

**For discussion
on 29 October 2018**

Legislative Council Panel on Housing

Housing-related Initiatives in the Chief Executive's 2018 Policy Address and Policy Agenda

On 10 October 2018, the Chief Executive delivered the Chief Executive's 2018 Policy Address (the Policy Address). This paper introduces this year's housing-related initiatives as stated in the Policy Address and the Policy Agenda.

New policies and initiatives on housing

2. The Chief Executive's 2017 Policy Address suggested that the housing policy of the current-term Government comprises four elements. First, housing is not a simple commodity; while maintaining respect for a free market economy, the Government has an indispensable role to play in this area. Second, the Government will focus on home-ownership, and strive to build a housing ladder to rekindle the hope of families in different income brackets to become home-owners. Third, the Government will focus on supply and increase the supply of housing units based on the Long Term Housing Strategy (LTHS). Fourth, when new supply is not yet available, the Government will optimise existing housing resources to help families awaiting public rental housing (PRH) and residents in poor living conditions.

3. The Government is determined to rectify the housing problem currently faced by the society with the greatest effort, and provide adequate and affordable housing to enable Hong Kong people to have comfortable homes and improve their living environment. In the past year, the Government has been innovative in the implementation of new housing policies, and has made considerable progress.

4. The Chief Executive announced the following six new housing initiatives in June 2018 –

- (a) revising the pricing mechanism for Home Ownership Scheme (HOS) (please refer to para. 31);

- (b) inviting the Urban Renewal Authority (URA) to assign its non-joint venture project at Ma Tau Wai Road as a “Starter Homes” (SH) pilot project (please refer to para. 36);
- (c) re-allocating nine private housing sites for public housing (please refer to para. 11);
- (d) amending the Rating Ordinance to introduce “Special Rates” on vacant first-hand private residential units (please refer to para. 40);
- (e) amending the Lands Department (LandsD) Consent Scheme to improve sales practices (please refer to para. 41); and
- (f) setting up a task force to assist the community to take forward transitional housing projects (please refer to para. 20).

5. The Chief Executive has committed to increase public housing supply and review the public/private split under the LTHS in the Policy Address.

6. To facilitate the rational and better use of public housing resources, the Chief Executive has suggested the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) to consider the following three new initiatives in the Policy Address –

- (a) in the light of the operational experience of HKHS’s Letting Scheme for Subsidised Sale Developments with Premium Unpaid, HA to join the scheme and allow owners of its subsidised sale flats (SSFs) with premium unpaid to sublet their flats to needy families (please refer to paras. 12-13);
- (b) the Government has accepted HKHS’s recommendation of launching a “Flat-for-Flat Pilot Scheme for Elderly Owners” on a trial basis for its SSFs with premium not yet paid (please refer to paras. 14-15); and
- (c) HA to launch a new concessionary initiative whereby under-occupation (UO) households whose family members are all elderly are allowed to enjoy lifetime full rent exemption upon their transfer to smaller units (please refer to paras. 16-17).

Reviewing the public/private housing split under LTHS

7. The Government announced LTHS in 2014, which adopts the “supply-led” and “flexible” principles, with a view to addressing the problem of housing demand-supply imbalance and rebuilding the housing ladder. According to the framework established under LTHS, the Government will continue to update the long term housing demand projections annually and present a rolling ten-year housing supply target. This enables the Government to plan ahead on a continuing basis and develop land and housing according to the supply target, in order to meet the housing needs of the community over the long term.

8. According to the housing demand projections published in December 2017, the total housing supply target for the ten-year period from 2018/19 and 2027/28 is 460 000 units. With a public/private split of 60:40, the supply targets for public and private housing are 280 000 units and 180 000 units respectively. Assuming that all sites identified can be smoothly delivered on time for housing development, about 237 000 public housing units can be built within this ten-year period, which lags behind the ten-year supply target. The Government is now working on the housing demand projections for the next ten-year period (i.e. from 2019/20 to 2028/29), and will announce the results later this year.

9. The Policy Address suggested that the public/private split of the future ten-year housing supply target under LTHS may need to be adjusted. In fact, there are divergent views as to whether the public/private split of new housing supply in the next ten years should be maintained at 60:40. The Government will have full regard to the latest developments and views from various sectors when announcing the next ten-year housing supply target.

Increasing the public housing supply

The Government’s newly developed land

10. The Policy Address pointed out that, with the persistent imbalance in housing demand and supply, prices of private housing had been rising substantially in recent years, and were well beyond the affordability of ordinary families. This had not only brought about a continuous increase in the number of people waiting for PRH and lengthened the average waiting time of family and elderly applicants for PRH to 5.3 years; but has also led to a continuous increase in the income limits for White Form applicants of HOS. HOS sale

exercises in the past few years were often highly over-subscribed. The Government will increase the ratio of public housing, and commit to allocating 70% of housing units on the Government's newly developed land to public housing development.

Re-allocating private housing sites for public housing

11. In June this year, the Government decided to re-allocate nine sites, which were originally intended for sale in the coming few years, at Kai Tak and Anderson Road Quarry for public housing. The sites are expected to provide some 10 600 public housing units, which will help narrowing the public housing shortage in later years. One of the sites in Kai Tak will be allocated to HKHS for the redevelopment of Chun Seen Mei Chuen. HKHS can then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen by phases. The remaining new units on the Kai Tak site can also be used to rehouse other eligible non-owner occupier households affected by Government development and URA projects. The Government will continue to review the situation from time to time to determine the most suitable use of sites. Where appropriate, sites originally planned for private housing will be re-allocated for public housing.

Efficient use of public housing resources

Allowing owners to rent out SSFs with premium unpaid under HA to needy families

12. The Chief Executive's 2017 Policy Address stated that, to alleviate the hardship faced by families on the PRH waiting list and the inadequately housed, the Government would facilitate HKHS in allowing the owners of its subsidised housing to rent out their flats with premium unpaid to needy families on a pilot basis. HKHS recently announced the launch of the pilot Letting Scheme for Subsidised Sale Developments with Premium Unpaid in September. Under the scheme, owners, who owned their SSFs with premium unpaid for more than 10 years and whose flats have at least two rooms, may rent out the rooms to tenants approved by HKHS. Target tenants of the scheme are family and elderly applicants who have waited for PRH for more than three years; as well as non-elderly one-person applicants who have waited for more than six years, with the purpose to help improve their living environment before PRH allocation. HKHS will review the scheme after implementation and fine-tune the scheme as necessary.

13. The Policy Address has suggested that, in the light of the operational experience of HKHS's pilot scheme, HA may consider joining the scheme to allow owners of its SSFs with premium unpaid to rent out part of their flats to needy families, in order to improve the living conditions of more people waiting for PRH allocation. The Government hopes that HA will give due consideration and deliberate on the subject as soon as practicable.

HKHS's Flat-for-Flat Pilot Scheme for Elderly Owners

14. The Policy Address mentioned that the Government had accepted HKHS's recommendation of launching a "Flat-for-Flat Pilot Scheme for Elderly Owners" on a trial basis for its SSFs with premium not yet paid. Under this scheme, owners aged 60 or above, who have owned their Flat-for-Sale Scheme flats for at least ten years, can sell their original flats and then buy a smaller one in the Secondary Market without payment of premium. With a view to making better use of existing housing resources and promoting circulation of SSFs, the Pilot Scheme enables eligible elderly owners to move into flats which suit their needs better (e.g. a flat of smaller size but closer to where their children live), while vacating larger flats for eligible families in need of more living space. Elderly owners may also cash out for their retirement life through trading down their flats.

15. HKHS is responsible for formulating details of the Pilot Scheme and administering it. We look forward to the discussion and collaboration between HKHS and HA for allowing eligible elderly owners to purchase a flat that is smaller than their original flats from both HA's and HKHS's Secondary Markets without payment of premium. The Government will maintain close liaison with HA and HKHS with a view to launching the Pilot Scheme as soon as possible.

New concessionary initiative on rent exemption for UO PRH households on transfer

16. To ensure the effective use of PRH resources, HA's prevailing UO policy requires households with living space exceeding the prescribed UO standard to move to another PRH unit of appropriate size. However, households with elderly members aged 70 or above are excluded from the UO list and are not required to move to a smaller PRH unit.

17. The Policy Address suggested HA launching a new concessionary initiative whereby UO households, with all family members aged 70 or above, are allowed to enjoy lifetime full rent exemption upon transferring to smaller units. This concessionary initiative aims to provide a rent-free housing option for all-elderly households to transfer to other smaller, new or refurbished units,

and to save living expenses under the rent-free transfer. Furthermore, this initiative will help increase the supply of larger units for the allocation to households awaiting PRH allocation with more family members.

HKHS

18. As an important partner to the Government in implementing housing policies, HKHS has played an active role in providing rental units and SSFs for low and middle-income families. As the new HOS pricing mechanism announced this June (please refer to para. 31) will affect the selling prices of SSFs developed by HKHS and may have financial impact on HKHS, the Government will review the land premium arrangement for HKHS's projects. In addition, the Government is prepared to support HKHS in redeveloping its aged rental estates with a view to increasing the supply of public housing units. Therefore, the Government has decided to allocate one of the sites in Kai Tak, which was re-allocated for public housing as announced in June this year, to HKHS for the redevelopment of Chun Seen Mei Chuen. HKHS can then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen.

Tai Hang Sai Estate

19. Tai Hang Sai Estate in Shek Kip Mei is a private rental housing estate catering for low-income families at below market rentals. It is constructed and managed by the Hong Kong Settlers Housing Corporation Limited (HKSHCL), which is a non-profit-making organisation. The HKSHCL plans to redevelop the estate in situ in phases, and is now consulting the affected households on the rehousing arrangements. On the premise that HKSHCL will make proper rehousing arrangements for its tenants, the Government has clearly indicated that we will firmly support HKSHCL in taking forward the redevelopment project as soon as possible and will provide the necessary assistance, with a view to enhancing estate facilities and increasing housing supply.

Transitional housing

20. As it takes time to identify land for housing construction, the Government will support and facilitate the implementation of various short-term initiatives put forward and carried out by the community on top of the Government's long-term housing policy and measures, to increase supply of transitional housing and alleviate the hardship faced by families awaiting PRH and the inadequately housed. These short term initiatives may make use of the potential and resources in the community outside the Government, and offer flexible and multiple relief measures for the beneficiaries. The Community Housing Movement operated by the Hong Kong Council of Social Service has introduced a number of projects; the Modular Social Housing Scheme at Nam Cheong Street in Sham Shui Po has also received funding support from the Community Care Fund. Furthermore, the Government is actively supporting non-profit-making organisations to explore the feasibility of constructing pre-fabricated modular housing on idle private and government sites. A number of such projects are underway. The task force under the Transport and Housing Bureau will provide coordinated support to further facilitate the implementation of more community initiatives on transitional housing.

Other major housing policies and initiatives

Public housing

Demand and supply for PRH

21. PRH is the first rung on the housing ladder, and a long-established safety net for the grassroots and low-income families. At present, there are about 762 800 households living in PRH units under HA. As at end-June 2018, there were about 150 600 family and elderly applications, with an average waiting time¹ of 5.3 years. Also, there were 117 900 non-elderly one-person applications.

¹ Waiting time refers to the time taken between registration for PRH and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The average waiting time for family and elderly applicants refers to the average of the waiting time of those family and elderly applicants who were housed to PRH in the past 12 months.

22. Based on the figures as at end-September 2018, the estimated total public housing production of HA and HKHS in the five-year period from 2018/19 to 2022/23 is about 100 800 units, comprising about 74 600 PRH units/Green Form Subsidised Home Ownership Scheme (GSH) flats and about 26 300 other subsidised sales flats (SSFs). Comparing the above projected total public housing production for the five-year period starting from 2018/19 with that of the previous four five-year periods, the projected production shows a steady increase (see table below) –

Year	Total Production
2014/15 to 2018/19	80 400
2015/16 to 2019/20	91 200
2016/17 to 2020/21	94 100
2017/18 to 2021/22	99 700
2018/19 to 2022/23	100 800

23. About 80% of the public housing projects about which we have consulted District Councils in the past eight years (2010/11 to 2017/18) are not “spade-ready”². Therefore, the Government needs to go through various processes to turn those sites into “spade-ready” sites and such processes require time and are subject to uncertainties. We also have to face various kinds of difficulties and challenges in such processes, including planning, consultations and relevant technical studies; statutory planning and other procedures; land resumption and clearance; provisioning and reprovisioning of facilities; site formation and infrastructure provision, etc. For projects for which the community has expressed strong views, we often have to spend more time to resolve the issues and face legal challenges occasionally.

24. The Government will continue striving to increase the production of public housing production, in particular, the production in the latter half of the ten-year period, as well as to complete more public housing units earlier. We call upon the community to maintain an open attitude towards land development and rezoning, and accept trade-offs by according priority to the pressing housing needs of the society, and to support the Government in achieving the long term housing supply target.

² Sites that have been properly zoned and do not require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure.

Rational use of PRH resources

25. As pointed out in LTHS, while striving to increase PRH supply, it is necessary to ensure the rational use of PRH resources. HA has implemented a series of policies and measures to ensure the fair and rational allocation of the limited PRH resources, so that efforts would be focused on allocating resources to those with more pressing housing needs. For example, HA has implemented the Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme together from 2017/18, with a view to expediting the allocation of units to applicants. Also, the implementation of the revised “Well-off Tenants Policies” with effect from October 2017 has largely been in order. HA will continue to adopt a three-pronged approach to tackle tenancy abuse, including enhancement of inspection, follow-up by the central team on suspected tenancy abuse cases, as well as publicity and education.

Redevelopment of aged PRH estates

26. As analysed in the LTHS, redevelopment may increase PRH supply over the long term. However, it will in the short term reduce PRH stock available for allocation. This will add further pressure on HA’s ability in maintaining the average waiting time target for family and elderly applicants at about three years. Given the current strong demand for PRH, it is undesirable to carry out any massive redevelopment programme which will result in freezing up a large number of PRH units that may otherwise be allocated to households in need awaiting PRH. Therefore, HA will continue to cautiously consider redevelopment on an estate-by-estate basis taking into account the practical situations, with reference to the direction stated in the LTHS and the four basic principles under the prevailing redevelopment policy, namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped, and build-back potential upon redevelopment³. If HA decides to proceed with the redevelopment of an estate or any housing block, HA will provide advance notice to affected tenants in line with the past practice.

³ The redevelopment of Mei Tung Estate (older part) announced in 2017 is a case in point. This is a careful decision made after confirming the redevelopment feasibility based on the fact that its redevelopment scale does not require holding up a large number of units for rehousing; as well as the substantial flat gain after redevelopment.

27. At present, we are implementing redevelopment programmes in Pak Tin Estate (older part) and Mei Tung Estate (older part). The progress is as below –

- (a) Regarding Pak Tin Estate, since HA's announcement of the phased redevelopment in April 2012, demolition of the first four domestic blocks has been completed. Following the recent completion of the new community complex, HA is demolishing the old community hall and retail centre; and has announced the scheduled clearance in 2020 and 2021 for the remaining four domestic blocks. We anticipate that the entire redevelopment of Pak Tin Estate will be completed in 2025/26. The total number of PRH units in Pak Tin Estate would increase by 28% after the redevelopment.
- (b) As for Mei Tung Estate, HA is liaising with relevant departments regarding the building height restriction. Subject to approval of the Town Planning Board, the redevelopment of the older part of Mei Tung Estate could provide about 1 900 extra PRH units through optimising the development potential.

28. For those aged estates with no redevelopment plan, HA will continue to maintain and improve their condition, and implement various programmes and measures so as to maintain and improve the condition of blocks, and provide a safe and comfortable living environment for residents. Such measures include the Comprehensive Structural Investigation Programme, Estate Improvement Programme and Total Maintenance Scheme.

29. Also, HA plans to increase the provision of elderly recreational facilities in around 100 PRH estates with a higher proportion of elderly tenants. HA has already commenced works in all relevant estates. The project is expected to complete in 2019.

SSFs

30. The Government has been striving to consummate the housing ladder by providing SSFs for low to middle-income families to achieve home ownership. Opportunities were provided for PRH tenants who have improved their financial conditions to achieve home ownership, thereby vacating their PRH units for allocation to those waiting for PRH. The Government will continue to support HA and HKHS to implement HOS and other SSF projects.

Revising the pricing mechanism for HOS

31. The Chief Executive has announced the revision of the pricing mechanism of HOS in June this year. The new HOS pricing policy has introduced two changes to the affordability test of the existing pricing mechanism –

- (a) using the median monthly household income of non-owner occupier households⁴ instead of the White Form income limit⁵ for assessing affordability; and
- (b) ensuring at least 75% of flats are affordable (instead of at least 50% formerly).

All other parameters under the former HOS pricing mechanism remain unchanged –

- (a) adopting a unified discount rate for all flats put up for sale under the same sale exercise ;
- (b) offering a discount of 30% at least ; and
- (c) selling prices of the flats in one sale exercise should not incur loss to the HA.

Furthermore, SH and GSH will be priced in accordance with the new HOS pricing mechanism⁶. Together with the arrangement for buyers to obtain

⁴ Around \$39,500 currently, net of Mandatory Provident Fund (MPF) contributions.

⁵ Formerly at \$57,000, net of MPF contributions.

⁶ According to the new pricing policy, we will determine the discount for other SSF projects with reference to the discount from the assessed market value of the preceding HOS sale exercise. The discount for SH projects will be 10%-20% lower than that for HOS, while the discount for GSH will be 10% higher.

mortgage loans of up to 90% or even higher loan-to-value ratio, the future SSFs will be more affordable to the target households.

HOS

32. HA has also approved to adopt the new pricing mechanism and revised the selling prices of the Sale of Home Ownership Scheme Flats 2018 (HOS 2018) from 70% to 52% of the then assessed market values. HA has also approved to re-open the application of HOS 2018 in October 2018, and conduct balloting in November. HA has also endorsed tightening the alienation restrictions of flats under HOS 2018. The new alienation restrictions in effect prevent owners from paying premium and sell their flats in open market within the first five years from the first assignment. The Subsidised Housing Committee of HA agreed to further discuss the alienation restrictions for GSH and future HOS flats.

GSH

33. HA has helped more relatively better-off Green Formers (mainly PRH households and PRH applicants who have passed the detailed eligibility vetting) move up the housing ladder through GSH. GSH on one hand addresses Green Former's home ownership aspirations at an earlier stage. On the other hand, it also vacates more PRH units for those with more pressing needs. The Subsidised Housing Committee of HA endorsed regularising GSH in January 2018 having regard to the outcome of the review of the GSH pilot project. The next GSH project at Lai Chi Kok Road - Tonkin Street Phase 1 is expected to be launched in end-2018, involving some 2 500 flats.

White Form Secondary Market Scheme (WSM)

34. In the past, SSFs with premium unpaid in the Secondary Market used to be available for sale to Green Formers only. HA launched two rounds of the Interim Scheme to Extend the Secondary Market to White Form Buyers in January 2013 and August 2015 respectively.

35. The Subsidised Housing Committee of HA conducted a review in November 2017 and endorsed launching WSM on an on-going basis from 2018 onwards. The WSM, with an annual quota of 2 500 for 2018, was launched in March 2018. Over 60 000 applications were received. HA conducted balloting on 30 July 2018 and will inform successful applicants to apply for a Certificate of Eligibility to Purchase with a validity period of 12 months by end October 2018.

SH pilot project

36. SH aims to help higher-income families which are not eligible for HOS and yet cannot afford private housing to meet their home ownership aspirations in the face of hiking property prices. We initially proposed to use a residential site at Anderson Road on the Government's 2018-19 Land Sale Programme to provide about 1 000 SH units. Since it would take several years before SH units at the Anderson Road site can be put up for pre-sale given the time required for disposal of the site and construction work, the Government announced in June this year to test out the SH concept earlier by inviting URA to assign its redevelopment project at Ma Tau Wai Road as a SH pilot project. The Ma Tau Wai Road project can provide 450 SH units with flat sizes between 24m² (260ft²) and 47m² (507ft²). The pre-sale exercise of the project will be launched in December 2018 the soonest. The Government will make reference to the experience from the pilot project at Ma Tau Wai Road in taking forward the SH project at the Anderson Road site.

Healthy private residential property market

37. The Government has adopted a two-pronged approach to maintain the healthy and stable development of the private residential property market. To address the demand-supply imbalance at source in the long run, the Government has strived to increase the housing land supply through short, medium and long-term means under the "supply-led" strategy. At the same time, the Government has opportunely introduced demand-side management measures to minimise various adverse consequences that may arise from an overheated market.

Increase in supply

38. Based on the preliminary assessment of private residential developments known to have started or to be started on disposed sites, the private sector will, on average, produce about 20 300 private residential units annually in the next five years, representing an increase of about 70% over the yearly average (12 000 units) of the past five years. The Government will continue rolling out lands for housing to ensure sufficient and stable land supply in the long term to respond to the home ownership aspirations of different social strata.

39. Two of the new initiatives on housing announced by the Chief Executive on 29 June this year aim to encourage more timely supply of first-hand private residential flats. The two initiatives are the introduction of “Special Rates” on vacant first-hand private residential units, and amendment to the LandsD Consent Scheme to improve sales practices.

Introducing “Special Rates” on vacant first-hand private residential units

40. The Government will amend the Rating Ordinance (Cap. 116) to introduce “Special Rates” on vacant first-hand private residential units. The amendment will require owners (mainly developers) of first-hand private residential units with the Occupation Permit issued for 12 months or more to furnish annual returns to the Government on the occupancy status of the units. Units that have not been occupied or rented out for more than six months during the past 12 months will be considered as vacant and subject to “Special Rates”. “Special Rates” will be collected by the Rating and Valuation Department annually at two times (i.e. 200%) the rateable value of the units concerned. The Government plans to introduce an Amendment Bill into the Legislative Council during the 2018-19 legislative session. “Special Rates” will take effect after gazettal of the Amendment Ordinance following passage of the Amendment Bill in Legislative Council.

Amending the LandsD Consent Scheme to improve sales practices

41. To improve market transparency and enhance consumer protection, the Government has amended the Consent Scheme, requiring developers to offer for sale no less than 20% of the total number of residential units subject to the relevant pre-sale consent at each turn of sale, regardless of the sales method (including tender and auction). If the remaining unsold residential units are less than 20%, the developer has to offer for sale all remaining units in one go. The new requirement has come into effect on 29 June 2018, and applies to pre-sale consent applications being processed by LandsD at that time and all new applications received after that date. Since the implementation of the new requirement, as at 30 September 2018, LandsD has issued 12 pre-sale consents for residential developments, involving 6 979 residential units. Four of the developments have been launched for sale and the relevant sale exercises are in compliance with the new requirement.

Demand-side management measures

42. In view of the overheated property market in recent years owing to severe housing demand-supply imbalance and the ultra-low interest rates environment with abundant liquidity, the Government has introduced several rounds of demand-side management measures, including the Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD), Doubled ad valorem Stamp Duty (DSD), and New Residential Stamp Duty (NRSD), so as to combat short-term speculative activities, curb external demand and reduce investment demand. In face of the continued exuberance in the local housing market and that property prices have been out of line with economic fundamentals with heightened risk of a bubble, it is necessary for the Government to maintain the various demand-side management measures to guard against further increase in the risk, and to ensure the healthy and stable development of the property market.

43. According to statistics of the Inland Revenue Department, purchases by non-local individuals and non-local companies stayed low at 1.2% of total residential property transactions in the first nine months of this year, much lower than the monthly average of 4.5% in January to October 2012 (i.e. before the introduction of BSD). Short-term resale (including confirmor transactions and resale with 24 months) accounted for 1.1% of total transactions during the same period, well below the average of 20% in January to November 2010 (i.e. before the introduction of SSD). Furthermore, residential transactions subject to DSD/NRSD accounted for about 11% of total transactions for the first nine months of this year, which was sharply below the 26% from January to November 2016 (reflecting market situation before the introduction of NRSD). During the same period, among residential property transactions where buyers are Hong Kong permanent residents, about 93% of the cases involved buyers who did not own any other residential property in Hong Kong at the time of transaction, which was significantly higher than the 75% before the introduction of NRSD (i.e. from January to November 2016). The statistics above demonstrate that the existing demand-side management measures remain prominently effective in reducing external and investment demand.

44. The Government will remain vigilant and will continue to closely monitor developments in the property market and the evolving external environment.

**Transport and Housing Bureau
October 2018**