



香港地產建設商會

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

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Policy Address 2011-12

REDA considers that the measures proposed to address the housing situation in Hong Kong as outlined by the CE in his policy address are a well considered, measured and appropriately balanced response to the current challenges faced by prospective entrants to the property market.

REDA also notes that the CE has acknowledged that the property market's exceptional vibrancy is the result of the relatively small supply of private residential flats in recent years, abundant liquidity and persistently ultra-low interest rates. The same explanation has repeatedly been voiced by REDA on numerous occasions, and we have vividly presented the picture in the chart "[Completion of Private Domestic Units vs Nominal Mortgage Interest Rates](#)".

REDA is now encouraged that the CE is taking the first step in the right direction to expand land resources, largely in new development areas. However, if the supply of land is to be converted into actual production of residential units then Government, through the Lands Department, will need to maintain a flexible policy on the trigger mechanism for the release of sites from the Application List and, most importantly, adopt a more facilitating approach in the assessment of premium for land exchanges / lease modifications which are major sources of supply of residential land in both the New Territories and urban areas.

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