development Areas materialise



Figure 13. Estimated land supply timeline of government sites



Sources: Legislative Council, Lands Department, Civil Engineering and Development Department, and Our Hong Kong Foundation

Going deeper into each of the land source qualitatively, private housing land supply from government sites is anticipated to face a supply chasm before the NDAs materialise.

With spade-ready land in government sites dwindling, especially after the shift in public-private mix from 60:40 to 70:30 in 2018, the Government has been relying on the Kai Tak NDA as a major source of private housing land supply. However, even that is dwindling, too. Had the Government not rezoned five plots originally planned for commercial development into residential use towards the end of 2021, the tender for the final residential plot on the former Kai Tak airport runway would have been awarded in February that year. Out of these five rezoned plots, two were immediately included in the 2022/23 Land Sale Programme. With only three residential plots remaining, the days of Kai Tak as a land supply powerhouse is likely coming to an end.

As for the other NDAs in the New Territories, it is often the case that the private housing supply boost will only come in the latter phases of development. A prime example is the Hung Shui Kiu / Ha Tsuen NDA. As illustrated in the Government's disclosure to the Legislative Council Panel on Development, out of the 1,400 units to be provided in Phase 1, only 100 of them will be for private housing, and are intended for resettling the existing villages. The major private housing land supply will only come in Phases 2 (10,900 units) and 3 (18,800 units), where site formation is tentatively scheduled to begin in 2024 and 2030 respectively. A similar case is observed in the Kwu Tong North / Fanling North NDA, and we expect that substantial private housing land supply will only be available post-2027.

The remaining NDAs of Yuen Long South (specifically referring to private housing land supply that will only come in Phase 3), San Tin / Lok Ma Chau Development Node and Kau Yi Chau Artificial Islands are still under study, with no timetable currently being published regarding their site formation works. Nonetheless, based on the publicly available data at the time of writing, we estimate that they will only pick up the baton for private housing land supply in the 2030s.

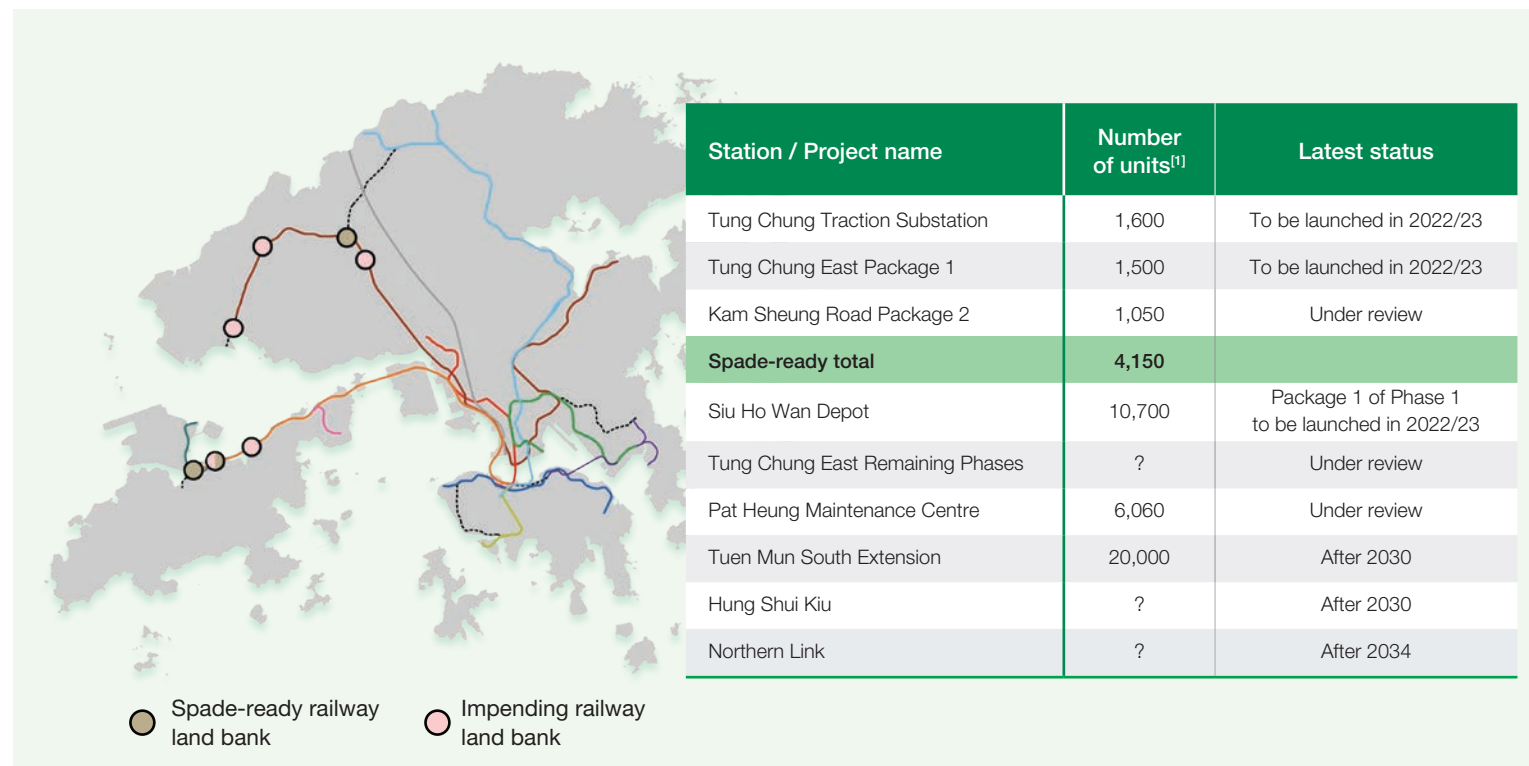
In other words, this leaves the Tung Chung Extension as the only NDA with major private housing land supply available in the period between 2022–2027. While the Government still possesses land bank outside these NDAs, coupled with land rezoned from other uses, it is expected that there will be a supply chasm before the reinforcements from the other NDAs arrive. This not only furthers the recent declining trend in the supply of government sites, but also contributes to the projected slump in private housing completions over the ten-year horizon.

Therefore, to avoid the supply chasm, the key lies in expediting and bringing forward the supply boost from the NDAs. In our previous report *Immediate Actions to Resolve Hong Kong's Housing Conundrum: Cut the Red Tape Now!* published in January 2022, we have put forward 23 detailed recommendations on how to streamline the development procedures of the NDAs and other land development projects. We are pleased to see that in March 2022, the Development Bureau announced proposals to amend five ordinances to expediate the legal procedures for land development. Going forward, we hope that more of our recommendations would be adopted.

Most of the spade-ready railway land bank have already been depleted, while impending land bank is still in its early stages



Figure 14. Spade-ready and impending railway land bank



Note: [1] Includes private housing units only

Sources: Lands Department, MTR Corporation, various newspaper reports, and Our Hong Kong Foundation

Like its government site counterpart, most of the spade-ready private housing land supply from the railway land bank has been rapidly expended in recent years, and is also close to depletion. Meanwhile, the impending land bank is still in its early stages and would not translate into spade-ready supply in the near future.

Recent major supply pipelines including Ho Man Tin, LOHAS Park and Wong Chuk Hang stations have seen quickfire tendering processes, with their last residential packages awarded in 2018, 2020 and 2021 respectively. As an initiative to further increase housing supply, development opportunities atop ancillary railway facilities have also been promptly launched upon the completion of feasibility studies and the necessary administrative procedures. The tenders for the Yau Tong Ventilation Building and the Pak Shing Kok Ventilation Building were awarded in May 2018 and April 2022 respectively, while the Tung Chung Traction Substation has already been included in the 2022/23 Land Sale Programme.

This leaves the currently known spade-ready railway land bank with merely 4,150 units between 2022–2026. The figure will likely increase as remaining package(s) of the Tung Chung East station is/are announced, but it is still a far cry from the approximately 25,000 units and 15,000 units supplied during 2012–2016 and 2017–2021 respectively. Some would argue that the Siu Ho Wan Depot — with Package 1 of Phase 1 already included in the 2022/23 Land Sale Programme — should be counted as well. However, its status as spade-ready land supply is uncertain. This is especially given the fact that substantial property enabling works would be required for a depot — moreover considering the time needed and complexity of works for an operating one — with no topside property development envisioned in the first place. It is therefore being excluded as a prudent approach.

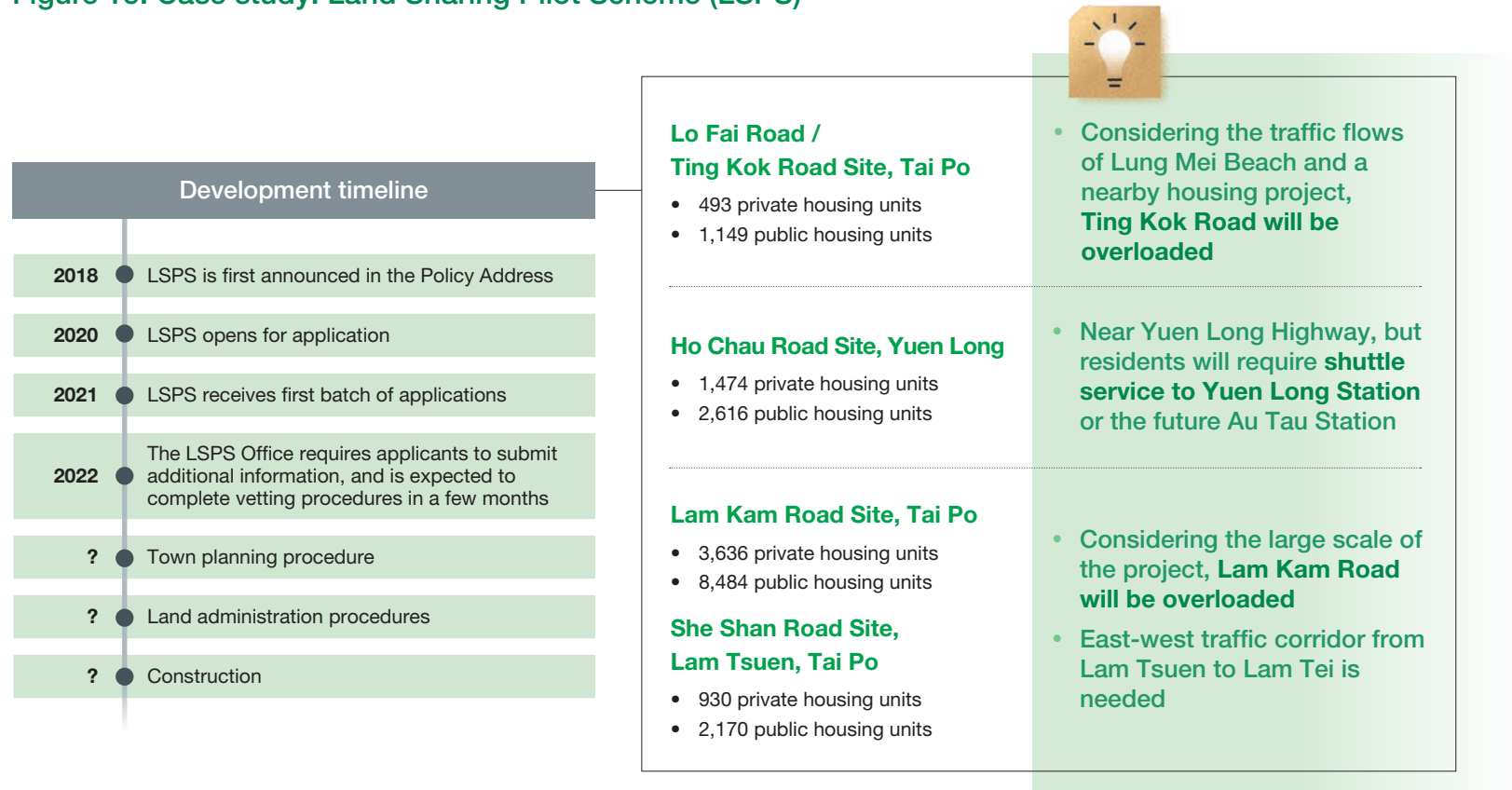
As for the remaining known impending railway land bank supply, it is still in its stages, with spade-ready status likely to be gained beyond 2027. Relevant planning study has been completed for the Pat Heung Maintenance Centre in 2014, whereby 6,060 units were estimated to be supplied, but no updates have been made available ever since. Nonetheless, substantial property enabling works similar to that for the Siu Ho Wan Depot would be required. New stations along the Tuen Ma Line, including the Tuen Mun South Extension and Hung Shui Kiu station, are scheduled to complete in 2030, meaning that land supply may only be available afterwards. As disclosed to the Legislative Council Panel on Transport, the “ownership” approach, i.e., Rail + Property Model, has also been adopted for the Northern Link, but with the railway line estimated to commence operations only in 2034, it is projected to provide spade-ready land after construction completion based on past track record.

Railway land bank has been a major contributor in private housing land supply against the background of declining share in government sites for the past decade. While such contribution is set to continue, its impact is likely to be much reduced with spade-ready sites mostly depleted, which further affirms the projected slump in private housing completions over the ten-year horizon.

Further releasing of private land bank's development potential is hindered by insufficient infrastructure



Figure 15. Case study: Land Sharing Pilot Scheme (LSPS)



Sources: Lands Department, various newspaper reports, and Our Hong Kong Foundation

While private land bank has propped up private housing land supply numbers between 2017–2021, its sustainability in 2022–2026 is rather uncertain. It is believed that the low hanging fruit in private land bank has most likely been released for residential use, and upcoming lease modification / land exchange cases among the “best of the rest” will only become more complex. Overall, while private land bank does possess development potential, it is often hindered by insufficient infrastructure.

A case in point will be the sites in the four Land Sharing Pilot Scheme (LSPS) applications that have been received by the Government at the time of writing. First announced in the 2018 Policy Address, the LSPS was aimed to “facilitate infrastructural upgrading to enhance the development intensity of a site through public-private partnership and release the development potential of private land as soon as possible by leveraging on the resources and efficiency of the private market, with a view to expediting the supply of public and private housing in the short and medium terms.”

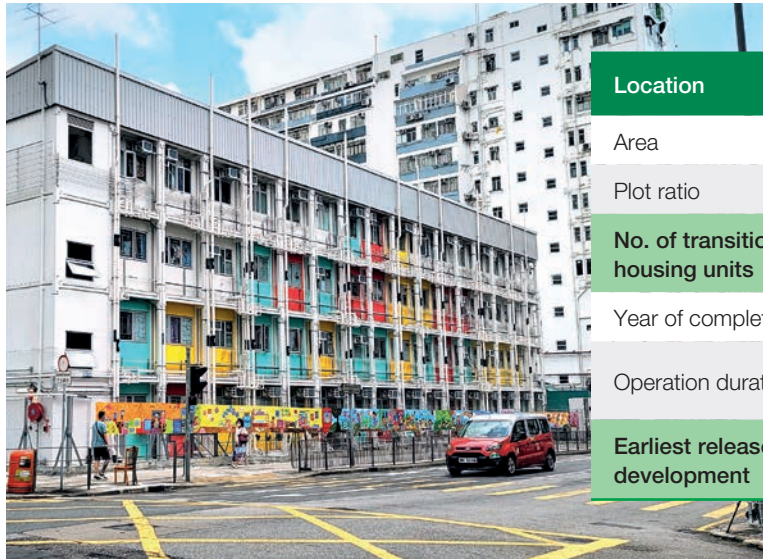
Nevertheless, the progress has been sluggish with all four LSPS applications still under vetting at the point of writing, with infrastructure capacity being a particular sticking point. In February 2022, it was revealed that the Land Sharing Office of the Development Bureau has requested the applicants to submit more detailed technical assessments to demonstrate the feasibility of the proposed residential development, including land use compatibility, infrastructure capacity, and environmental protection. Mitigation measures are also required to be implemented by the applicants in case the existing infrastructure is inadequate to support the residential development, or that it will adversely affect the surrounding areas.

Developers, as rational profit-driven agents, would most likely have reaped the low hanging fruit in their land bank for residential use by preparing to go through, undergoing, or even completing the lease modification / land exchange process. It is therefore not unreasonable to assume that the land for these LSPS applications would fall in the “best of the rest” category. Yet, we are already witnessing significant difficulties to release their development potential due to insufficient infrastructure, let alone those land at the bottom of the pile amongst the private land bank.

Resorting to transitional housing further demonstrates the limitations on development potential with insufficient infrastructure



Figure 16. Examples of transitional housing



Location	Kong Ha Wai	Kam Tin	Ngau Tam Mei
Area	41,452 m ²	16,631 m ²	21,731 m ²
Plot ratio	1.5	1.44	1.53
No. of transitional housing units	1,998	1,020	1,076
Year of completion	2022	2025	2024
Operation duration	Not less than 5 years	Not less than 7 years	~5 years
Earliest release date for development	2027	2032	2029

- Could **more homes be provided** if the **infrastructure was improved in the first place** for permanent private housing development?
- With **uncertainty on continuity** after the operation duration, **when will private housing supply materialise** on these sites?

Another phenomenon witnessed for the “best of the rest” in private land bank is the emergence of transitional housing. While not denying the altruistic intentions of such initiatives, these serve as another example to demonstrate the limitations on development potential given insufficient infrastructure. Given the relatively small number of transitional housing units provided against the context of Hong Kong’s housing woes, a big “what-if” looms had infrastructure been improved in the first place. The continuity of such transitional housing initiatives also comes into question after their planned operation duration, with consequences on the eventual permanent private housing supply on these sites.

Following the completion of the Land Use Review of Kam Tin South and Pat Heung in 2014, the current transitional housing sites of Kong Ha Wai and Kam Tin have been identified for residential development. However, it did not materialise since limitations including infrastructure capacity and environmental protection meant that plot ratio remained at 0.2 and 0.4 respectively for these two sites, and hence offered little incentive for development. The plot ratio was raised to 1.5 and 1.44 respectively upon green light from the Town Planning Board (TPB) for transitional housing development, but it is still far short of the typical plot ratio of 4 to 5 observed in the New Territories New Towns. While the site in Ngau Tam Mei falls under the boundary of San Tin / Lok Ma Chau Development Node that is currently under study, it also has its development potential limited by a lack of infrastructure, as the Northern Link is scheduled to complete only in 2034. One cannot help but wonder if more homes could have been provided had infrastructure improvements be promptly undertaken in the years after 2014 for the Kong Hai Wai and Kam Tin sites, or if the Northern Link can be more speedily built for the site in Ngau Tam Mei.

Moreover, the continuity of these transitional housing initiatives is uncertain after their planned operation duration. As we will discuss later in **Chapter 2** of this report, with upcoming public housing completions projected to fall behind the LTHS target, the ideal scenario where residents can move on from transitional housing to public housing upon the respective initiatives’ termination is still unclear. In other words, while the earliest release date for permanent private housing development is theoretically post-2027 at the time of writing, it may still be subject to further delays.

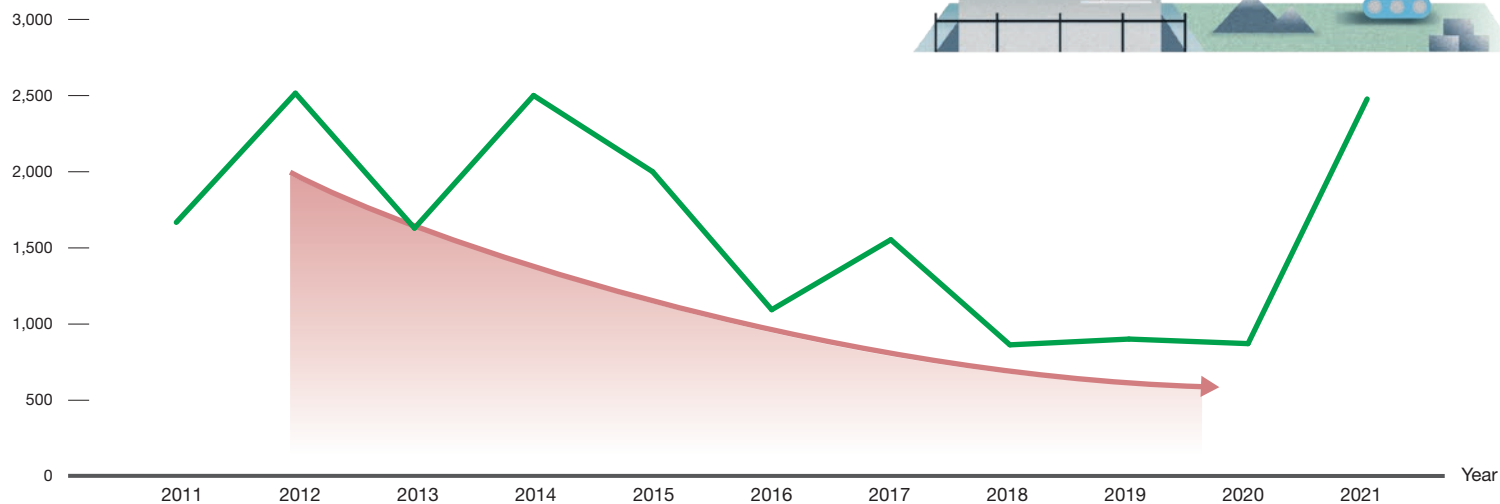
In short, though private land bank has partly offset the diminishing government-controlled land supply from 2017–2021, it may not be enough to maintain as a saving grace for private housing land supply between 2022–2026 once the low hanging fruit is reaped. As illustrated by the four LSPS applications and transitional housing sites, development potential of the “best of the rest” is limited by insufficient infrastructure. It may be too late to avoid the supply chasm when other similar land plots eventually have their development intensity raised and become spade-ready.

Redevelopment has been sluggish with private housing demolitions on a declining trend for the past decade



Figure 17. Private housing demolitions, 2011–2021

Number of private housing demolitions



Sources: Rating and Valuation Department, Our Hong Kong Foundation

Acquiring aged buildings for redevelopment has received greater attention in terms of private housing land supply, especially in the urban areas, as there were fewer government sites available after the major supply powerhouse in Kai Tak NDA. However, private housing demolitions, as a proxy for the pace of redevelopment, have actually been on a declining trend for the past decade. This indicates that acquisition of aged buildings has become more difficult, and we expect the sluggish trend would remain unchanged between 2022–2026, unless policy changes bring about greater incentives to facilitate redevelopment projects.

Further to the lowering of the application threshold for compulsory sale from 90% of the undivided shares for specified buildings to 80% in 2010, private housing demolitions saw a boost. Yet, the momentum was not sustained as it never hit the heights of around 2,500 units in the years immediately after the threshold adjustment, and only remained at around 1,000 units per year from 2018 onwards. While the number returned to close to 2,500 units in 2021, it is significantly boosted by a one-off impact, as the URA commenced demolition works for buildings in Yue Man Square under Development Area 5 of its Kwun Tong Town Centre Redevelopment Project. Hence, it is a year of anomaly.

The challenge lies in that acquisition of aged buildings has become more difficult, as the easier and more economically viable projects have already been executed in the earlier years. These were often aged buildings with few units, and most importantly, unused plot ratio that developers can profit from after redevelopment. Those that remain would be the opposite i.e., more units involved and/or with little or no unused plot ratio. The former means higher upfront acquisition costs, greater risks and hence lower attractiveness, while the latter would render the project financially unviable.

As financially viable projects are executed with fewer new ones to replenish supply under the current policy regime, it is anticipated that private housing land supply from redevelopment would continue to be on a declining trend in the coming five-year period from 2022–2026.

As advocated in our previous report *Immediate Actions to Resolve Hong Kong's Housing Conundrum: Cut the Red Tape Now!* published in January 2022, we urge the Government to introduce measures to accelerate private redevelopment projects, such as lowering the threshold for compulsory sale and exploring new planning tools like the transfer of plot ratio and street consolidation, etc. We are pleased that the Government and URA have been studying similar proposals, and are hopeful that relevant policy changes would be introduced in the near term.

Our observations for private housing supply



01

Past efforts to boost completions has paid off

Private housing completions for the next five years is set to maintain at a relatively high level compared to the past ten-year period

02

However, uncertainties lie over the ten-year horizon

Existing land sources are close to depletion, and a supply chasm is expected before the New Development Areas materialise

03

Expediting the New Development Areas is key

Bringing forward the boost from the New Development Areas can help avoid the supply chasm, while releasing the potential of private land bank

To conclude so far, past efforts paid off as rezoned government sites and lease modifications / land exchange for private land bank took effect, and improvements in various leading indicators point to private housing completions for the next five years maintaining at a relatively high level. However, the same could not be said for the ten-year horizon. Both quantitative and qualitative approaches in analysing currently known private housing land supply point to a projected slump in private housing completions over the ten-year horizon. With existing land sources depleting and major reinforcements from the NDAs yet to materialise, a supply chasm is expected. Therefore, it is key that the development of the NDAs is expedited, such that the supply boost can be brought forward to avoid the supply chasm. The infrastructure provisions from these NDAs would also help to release the development potential of private land bank, which will further increase private housing supply.

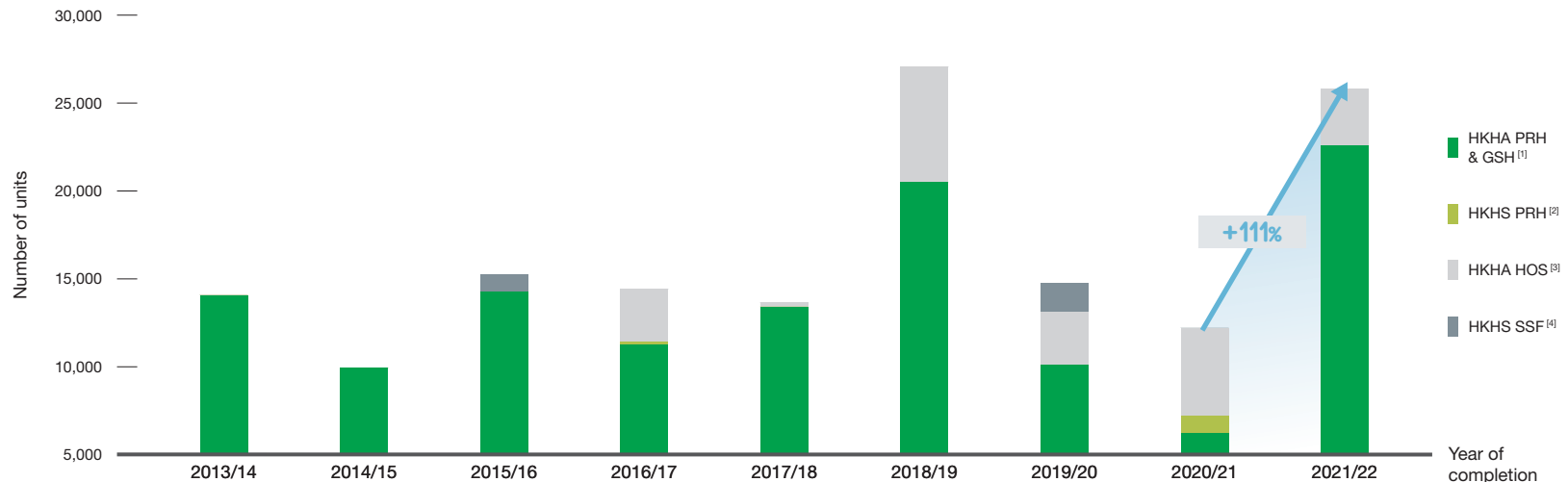
2. Public Housing Supply



Public housing completions in 2021/22 significantly rebounded year-on-year versus 2020/21 and hit a recent high...



Figure 18. Actual completions of public housing units, 2013/14–2021/22*



Notes: [1] HKHA PRH and GSH refer to the Public Rental Housing & Green Form Subsidised Home Ownership Scheme units developed by the Hong Kong Housing Authority; [2] HKHS PRH refers to Rental Estates, Rural Public Housing, and Senior Citizen Residences Scheme units developed by the Hong Kong Housing Society; [3] HKHA HOS refers to the Home Ownership Scheme units developed by the Hong Kong Housing Authority; [4] HKHS SSF refers to Subsidised Sale Flats Projects, the Flat-for-Sale Scheme and the Sandwich Class Housing Scheme units developed by the Hong Kong Housing Society

* Based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

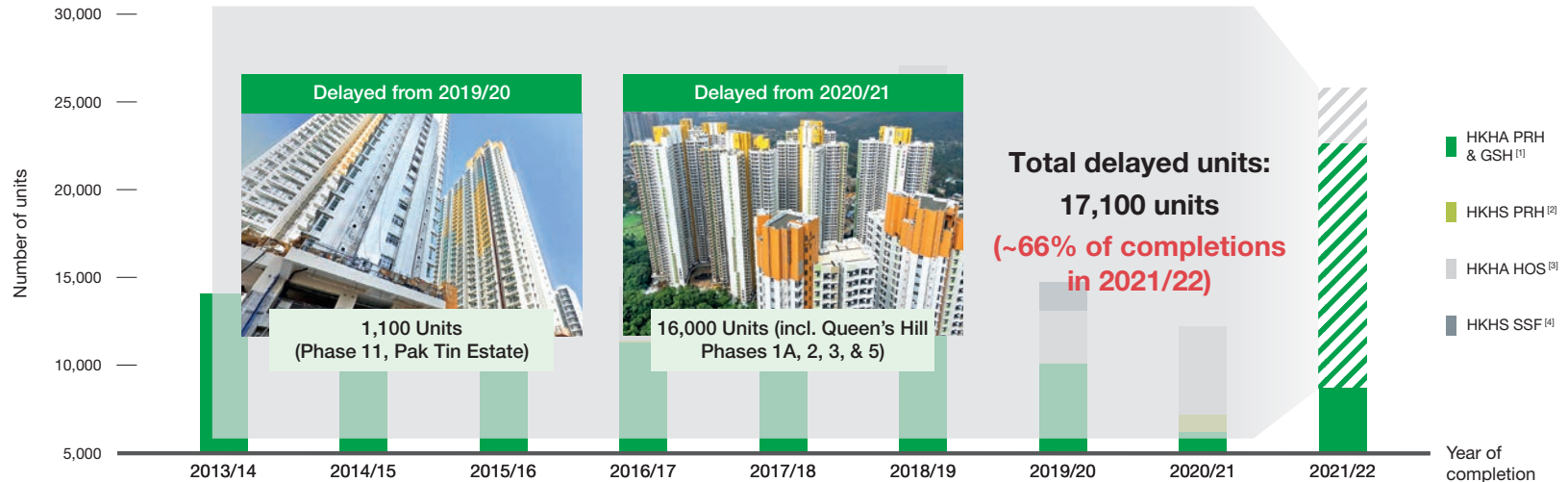
Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

Public housing completions significantly rebounded in the financial year of 2021/22. There were 25,800 units being completed in 2021/22, which represent a 111% year-on-year increase from the 12,200 units in 2020/21, hitting a three-year high. Breaking it down by the various types of public housing, 22,600 public rental housing (PRH) and Green Form Subsidised Home Ownership Scheme (GSH) units, as well as 3,200 Home Ownership Scheme (HOS) units, were completed by the Hong Kong Housing Authority (HKHA), translating into a year-on-year increase of 261% and decrease of 36% respectively. Meanwhile, there were no new completions by the Hong Kong Housing Society (HKHS) in 2021/22.

...but over 60% of the completions in 2021/22 were contributed by backlogs accumulated from the past two years



Figure 19. Actual completions of public housing units, 2013/14–2021/22*



Notes: [1] HKHA PRH and GSH refer to the Public Rental Housing & Green Form Subsidised Home Ownership Scheme units developed by the Hong Kong Housing Authority; [2] HKHS PRH refers to Rental Estates, Rural Public Housing, and Senior Citizen Residences Scheme units developed by the Hong Kong Housing Society; [3] HKHA HOS refers to the Home Ownership Scheme units developed by the Hong Kong Housing Authority; [4] HKHS SSF refers to Subsidised Sale Flats Projects, the Flat-for-Sale Scheme and the Sandwich Class Housing Scheme units developed by the Hong Kong Housing Society

* Based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

Image source: Google Maps

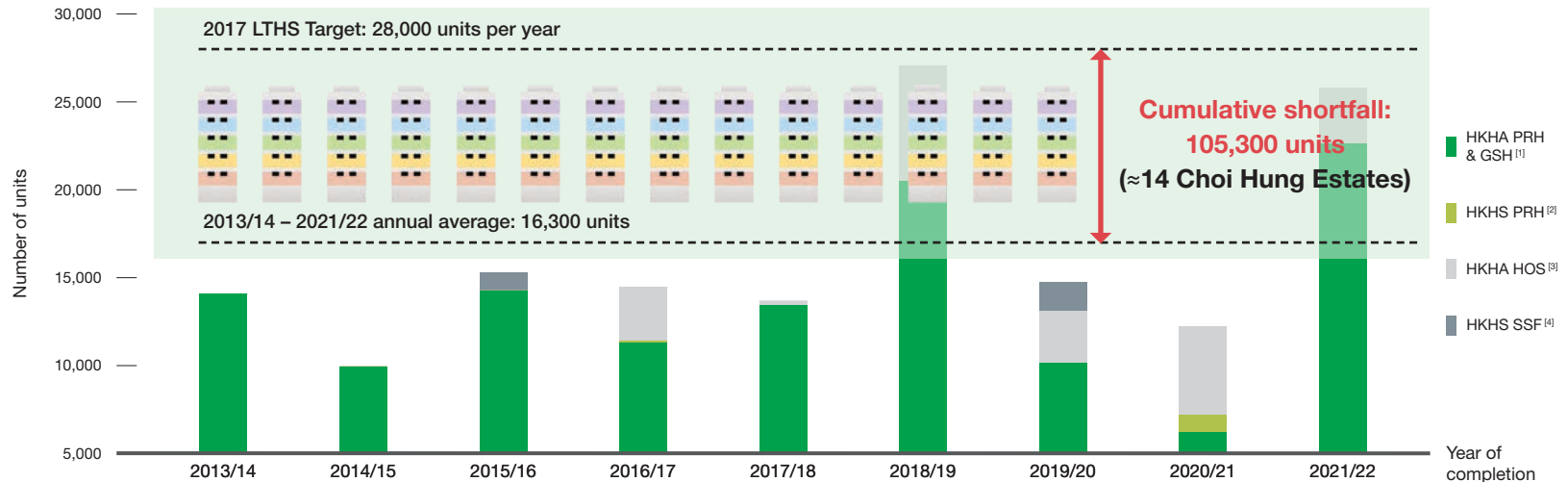
Upon closer scrutiny, however, the rebound in 2021/22 was significantly contributed by backlogs accumulated from the past two financial years of 2019/20 and 2020/21. Out of the 25,800 units completed in 2021/22, approximately 66% were originally scheduled to complete in 2019/20 (1,100 units from Pak Tin Estate Phase 11) and 2020/21 (16,000 units from various public housing projects).

Among the 16,000 units delayed from 2020/21, 59% of them, or 9,500 units were from different phases of the Queen's Hill Public Housing Project, including 3,200 HOS units from Shan Lai Court. Other delayed completions include 4,300 units from part of Ching Tin Estate Phase 1 in Tuen Mun, 1,000 units from Kai Chuen Court Phase 1 in Diamond Hill, 700 units from Fu Tip Estate Phase 1 in Tai Po, and 500 units from Heng King House, Lai King Estate in Lai King.

The resulting cumulative shortfall in public housing completions has exceeded 105,000 units in the past nine years



Figure 20. Cumulative shortfall in completions of public housing units, 2013/14–2021/22*



Notes: [1] HKHA PRH and GSH refer to the Public Rental Housing & Green Form Subsidised Home Ownership Scheme units developed by the Hong Kong Housing Authority; [2] HKHS PRH refers to Rental Estates, Rural Public Housing, and Senior Citizen Residences Scheme units developed by the Hong Kong Housing Society; [3] HKHA HOS refers to the Home Ownership Scheme units developed by the Hong Kong Housing Authority; [4] HKHS SSF refers to Subsidised Sale Flats Projects, the Flat-for-Sale Scheme and the Sandwich Class Housing Scheme units developed by the Hong Kong Housing Society

* Based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

As construction of public housing has been consistently behind its long-term target, a considerable shortfall in terms of completions has accumulated. It was estimated that, for the past nine years alone, an additional number of housing units equivalent to 14 times of Choi Hung Estate should have been completed.

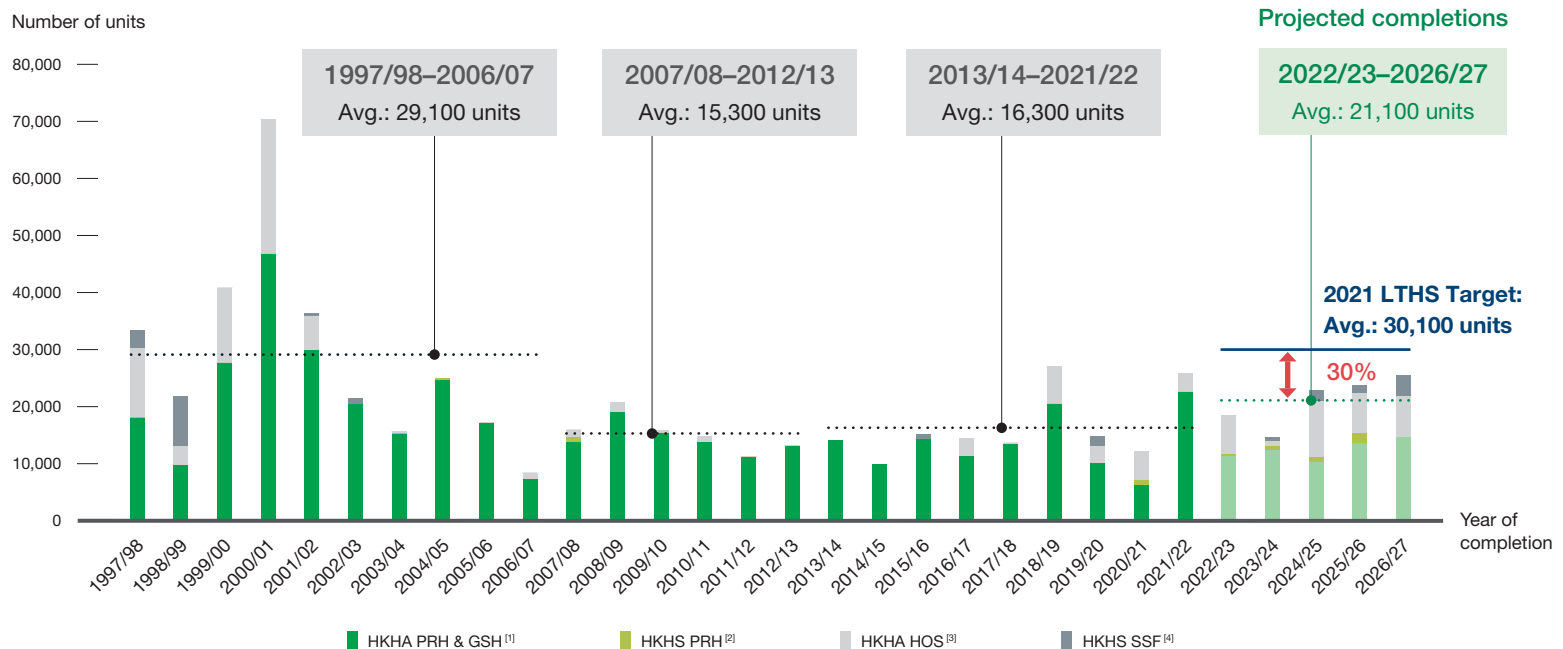
The LTHS target was slightly different each year since it was re-introduced nine years ago. Nevertheless, the LTHS target usually hovered at around 28,000 units per year before it was increased in 2019/20 due to a shift in the ratio of the public-private housing mix from 60:40 to 70:30. The annual average completion figure between the years of 2013/14 and 2021/22 was around 16,300 units. When this is compared to the annual LTHS target of approximately 28,000 units, there is a cumulative deficit of 105,300 units.



Upcoming public housing completions will continue to significantly fall behind the LTHS target



Figure 21. Actual and projected completions of public housing units, 1997/98–2026/27*



Notes: [1] HKHA PRH and GSH refer to the Public Rental Housing & Green Form Subsidised Home Ownership Scheme units developed by the Hong Kong Housing Authority; [2] HKHS PRH refers to Rental Estates, Rural Public Housing, and Senior Citizen Residences Scheme units developed by the Hong Kong Housing Society; [3] HKHA HOS refers to the Home Ownership Scheme units developed by the Hong Kong Housing Authority; [4] HKHS SSF refers to Subsidised Sale Flats Projects, the Flat-for-Sale Scheme and the Sandwich Class Housing Scheme units developed by the Hong Kong Housing Society

* Based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

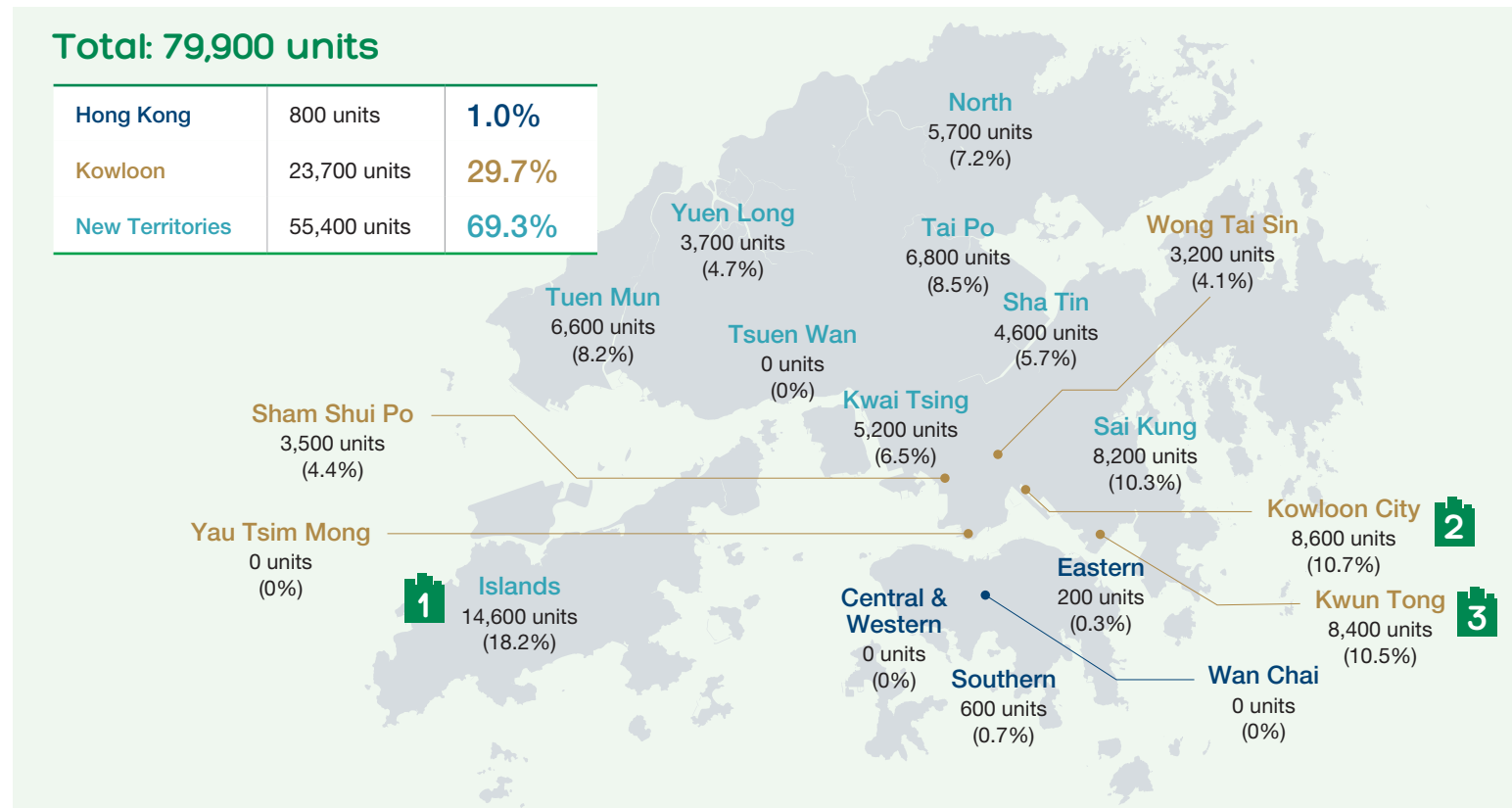
Despite the year-on-year rebound observed in 2021/22, we expect that the upcoming five-year public housing completions from 2022/23 to 2026/27 will continue to significantly fall behind the LTHS target. Although the estimated annual average completion of 21,100 units is higher than the 16,300 units in the past nine-year period since the LTHS was reintroduced, as well as the 15,300 units during the pre-LTHS period from 2007/08 to 2012/13, it is still set to miss the 2021 LTHS target of 30,100 units per year by 30%.

Following past practices, we have conducted a rolling four-year estimate on average annual completions, which has been revised downwards by 8% from 21,800 units for 2021/22 to 2024/25, to 20,000 units for 2022/23 to 2025/26 **(See Appendix II for the project-by-project details of forecast future public housing completions from 2022/23 to 2025/26)**. The revision is mainly due to the recurring project delays identified in the Housing Construction Programme released by the HKHA, which will be discussed in the subsequent sections.

Islands, Kowloon City, and Kwun Tong are the top three districts for the projected public housing completions



Figure 22. Projected public housing completions between 2022/23 and 2025/26, by district



Note: At the time of writing, the project-by-project details of 2026/27 have not been released

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

2. Public Housing Supply

Breaking down the projected public housing completions by district, Islands (including Tung Chung), Kowloon City (including Kai Tak), and Kwun Tong are the top three districts with the largest supply in the next four financial years. Together, they account for 39% of all new public housing completions during the period.

Islands (including Tung Chung) will constitute approximately 14,600 units, or around 18% of the total new public housing completions in the next four years. Most of them will come from Tung Chung East, or more specifically, reclaimed land in Tung Chung Areas 54 (Yu Nga Court), 99, 100 and 109.

Kowloon City (including Kai Tak) is anticipated to be the second largest source of completions, by contributing approximately 8,600 units, with around 7,800 units from four public housing development sites in Kai Tak, as well as two smaller-scale projects in To Kwa Wan and Hung Hom.

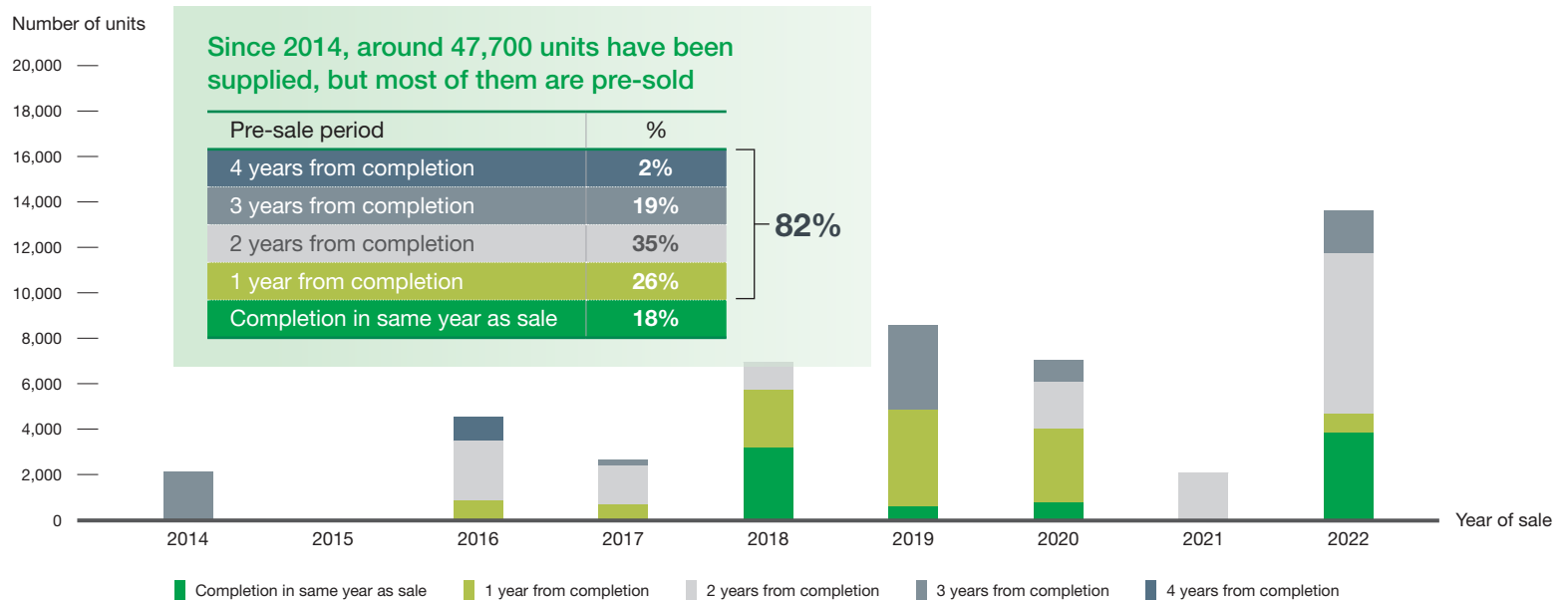
Kwun Tong completes the podium by contributing approximately 8,400 units, with around 4,400 units from three public housing development sites in Ngau Tau Kok, around 2,900 units from two sites in Yau Tong, and the remaining from a site in Sau Mau Ping.



While there seems to be more subsidised housing launched for sale in recent years, 82% of them are actually pre-sold



Figure 23. Supply of subsidised sale flats by year of sale, 2014–2022^[1]



Note: [1] Includes subsidised sale flats by the Housing Authority and Hong Kong Housing Society

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

With the application for the Sale of HOS Flats 2022 taking place in February and March 2022, it has received much attention, including the much sought-after HOS units in prime urban locations, as well as a record high number of HOS units launched for sale since the relaunch of HOS in 2014 (approximately 8,900 units).

On the surface, as shown in **Figure 23**, the number of subsidised sale flats (including all HOS and GSH projects developed by HKHA and subsidised sale flats developed by HKHS) launched for sale has been on an upward trend since the relaunch of HOS in 2014, rising from approximately 2,200 units in 2014 to 13,600 units in 2022. This is admittedly an encouraging trend, but a closer scrutiny would reveal that the picture is not as rosy as it seems. Out of the 47,700 units launched for sale since 2014, approximately 82% (or 39,200 units) are actually pre-sold.

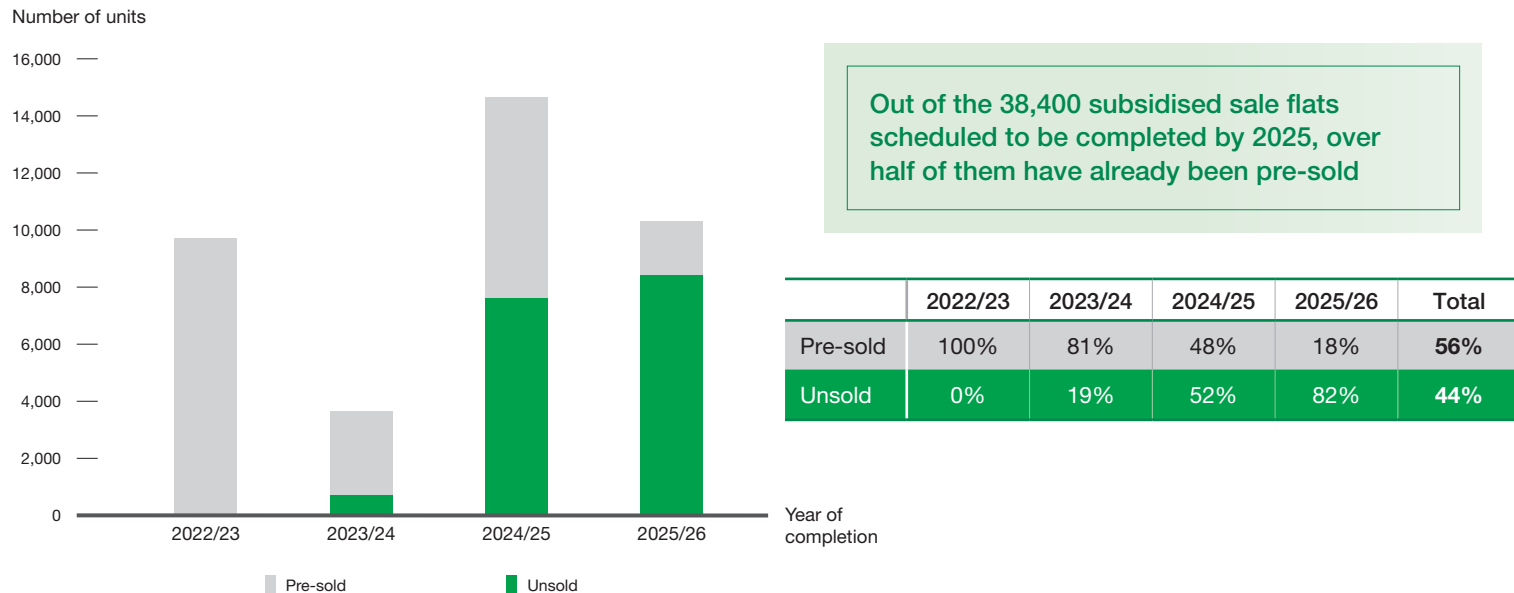
Breaking the data down further, only 18% (or 8,500 units) of the units have a date of completion ahead of or in the same year as the date of sale, while the remaining supply are all pre-sold units, with 26%, 35%, 19% and 2% being sold 1 year, 2 years, 3 years, and 4 years ahead of completion, respectively.

Taking the subsidised sale flats launched for sale in 2022 as an example, despite offering recent record numbers of both HOS and GSH units at 8,900 units and 4,700 units respectively, 72% of them are pre-sold units. The only exception is the 3,800 units from Yu Nga Court in Tung Chung and Yu Tak Court in Sha Tin, which are expected to be completed within the financial year of 2022/23.

Over half of the subsidised sale flats scheduled for completion by 2025/26 have already been pre-sold



Figure 24. Supply of subsidised sale flats by year of completion, 2022/23–2025/26 ^[1] ^[2]



Notes: [1] Includes subsidised housing units by the Housing Authority and Hong Kong Housing Society

[2] At the time of writing, the project-by-project details of 2026/27 have not been released

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

For a like-for-like comparison against the four-year public housing completion forecast, the pre-sale phenomenon in subsidised sale flats has been mapped based on the year of completion as illustrated in **Figure 24**.

Among the approximately 38,400 subsidised sale flats that are scheduled for completion in the coming four financial years of 2022/23 to 2025/26, 56% of them, or 21,600 units, have already been pre-sold. These include 2,900 units from Sale of GSH Flats 2019, 3,000 units from Sale of HOS Flats 2020, 2,100 units from Sale of GSH Flats 2021, and 13,600 units from Sale of HOS / GSH Flats 2022.

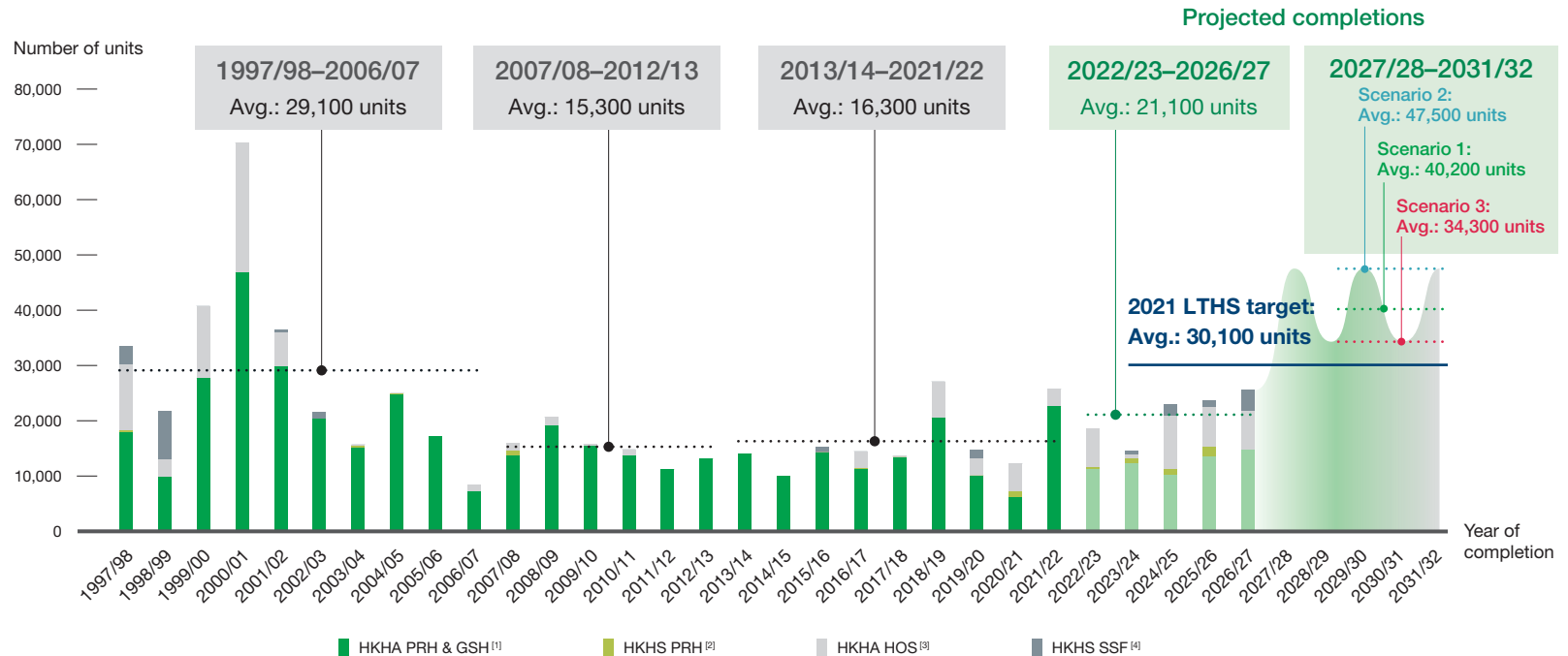
From the analysis above, it paints a clearer picture that currently, the only option left in the Government's playbook to increase the number of subsidised sale flats available for sale is through over-drafting future completions. While we do not intend to make a judgement on this strategy, its sustainability does deserve a closer scrutiny. To keep up with the pace in the number of subsidised sale flats launched for sale in recent years, the approximately 16,800 existing unsold units may only be enough to last for a year or two. Therefore, in order to sustain the over-drafting strategy, completions beyond 2026/27 have to maintain at a minimum of 10,000 subsidised sale flats per year. In other words, this means that the "back-loaded" supply pattern has to be realised. This is not without its challenges, which we will look further into in the ensuing sections.

In any case, the number of subsidised sale flat completions may have largely lost the indicative function for future supply level, as only half of the completions are actually "new supply".

The “back-loaded” pattern is expected in public housing completions but uncertainties remain over the ten-year horizon



Figure 25. Actual and projected completions of public housing units, 1997/98–2031/32*



Notes: [1] HKHA PRH and GSH refer to the Public Rental Housing & Green Form Subsidised Home Ownership Scheme units developed by the Hong Kong Housing Authority; [2] HKHS PRH refers to Rental Estates, Rural Public Housing, and Senior Citizen Residences Scheme units developed by the Hong Kong Housing Society; [3] HKHA HOS refers to the Home Ownership Scheme units developed by the Hong Kong Housing Society

* Based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

Having highlighted the significance of the “back-loaded” supply pattern using the example of subsidised sale flats, we now turn our attention to assessing the likelihood of achieving it. To recap the “back-loaded” concept in brief, as the Government repeatedly pledged in the past and most recently again in Policy Address 2021, it set a target of delivering 301,000 public housing units over the ten-year horizon, but it will be “back-loaded” with only one-third being delivered in the first five years and the rest in the sixth to tenth year.

While public housing completions are expected to fall short of the LTHS target in the next five financial years, a “back-loaded” completion pattern on the ten-year horizon could be achievable based on current estimates, but it is not without uncertainties.

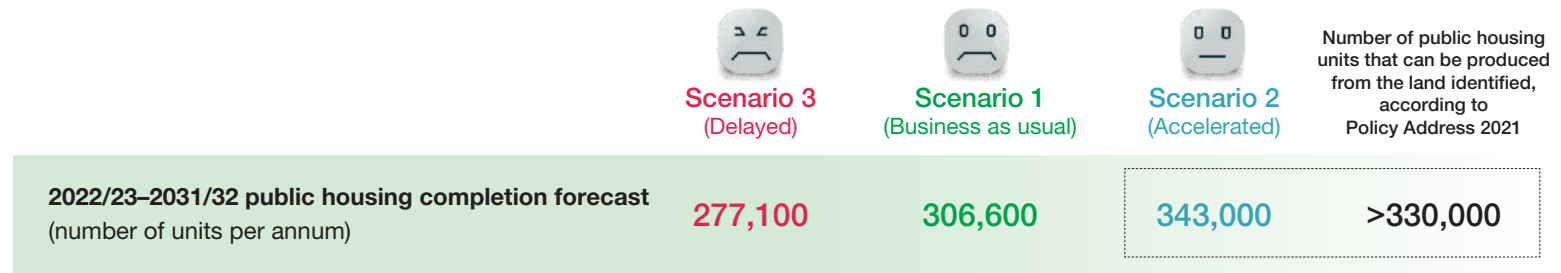
Based on the methodology first introduced in our previous report *Decisive Moment — Can Hong Kong Save Itself from the Land and Housing Supply Crisis?* published in April 2021, we have updated the exclusive ten-year forecast in public housing completions, together with both quantitative and qualitative analysis for the forecast.

Since the longer-term forecasts are more unpredictable than the near-term forecasts, three scenarios were devised to reflect various circumstances. In Scenario 1, or the “Business as usual” scenario, we estimate an average of 40,200 units per year to be completed between 2027/28 and 2031/32. Scenarios 2 and 3 would illustrate the effects of an accelerated and delayed scenario respectively, with an estimated average annual completion of 47,500 units for the former, and 34,300 units for the latter. **(For details of the forecast methodology, please refer to Figure 26)**

Strenuous efforts would be required to fully materialise all land identified in Policy Address for public housing



Figure 26. Projected completions of public housing units, 2022/23–2031/32



Key assumptions
(in terms of housing unit delivery progress)

New Development Areas Other major land supply initiatives		Based on latest timeline of major land supply initiatives	
Rezoning		Based on latest timeline of major land supply initiatives	
Redevelopment of Public Rental Housing estates Spade-ready government sites	<ul style="list-style-type: none"> Based on latest market information and timeline of major land supply initiatives Progress remains the same in all three scenarios 		

As the forecast for public housing completions in the financial years of 2027/28 to 2031/32 is less certain than the forecasts for 2022/23 to 2026/27, three scenarios have been formulated to assess the possible permutations of the variables via a quantitative approach. These include different levels of progress in three land supply sources, namely the NDAs, other major land supply initiatives, and rezoning.

In Scenario 1, public housing supply has been estimated based on the most up-to-date disclosures from various government departments. If all projects continue to proceed at the current speed, it is expected that some 82,800 public housing units can be completed in the five years between 2027/28 and 2031/32 from the various NDAs, mainly from Tung Chung New Town Extension, Kwu Tong North / Fanling North, Hung Shui Kiu / Ha Tsuen, Kam Tin South, Yuen Long South, and Kai Tak. Meanwhile, some 16,900 units should be supplied from other major land initiatives, including developments of Siu Ho Wan, Fanling Golf Course, brownfield clusters, and urban squatters. Moreover, some 80,800 units should be completed from rezoning. Lastly, it is estimated that 16,300 units and 4,200 units could be supplied from redevelopment of public housing estates and spade-ready government sites respectively. Thus, total public housing completions should reach 201,000 units in the five years between 2027/28 to 2031/32, averaging 40,200 units per year. Altogether, the ten-year public housing completion forecast from 2022/23 to 2031/32 will be approximately 306,600 units.

As stated in the 2021 LTHS report, the Government set the ten-year public housing supply target at 301,000 units, and announced that the number of public housing units that can be produced from the land identified is 330,000 units. In this connection, the forecast completion of 306,000 units in Scenario 1 meets the 2021 LTHS target, but translates to a 7% shortfall versus the Government's claim on its full public housing supply potential.

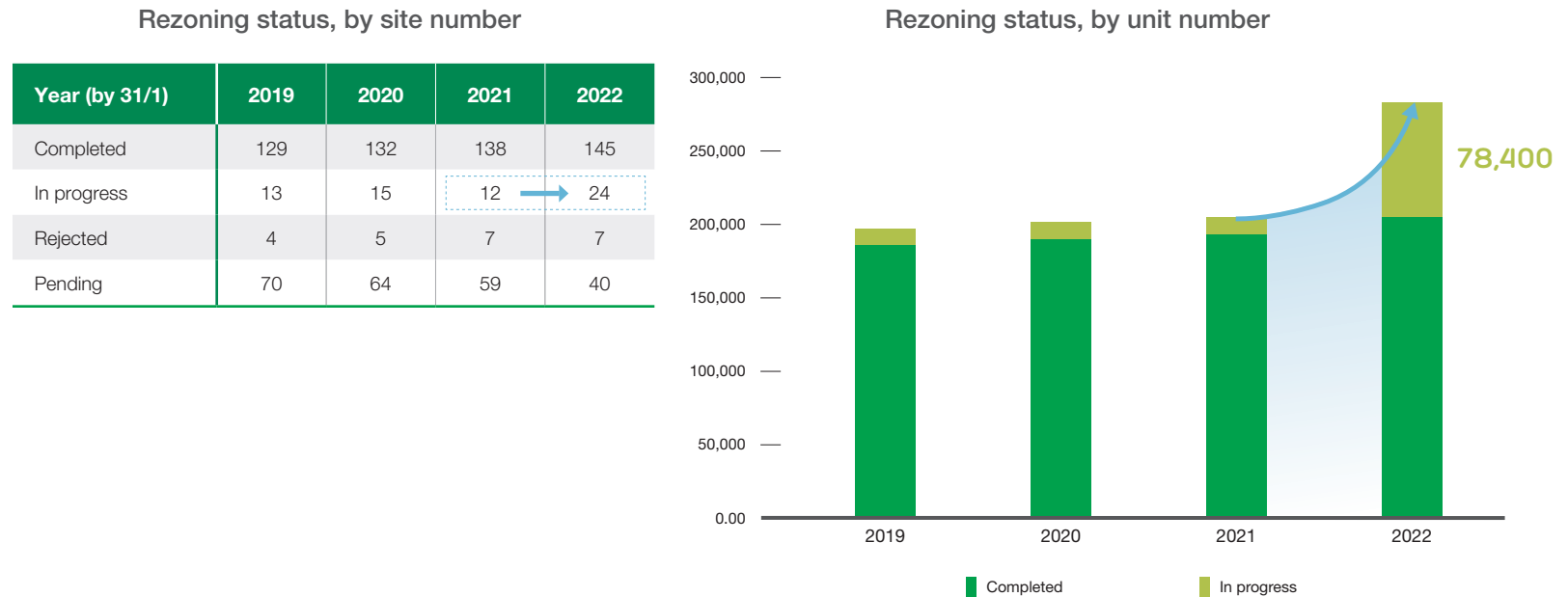
For Scenario 2, it tries to simulate a case whereby public housing completions could realise the Government's full public housing supply potential in the next ten years at 330,000 units. Rather than assuming that the NDAs and other major land supply initiatives would progress at current speed, an accelerated timeline was presumed, whereby these projects would be advanced by a year. As for rezoning supply, a 5% extra delivery on top of Scenario 1 was assumed. The resulting ten-year public housing supply in 2022/23 to 2031/32 for Scenario 2 is estimated at 343,000 units, thus meeting the Government's claim on its full public housing supply potential.

In Scenario 3, it mirrors Scenario 2 by assessing the impact where there is a one-year delay in the NDAs and other major land initiatives, as well as a 5% reduction on Scenario 1 from rezoning supply. Under such circumstances, the ten-year public housing completions in 2022/23 to 2031/32 is estimated to be 277,100 units, which will fall short of both the 2021 LTHS target and the Government's claim on its full public housing supply potential, by 8% and 16% respectively. However, given the past record of repeated delays by the Government, which will be illustrated in the subsequent sections, it is not unreasonable for us to expect that Scenario 3 will be the likely scenario.

While rezoning efforts have expediated in the past year,
a long lead time is needed before materialising into actual supply



Figure 27. Significant increase in the number of the 210+ sites commencing rezoning procedures



Sources: Development Bureau, Town Planning Board, and Our Hong Kong Foundation

To further substantiate our ten-year public housing completion forecast, we went on to qualitatively analyse factors that may have an impact on the “back-loaded” supply pattern.

An examination of the trends in rezoning efforts in the past four years suggests and affirms that future completions should improve. Since 2013, the Government has identified a total of 216 sites with the potential of being rezoned for residential uses after multiple rounds of land use reviews, with a majority reserved for public housing. Although the rezoning progress has been slow in 2020 and the prior years, efforts to kick start the rezoning procedures for more sites have been significantly expedited during 2021, which is reflected by the leap in the number of sites entering the “in progress” status, rising from 12 to 24 sites.

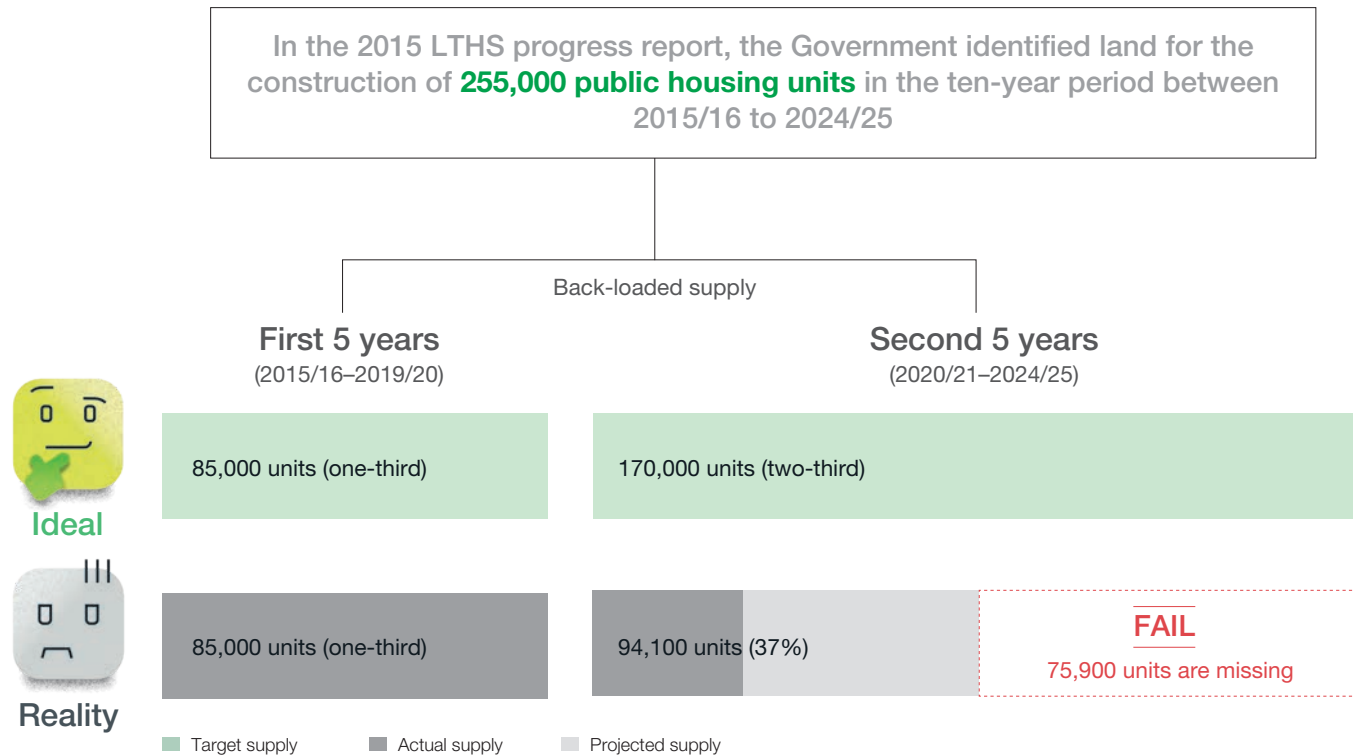
As shown in **Figure 27**, as of January 2022, 145 sites have completed the rezoning procedures, which could be translated to a future supply of approximately 205,000 public and private housing units. For the remaining sites, 24 are currently undergoing the rezoning procedures. These 24 sites can be translated to a future supply of approximately 78,400 units, as shown in **Figure 27**, which is a significant boost from the 12,100 units in the previous year, and partially explains the higher ten-year public housing forecast presented in the previous sections.

However, while it is a positive sign that more sites have begun their rezoning procedures, a long lead time is needed before these sites can be made spade-ready and materialise into actual housing supply. Moreover, as we will discuss later, there are great uncertainties in achieving the “back-loaded” supply pattern, as recurring project delays have hindered the Government’s capability and capacity in public housing delivery.

From past track record, the often-repeated “back-loaded” supply pattern has shown to be wishful thinking



Figure 28. Revisiting the 2015 LTHS progress report



Sources: Transport and Housing Bureau, Hong Kong Housing Authority, Hong Kong Housing Society, and Our Hong Kong Foundation

Although the Government has repeatedly expressed its confidence on the “back-loaded” supply pattern, past track record has so far shown that it remains to be wishful thinking.

Cross referencing to the 2015 LTHS progress report, it was stated that the Government has identified the land for the construction of 255,000 public housing units in the ten-year period between 2015/16 and 2024/25. According to the “back-loaded” supply pattern, one-third of the housing units, or 85,000 units, would be completed in the first five years from 2015/16 to 2019/20, while the remaining two-third, or 170,000 units, in the second five years from 2020/21 to 2024/25. Although the lighter load in the first five years of 85,000 units was delivered on schedule, we found that the delivery of the heavier load in the second five years is expected to fall short of the target.

Breaking down the numbers in the second five-year period, in terms of actual completions in financial years 2020/21 and 2021/22, approximately 38,000 public housing units have been delivered. As for the projected completions, according to the latest public housing production forecast published by the Transport and Housing Bureau in May 2022, another 56,100 units are scheduled to be completed by 2024/25. Altogether, the Government is only able to deliver 94,100 units from 2020/21 to 2024/25, resulting in a gap of 75,900 units from its original estimate of 170,000 units.

Why is it that the “back-loaded” supply cannot be realised as envisioned? Among the various possible explanations, one plausible contributor is the recurrent delays in public housing completions.

Recurrent delays in public housing completions have been observed with no follow-up actions or consequences



Figure 29. Delays in public housing completions, 2013/14–2024/25



Updates on 5-year completions	Number of projects delayed	Number of units delayed	%
2013/14–2017/18	10	14,300	16%
2014/15–2018/19	8	11,600	13%
2015/16–2019/20	17	28,300	30%
2016/17–2020/21	2	4,800	5%
2017/18–2021/22	5	6,700	7%
2018/19–2022/23	7	12,700	13%
2019/20–2023/24	11	15,400	16%
2020/21–2024/25	11	20,100	21%
Average	8.9	14,238	15%

Sources: Legislative Council, Hong Kong Housing Authority, and Our Hong Kong Foundation

A closer scrutiny of the various editions of the Housing Construction Programme — a project-by-project outline updated annually by the HKHA to estimate upcoming five-year public housing completions — would reveal a clearer picture. Through comparing the past eight editions of the Housing Construction Programme as shown in **Figure 29**, it was discovered that approximately nine projects, or around 14,200 units, were delayed each year. In other words, the percentage of delayed completions for public housing units stands at 15%.

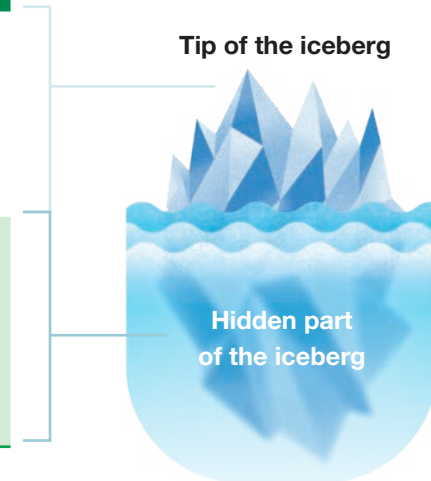
However, despite these recurrent and significant delays in public housing completions, no follow-up actions or consequences have been observed so far. The implications are twofold: on one hand, without a proper accountability mechanism, government officials face no consequences and thus have no incentive to improve the situation; on the other hand, without sufficient disclosure on project progress, the public is unable to follow up on, and monitor the delays of public housing projects.

The actual situation may be more pessimistic, as the delays currently disclosed are only the tip of the iceberg



Figure 30. Disclosure on 10-year public housing completion delays

Public housing supply for the next 10 years	Number of projects and housing units delayed	Reason for delay
1st five years (One-third of supply)	The LegCo identified that on average, nine projects and 15% of the units were delayed each year over the past 8 years	Upon the request by the LegCo, reasons for delay were disclosed for the construction programme from 2021/22 to 2025/26
2nd five years (Two-third of supply)	?	?



Sources: Legislative Council, Transport and Housing Bureau, Hong Kong Housing Authority, and Our Hong Kong Foundation

Going further on the point of insufficient information disclosure is the uncertainty on the actual extent of delays in public housing projects.

While the Government updates the ten-year housing production targets in the LTHS every year, it is merely a high-level figure and there is neither a corresponding project-by-project breakdown, nor any production plan to back these targets up for public housing. Currently, the HKHA and the HKHS only provide forecasts of public housing completion for the next five years, of which, based on the pledge of “back-loaded” supply pattern, only comprises one-third of the ten-year public housing supply target. The details on delivering the remaining two-thirds — moreover the critical majority and hence a matter of legitimate public concern — of the target remains undisclosed to the public.

Furthermore, other important information such as the reasons for delay, are often swept under the rug. It is only under unavoidable circumstances, for instance, discussions in the District Councils or upon specific request from the Legislative Council, that the Government would reluctantly provide an explanation. Unfortunately, these are often shrouded in very broad and general terms including adverse weather and unforeseen geological conditions. Nevertheless, as these issues plaguing public housing completions with identifiable delays come to light, it is not unreasonable to deduce that a greater variety of issues could affect other projects. Taking the deduction further, public housing delays that are currently disclosed may only be the tip of the iceberg.

Whether the “back-loaded” supply pattern can be achieved as the ten-year public housing completions take a dent due to such delays remains to be seen.

Three hidden delay cases



As the public housing project delays that can be inferred from information disclosed in relevant government documents only form the tip of the iceberg, we aim to further illustrate the hidden part of the iceberg with three delay cases that are lesser known to the public.

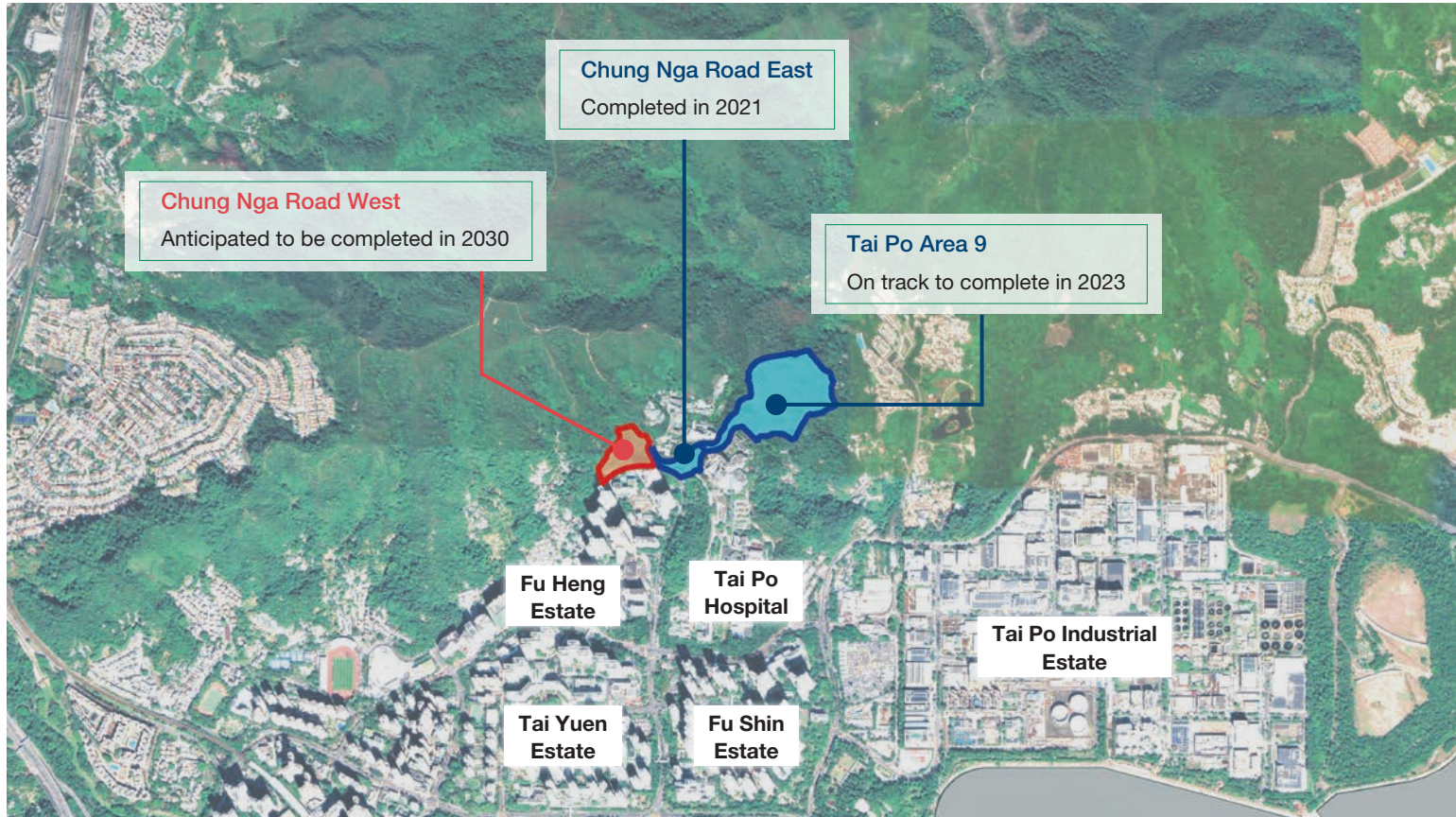
Case 1 is the Chung Nga Road West Public Housing Project, which is being trapped in an endless cycle of back-and-forth deliberations with no signs of concrete progress so far.

Case 2 involves multiple public housing projects within the Kwai Chung Outline Zoning Plan (OZP), deadlocked in the administrative procedures that froze all public housing developments.

Case 3 is the San Hing Road Public Housing Project, which is an example of public and private housing supplies being caught between two stools.

These projects have not surfaced in the Housing Construction Programme by the HKHA under the current disclosure standards, as they are beyond the five-year public housing production plan. Yet, we are speaking of delays in terms of multiple years, with the respective earliest completion dates going beyond 2030/31 at the time of writing.

Case 1 Chung Nga Road West



The first hidden delay case is Chung Nga Road West Public Housing Project, located at the north of Fu Heng Estate in Tai Po and close to Tai Po Hospital, and belongs to Phase 3 of Fu Tip Estate Public Housing Project (formerly known as “Public Housing Development at Tai Po Area 9, Chung Nga Road East, and Chung Nga Road West”).

The three phases of Fu Tip Estate have a combined site area of close to 10 hectares and provide approximately 8,500 public housing units in total, accommodating an estimated population of almost 20,000. The development sites were vacant lands originally planned for a private hospital and temporarily rented for a community organic farm.

While Phase 1 (Ban Tip House, formerly known as “Chung Nga Road East public housing project”) is supplying 655 public housing units that have already been completed in 2021, and Phase 2 (Tai Po Area 9) is supplying 6,776 public housing units that are on track to be completed in 2023, only Phase 3 (Chung Nga Road West) is still stalled in the project design stage at present.



Aerial photograph of Chung Nga Road West Public Housing Project

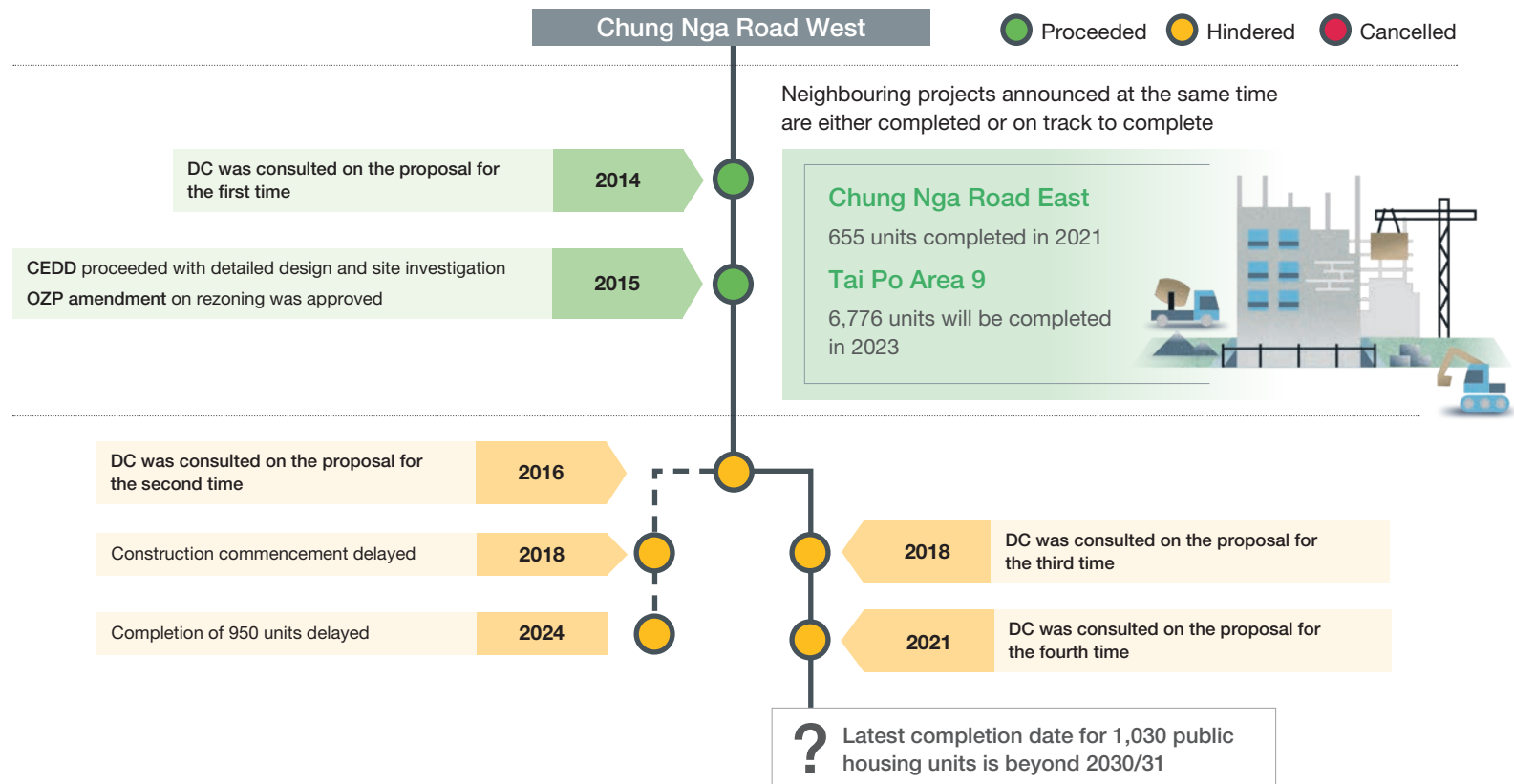


Site photograph of Chung Nga Road West Public Housing Project

The development timeline of Chung Nga Road West public housing project is a story of endless deliberations



Figure 31. Development timeline of Chung Nga Road West public housing project



Sources: Tai Po District Council, Hong Kong Housing Authority, Town Planning Board, various newspaper reports, and Our Hong Kong Foundation

First made public in 2014, the relevant government departments consulted the Environment, Housing and Works Committee of the Tai Po District Council on what was previously known as the Public Housing Development at Tai Po Area 9, Chung Nga Road East, and Chung Nga Road West. District Councillors raised multiple concerns on the development proposal, including traffic congestion due to population growth, lack of parking spaces, insufficient students to sustain new schools, potential traffic chaos at school drop-off locations, inadequate shopping facilities, etc.

In 2015, the public housing development was given the go-ahead in principle, as rezoning amendments of the sites from “Green Belt” and “Government, Institution & Community” into residential use on the Tai Po OZP were approved. The Civil Engineering and Development Department then proceeded with detailed design and site investigation on the development sites.

The Government returned to the Tai Po District Council in 2016 for a second consultation, but the amended development proposal did not address most of the District Councillors’ concerns raised during the first consultation. Nonetheless, District Councillors supported the Phase 1 and Phase 2 developments on the Chung Nga Road East and Tai Po Area 9 sites, but opposed the Phase 3 development on the Chung Nga Road West site, and urged the Government to make amendments based on the same concerns they have raised. As a result, construction commencement and completion dates of the Chung Nga Road West Public Housing Project, which were originally set in 2018 and 2024 respectively, had to be delayed.

A third consultation took place in 2018 with a development proposal that was almost identical to that in the second consultation, except for proposing a new road in the west of the development site. Unsurprisingly, the proposal received comments similar to those in 2014.

More noticeable revisions were updated in the 2021 proposal, such as an increase in the number of parking spaces and changes in the layout of buildings in the site, as the Government returned to the District Council for a fourth consultation. Nevertheless, the changes were still far from fully addressing the concerns raised. At the time of writing, the estimated completion date has been postponed to 2030/31, with neither an agreeable development proposal, nor a concrete development timeline.

Not only seven years have already passed since the project was first proposed, but the entire development cycle is also set to exceed sixteen years. During this endless back-and forth deliberations between the Government and the District Council, two deficiencies stood out.

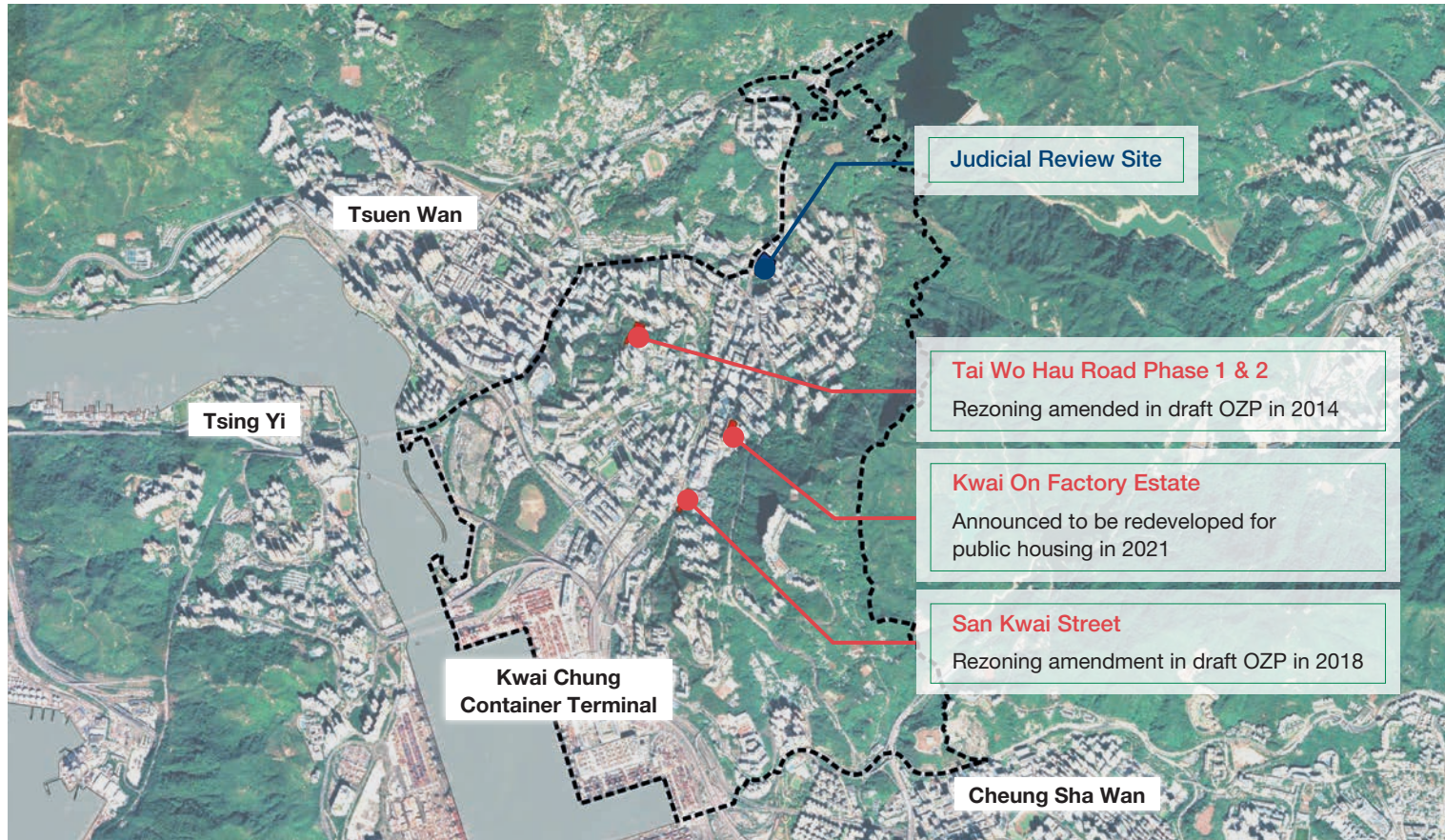
Firstly, the various government departments lacked coordination, with officials holding separate consultations for the same public housing project based on their respective job scopes. For example, a session will be attended by the Housing Department and Transport Department addressing population and traffic issues, while the Education Bureau has a separate one explaining their rationale for proposing a school. While it is understandable that officials are unable and will not answer questions outside of their respective scope, it is perplexing why the sessions could not be combined with all involved in the project attending at one go.

Secondly, it begs the question of why the turnaround time for each revision of the development proposal took so long, especially since the differences were minimal, and failed to address local concerns in each. The authorities could have either explained the limitations hindering them from making further amendments, or proving with concrete evidence that such concerns are invalid or have already been addressed.

To improve the efficiency and effectiveness of upcoming public housing projects, we suggest the Government to appoint a dedicated project manager for each project. His or her roles entail serving as the coordinator, monitoring the progress with clear key performance indicators (KPI) for different relevant working departments, ensuring efficient communication between the Government and the District Council and facilitate the consultation process, as well as responding to relevant feedback with professional judgement for swift transitioning to the next phase.



Case 2 Projects within Kwai Chung OZP



 Kwai Chung OZP

The second hidden delay case involves three public housing development projects within the boundaries of the Kwai Chung OZP, namely that Tai Wo Hau Road Public Housing Project, San Kwai Street Public Housing Project, and Kwai On Factory Estate Redevelopment Project. These public housing development projects are currently frozen, as all amendments proposed on the draft Kwai Chung OZP cannot be approved until the legal disputes between the Government and the Developer, who planned to redevelop its factory site located in Cheung Wing Road, are resolved.

The Tai Wo Hau Road Public Housing Project is located on the south of Kwai Chung Estate and north of Kwai Shing East Estate. Phase 1 is a 0.3-hectare vacant site along Tai Wo Hau Road supplying 368 units, while the nearby 0.3-hectare Phase 2 site supplying 419 units was the former Kwai Shing Driving Test Centre. Together, the two phases will accommodate an estimated population of 2,300.

San Kwai Street Public Housing Project is located on the east of Kwai Chung Division Police Station and Kwai Tsui Estate. It is a 0.5-hectare site capable of providing 700 units to accommodate an estimated population of 1,800. The site was formerly a government site used as a works area and maintenance depot by the Highways Department and Drainage Services Department.

Kwai On Factory Estate is located in the Kwai Chung Industrial District close to Kowloon Commerce Centre. It is a 0.6-hectare site capable of providing approximately 600 public housing units. It is one of the four HKHA factory estates found technically feasible to be redeveloped into public housing.



Aerial photograph of Tai Wo Hau Road Public Housing Project



Site photograph of Tai Wo Hau Road Public Housing Project



Aerial photograph of San Kwai Street Public Housing Project



Site photograph of San Kwai Street Public Housing Project



Aerial photograph of Kwai On Factory Estate Redevelopment

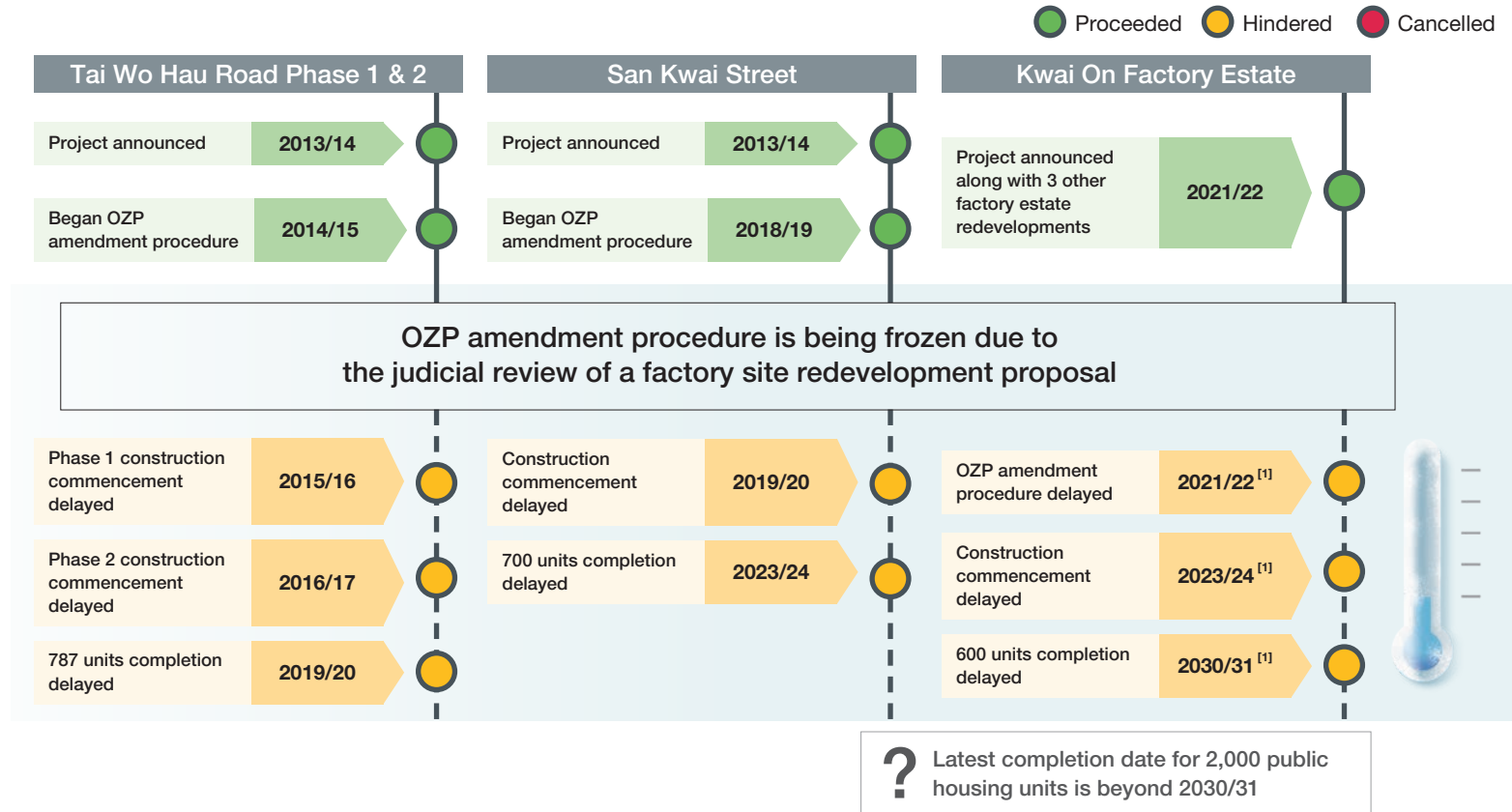


Site photograph of Kwai On Factory Estate Redevelopment

The development timeline of projects under Kwai Chung OZP is a story of deadlock due to a case under judicial review



Figure 32. Development timeline of projects under Kwai Chung OZP



Note: [1] Referencing on the redevelopment timelines of Yip On, Sui Fai, and Wang Cheong Factory Estates

Sources: Kwai Tsing District Council, Hong Kong Housing Authority, Town Planning Board, various newspaper reports, and Our Hong Kong Foundation

The Tai Wo Hau Road and San Kwai Street Public Housing Projects were both announced in 2013. The former was to be rezoned from “Open Space” and “Government, Institution & Community” into residential use. The relevant statutory town planning procedures were started in 2014, with construction commencement and completion dates initially set in 2015 and 2019 respectively. The latter project was to be rezoned from “Government, Institution & Community” and “Village Type Development” into residential use. The statutory town planning procedures were started in 2018, with construction commencement and completion dates initially set in 2019 and 2023 respectively.

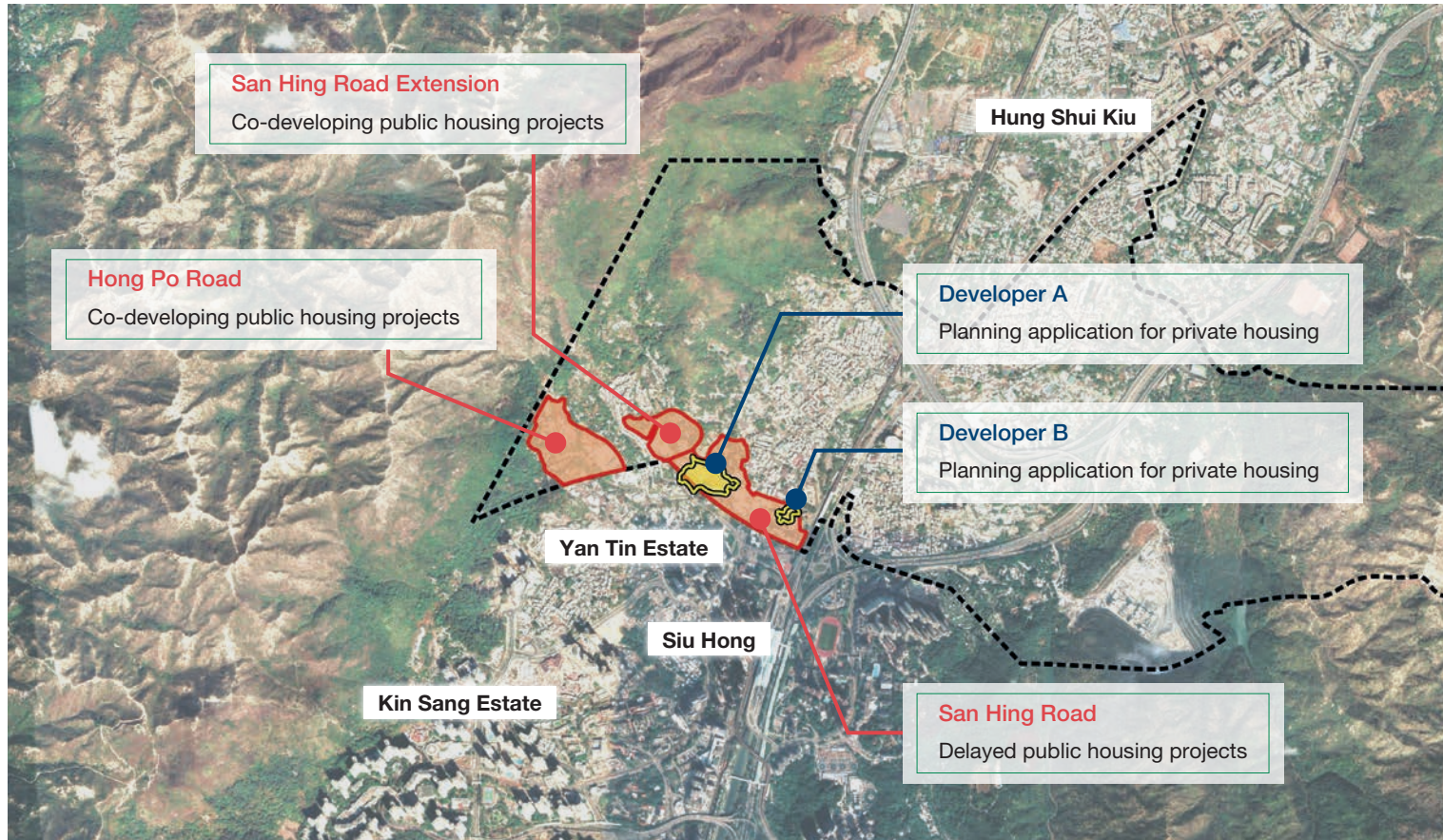
However, further to the conclusion of a review on the development parameters, the TPB decided to impose a building height restriction (BHR) of 120 mPD on various development zones on the draft Kwai Chung OZP in 2012. The Developer believed the TPB’s decision had violated its rights to redevelop its factory site on Cheung Wing Road, which was previous approved by the TPB in the 2000s. Thus, the Developer lodged a judicial review against the TPB’s decisions in 2013, and eventually won the case in 2018.

The judiciary handed down a judgment requesting the TPB to meet the Developer’s representation of opposing the BHR imposed, and instructed both parties to work out the appropriate form of the orders to give effect to the Judgment. However, as of the end of 2021, with no agreement reached by both parties, it caused the freezing of all rezoning amendments proposed on the Kwai Chung OZP, including the abovementioned undisputed public housing projects.

In the 2019 Policy Address, the Chief Executive invited the HKHA to explore the feasibility of redeveloping its factory estates for public housing use. Based on the assessment results released in 2021, Yip On, Sui Fai, Wang Cheong, and Kwai On Factory Estates were found technically feasible for redevelopment. However, with the exception of Kwai On Factory Estate, all sites began rezoning procedures, with construction commencement and completion dates set in 2023 and 2030 respectively. As per the announcement by the HKHA, rezoning of the Kwai On Factory Estate site will only be initiated upon resolution of the judicial review cases pertinent to the draft Kwai Chung OZP.

As a potential solution to the deadlock, the Development Bureau in March 2022 announced proposals to explore the idea of including provisions in the law enabling the approval of a draft plan in part. This may enable developments in the sites ready for approval to proceed without having to wait for issues concerning other amendments in the same plan to be satisfactorily resolved. We welcome this proposal, and hope that it can unlock the three public housing developments within the boundaries of the Kwai Chung OZP as soon as possible, while preventing the reoccurrence of similar situations.

Case 3 San Hing Road



 Lam Tei and Yick Yuen OZP

The third hidden delay case is the San Hing Road Public Housing Project, located on the north of Tsz Tin Tsuen and Yan Tin Estate near Siu Hong, Tuen Mun. Initially, it was presented as a single 8.7-hectare public housing development site with a proposed plot ratio of 5, enclosing two private housing development sites held by two different private developers, which have a site area of 1.6 hectares and 0.4 hectares respectively. Based on the existing approved plot ratio of 1, the two private housing sites together can provide 114 private housing units.

Later, the San Hing Road Public Housing Project site was expanded in area and divided into two phases. Phase 1 is estimated to supply 1,700 public housing units, while in Phase 2, where the two private housing sites are enclosed, 5,600 units will be provided.

In 2021, the Government announced that San Hing Road Public Housing Project will be co-developed with the nearby Hong Po Road Public Housing Project. The new public housing co-development will be divided into three parts, namely San Hing Road (formerly San Hing Road Phase 2), San Hing Road Extension (formerly San Hing Road Phase 1), and Hong Po Road. Together, the co-development project will span across an area of 29.7 hectares and provide approximately 21,600 public housing units, accommodating an estimated population of 61,000.

Currently, the co-development sites are zoned as “Residential (Group C)” and “Green Belt”, and mainly used for brownfield operations (open storage, rural workshop etc.), squatters, farms, graveyards, and columbarium. The Government proposed to rezone the sites into “Residential (Group A)” and “Government, Institution & Community” with a plot ratio of 6.5.



Aerial photograph of San Hing Road Public Housing Project

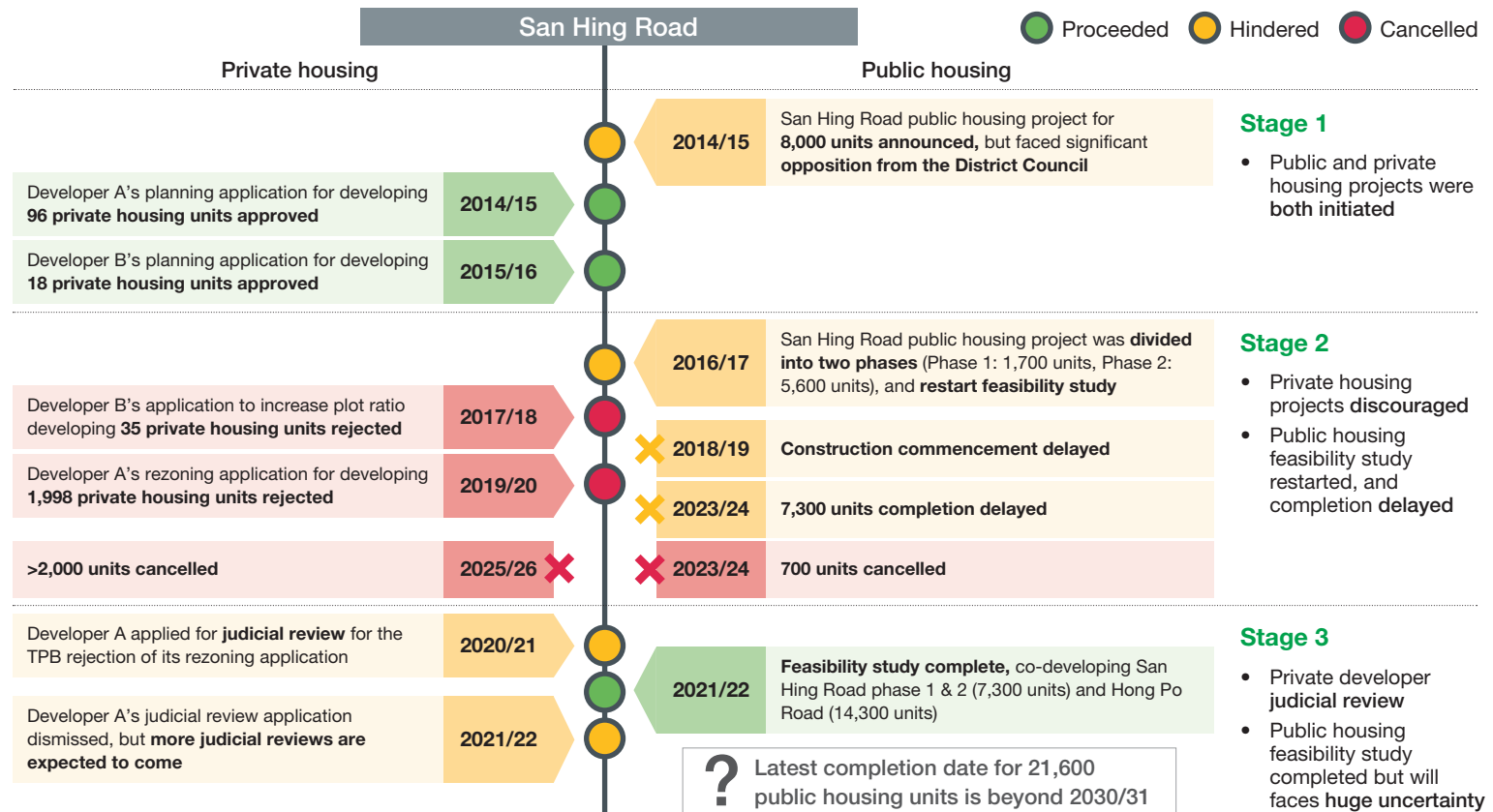


Site photograph of San Hing Road Public Housing Project

The development timeline for San Hing Road public housing project is a story of squandered opportunity...



Figure 33. Development timeline of San Hing Road public housing project



The development timeline of San Hing Road Public Housing Project can be divided into three stages, outlining a story of squandered housing development opportunity.

In Stage 1, both private and housing projects were initiated in a similar time frame. The 8,000-unit San Hung Road Public Housing Project was first announced in 2014, but faced significant opposition from the District Council. Concerns were raised about potential traffic and facility overloading due to population growth, as members requested additional information to facilitate their decision-making. At this time, the initial estimated construction commencement and completion dates for San Hing Road Public Housing Project were 2018 and 2023/24 respectively. As for the private projects, the TPB approved an S16 planning permission application from Developer A, who planned to develop 96 private housing units within the site boundary of San Hing Road Public Housing Project. In 2015, the TPB also approved a nearby planning application from Developer B, who planned to develop 18 private housing units within the site boundary of San Hing Road Public Housing Project.

In Stage 2, as feasibility study of the public housing projects moved slowly, private housing developments were discouraged. The Government scaled down the project in 2016 to 7,300 units, dividing it into two phases of 1,700 units and 5,600 units respectively, while restarting the project's feasibility study. Therefore, the estimated construction commencement and completion dates were delayed to 2023/24 and 2031/32 respectively. Meanwhile, attempts to provide more private housing was unsuccessful. In 2017, Developer B applied for minor relaxation on building height to provide 35 private housing units, but was later rejected due to the lack of strong planning evidence and the concern about setting a bad precedent. In 2019, Developer A applied for S12A rezoning application to significantly increase the permitted plot ratio to 6 to facilitate its large-scale private housing development projects to provide 1,998 units. However, the Government rejected Developer A's rezoning application on the basis that the application site is undergoing a public housing development feasibility study.

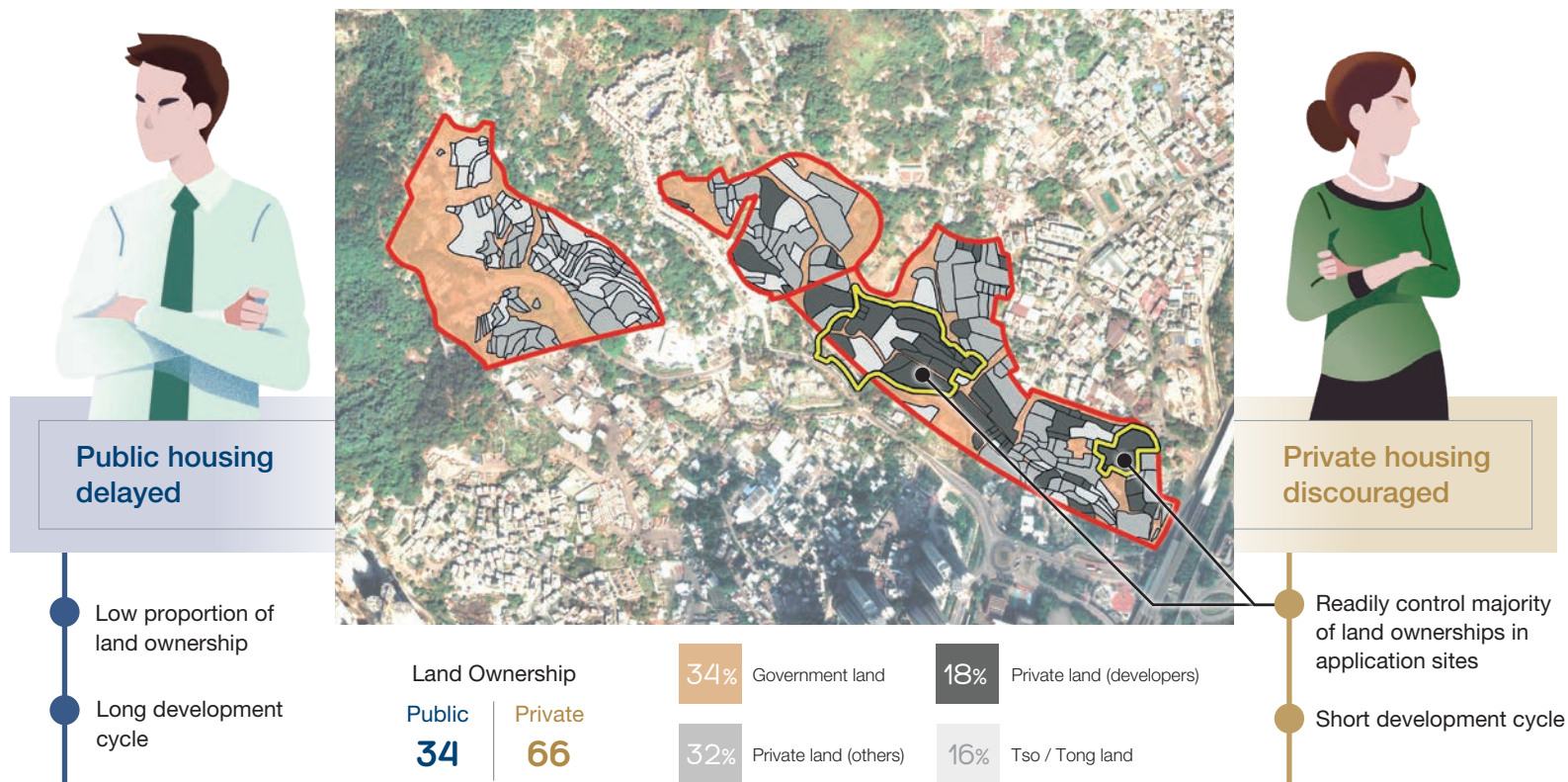
In Stage 3, it went into legal processes as Developer A questioned the fairness of the TPB decision in 2019 by lodging a judicial review on the rejection of its rezoning application. It accused the TPB of adopting double standards to favour public housing over private housing, since the former has not even completed its feasibility study.

The Government eventually completed the environmental impact assessment and feasibility study for the San Hing Road and Hong Po Road Public Housing Co-development Project in 2020 and 2021 respectively, scaling up public housing supply to 21,000 units. While Developer A's judicial review application was dismissed in 2021, more judicial reviews from Developer A may come in the future, creating huge uncertainty for the progress of the public housing development. Currently, the estimated project completion date for the San Hing Road and Hong Po Road Public Housing Projects is set between 2030–2033.

...which led to both public and private housing developments being caught between two stools



Figure 34. Land ownership distribution of San Hing Road and Ho Po Road public housing projects



Sources: The Land Registry, Tuen Mun District Council, Hong Kong Housing Authority, Town Planning Board, various newspaper reports, and Our Hong Kong Foundation

The complex developments of this case study can be better understood by reviewing the land ownership distribution within the development boundary of the San Hing Road and Hong Po Road Public Housing Projects.

As illustrated in **Figure 34**, within the project boundary in red, only 34% of the land is currently held by the Government, while the remaining 66% are private land, of which 18% are held by private developers, 32% by other individuals and 16% by Tso/Tong. The low public land ownership meant increased difficulty in land resumption, worsening the delays caused by the Government's inefficient public housing development.

Within the two private housing development application sites outlined in yellow in **Figure 34**, it can be seen that private developers have control over the majority of land (via a combination of land strips held by the developers and Tso/Tong). Considering the higher efficiency of private developers in housing development in general, if private housing developments of higher plot ratio were approved in 2019, a significantly large number of private housing units could have been completed by 2025.

Due to the all-or-nothing approach adopted by the Government, the worst outcome prevailed, i.e., both public and private housing developments are being caught between two stools. We suggest that the Government should be more open to solving the housing problems hand-in-hand with the private market as part of a multi-pronged approach to expediate public housing supply.

Our observations for public housing supply



01

Completions consistently fail to meet LTHS target

Not only did the cumulative shortfall exceed 105,000 units, but public housing completions in next five financial years are also set to miss the LTHS target by 30% on average

02

Uncertainties for the “back-loaded” pattern lie over the ten-year horizon

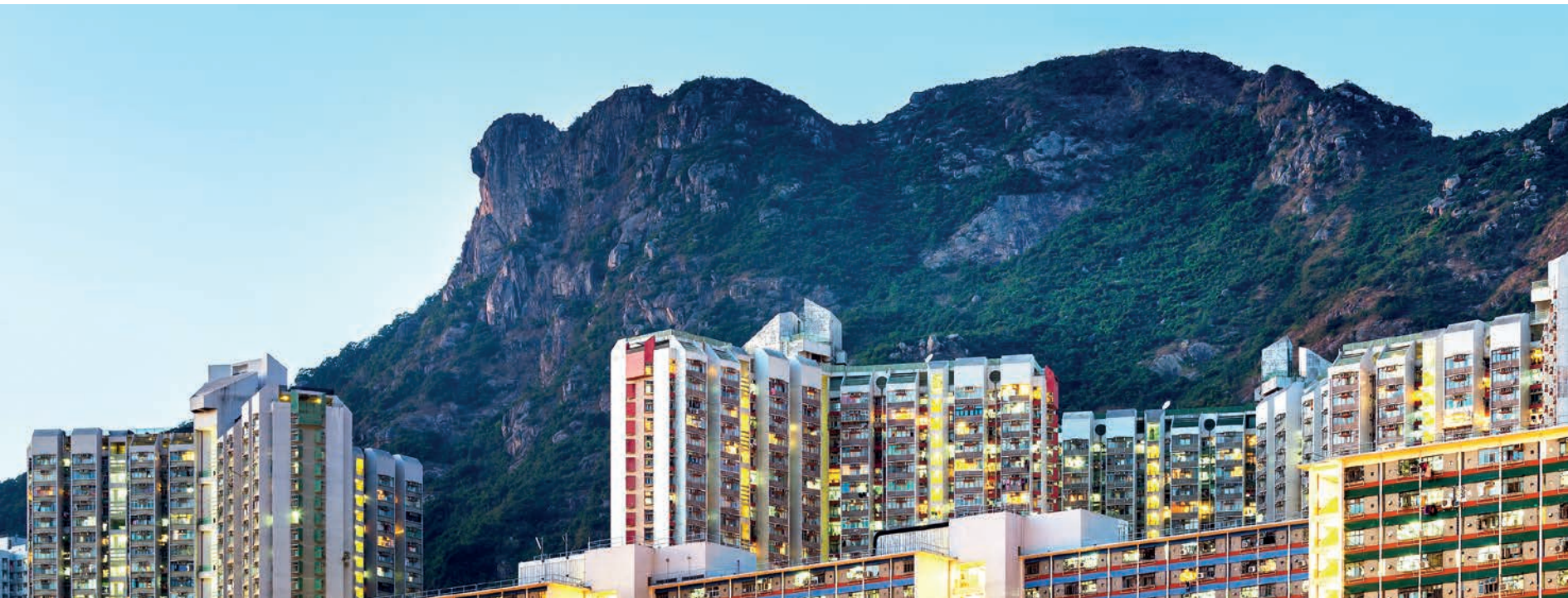
Past track record has not been persuasive, made worse by recurrent delays and insufficient information disclosure

03

Breaking the vicious cycle of project delays is key

To ensure the timely delivery of public housing, the Government should disclose the progress and reasons for delays for all projects over the ten-year horizon

To conclude so far, public housing completions have consistently failed to meet the LTHS target, not only did this result in a massive cumulative shortfall over the past years, but is also set to miss the target by a large margin in the next five financial years. As rezoned land began to yield results, coupled with the acceleration in rezoning progress in 2021, our quantitative analysis revealed that the “back-loaded” supply pattern over the ten-year horizon is not beyond reach. However, the qualitative evidence highlighted the challenges of doing so. These include a poor past track record, made worse by recurrent delays in completions and insufficient information disclosure. Therefore, it is key that the vicious cycle of project delays be ended and public housing be delivered on time, such that the “back-loaded” supply pattern can be transformed from a pledge to reality.



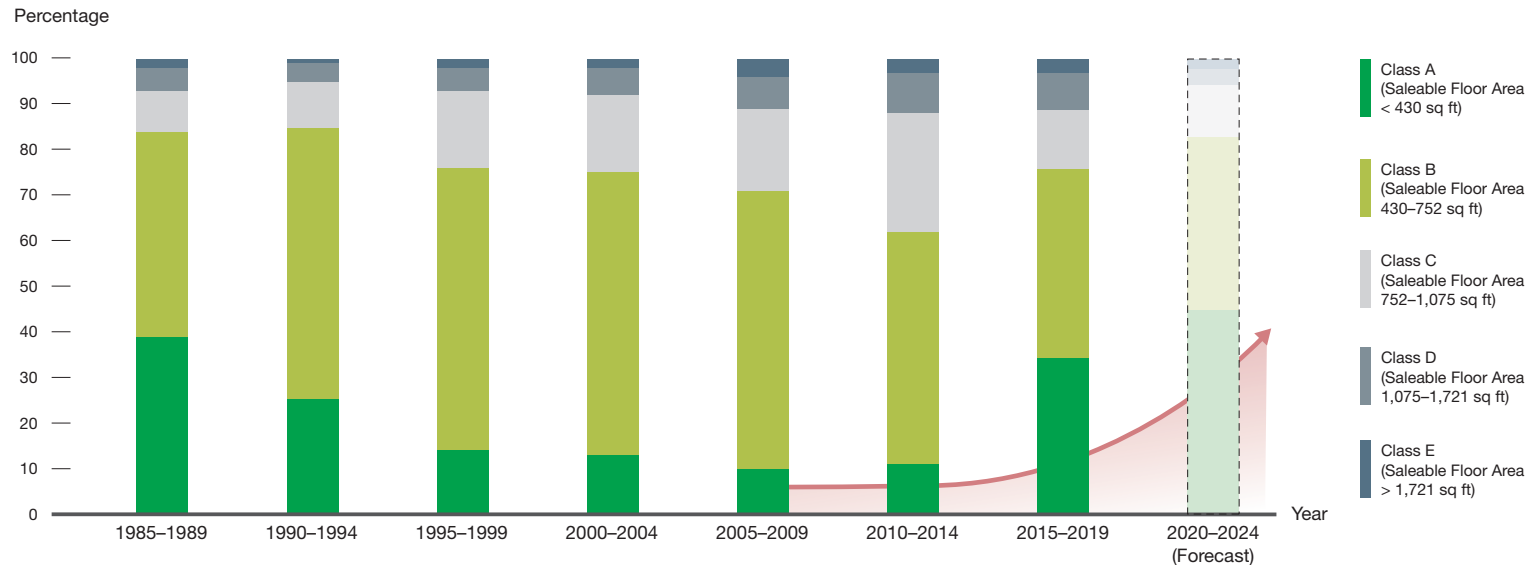
3. Looking Beyond Supply Numbers



The proportion of small private housing units has rapidly grown in the past decade, and is expected to continue in the short run...



Figure 35. Actual and projected percentage of private housing completions by unit size, 1985–2014



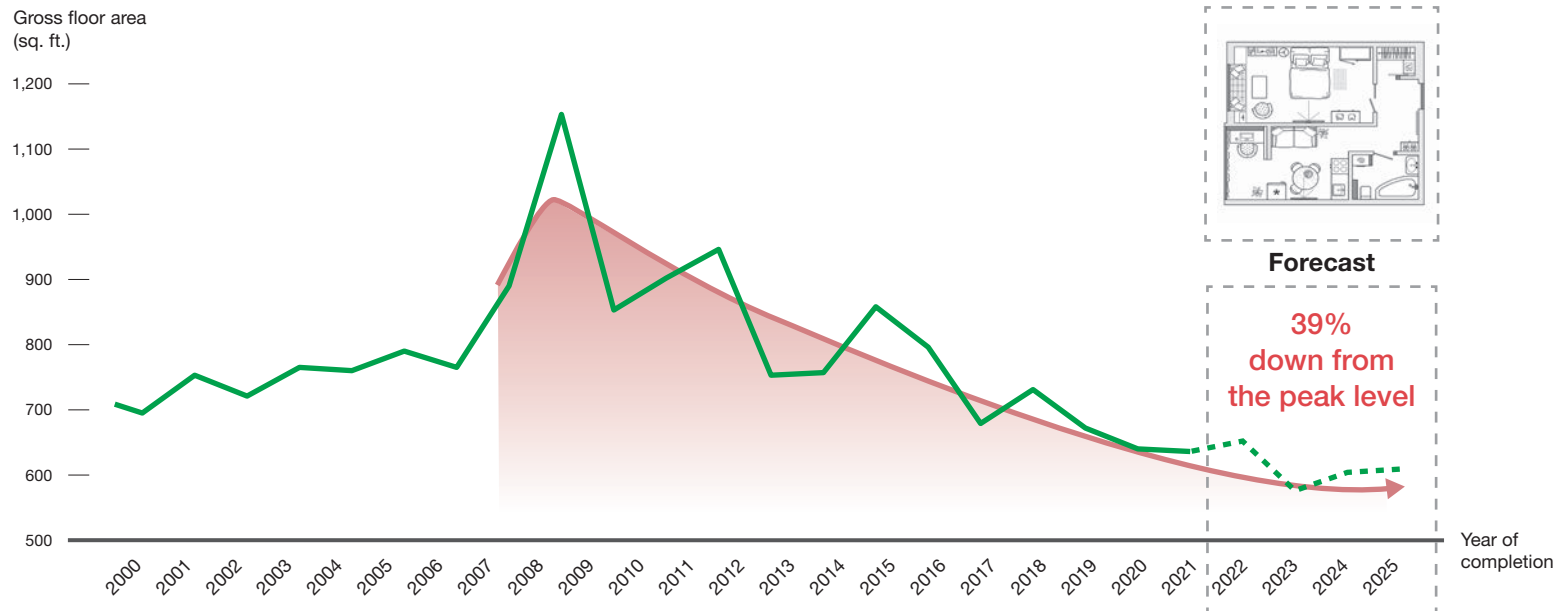
Sources: Rating and Valuation Department, Buildings Department, Lands Department, Town Planning Board, company data from various developers, and Our Hong Kong Foundation

In recent years, the lack of living space for people in Hong Kong has come under the spotlight. With housing prices staying at a relatively high level, developers are incentivised to build more small housing units for a lower and hence more affordable lump sum price for prospective buyers. Such effect can be observed once we break down the private housing completions by their respective unit sizes. The proportion of Class A units — those with saleable area of 430 sq. ft. or below — has been steadily increasing over the past two decades or so. From a low of making up only 10% of total completions between 2005–2009, the proportion more than tripled to 34% in 2015–2019, and is expected to rise to 45% in the first half of the 2020s.

...which will be reflected in the declining average unit size of upcoming private housing completions



Figure 36. Actual and projected average unit size of private housing completions, 2000–2025



Sources: Rating and Valuation Department, Buildings Department, company data from various developers, and Our Hong Kong Foundation

The trend of growing proportion of small units in private housing completions is also reflected in the declining average size of upcoming completions.

As shown in **Figure 36**, the average unit size reached almost 1,200 sq. ft. in terms of gross floor area (GFA) in 2009. Admittedly, it is a year of anomaly with exceptionally low completion numbers (only some 7,200 units) and mostly projects with large unit sizes. Disregarding this outlier, however, does not change the declining trend of average unit size in completions after 2009.

According to currently available public information and our analysis, the average unit size of private housing units to be completed is anticipated to reach a record low of less than 600 sq. ft. in term of GFA in 2023, which is a drop of 39% from the peak level in 2012 (since the figure in 2009 is an outlier, it is not considered as a peak level in this report).

At the end of 2019, the Government relaxed the Mortgage Insurance Programme (MIP) of the HKMC Insurance Limited. This led to hopes of alleviating the continuous decline in unit sizes, since with down-payments being reduced, homebuyers can afford bigger and more expensive flats. Nevertheless, the impact of this relaxation is still feeding through the building plan design and construction stage. Through our analysis of information disclosed in sales brochures and building plans at the time of writing, average unit sizes for newly built private housing units will only plateau gradually post-2023.

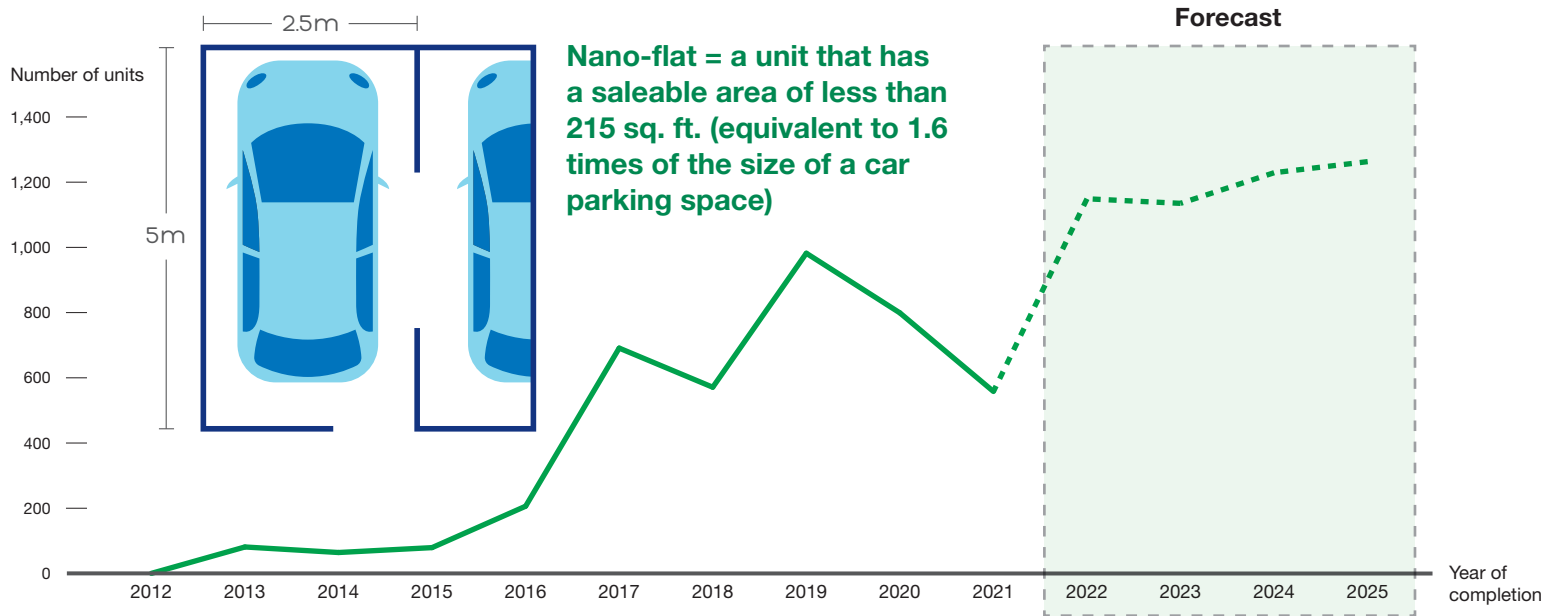
Further amendment to the MIP was announced in the 2022–23 Budget in February 2022, where the cap on the value of a property eligible for a mortgage loan of a maximum cover of 80 per cent loan-to-value (LTV) ratio was raised from HKD 10 million to HKD 12 million. As for first-time home buyers, the cap on the value of a property eligible for a mortgage loan of a maximum cover of 90 per cent LTV ratio was also raised from the previous HKD 8 million to HKD 10 million. The impact of this policy change on future average unit size of private housing completions remains to be seen.

One may ask — what about nano-flats, the very embodiment of high housing prices and small living space in Hong Kong? This is what we will turn our attention to in the next section.

The trend of nano-flat completions is expected to continue rising but will gradually plateau in 2024–2025



Figure 37. Actual and projected completions of nano flats, 2012–2025



Sources: Buildings Department, sales brochure from various developers, and Our Hong Kong Foundation

Nano-flats, or also referred to as “shoebox flats”, are units that have a saleable area of less than 215 sq. ft., which is equivalent to 1.6 times of the size of a car parking space. Very often taking the form of studio units with open kitchens, these units usually have no separate bedrooms, while the bathrooms are also windowless. Since 2018, nano-flats have been featured in the media as an emerging trend in numerous private housing projects.

However, though not known as its current incarnation back then, nano-flats have existed way before 2018. According to the RVD, there were already around 8,000 to 9,000 nano-flats between 2003–2012. Nevertheless, nano-flat completions were minimal during this period, hitting zero twice in 2009 and 2012. The watershed moment came in 2012 as nano-flat completions began to go up, as shown in **Figure 37**, reaching a high of close to 1,000 units in 2019, before dipping slightly in 2020 and 2021.

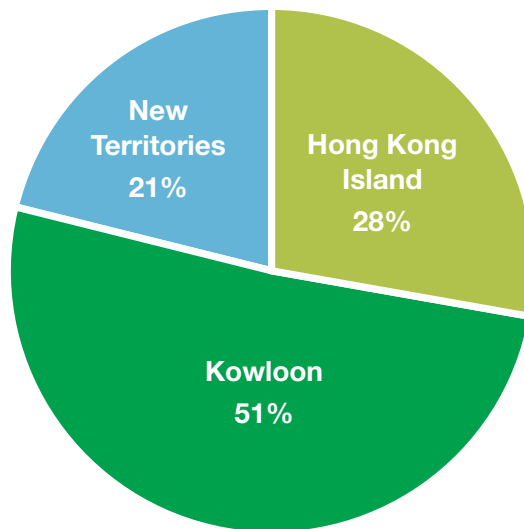
In December 2021, the Government first announced a minimum flat size requirement to a government site in Tuen Mun, where all units built will have to be at least 280 sq. ft. in terms of saleable area. Other government-controlled land supply, including railway projects and URA projects, are also subject to the restriction as well. Later in February 2022, it was further extended to cover all private projects subject to lease modification and/or land exchange.

While the policy change has yet to feed through to the building plan design stage at the time of writing, we expect that the trend of nano-flat completions will continue to be on the rise, reaching a peak in 2023 and gradually plateau in 2024–2025, as reflected in the available sales brochures and building plans so far. As elaborated in the previous section, this is more likely due to the relaxation of the MIP in late 2019, as the minimum flat size requirement was announced too recently for it to have a material impact on upcoming nano-flat completions.

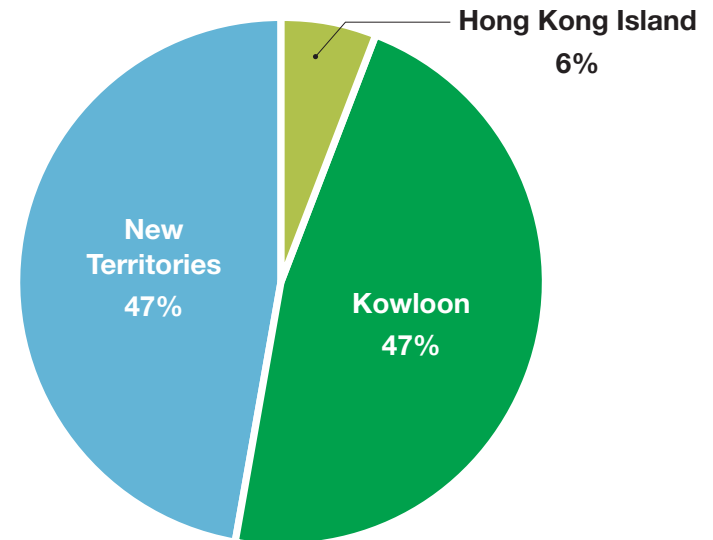
**While Kowloon will continue to be the major source,
New Territories is expected to see increasing nano-flat completions**



**Figure 38. Actual nano-flat completions
by geography, 2018–2021**



**Figure 39. Projected nano-flat completions
by geography, 2022–2025**



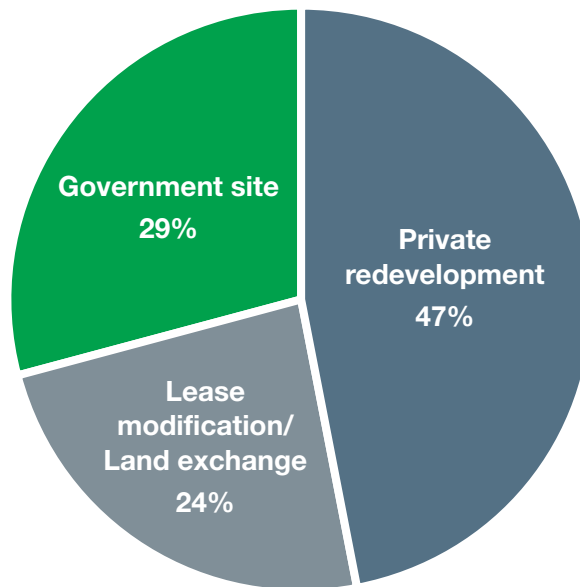
Sources: Buildings Department, sales brochure from various developers, and Our Hong Kong Foundation

In terms of geography, nano-flats were mostly built in the urban areas of Hong Kong and Kowloon. In particular, Kowloon was, and is expected to continue to be the major source for nano-flat completions. However, as a departure from past trends, future nano-flat completions will be supplied by both Kowloon and New Territories in similar shares. A plausible explanation for this phenomenon is that as housing prices climb and become less affordable, the decline in unit sizes began to spread from the urban areas to the New Territories, since the latter is where most home buyers traditionally buy their first flats.

Nearly half of the projected nano-flat completions in the coming four years will come from private redevelopment projects



Figure 40. Projected completions of nano-flats by land source, 2022–2025



Further breaking down projected nano-flat completions by land source, it can be seen that nearly half will come from private redevelopment projects, with most of these located in the urban areas of Hong Kong and Kowloon. Government sites and lease modification / land exchange complete the podium by contributing approximately 29% and 24% respectively.

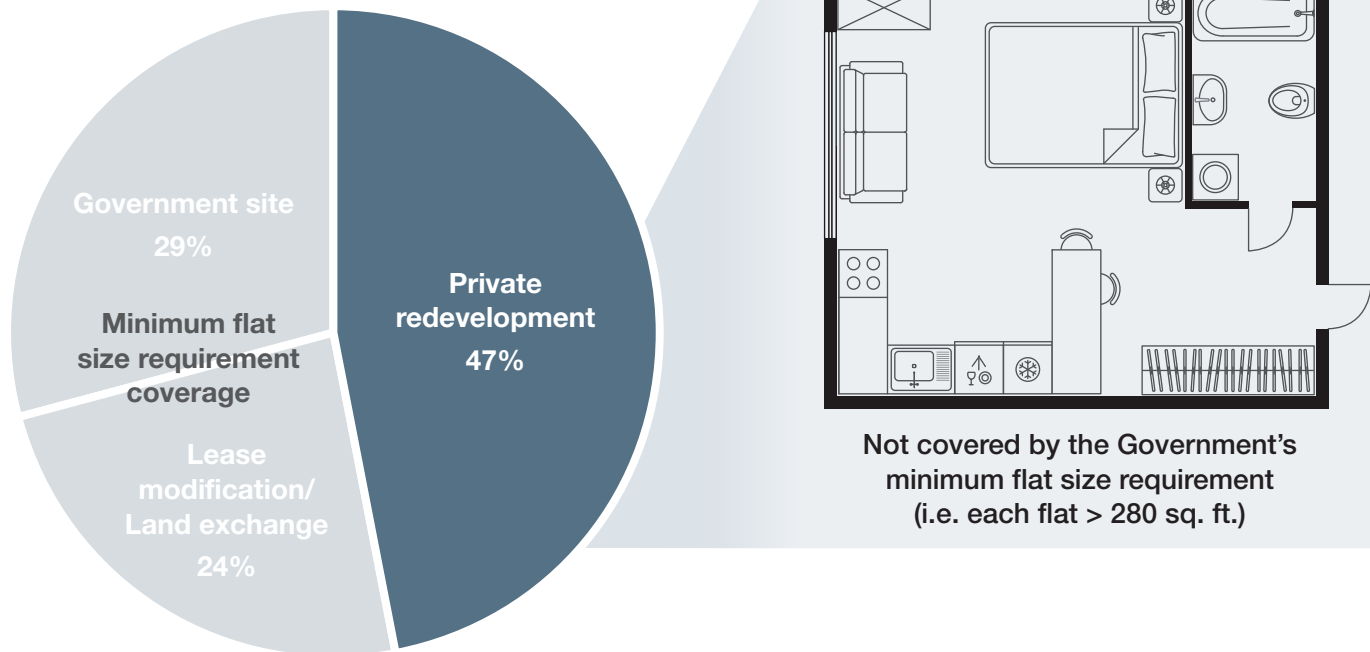
Railway and URA projects have no contributions to the projected nano-flat completions due to their respective requirements pre-dating the Government's announcement in December 2021. The MTR Corporation, for example, already had a 260 sq. ft. minimum flat size provision in the tender documents with its joint venture partners. Likewise, since the tendering of two URA projects in Sham Shui Po in November 2014, the URA has also imposed a minimum flat size requirement for each residential unit with a saleable area of not less than 260 sq. ft. The figure was further raised to 300 sq. ft. starting from the Castle Peak Road / Un Chau Street Project which was tendered in September 2018.

Sources: Buildings Department, sales brochure from various developers, and Our Hong Kong Foundation

Despite the extended application of the minimum flat size requirement, nano-flats will not completely disappear



Figure 41. Projected completions of nano-flats by land source, 2022–2025



Sources: Buildings Department, sales brochure from various developers, and Our Hong Kong Foundation

Upon the first announcement of the minimum flat size requirement in December 2021, speculations have been rife on the future of nano-flats, as some wondered if this will mark the end for these units. It is worth noting, however, that despite the extended application of the restriction with effect from February 2022, private projects not subject to lease modification and/or land exchange, mostly private redevelopment projects, are still not covered. These land plots are usually in the urban areas of Hong Kong and Kowloon, and hence the extended application is likely to affect projects mainly in the New Territories. As **Figure 41** illustrates, there are still around 47% of projected nano-flat completions between 2022–2025 coming from private redevelopment projects. Nevertheless, while it is too early to conclude that we have seen the back of nano-flats, the increasing trend in completions is expected to halt.

That being said, at the time of writing, the first government site subject to the minimum flat size requirement saw all bids rejected as none of them met the Government's reserve price, hence the impact on the developers' future flat mix planning is uncertain. Given no relaxation on the total GFA, coupled with a potentially higher average flat size as a result of the restriction, it could theoretically lead to less units being built. This is of course hypothetical, and the effects on private housing supply remains to be seen.

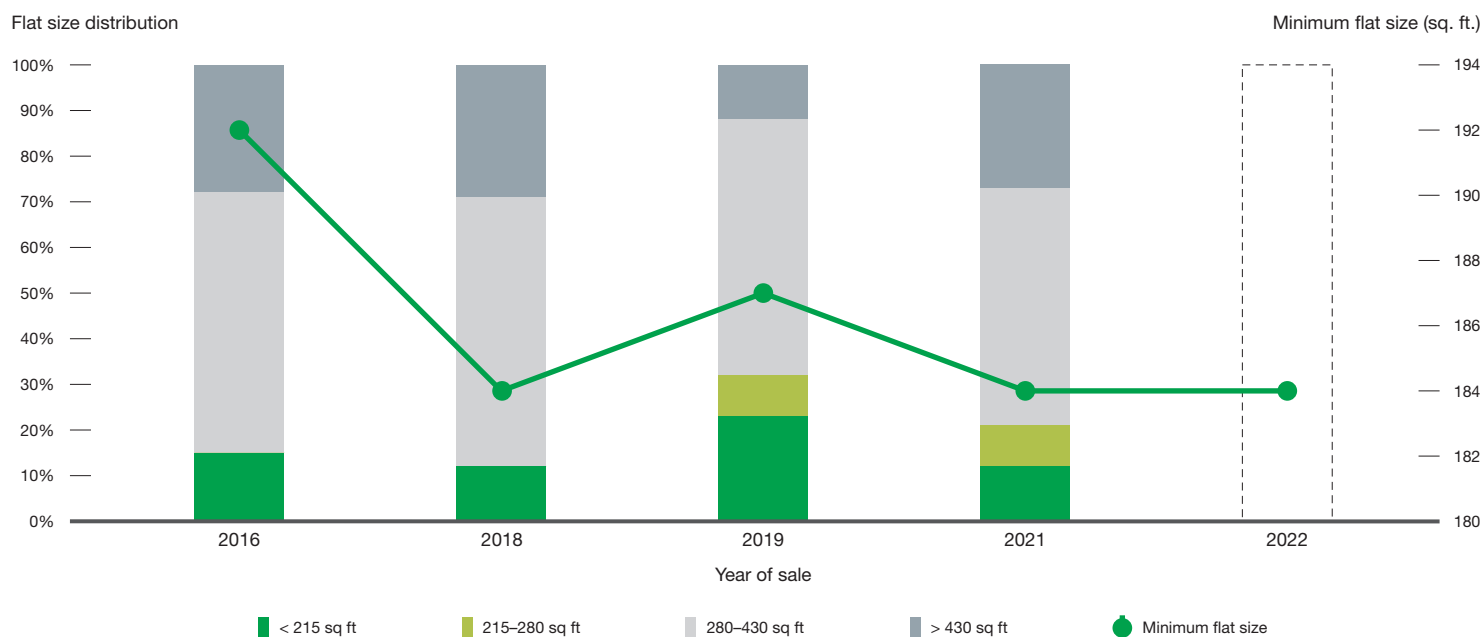
Nevertheless, the Government's restriction can only be a stopgap measure, as the emergence of nano-flats itself is a form of market equilibrium in light of the limited affordability and rising property prices. The restriction addressed the symptom, but not the root cause, i.e., the imbalance between demand and supply of private housing units. The long-term solution, as we have repeatedly advocated, is to increase land and housing supply to stabilise the market.

In the meantime, we need to strike a reasonable balance between housing production and living space as both pursuits would require additional land, which is something that we lack at the moment. Hence, we concur with the Government's approach to adopt a pragmatic and more conservative minimum flat size requirement at the initial stage, while gradually raising the target as housing supply increases and becomes stabilised, so as to achieve the goal of boosting Hong Kong's average living space per capita in the long run.

The Government is also building nano-flats of its own in public housing projects, as minimum flat size gradually decreased



Figure 42. Flat size distribution and minimum flat size in the Green Form Subsidised Home Ownership Scheme, 2016–2022



Sources: Hong Kong Housing Authority, Our Hong Kong Foundation

Turning our attention to the situation in public housing, it is unfortunately not immune from nano-flats either, with GSH being the epicentre of nano-flats in public housing. To recap, the goal of GSH is to help Green Form (mainly families living in PRH units) applicants achieve home ownership by providing another option in the housing ladder, while improving their living quality. As we will elaborate in greater detail later, the small unit sizes have gone against the policy intention and limited its effectiveness.

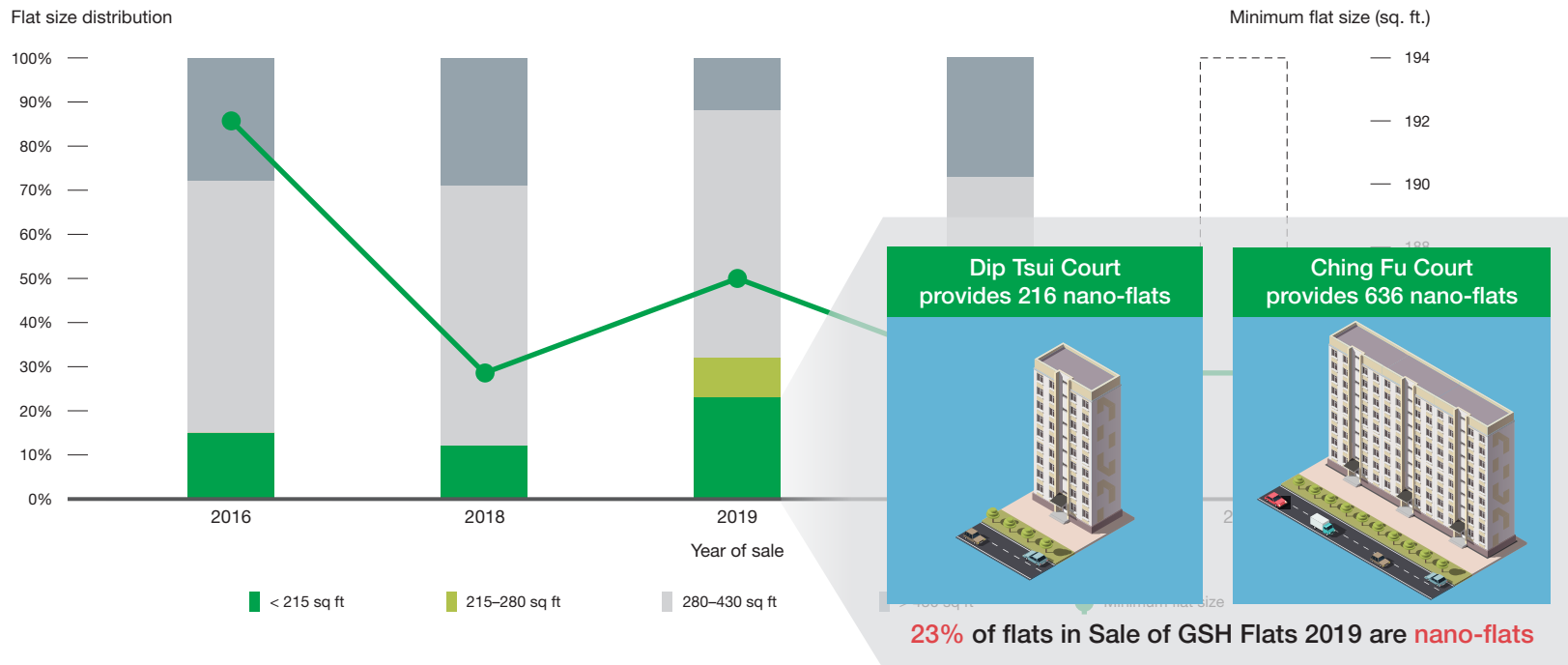
Since the pilot GSH project, King Tai Court in San Po Kong, was launched for sale in 2016, nano-flats have consistently taken up a significant proportion in every GSH project, as shown in **Figure 42**. Looking back at the Sale of GSH Flats in 2016, 2018, 2019, and 2021, on average 15% of the units each year are less than 215 sq. ft., i.e., nano-flats.

While the exact flat size distribution for Sale of GSH Flats 2022 is yet to be fully announced at the time of writing, it is nevertheless noticeable that the smallest flat size in GSH has been on a downward trend, dropping from 192 sq. ft. in 2016 to 184 sq. ft. in 2022.

Nano-flats consistently comprises a significantly high percentage in the Green Form Home Ownership Scheme units



Figure 43. Flat size distribution and minimum flat size in the Green Form Subsidised Home Ownership Scheme, 2016–2022



Zooming into the number of nano-flats based on available data at the time of writing, it reached a record high in 2019 when Dip Tsui Court in Chai Wan and Ching Fu Court in Tsing Yi were launched for sale.

Dip Tsui Court included 216 nano-flats, while Ching Fu Court supplied 636 nano-flats and 320 units that were between 215–280 sq. ft. Altogether, a record-high of 23% of GSH units launched for sale in 2019 are nano-flats, and 32% of the GSH units launched in that year are below the 280 sq. ft. minimum flat size standard imposed on private housing.

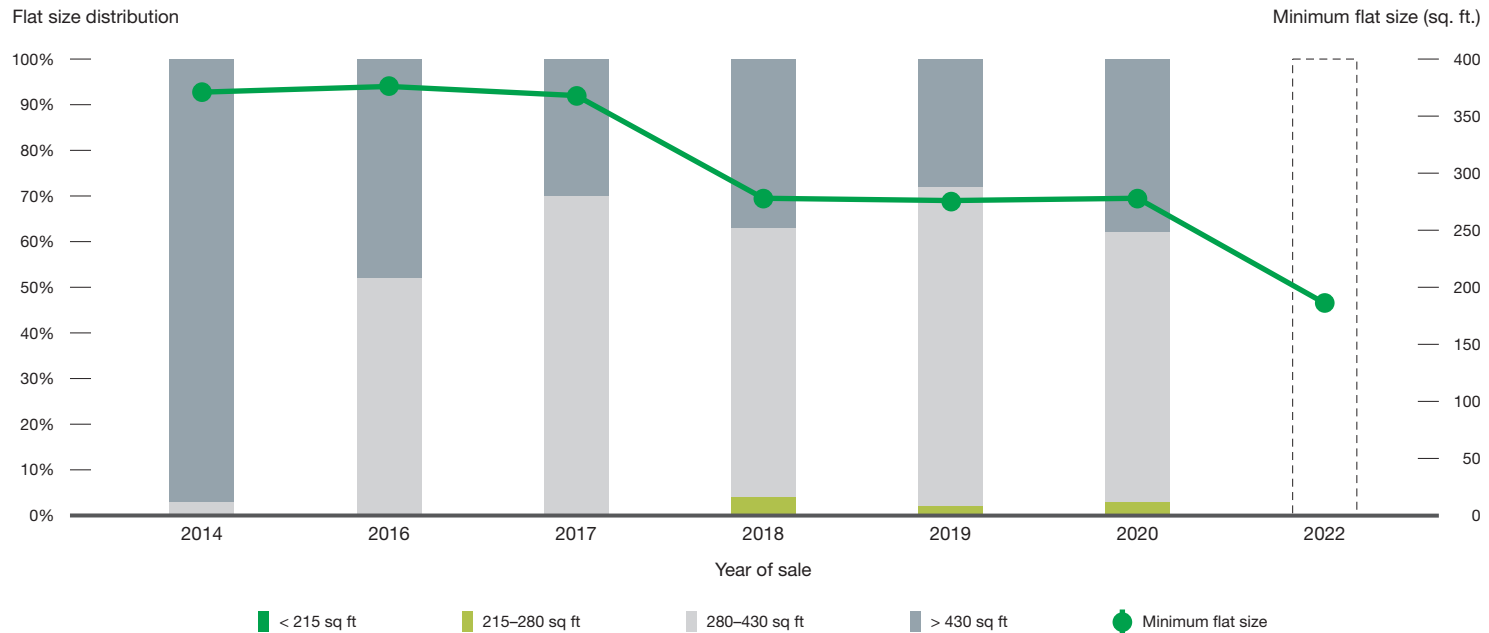
The lack of appeal for these public housing nano-flats, moreover amidst the severe housing shortage, is exemplified by the staggering number of unsold units from the two abovementioned GSH projects. At the end of the last flat selection day for Sale of GSH 2019, 523 units were still unsold, all of which are nano-flats. Despite the relaunch of these unsold units in the Sale of GSH 2021, sales have been sluggish with 299 units remaining as of the last flat selection day on 24 January 2022, with the exercise suspended thereafter until further notice due to the fifth wave of COVID-19.

Given the small size and hence undesirable quality of GSH nano-flats, it can hardly be deemed as an upgrade in living quality. While it is undeniably a relatively easier route to home ownership, the incentive to switch from the existing PRH units is still low, thus rendering the original policy intention ineffective. Nevertheless, further to the minimum flat size requirement for private housing, whether the Government will cease building public housing units of less than 280 sq. ft. remains to be observed.

The minimum flat size of Home Ownership Scheme units has also been on a downward spiral in recent years...



Figure 44. Flat size distribution and minimum flat size in the Home Ownership Scheme, 2014–2022



Sources: Hong Kong Housing Authority, Our Hong Kong Foundation

Similar to its GSH counterpart, the trends in flat size are also going south in HOS units.

As shown in **Figure 44**, while the percentage of units with a unit size of greater than 430 sq. ft. was at 97% since the first restart in Sale of HOS 2014, it never reached such heights since. The proportion sharply decreased and was consistently below 50% in the subsequent years, dropping to 38% in Sale of HOS 2020.

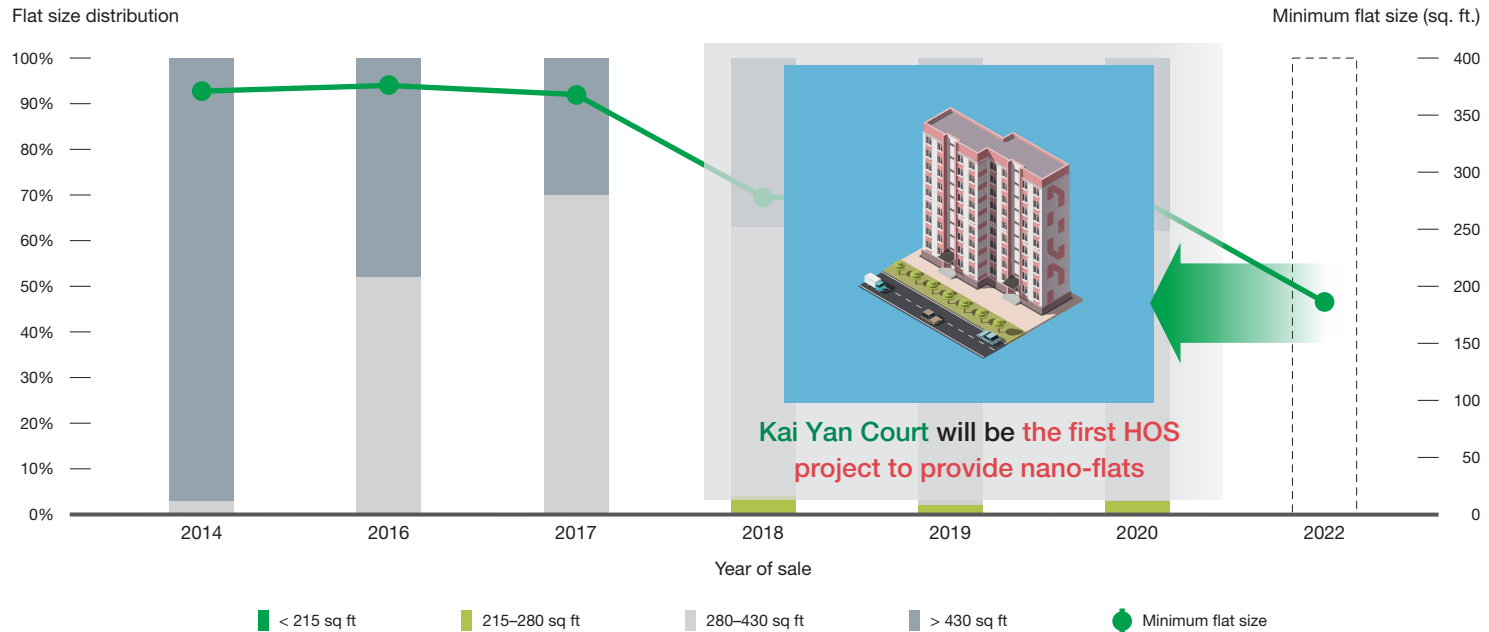
HOS units with flat sizes between 215–280 sq. ft. first appeared in Sale of HOS 2018 and have been present ever since. Based on the available data at the time of writing, such units will appear in all of the seven projects launched in the Sale of HOS 2022 as well. Since the flat size distribution has not been announced for all seven projects in the Sale of HOS 2022 at the time of writing, whether there will be more of such units is still uncertain.

What is certain, however, is that we will see a new low in the minimum flat size for Sale of HOS 2022. On a downward trend like the GSH units, the minimum flat size for HOS units had decreased from around 370 sq. ft. in the years between 2014–2017, to 277 sq. ft. from 2018–2020, and will decrease further to 186 sq. ft. in 2022.

...as nano-flats are set to make their debut in Sale of Home Ownership Scheme Flats 2022



Figure 45. Flat size distribution and minimum flat size in the Home Ownership Scheme, 2014–2022



Sources: Hong Kong Housing Authority, Our Hong Kong Foundation

In other words, nano-flats are set to make their debut in the Sale of HOS 2022, with the smallest HOS unit coming in at 186 sq. ft. in Kai Yan Court in Kai Tak.

It is ironic that while the Government has pledged to improve people's living quality, it has at the same time taken the lead in building nano-flats for public housing. This clearly reflects the "target chasing" mindset of the Government, as unit sizes have been increasingly compressed to boost supply numbers. Similar to the situation in private housing nano-flats, we also need to strike a reasonable balance between housing production and living space. It is hoped that as the "back-loaded" supply pattern comes to fruition, unit sizes in public housing can regain an upward trend in future completions.

Our overall observations



Private Housing

Mild improvement but uncertainties persist

While past efforts to boost completion paid off, uncertainties lie over the ten-year horizon, with expediting of the New Development Areas key to avoid a supply chasm



Public Housing

Poor track record and pessimistic outlook

Completions consistently fail to meet the LTHS target as uncertainties for the “back-loaded” pattern remain, and breaking the vicious cycle of project delays is key



Living Quality

Larger living space remains a long-term aspiration

Average size of both public and private housing units will continue to fall, while nano-flats are here to stay despite the extended application of minimum flat size requirement



We are seeing glimpses of light at the end of the tunnel in the form of major supply boost from the NDAs, but there is still way to go if Hong Kong's land and housing issues are to be resolved. Therefore, the upcoming years are critical, we must keep the wheels turning and not let the fruits of our previous labour go to waste.

For private housing, while past efforts have paid off as rezoned land and lease modification / land exchange for private land bank led to completions in the coming five years expected to remain at relatively high levels, uncertainty still looms over the ten-year horizon. This is because the momentum in private housing land supply has tailed off after 2018 following the Government's revision of public/private housing ratio in the LTHS target, as evident by the consequent diminishing government-controlled land supply. If not for private-initiated projects propping up the numbers since, the fall in private housing completions would have been upon us already. With insufficient infrastructure proving to be a bottleneck in further releasing development potential of private land bank, and the NDAs remaining distant as their major supply boost will only come in the 2030s, it begs the question of whether we can expedite the delivery of the NDAs in order to provide enough spade-ready private housing land in time to avoid a supply chasm.

For public housing, past completions have repeatedly failed to meet the LTHS target, and the next five financial years are expected to be no different as the pace of ramping up production has been lacklustre. The cumulative shortfall has exceeded 105,000 units, with no signs of dwindling any time soon. While the Government has time and again pledged a "back-loaded" supply pattern and we are seeing hints of it on the ten-year horizon, its realisation is far from certain, given the recurrent completion delays and opaqueness in disclosure of project progress especially for those beyond the five-year horizon. As we have illustrated with our three case studies, endless deliberations, deadlocks stemming from rigid administrative procedures, and squandering of development opportunities have hindered the timely delivery of public housing completions. Therefore, the crux lies in greater information disclosure and breaking the vicious cycle of project delays to ensure the "back-loaded" supply becomes a reality.

In terms of quality of living, larger living space remains a long-term aspiration, as average size of both public and private housing units will continue to fall. Nevertheless, policy changes including the relaxation of mortgage caps and introduction of minimum flat size requirement are beginning to alleviate the steady decline in private housing unit sizes, with nano-flats completions expected to plateau in the near-term. The trend in public housing remains to be observed, as minimum flat size has been going south, and nano-flats are still comprising a high percentage among GSH units, while making its debut in HOS units in the Sale of HOS 2022. Whether the Government will follow suit in public housing the minimum flat size requirement of 280 sq. ft. imposed on private housing is uncertain. To tackle the problem at root, as we have repeatedly advocated, all land and housing supply initiatives have to be expedited and move at full throttle.

As a multi-faceted approach to solve the supply problem, in our recent report *Immediate Actions to Resolve Hong Kong's Housing Conundrum: Cut the Red Tape Now!* published in January 2022, we have proposed three major recommendation directions, namely “speed up”, “efficiency up”, and “mass up”, covering 23 detailed recommendations. We therefore welcome the Development Bureau’s announcement in March 2022 to propose legislative amendments and procedural changes that will shorten development time, and we hope that the Government would consider and adopt more of our recommendations.

At the time of writing, Hong Kong is facing the fifth wave of COVID-19, which has brought about many disruptions and uncertainties. Nevertheless, we remain hopeful that there is a silver lining on the horizon. As long as we keep up with our endeavours, it is possible to avoid the supply chasm in private housing, achieve the “back-loaded” promise for public housing, and improve the quality of living for the people of Hong Kong.



Appendix I:

Private Housing Completion Forecast (2022–2026)

Forecast of Future Private Housing Supply (2022)

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
New Territories					
Sai Kung	Manor Hill	Kowloon Development Company, Chiap Hua	1,556	519,000	Land Exchange / Lease Modification
Sha Tin	The Pavilia Farm II	New World, MTR Corporation	1,415	939,000	Railway Projects
Sha Tin	The Arles	Centralcon Properties	1,335	825,000	Private Redevelopment
Yuen Long	Wetland Seasons Bay Phase 1	Sun Hung Kai Properties	1,224	692,000	Government Site
Yuen Long	YOHO Hub Phase B	Sun Hung Kai Properties, MTR Corporation	1,030	732,000	Railway Projects
Sai Kung	LP10	Nan Fung, MTR Corporation	893	756,000	Railway Projects
Sha Tin	The Pavilia Farm I	New World, MTR Corporation	783	520,000	Railway Projects
Tuen Mun	Starfront Royale	HK Ferry, Empire	614	229,000	Government Site
Tuen Mun	Seacoast Royale	HK Ferry, Empire	611	227,000	Government Site
North	8 Ma Sik Road Phase 1, Area 18, Fanling, New Territories	Henderson	603	204,000	Land Exchange / Lease Modification
Tuen Mun	Skypoint Royale	HK Ferry, Empire	557	207,000	Government Site
Tuen Mun	OMA By The Sea	Wing Tai	517	294,000	Government Site
Yuen Long	Wetland Seasons Bay Phase 2	Sun Hung Kai Properties	388	219,000	Government Site
Yuen Long	Wetland Seasons Bay Phase 3	Sun Hung Kai Properties	384	217,000	Government Site
Kwai Tsing	The Met.Azure	Wang On	320	80,000	Government Site
Sha Tin	El Futuro	Cheung Kong	266	244,000	Government Site
Tai Po	VILLA LUCCA	Hysan, HKR	262	497,000	Government Site
Sha Tin	St Michel Phase 1	Sun Hung Kai Properties	196	254,000	Government Site
Sha Tin	Silversands	Sino Land	160	120,000	Government Site
Sha Tin	St Michel Phase 2	Sun Hung Kai Properties	139	180,000	Government Site
Yuen Long	Deep Bay Road, Lau Fau Shan	Lvgem China	116	257,000	Private Redevelopment

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Islands	Lot 682, Kau Yuk Road, Peng Chau	Sino Kingdom Development Ltd.	28	14,000	Government Site
Tai Po	2-6 Wai Yi Street	Prompt Rise International Development Ltd.	20	10,000	Private Redevelopment
Yuen Long	Lot 4041 in DD 120, Fraser Village	Ip & Fu Investment Co. Ltd.	16	30,000	Land Exchange / Lease Modification
Islands	New Villa Cecil Phase 2	Cheuk Nang	4	3,000	Private Redevelopment
Islands	The Arcana	Chan Family of Agile Group	2	11,000	Private Redevelopment
Tuen Mun	436 Castle Peak Road — Castle Peak Bay	Agrade Holdings Ltd.	1	9,000	Private Redevelopment
Yuen Long	Lot 1882 in DD 121, Sha Tseng Road	Intact Building Co Ltd.	1	6,000	Land Exchange / Lease Modification
Tai Po	Lot 10, 72 & 73 in DD 33, Tsung Tsai Yuen, Tai Po Kau	Charm Fair Ltd.	1	3,000	Private Redevelopment
Sha Tin	Lot 221 in DD 187, Hin Tin	Broad Success Ltd.	1	6,000	Land Exchange / Lease Modification
North	Lot 2517 in DD 83, Kwan Tei South	Lee Kim Ming	1	2,000	Private Redevelopment
Tsuen Wan	291 Castle Peak Road — Ting Kau	Mardi Investments Ltd.	1	5,000	Private Redevelopment
New Territories sub-total			13,445	8,311,000	

Kowloon					
Kowloon City	One Victoria	COLI	1,059	594,000	Government Site
Kowloon City	8 Muk Tai Street	Henderson	740	398,000	Government Site
Kowloon City	MONACO MARINE	Wheelock	559	293,000	Government Site
Sham Shui Po	Grand Victoria I	Sino Land, Shimao, Wheelock, K. Wah, SEA Holdings	524	373,000	Government Site
Kowloon City	MONACO ONE	Wheelock	492	258,000	Government Site
Sham Shui Po	The Vertex	Evergrande	414	194,000	Private Redevelopment
Kowloon City	MONACO	Wheelock	399	263,000	Government Site

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Kowloon City	GRANDE MONACO	Wheelock	247	163,000	Government Site
Kowloon City	Allegro	Country Garden	190	68,000	Land Exchange / Lease Modification
Kowloon City	St George's Mansion	Sino, CLP	175	310,000	Private Redevelopment
Yau Tsim Mong	VAU Residence	Vanke	165	54,000	Private Redevelopment
Kowloon City	Mangrove	Kwai Hung Realty Company Ltd.	130	38,000	Private Redevelopment
Sham Shui Po	123 Castle Peak Road, Sham Shui Po	Wing Kwok Enterprise Ltd.	123	46,000	Private Redevelopment
Yau Tsim Mong	Madera Garden	Hip Shing Hong	71	37,000	Private Redevelopment
Kowloon City	6-12 Maidstone Road	Yu Tai Hing	48	35,000	Private Redevelopment
Kowloon City	294-296A Prince Edward Road West	Top Gear Investment Ltd.	45	62,000	Private Redevelopment
Sham Shui Po	7, 7A, 9 & 9A Cheung Wah Street	Continental	42	24,000	Private Redevelopment
Kwun Tong	297-299 Kwun Tong Road	King Tier Ltd.	7	3,000	Private Redevelopment
Kowloon City	The Aura	Top Chain	4	13,000	Private Redevelopment
Kowloon City	139 Waterloo Road	Broadic Investment Ltd.	2	5,000	Private Redevelopment
Kowloon City	121 Boundary Street	Trackway Investments Ltd.	2	6,000	Private Redevelopment
Kowloon City	4 Kent Road	Ng Kin-wah	1	6,000	Private Redevelopment
Kowloon City	147 Waterloo Road	Ideal Time Holdings Ltd.	1	6,000	Private Redevelopment
Kowloon City	3 York Road	Huang Chih Chien, Huang Chih Shen	1	5,000	Private Redevelopment
Kowloon sub-total			5,441	3,254,000	

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Hong Kong					
Southern	Southland	Road King, Ping An Real Estate, MTR Corporation	800	588,000	Railway Projects
Central & Western	KENNEDY 38	Sun Hung Kai Properties, Wheelock, Henderson	341	119,000	Private Redevelopment
Southern	66 Lee Nam Road	Logan, KWG	295	762,000	Government Site
Central & Western	33-47 Catchick Street	Shanghai Commercial Bank	173	82,000	Private Redevelopment
Southern	The Upper South	Henderson	138	36,000	Private Redevelopment
Central & Western	The Queens	Circle Property (Regal Hotels Group)	130	54,000	Private Redevelopment
Central & Western	21 Borrett Road Phase 2	Cheung Kong	66	149,000	Government Site
Central & Western	24-26A Davis Street	Emperor International	57	19,000	Private Redevelopment
Wan Chai	Eight Star Street	Swire	37	31,000	Private Redevelopment
Central & Western	1 Plantation Road	Wharf	20	91,000	Private Redevelopment
Central & Western	23 Po Shan Road	ITC Properties, Asia Standard, CSI Properties	15	79,000	Private Redevelopment
Central & Western	42 TUNG ST.	The Development Studio	13	15,000	Private Redevelopment
Southern	16A-16D Shouson Hill Road	Central China International	12	23,000	Private Redevelopment
Southern	138 Pok Fu Lam Road	Ryoden	3	18,000	Private Redevelopment
Southern	43 Island Road	Alba Securities & Investment Co. Ltd.	3	18,000	Land Exchange / Lease Modification
Southern	51 Mount Davis Road	Chiu Laam	3	6,000	Private Redevelopment
Central & Western	RBL 169RP, 29A Lugard Road	Henderson	1	12,000	Private Redevelopment

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Wan Chai	8 Henderson Road	Silver King Enterprises Ltd.	1	9,000	Private Redevelopment
Wan Chai	6 Goldsmith Road	Derby Development Ltd.	1	6,000	Private Redevelopment
Southern	9 Big Wave Bay Road	Simon Lindley Keswick	1	13,000	Private Redevelopment
Hong Kong sub-total			2,110	2,130,000	
2022 Total			20,996	13,695,000	

Notes: 1. The date of completion is defined as the date of obtaining the Occupation Permit. The expected date is sourced from the sales brochure of the project, disclosure from presale consent application and public disclosure from developers. In the case that these are not available, the completion date will be based on our estimates with regard to information from the Buildings Department, the Town Planning Board and site inspection.

2. In the case that the number of units are not publicly available from the government or developers' disclosure, OHKF estimated the number based on the average unit size of adjacent projects from the same developers in recent years.

Sources: Buildings Department, Lands Department, Town Planning Board, developers' company data and news clips of interviews, and OHKF estimates

Forecast of Future Private Housing Supply (2023)

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
New Territories					
North	8 Ma Sik Road Remaining Phase	Henderson	1,204	408,000	Land Exchange / Lease Modification
Yuen Long	YOHO Hub Phase C	Sun Hung Kai Properties, MTR Corporation	939	629,000	Railway Projects
Tuen Mun	NOVO LAND Phase 1A	Sun Hung Kai Properties	824	409,000	Land Exchange / Lease Modification
Tuen Mun	NOVO LAND Phase 1B	Sun Hung Kai Properties	800	397,000	Land Exchange / Lease Modification
Tuen Mun	18 Kwun Chui Road, So Kwun Wat	Road King, Shenzhen Investment	698	473,000	Government Site
Tai Po	Silicon Hill Phase 1	Sun Hung Kai Properties	576	275,000	Government Site
Tuen Mun	170 Castle Peak Road, Tai Lam, Tuen Mun, New Territories Phase 1	Sun Hung Kai Properties, Cheung Kong	400	174,000	Land Exchange / Lease Modification
Tuen Mun	170 Castle Peak Road, Tai Lam, Tuen Mun, New Territories Phase 2	Sun Hung Kai Properties, Cheung Kong	400	174,000	Land Exchange / Lease Modification
Yuen Long	#LYOS	Cheung Kong	341	139,000	Land Exchange / Lease Modification
Tuen Mun	SkyeHi	K&K	112	38,000	Government Site
Tuen Mun	8 Tsing Ha Lane, Tuen Mun	L'Avenue	80	206,000	Government Site
Yuen Long	Tong Yan San Tsuen, Yuen Long, New Territories, DD121, Lot 2168	Super Sky Development Ltd.	9	11,000	Land Exchange / Lease Modification
Sai Kung	6 Fei Ngo Shan Road	Smart Force Enterprise Ltd.	1	7,000	Private Redevelopment
New Territories sub-total			6,384	3,340,000	
Kowloon					
Kwun Tong	Montego Bay	Minmetals Land	688	482,000	Government Site
Kowloon City	Kai Tak Area 4B Site 3 Phase 1	Wheelock, New World, Henderson, Empire	648	305,000	Government Site
Kowloon City	Kai Tak Area 4A Site 2 Phase 1	COLI, Henderson, K. Wah, Wharf	636	332,000	Government Site

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Kowloon City	Kai Tak Area 4B Site 3 Phase 2	Wheelock, New World, Henderson, Empire	571	269,000	Government Site
Sham Shui Po	Grand Victoria II	Sino Land, Shimao, Wheelock, K. Wah, SEA Holdings	525	374,000	Government Site
Kowloon City	Kai Tak Area 4A Site 2 Phase 2	COLI, Henderson, K. Wah, Wharf	511	267,000	Government Site
Kowloon City	Kai Tak Area 4A Site 2 Phase 4	COLI, Henderson, K. Wah, Wharf	510	266,000	Government Site
Kowloon City	Kai Tak Area 4A Site 2 Phase 3	COLI, Henderson, K. Wah, Wharf	405	211,000	Government Site
Sham Shui Po	Grand Victoria III	Sino Land, Shimao, Wheelock, K. Wah, SEA Holdings	388	276,000	Government Site
Sham Shui Po	The Harmonie	Henderson, URA	337	133,000	URA Projects
Kwun Tong	Mount Anderson	Chinachem	334	259,000	Government Site
Sham Shui Po	9 Yin Ping Road, Tai Wo Ping	Shimao	332	214,000	Government Site
Yau Tsim Mong	ONE SOHO	Sino Land, Chuang's, URA	322	112,000	URA Projects
Kwun Tong	The Aperture	Hang Lung	294	155,000	Private Redevelopment
Sham Shui Po	The Symphonie	HK Ferry, URA	262	98,000	URA Projects
Kwun Tong	Bal Residence	Lai Sun, URA	156	64,000	URA Projects
Yau Tsim Mong	SOYO	Excel Billion, Chun Wo	120	27,000	Private Redevelopment
Yau Tsim Mong	Uptify	Sino-Ocean Group	83	27,000	Private Redevelopment
Kowloon City	233 Prince Edward Road West	Sun Hung Kai Properties, Wheelock	75	72,000	Private Redevelopment
Yau Tsim Mong	5-13 Ash Street	URA	69	33,000	URA Projects
Yau Tsim Mong	93-95A Waterloo Road	Easyknit	55	48,000	Private Redevelopment
Yau Tsim Mong	445 Shanghai Street	Kaisa	30	10,000	Government Site
Kowloon sub-total			7,351	4,034,000	

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Hong Kong					
Southern	La Marina	Sino Land, Kerry, MTR Corporation	600	493,000	Railway Projects
Eastern	The Holborn	Henderson	420	129,000	Private Redevelopment
Central & Western	CAINE HILL	Henderson	187	56,000	Private Redevelopment
Central & Western	4A-4P Seymour Road	Henderson, New World	172	472,000	Private Redevelopment
Southern	128 Wong Ma Kok Road	K&K	82	223,000	Government Site
Southern	86A-86D Pok Fu Lam Road	Wang On	7	28,000	Private Redevelopment
Southern	52-54 Stanley Village Road	Orion Land	6	15,000	Private Redevelopment
Central & Western	11 Coombe Road Redevelopment	Nan Fung	4	17,000	Private Redevelopment
Central & Western	9 Coombe Road Redevelopment	Nan Fung	2	9,000	Private Redevelopment
Hong Kong sub-total			1,480	1,442,000	
2023 Total			15,215	8,816,000	

Notes: 1. The date of completion is defined as the date of obtaining the Occupation Permit. The expected date is sourced from the sales brochure of the project, disclosure from presale consent application and public disclosure from developers. In the case that these are not available, the completion date will be based on our estimates with regard to information from the Buildings Department, the Town Planning Board and site inspection.

2. In the case that the number of units are not publicly available from the government or developers' disclosure, OHKF estimated the number based on the average unit size of adjacent projects from the same developers in recent years.

Sources: Buildings Department, Lands Department, Town Planning Board, developers' company data and news clips of interviews, and OHKF estimates

Forecast of Future Private Housing Supply (2024)

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
New Territories					
Yuen Long	Tin Sam Road, Hung Shui Kiu	Asia Standard	1,025	484,000	Land Exchange / Lease Modification
Yuen Long	Tin Wing Light Rail Stop Phase 1	Sun Hung Kai Properties, MTR Corporation	988	490,000	Railway Projects
Tuen Mun	NOVO LAND Phase 2A	Sun Hung Kai Properties	929	461,000	Land Exchange / Lease Modification
Sha Tin	The Pavilia Farm Phase 3	New World, MTR Corporation	892	592,000	Railway Projects
Yuen Long	GRAND MAYFAIR II	Sino Land, COLI, K. Wah, MTR Corporation	805	453,000	Railway Projects
Tuen Mun	NOVO LAND Phase 2B	Sun Hung Kai Properties	729	361,000	Land Exchange / Lease Modification
Yuen Long	GRAND MAYFAIR I	Sino Land, COLI, K. Wah, MTR Corporation	715	402,000	Railway Projects
Tai Po	Silicon Hill Phase 2B	Sun Hung Kai Properties	688	328,000	Government Site
Sai Kung	Villa Garda II	Sino, K. Wah, China Merchants, MTR Corporation	644	328,000	Railway Projects
Sai Kung	Villa Garda III	Sino, K. Wah, China Merchants, MTR Corporation	644	328,000	Railway Projects
Tai Po	Silicon Hill Phase 2A	Sun Hung Kai Properties	607	289,000	Government Site
Sai Kung	Villa Garda I	Sino, K. Wah, China Merchants, MTR Corporation	592	301,000	Railway Projects
Tai Po	3 Mei Sun Lane, Tai Po, New Territories	Henderson	120	35,000	Private Redevelopment
Yuen Long	Tai Kei Leng, Yuen Long, New Territories, DD116 Lot 5382	Lai Sun	112	42,000	Government Site
New Territories sub-total			9,490	4,894,000	
Kowloon					
Kowloon City	15 Shing Fung Road Phase 1	K. Wah, Wheelock, COLI	1,017	559,000	Government Site
Kowloon City	Ho Man Tin Station Package 1	Great Eagle, MTR Corporation	918	743,000	Railway Projects

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Kowloon City	Kai Tak Area 1F Site 1 Phase 1	Sun Hung Kai Properties	906	531,000	Government Site
Kwun Tong	5 & 8 Tung Yuen Street	Cheung Kong	903	418,000	Private Redevelopment
Kowloon City	Baker Circle Phase 1	Henderson	882	338,000	Private Redevelopment
Kowloon City	19 Shing Fung Road, Kowloon Phase 2	Wheelock, Henderson, COLI, New World	704	320,000	Government Site
Sham Shui Po	Remaining Phase of Yin Ping Road, Tai Wo Ping	Shimao	648	418,000	Government Site
Yau Tsim Mong	The Quinn • Square Mile	Henderson	614	202,000	Private Redevelopment
Kowloon City	Kai Tak Area 4C Site 1	CR Land, Poly Property	582	694,000	Government Site
Kowloon City	Kai Tak Area 4C Site 2	COLI, Chinachem, Empire, Henderson, New World, Wheelock	566	620,000	Government Site
Kowloon City	19 Shing Fung Road, Kowloon Phase 3	Wheelock, Henderson, COLI, New World	525	239,000	Government Site
Kowloon City	Ho Man Tin Station Package 2 Phase 1A	Chinachem, MTR Corporation	447	338,000	Railway Projects
Kwun Tong	KOKO HILLS Phase 3B	Wheelock	444	276,000	Government Site
Kwun Tong	KOKO HILLS Phase 3A	Wheelock	392	243,000	Government Site
Kowloon City	19 Shing Fung Road, Kowloon Phase 1	Wheelock, Henderson, COLI, New World	361	164,000	Government Site
Kowloon City	Kai Tak Area 4C Site 3 Phase 1	Sun Hung Kai Properties	299	375,000	Government Site
Yau Tsim Mong	Square Mile Phase 5	Henderson	245	74,000	Private Redevelopment
Kowloon City	Ho Man Tin Station Package 2 Remaining Phases	Chinachem, MTR Corporation	214	162,000	Railway Projects
Sham Shui Po	24-38 Tonkin Street & 240-244 Fuk Wing Street	Chinachem, URA	192	87,000	URA Projects
Kowloon City	Ho Man Tin Station Package 2 Phase 1B	Chinachem, MTR Corporation	184	139,000	Railway Projects
Yau Tsim Mong	50-62 Larch Street & 6-8 Lime Street	Wang On	147	51,000	Private Redevelopment
Sham Shui Po	223-225A Hai Tan Street	Carrianna	115	35,000	Private Redevelopment

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Sham Shui Po	Junction of Lung Cheung Road & Lion Rock Tunnel Road Remaining Phases	Wharf Holdings	91	298,000	Government Site
Kowloon City	301 Prince Edward Road West	Easyknit	86	40,000	Private Redevelopment
Kowloon City	292A-292D Prince Edward Road West	Chevalier	46	39,000	Private Redevelopment
Sham Shui Po	Junction of Lung Cheung Road & Lion Rock Tunnel Road Phase 1	Wharf Holdings	28	92,000	Government Site
Sham Shui Po	Junction of Lung Cheung Road & Lion Rock Tunnel Road Phase 2	Wharf Holdings	14	46,000	Government Site
Kowloon sub-total			11,570	7,541,000	
Hong Kong					
Southern	THE SOUTHSIDE Package 3	Cheung Kong, MTR Corporation	1,200	1,000,000	Railway Projects
Southern	THE SOUTHSIDE Package 4A	Kerry, Sino Land, Swire, MTR Corporation	432	344,000	Railway Projects
Wan Chai	1 Wang Tak Street	Emperor International	170	58,000	Private Redevelopment
Central & Western	ONE CENTRAL PLACE	Sino Land, URA	121	103,000	URA Projects
Southern	83-95 Shek Pai Wan Road & 2 Tin Wan Street	Henderson	78	47,000	Private Redevelopment
Hong Kong sub-total			2,001	1,552,000	
2024 Total			23,061	13,987,000	

Notes: 1. The date of completion is defined as the date of obtaining the Occupation Permit. The expected date is sourced from the sales brochure of the project, disclosure from presale consent application and public disclosure from developers. In the case that these are not available, the completion date will be based on our estimates with regard to information from the Buildings Department, the Town Planning Board and site inspection.

2. In the case that the number of units are not publicly available from the government or developers' disclosure, OHKF estimated the number based on the average unit size of adjacent projects from the same developers in recent years.

Sources: Buildings Department, Lands Department, Town Planning Board, developers' company data and news clips of interviews, and OHKF estimates

Forecast of Future Private Housing Supply (2025)

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
New Territories					
Tai Po	Site B, Sai Sha Road, Shap Sze Heung, Sai Kung North Phase 1	Sun Hung Kai Properties	2,700	1,602,000	Land Exchange / Lease Modification
Yuen Long	Tin Wing Light Rail Stop Phase 2	Sun Hung Kai Properties, MTR Corporation	988	490,000	Railway Projects
Tuen Mun	NOVO LAND Phase 3B	Sun Hung Kai Properties	769	381,000	Land Exchange / Lease Modification
Yuen Long	Kam Sheung Road Station Package 1 Remaining Phases	Sino Land, COLI, K. Wah, MTR Corporation	680	382,000	Railway Projects
Yuen Long	GRAND YOHO Phase 3	Sun Hung Kai Properties	626	452,000	Land Exchange / Lease Modification
Tuen Mun	NOVO LAND Phase 3A	Sun Hung Kai Properties	534	265,000	Land Exchange / Lease Modification
Islands	Area N1 North (Excluding Area N1D) Northern Portion, Discovery Bay North	HKR, CITIC	476	471,000	Private Redevelopment
Yuen Long	21 Wang Yip Street West	Star Properties	335	167,000	Private Redevelopment
Sha Tin	5 Hang Lok Lane	Chevalier	152	121,000	Private Redevelopment
Tai Po	Tai Po Road, Tai Po Kau	Manhattan	131	260,000	Government Site
Yuen Long	Kam Pok Road, Yuen Long	Glory Queen Ltd.	101	81,000	Land Exchange / Lease Modification
Islands	Area N1 North (Excluding Area N1D) Southern Portion, Discovery Bay North	HKR, CITIC	100	149,000	Land Exchange / Lease Modification
Yuen Long	Tai Tong Road, Yuen Long, D.D. 120 Lot 4054	Kerry, Top Spring	77	36,000	Land Exchange / Lease Modification
Sai Kung	Nam Pin Wai, Sai Kung, New Territories, DD244, Lot 2189	Nan Fung	56	103,000	Private Redevelopment
New Territories sub-total			7,725	4,960,000	

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Kowloon					
Kowloon City	15 Shing Fung Road Remaining Phases	K. Wah, Wheelock, COLI	845	465,000	Government Site
Kowloon City	Kai Tak Area 1F Site 1 Phase 2	Sun Hung Kai Properties	844	531,000	Government Site
Kwun Tong	53, 53A, 55 55A Kwun Tong Road (Kai Tak Mansion Redevelopment)	Wong Sun Hing Group	807	469,000	Private Redevelopment
Kwun Tong	Ko Chiu Road, Yau Tong	Poly Property	634	297,000	Government Site
Sham Shui Po	456-466 Sai Yeung Choi Street North & 50-56 Wong Chuk Street	Henderson	537	172,000	Private Redevelopment
Kwun Tong	Yau Tong Ventilation Building	Sino Land, CSI Properties, MTR Corporation	500	325,000	Railway Projects
Wong Tai Sin	31-45 Fei Fung Street	Wang On	250	78,000	Private Redevelopment
Wong Tai Sin	26-48 Ming Fung Street	Wang On	230	77,000	Private Redevelopment
Kowloon City	Kai Tak Area 4C Site 3 Remaining Phases	Sun Hung Kai Properties	200	251,000	Government Site
Kowloon City	22-24 Whampoa Street and 88-90A Baker Street	Henderson	100	35,000	Private Redevelopment
Sham Shui Po	89-95 Apliu Street	Ascend Speed Ltd.	83	29,000	Private Redevelopment
Kowloon sub-total			5,030	2,729,000	
Hong Kong					
Southern	THE SOUTHSIDE Package 4B	Kerry, Sino Land, Swire, MTR Corporation	368	293,000	Railway Projects
Eastern	101-111 King's Road	Wang On	274	123,000	Private Redevelopment
Wan Chai	135 Tai Hang Road	CITIC	161	129,000	Government Site
Eastern	9-19 Kam Wa Street	Paliburg	160	41,000	Private Redevelopment
Central & Western	127 Caine Road	Emperor International	100	23,000	Private Redevelopment
Southern	120-126 Main Street, Ap Lei Chau	Wang On	100	35,000	Private Redevelopment

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Southern	Ap Lei Chau Praya Road, Ap Lei Chau	Tai Cheung	88	88,000	Government Site
Southern	39 Shouson Hill Road	CR Land	86	69,000	Private Redevelopment
Central & Western	1-7 Tak Sing Lane	Jonnex International Ltd., Leung Chung-ching, Wong Fung-san Hanny	80	31,000	Private Redevelopment
Eastern	62-68 Chun Yeung Street	Vanke	63	28,000	Private Redevelopment
Wan Chai	53 Ship Street & 1-5 Schooner Street	Hopewell	56	18,000	Private Redevelopment
Wan Chai	1-1A Wood Road	Vantage International (Holdings) Ltd., Win Extra Ltd.	42	34,000	Private Redevelopment
Southern	3 South Bay Close	Bentley Investments Ltd.	9	24,000	Private Redevelopment
Central & Western	30 Po Shan Road	K. Wah, Chuang's	1	36,000	Private Redevelopment
Hong Kong sub-total			1,588	972,000	
2025 Total			14,343	8,661,000	

Notes: 1. The date of completion is defined as the date of obtaining the Occupation Permit. The expected date is sourced from the sales brochure of the project, disclosure from presale consent application and public disclosure from developers. In the case that these are not available, the completion date will be based on our estimates with regard to information from the Buildings Department, the Town Planning Board and site inspection.

2. In the case that the number of units are not publicly available from the government or developers' disclosure, OHKF estimated the number based on the average unit size of adjacent projects from the same developers in recent years.

Sources: Buildings Department, Lands Department, Town Planning Board, developers' company data and news clips of interviews, OHKF estimates

Forecast of Future Private Housing Supply (2026)

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
New Territories					
Tai Po	Site B, Sai Sha Road, Shap Sze Heung, Sai Kung North Phase 2	Sun Hung Kai Properties	2,700	1,602,000	Land Exchange / Lease Modification
Sai Kung	LOHAS Park Package 12	Wheelock, MTR Corporation	2,000	961,000	Railway Projects
Tuen Mun	Castle Peak Road — Castle Peak Bay, Area 48, Tuen Mun, New Territories, TMTL 518	Kaisa	971	583,000	Government Site
Yuen Long	Shap Pat Heung Road, D.D. 116, Lot 5384, Tai Kei Leng	Kerry, Top Spring	408	245,000	Land Exchange / Lease Modification
Tai Po	Tai Po Town Lot No. 241	Chan Family of Agile Group	101	101,000	Government Site
New Territories sub-total			6,180	3,492,000	
Kowloon					
Kwun Tong	Starter Homes for Hong Kong Residents Pilot Project on Anderson Road, Kwun Tong	Cheung Kong	1,750	1,089,000	Government Site
Kowloon City	Kai Tak Area 4B Site 4	New World, Far East	856	575,000	Government Site
Kowloon City	Kai Tak Area 4E Site 2	Cheung Kong	775	648,000	Government Site
Kowloon City	1-11C and 19-21C Whampoa Street and 80-86 Baker Street (Site B)	Henderson	448	157,000	Private Redevelopment
Kowloon City	Kai Tak Area 4E Site 1	COLI	390	317,000	Government Site
Yau Tsim Mong	Square Mile Phase 7	Henderson	347	121,000	Private Redevelopment
Kowloon City	2-16 Whampoa Street, Hung Hom	Henderson	309	108,000	Private Redevelopment
Sham Shui Po	1-15 Ki Lung Street	Lofter Group	193	68,000	Private Redevelopment
Yau Tsim Mong	Square Mile Phase 6	Henderson	165	58,000	Private Redevelopment
Kowloon sub-total			5,233	3,141,000	

District	Development Name / Address	Developer	No. of Units	Residential GFA (sqf)	Source of land
Hong Kong					
Southern	THE SOUTHSIDE Package 5	New World, Empire, CSI Properties, Lai Sun, MTR Corporation	1,050	636,000	Railway Projects
Central & Western	3-6 Glenealy	Pacific Century Premium Development, CSI Properties	230	92,000	Private Redevelopment
Eastern	1-17 Hei Wo Street	Bright Rainbow Ltd.	188	75,000	Private Redevelopment
Southern	26-32 Main Street, Ap Lei Chau	Chuang's	110	36,000	Private Redevelopment
Central & Western	88 Robinson Road, Mid-Levels, Hong Kong	Henderson	100	52,000	Private Redevelopment
Hong Kong sub-total			1,678	891,000	
2026 Total			13,090	7,524,000	

Notes: 1. The date of completion is defined as the date of obtaining the Occupation Permit. The expected date is sourced from the sales brochure of the project, disclosure from presale consent application and public disclosure from developers. In the case that these are not available, the completion date will be based on our estimates with regard to information from the Buildings Department, the Town Planning Board and site inspection.

2. In the case that the number of units are not publicly available from the government or developers' disclosure, OHKF estimated the number based on the average unit size of adjacent projects from the same developers in recent years.

Sources: Buildings Department, Lands Department, Town Planning Board, developers' company data and news clips of interviews, and OHKF estimates

Appendix II:

Public Housing Completion Forecast (2022/23–2025/26)

Forecast of Future Public Housing Supply (2022/23)

District	Development Name	No. of Units	Housing Type
New Territories			
Islands	Yu Nga Court	3,300	HOS
Kwai Tsing	Ching Fu Court	2,900	GSH
Kwai Tsing	Lai Cho Road	800	PRH
Sha Tin	Kam Chun Court	2,100	HOS
Sha Tin	Yu Tak Court	500	HOS
Tai Po	Fu Dip Estate Phase 2	6,800	PRH
Tuen Mun	Tuen Mun Area 54 Sites 3 & 4 (East)	900	PRH
New Territories sub-total		17,300	
Kowloon			
Kowloon City	Lee Kung Street	300	HKHS PRH*
Wong Tai Sin	Kai Cheung Court	900	HOS
Kowloon sub-total		1,200	
Hong Kong			
Hong Kong sub-total		0	
2022/23 Total		18,500	

Note: * Senior Citizen Residences Scheme

The expected completion date is estimated based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Lands Department, Town Planning Board, Hong Kong Housing Authority, Hong Kong Housing Society, Our Hong Kong Foundation, and various newspapers

Forecast of Future Public Housing Supply (2023/24)

District	Development Name	No. of Units	Housing Type
New Territories			
Islands	Tung Chung Area 100	5,200	PRH
Kwai Tsing	Cheung Ching Estate Redevelopment Phase 1	900	PRH
Kwai Tsing	Cheung Ching Estate Redevelopment Phase 2	600	PRH
North	Pak Wo Road	700	HKHS SSF
North	Pak Wo Road	500	HKHS PRH
North	Pak Wo Road	300	HKHS PRH*
Sai Kung	Chiu Ming Court	600	HOS
Sha Tin	Jat Min Chuen	64	HKHS PRH#
Tuen Mun	Tuen Mun Area 29 (West)	1,000	PRH
Tuen Mun	Hin Fat Lane	900	PRH
Tuen Mun	Yip Wong Road Phase 1	700	PRH
New Territories sub-total		11,464	
Kowloon			
Sham Shui Po	Pak Tin Estate Phase 10	900	PRH
Wong Tai Sin	Kai Chuen Court	2,100	GSH
Kowloon sub-total		3,000	
Hong Kong			
Eastern	Kei Wah Court	200	HOS
Hong Kong sub-total		200	
2023/24 Total		14,664	

Notes: * Senior Citizen Residences Scheme

Additional units from redevelopment

The expected completion date is estimated based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Lands Department, Town Planning Board, Hong Kong Housing Authority, Hong Kong Housing Society, Our Hong Kong Foundation, and various newspapers

Forecast of Future Public Housing Supply (2024/25)

District	Development Name	No. of Units	Housing Type
New Territories			
Islands	Tung Chung Area 99	4,800	PRH
North	Ching Tao Court	800	GSH
Sai Kung	On Sau Court	1,900	HOS
Sai Kung	Anderson Road Quarry Site RS-2	1,400	HKHS SSF
Sai Kung	Anderson Road Quarry Site RS-3	400	HKHS SSF
Sai Kung	Anderson Road Quarry Site RS-5	1,100	HOS
Sai Kung	Anderson Road Quarry Site RS-7	400	HOS
Sai Kung	Anderson Road Quarry Site RS-8	1,400	HOS
Tuen Mun	Yip Wong Road Phase 2	2,600	PRH
Tuen Mun	Hang Fu Street	500	HOS
Yuen Long	Hung Shui Kiu Phase 1A	300	HKHS SSF
New Territories sub-total		15,600	
Kowloon			
Kowloon City	Kai Tak Site 2B6	2,100	HOS
Kowloon City	Kai Yan Court	1,800	HOS
Kowloon City	Kwun Shan Court	500	HOS
Kwun Tong	Ko Wang Court	2,000	GSH
Kwun Tong	Ting On Street	400	HKHS PRH
Kowloon sub-total		6,800	
Hong Kong			
Southern	Shek Pai Wan Road	600	HKHS PRH
Hong Kong sub-total		600	
2024/25 Total		23,000	

Note: The expected completion date is estimated based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Lands Department, Town Planning Board, Hong Kong Housing Authority, Hong Kong Housing Society, Our Hong Kong Foundation, and various newspapers

Forecast of Future Public Housing Supply (2025/26)

District	Development Name	No. of Units	Housing Type
New Territories			
Islands	Tung Chung Area 109	1,300	HOS
North	Sheung Shui Areas 4 & 30 Site 1 Phase 1	1,500	PRH
North	Sheung Shui Areas 4 & 30 Site 2 Phase 2	1,400	PRH
North	Jockey Club Road	600	HKHS SSF
Sai Kung	Anderson Road Quarry Site RS-6	1,000	HOS
Sha Tin	Kam Pak Court	1,900	GSH
Yuen Long	Long Bin Phase 1	3,100	HOS
Yuen Long	Hung Shui Kiu Phase 1B	400	HKHS PRH
New Territories sub-total		11,200	
Kowloon			
Kowloon City	Kai Tak Site 2B5	1,700	HOS
Kowloon City	Kai Tak Site 1E1	1,400	HKHS PRH
Kowloon City	Kai Tak Site 1E1	700	HKHS SSF
Kwun Tong	Wang Chiu Road Phase 1	2,700	PRH
Kwun Tong	Wang Chiu Road Phase 2	1,400	PRH
Kwun Tong	Hui Ming Street	1,000	PRH
Kwun Tong	Pik Wan Road Site B	900	PRH
Sham Shui Po	Northwest Kowloon Reclamation Site 1 (East)	2,600	PRH
Wong Tai Sin	Junction Road	200	PRH
Kowloon sub-total		12,600	
Hong Kong			
Hong Kong sub-total		0	
2025/26 Total		23,800	

Note: The expected completion date is estimated based on the Transport and Housing Bureau's Public Housing Production Forecast as of 12 May 2022

Sources: Lands Department, Town Planning Board, Hong Kong Housing Authority, Hong Kong Housing Society, Our Hong Kong Foundation, and various newspapers



Our Hong Kong Foundation (OHKF) is a non-government, non-profit organisation founded in November 2014 under the chairmanship of Mr C.H. Tung, Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference. OHKF aims to harness the collective wisdom of Hong Kong's talents and contribute to long-term and sustained prosperity and stability of Hong Kong under the "One Country, Two Systems" principle. The Foundation has three member organisations: the Public Policy Institute that conducts public policy research, advocacy and engagement as a think-and-do tank; the Academy of Chinese Studies that promotes Chinese culture and tells the story of China today, and the Hong Kong Chronicles Institute that produces a full account of Hong Kong's social changes through history for record and public enlightenment.

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