

TASK FORCE ON LAND SUPPLY

Demand for Land

PURPOSE

This paper provides Members with an overview on the demand for land in Hong Kong.

LAND FOR HONG KONG'S DEVELOPMENT

2. Land is pivotal to sustaining Hong Kong's housing, economic and social development. Supplying Hong Kong with adequate land to house our growing population, support our continued economic development and provide the necessary infrastructures and facilities tops the agenda of the Government. The current built-up areas in Hong Kong are concentrated in the existing urban areas on Hong Kong Island and Kowloon and clustering around the nine new towns in the New Territories (NT) developed since the 1970s¹ on flatter part of existing land or reclaimed land in the NT. The rest is mostly mountainous areas. According to the Planning Department (PlanD)'s "Land Utilization in Hong Kong 2016", our built-up area occupies about 24% (270 km²) of the total land area (1 111 km²)² in the territory. The remaining 76% (about 841 km²) is non-built-up area, of which the largest category is Woodland/Shrubland/Grassland/Wetland. **Annex A** shows the land utilisation of Hong Kong.

3. Given the mountainous topography of our city and the major shifts in demographic and economic structures our city has undergone over the decades, planning and land development have been challenging, not only in ensuring adequate and timely supply of land in tandem with

¹ These include Tsuen Wan (including Kwai Chung and Tsing Yi), Sha Tin (including Ma On Shan), Tuen Mun, Tai Po, Fanling/Sheung Shui, Yuen Long, Tin Shui Wai, Tseung Kwan O and Tung Chung.

² Including about 4 km² of Mangrove and Swamp below the High Water Mark.

population and economic growth, but also in providing land for the mix of different uses.

4. For example, our 7.3 million population are now accommodated in built-up areas accounting for just a small percentage of Hong Kong's land area, with 3.7% of land attributable to public and private housing, 3.2% for rural settlement, 4.7% for various infrastructural facilities supporting the daily living of our people including roads, railways and utilities, 2.3% for "Government, Institution & Community" (G/IC) facilities and 2.3% for open space. The provision of housing is not just about securing land for housing itself. Taking the Sha Tin New Town (excluding Ma On Shan) as an example, it has a built-up area of about 1 305 hectares (ha), of which about 28.8% is for residential, 26.5% for transportation, 19.1% for G/IC facilities, 6.5% for open space, 2.1% for industrial, 1.8% for commercial and the remaining 15.3% for other uses.

Major growth in developable land from 70s to 90s

5. From the 1970s to 1990s, we saw a steady and substantial growth in the area of developable land in Hong Kong mainly as a result of the large-scale new town developments through reclamation and land formation in the rural NT so as to cater for the housing and social needs of the rapidly growing population³ and to cope with the rapid and diversified growth of the economy⁴. Since the 1970s, the Government has developed nine new towns, namely Tsuen Wan, Sha Tin, Tuen Mun, Fanling/Sheung Shui, Yuen Long, Tai Po, Tin Shui Wai, Tseung Kwan O and Tung Chung. It has been over two decades since our last new town (Tung Chung) was planned and built.

Slow-down in land supply at the turn of the millennium

6. In response to the slump in Hong Kong's economy and property market during the late 1990s and early 2000s due to the Asian Financial Crisis and the subsequent economic downturn, the Government repositioned its housing strategy in 2002 mainly to focus resources on

³ Over the three decades between 1970 and 2000, the total population in Hong Kong had increased from about 3.96 million to about 6.67 million, or by about 2.71 million/68%, at an average of about 90 000 or 1.8% per annum. The number of households had been increasing at an even higher rate: between 1971 and 2000, the number of domestic households increased from about 0.861 million to about 2.04 million, or by about 1.18 million/1.4 times, at an average of about 41 000 or 3.0% per annum, due to the rapid decline in average household size from 4.5 persons to 3.3 persons during the period.

⁴ Over the three decades between 1970 and 2000, the GDP in Hong Kong had increased from about HK\$200.9 billion to about HK\$1,342.8 billion, or by about 5.7 times or at about 6.5% per annum.

providing public rental housing (PRH) to low-income households who could not afford private rental accommodation, and to rely on the market in deciding the quantum of private housing production. Against that backdrop, land development through reclamation and site formation had drastically slowed down. Taking reclamation as an example, between 1985 and 2000, we had created over 3 000 ha of land through reclamation, i.e. an average of about 200 ha (2 km²) per annum. Over the next 15-year period between 2000 and 2015, only about 690 ha of land, or an average of some 40 ha per annum, were reclaimed. For details of the past figures on land formation and reclamation, please refer to **Annex B**.

7. With the slowdown in land planning and development around the turn of the millennium, housing land and flat supply has lagged behind the growth in population and households. Similarly, the growth of non-domestic floorspace has slowed down much more significantly and by a much greater proportion than the slowing down of the rate of our economic growth.

DEMAND FOR LAND

8. As mentioned above, land is required not only for housing the population, but also for meeting the diverse needs of society including G/IC uses, open space, economic activities, roads and railways, infrastructural support, as well as for conservation, recreation and public enjoyment. Land demand is thus driven and determined by a host of demographic, social and economic factors, population growth being but only one of the drivers.

9. **Annex C** shows past statistics and latest projections of Hong Kong's population, domestic households, household size and Gross Domestic Product (GDP). According to the Census and Statistics Department's (C&SD) latest population and household projections, Hong Kong's population and households are projected to continue to increase, albeit at a slower pace, and the declining trend in average household size will continue. Thus even though the population is projected to increase only at an average annual rate of 0.4% until its peak at about 8.22 million in 2043 and then to decline slowly to 7.81 million in 2064⁵, the number of households will increase at a faster rate than the population due to the

⁵ It should be noted that this represents only the baseline case of C&SD's population projections, whereas C&SD's high population projections indicate that the population would increase to 8.94 million in 2043 and continue to increase to 9.12 million in 2064.

declining average household size, from 2.43 million in 2014 to 2.93 million in 2044, by about 500 000 or at an average annual rate of 0.6%, and thereafter decreasing only slightly to 2.91 million in 2049.

10. Between 2001 and 2016, household size has declined from 3.2 persons to 2.8 persons. It follows that more domestic units would be required to accommodate the increasing number of smaller households even if the total population had remained the same. PRH is a case in point: between 2000 and 2016, the number of PRH units has increased by about 120 000 or 17% (from about 688 000 units to about 808 000 units), but the population living in PRH had declined by about 70 000 or 3.2% (from about 2.22 million to about 2.15 million), largely due to the decline in average household size from 3.5 persons to 2.7 persons for PRH during the same period.

11. At the same time, our population is rapidly ageing. Under the baseline case, the proportion of elderly population (i.e. 65+) will increase from 15% in 2014 to 31% in 2043 and then 33% in 2064. Meanwhile, our workforce is projected to shrink starting from 2018. All these are expected to pose huge challenges and bring significant uncertainties to our society and economy. The Population Policy - Strategies and Initiatives announced in January 2015 recognised the demographic challenges and the resultant challenges to the economy and public finance, and put forward a number of initiatives that aimed at addressing such challenges. The latest population and household projections have not taken into account the effect of such initiatives. As these initiatives materialise and take effect, some of them, such as facilitating the return of the second generation of Hong Kong emigrants and attracting talents entered under the current admission schemes to settle in Hong Kong, are expected to have the effect of increasing the future population of Hong Kong.

12. A major challenge in land planning, development and supply is thus to plan for adequate land to meet current and anticipated demand, to provide buffer to improve liveability and capture opportunities, and to allow for contingency to cater for future uncertainties and unforeseen circumstances. The ensuing paragraphs set out in detail the continued major sources of demand for land.

I. Land for Housing

Snapshot

13. As the economy revives, property rent and price have picked up substantially in the past few years. According to the Rating and Valuation Department (RVD), the overall private domestic price and rental indices reached the peak in June 2017 at 336.1 and 183.6 respectively⁶ (see **Annex D**). RVD's statistics also indicated a vacancy rate of about 3.8% as at end-2016, much lower than the long-term average vacancy rate of 5.0% from 1996 to 2015 (see **Annex E**).

14. As a result of the property market stabilisation measures in 2003 and 2004, new completion of private housing units⁷ had contracted from around 26 000 in 2004 to 10 500 in 2007. With the gradual increase in housing land supply, new completion of private housing units had picked up to about 14 600 in 2016. The projected supply from the first-hand residential property market for the coming three to four years reached 98 000 units as at June 2017, a record high since the first release in September 2004 of the quarterly statistics on supply (see **Annex F**).

15. As at end-June 2017, there were about 150 200 general PRH applicants (i.e. family and elderly one-person applicants) and about 127 600 non-elderly one-person applicants under the Quota and Points System (QPS). The average waiting time⁸ for general applicants was 4.7 years (among them, the average waiting time for elderly one-person applicants was 2.6 years), exceeding the Hong Kong Housing Authority's (HA) target of providing the first flat offer to general applicants at around three years on average. As for subsidised sale flats, the flats offered under the Sale of Home Ownership Scheme (HOS) Flats in 2014 and

⁶ For comparison, the price and rental indices in 2003 were 61.6 and 73.6 respectively, which were the lowest in the past 20 years.

⁷ Private domestic units are defined as independent dwellings with separate cooking facilities and bathroom (and/or lavatory). Public sector developments, including domestic units built under the Private Sector Participation Scheme for subsidised sale, and all units built under the Home Ownership, Buy or Rent Option, Mortgage Subsidy, Sandwich Class Housing, Urban Improvement and Flat-for-Sale Schemes are not included. Besides, rental estates built by the HA and HS, units sold under the Tenants Purchase Scheme, and Government-owned quarters, and village houses are also excluded. Based on the statistics by RVD.

⁸ 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 general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months. The average waiting time target of around three years is not applicable to QPS applicants.

2016 as well as the Green Form Subsidised Home Ownership Pilot Scheme 2017 received overwhelming response. Under the latest Sale of HOS Flats 2017 exercise, about 104 650 applications were received for about 2 100 flats. Based on the latest information as at end-June 2017, the estimated total public housing production of HA and the Hong Kong Housing Society (HS) in the five-year period from 2017/18 to 2021/22 is about 100 800 units, comprising 75 200 PRH units and 25 600 subsidised sale flats (see **Annex F**).

16. As announced in the Long Term Housing Strategy (LTHS) Annual Progress Report 2016, the Government has updated the total housing supply target to 460 000 units for the coming 10 years (i.e. 2017/18 to 2026/27), with public housing accounting for 60%, i.e. 280 000 units, and private housing accounting for 40%, i.e. 180 000 units. The largest components of housing demand during the projected period are due to increase in number of households and the need to cater for inadequately housed households. Meanwhile, “spade-ready” sites ready for public housing development are getting increasingly difficult to find. The development of public housing on non-spade ready sites would involve higher degree of complexity and subject to uncertainties, such as (i) conducting public consultations; (ii) handling statutory planning and other procedures (such as judicial review); (iii) undertaking land resumption and clearance; (iv) provisioning and reprovisioning of facilities; (v) conducting site formation works and building infrastructure; (vi) seeking funding for government works; and (vii) undergoing building construction. Delivering the LTHS target will remain a huge challenge for the Government in view of the continued acute shortage of land supply, given the significant slowdown in land development in the past decade. In fact, as announced in the LTHS Annual Progress Report 2016, assuming that all sites identified can be smoothly delivered on time for housing development, the Government can deliver about 236 000 public housing units only, falling short of the 10-year public housing supply target of 280 000 units. We have to press ahead full steam to catch up on land supply to meet the housing demand of the Hong Kong community as projected.

Forecast demand

17. For the longer term, our latest updating of the territorial development strategy, i.e. “Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030” (Hong Kong 2030+)⁹ estimates

⁹ Hong Kong 2030+ is jointly commissioned by the Development Bureau and PlanD. Its proposals have undergone a six-month public engagement process from October 2016 to April 2017, and

that the total housing demand (i.e. gross demand for new housing units including redeveloped ones) for the period from 2016 to 2046 is about one million units, drawing reference from the methodology adopted for LTHS demand projection which has a projection horizon of 10 years. This includes 460 000 units for the first 10 years from 2016/17 to 2025/26 as announced in the LTHS Annual Progress Report 2015, and about 540 000 units for the period from 2026 to 2046 as estimated by PlanD. For the latter period, apart from further increase in households, urban redevelopment is expected to become a major driver for housing demand.

18. It is estimated that, after taking into account the supply from the existing, committed and planned developments, together with redevelopment of existing built-up areas, broadly speaking there is still an **anticipated overall housing land shortfall of about 200 ha** (excluding land for transport, infrastructure and community facilities to support the population, as well as land for economic uses to provide job opportunities and necessary services) **in the long run against the estimated land requirement** for housing.

II. Land for Economic Activities

Snapshot

19. Apart from housing land, we also need to provide land to meet the continued demand for more space for economic activities including land/space for commercial facilities and industrial development, so as to sustain Hong Kong's economic development, to capture new economic opportunities and to provide new employment opportunities.

20. After a modest growth of 9% in real terms between 1997 and 2003, the GDP of Hong Kong had picked up and risen by about 33% in real terms between 2006 and 2016 (see **Annex C**). During the same period, floor space for economic activities only recorded a modest increase. From 2006 to 2016, the total private office stock in terms of internal floor area had increased by only about 17% (see **Annex E**). The vacancy rate of private offices, after soaring to 14% in 2003, had been on a steady decline and reached 8.0% and 8.2% in 2015 and 2016 respectively. During the same period, the private office rental and price indices had been trending upward (from 96.4 and 133.0 in 2005 to 239.5

analyses of public views and relevant assessments are being carried out before finalisation of the territorial development strategy.

and 485.9 in June 2017 respectively) (see **Annex D**).

21. The private commercial stock (retail included)¹⁰ had increased by about 7% over 2006 to 2016 (see **Annex E**). After reaching its highest level of 10.8% in 2003 and 2004, the vacancy rate of private commercial stock were 7.3%, 7.7% and 9.0% in 2014, 2015 and 2016 respectively. During this period, the rental and price indices for private retail continued to increase (from 100.5 and 149.3 in 2005 to 182.7 and 543.1 in June 2017 respectively) (see **Annex D**). Meanwhile, the private flatted factories¹¹ stock had decreased slightly by 4% between 2006 and 2016, while its vacancy rate had declined from 7.3% in 2005 to 5.6%, 5% and 5.8% in 2014, 2015 and 2016 respectively (see **Annex E**). The rental and price indices for private flatted factories have been rising sharply (from 82.6 and 125 in 2005 to 193.9 and 782.9 in June 2017 respectively) (see **Annex D**). Besides, the private storage stock had increased by about 8.8% from 2006 to 2016, with its vacancy rate of 5.9%, 4.2% and 4.3% in 2014, 2015 and 2016 respectively (see **Annex E**).

Forecast demand

22. PlanD engaged consultants to undertake the “Review of Land Requirement for Grade A Offices, Business and Industrial Uses” under Hong Kong 2030+ to project the future land/space requirements for market-driven economic land uses. An econometric model based on statistical relationship between floorspace and relevant variables (such as growth rates of the GDP in Hong Kong and Guangdong) was formulated to assess the aggregate floorspace demand of five types of the economic land uses (i.e. Central Business District (CBD) Grade A Offices, Non-CBD Grade A Offices, General Business, Industries and Special Industries) over the projection horizon in the short (up to 2023), medium (up to 2033) and long terms (up to 2041). The overall new land requirement in the long term is estimated to be 201 ha in net site area. Taking into account all the committed and planned/under advance planning projects, CBD Grade A Offices, Industries and Special Industries are still expected to experience shortfalls over the whole projection period. A total shortfall of about 97 ha is estimated in the

¹⁰ Private commercial premises include retail premises and other premises designed or adapted for commercial use, with the exception of purpose-built offices. Commercial premises owned by The Link Real Estate Investment Trust (The Link REIT) had been included in RVD’s statistics starting from 2006.

¹¹ Private flatted factories comprise premises designed for general manufacturing processes and uses, including offices, directly related to such processes, and normally intended for sale or letting by the developers.

short term, to be increased to about 111 ha in the medium term, and then decreased to about 80 ha in the long term.

23. Apart from the market-driven economic uses, individual policy bureaux may have specific policy measures in support of various other economic uses¹² under their purview. Some of such measures may have land requirement implications. To enable appropriate land reservation in the long-term planning, the Development Bureau and PlanD have, in the context of Hong Kong 2030+, requested bureaux and departments to confirm the policy-driven economic land uses falling under their respective purview, and their estimation of the likely short to medium term and long term land requirements. Taking into account all the committed and planned/under advance planning projects, a total shortfall of about 9 ha of land (plus 132 500 m² usable floorspace) is estimated in the short to medium term, to be increased to about 176 ha of land (plus 132 500 m² usable floorspace) in the long term for the other economic uses.

24. In the light of the above and given that the land uses included in the assessment are not exhaustive¹³, after taking into account the supply from the existing, committed and planned developments, it is estimated that broadly speaking there is still an anticipated **overall land shortfall for economic uses of about 300 ha** (excluding land for transport, infrastructure and community facilities to support the population, as well as housing land) **in the long term against the estimated land requirement** for supporting various market-driven and policy-driven economic uses.

III. Land for G/IC Space, Open Space, Infrastructure Space and Liveability

Snapshot

25. Providing a quality living environment is challenging for a high-density city such as Hong Kong. Hong Kong 2030+ proposes to enhance the quality of the overall living environment and optimise the use of limited land and space through a two-pronged approach, i.e. optimising the new development areas and retrofitting the densely

¹² Examples of other economic uses include Science Park, Industrial Estates, port back-up facilities, recycling industry, wholesale food market, convention & exhibition facilities, etc.

¹³ The long-term demand for some market-driven economic uses such as retail is difficult to project. Besides, the Government is still studying the land requirements for a number of economic uses such as the construction-related uses and recycling facilities.

developed urban areas.

26. Among others, in order to plan for the ageing society, Hong Kong 2030+ proposes adopting the concepts of “age-friendly” planning and design and facilitating “ageing in place”, which include promoting more diverse housing choices available for the elderly; facilitating the adoption of “universal design” in both public and private residential developments; and providing elderly services, particularly long-term care services, preferably on an estate basis complemented by district and community based services if deemed necessary and appropriate. Land supply is a pre-requisite for taking forward these proposals to cater for our ageing society.

Forecast demand

27. We also see the scope to reinvent public space and enhance public facilities with a view to uplifting Hong Kong’s liveability. To this end, Hong Kong 2030+ proposes to enhance the land and space provision for G/IC uses and open space, by adopting higher ratios of 3.5 m² and a minimum of 2.5 m² per person for the strategic planning of G/IC and open space land requirements respectively¹⁴. This would help meet the public aspirations for more community facilities and open space, enhance living space in general, and provide scope to meet specific policy initiatives to improve provision of certain facilities. The enhanced provision of G/IC uses and open space will need to be taken into account in our future land supply and land use planning.

28. According to the estimation under Hong Kong 2030+, taking into account the need for both existing built-up areas and new development areas, broadly speaking there will still be **a shortfall of more than 700 ha of land for G/IC, open space and transport facilities in the long term**. This has yet to take into account the need for improvement, enhancement or redevelopment of some existing substandard G/IC facilities, as well as the changing demographic needs of our ageing society.

¹⁴ For the older generation new towns such as Sha Tin, the provision of G/IC land uses (excluding those special uses/facilities which are considered as policy-driven) is estimated to be about 2.2 m² per person, while such provision for the newer generation new towns like Kwu Tong North New Development Area is higher at 3.5 m² per person. Separately, the current provision standard of open space under the Hong Kong Planning Standards and Guidelines is a minimum of 2 m² per person.

IV. Urban Regeneration

Snapshot

29. Hong Kong has a rapidly ageing building stock in large quantity, posing challenges for urban regeneration. The bulk of Hong Kong's existing building stock was erected in the 1970s to 80s (comprising about 41% of our total private residential building stock of about 1 140 000 units). **Annex G** shows the age profile of existing private housing stock. Based on the current age profile and assuming that no housing units are demolished, it is estimated that there will be about 326 000 private housing units aged 70 years or above by 2046, up from about 1 100 units at present (i.e. increase by nearly 300 times). Most of these buildings are concentrated in the older urban areas. In other words, our building stock will age rapidly over the coming decades, at a rate which is comparable to if not more acute than our ageing population. Given the magnitude of ageing building stock, and the current modest scale of urban regeneration, there would be a need for the community to step up its efforts to rejuvenate the extensive old urban fabric especially in the older urban areas to arrest urban decay and improve the living environment.

30. It is thus anticipated that the need for and scale of rejuvenation or redevelopment of existing buildings in the urban areas will escalate substantially over the years in future, especially in two or three decades when the bulk of the current stock of buildings enter their "old age". However, the redevelopment of residential buildings usually takes a long lead time mainly due to the protracted process for amalgamating the fragmented ownership, compensation and rehousing tenants/occupiers, and going through the necessary development processes. While the redeveloped buildings should contribute eventually to housing supply, the prolonged process and escalating scale of urban redevelopment would in effect give rise to additional demand for housing units. This may arise from units in buildings undergoing redevelopment being kept unoccupied, existing occupants being displaced upon redevelopment, and reduction in housing units during the actual reconstruction. Thus in aggregate terms additional housing land would be needed to address the above needs arising from redevelopment. The need for such decanting space will increase as the scale of redevelopment escalates.

Forecast demand

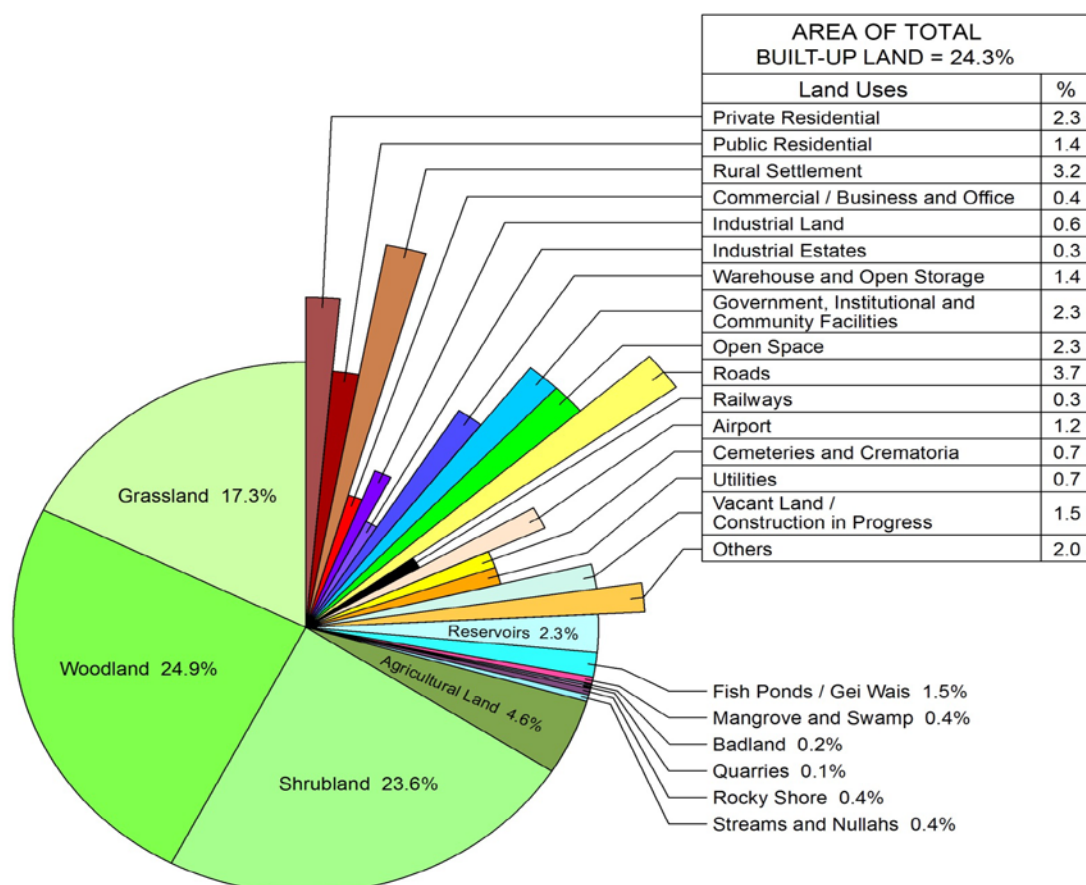
31. In projecting the future housing demand over the next 10 years, Hong Kong 2030+ has adopted the housing demand between 2016/17 and 2025/26 as estimated in the LTHS Annual Progress Report 2015, i.e. 460 000 units which include about 38 000 units arising from the number of households in private housing units to be displaced by redevelopment. Hong Kong 2030+ has further assessed the land requirement over the long run, including demand for housing land arising from redevelopment, based on the age profile of existing buildings and taking into account the past trend of demolition of private housing buildings by age cohorts. It is estimated that **the demolition and redevelopment of private housing units between 2026 and 2046 would give rise to housing demand of about 258 000 units.** This implies redevelopment of about 13 000 private housing units per year on average, or a redevelopment rate equivalent to about 0.8% of the total private housing stock in 2046 (compared with the average demolition of just 1 900 units per year in five years from 2010 to 2014). Even at this assumed rate of redevelopment, it is estimated that there would still be about 250 000 private housing units aged 70 or above by 2046 (compared with about 326 000 by 2046 assuming no demolition).

ADVICE SOUGHT

32. Members are invited to offer views on the overview of the demand for land in Hong Kong.

Development Bureau
1 September 2017

Land Utilization in Hong Kong 2016



Total land area = 1,111 km² (including about 4 km² of Mangrove and Swamp below the High Water Mark)
 Vegetated area covers about 78.7% of the land area of Hong Kong
 Country Parks, Special Areas and Mai Po Ramsar Site cover about 41.7% of the land area of Hong Kong

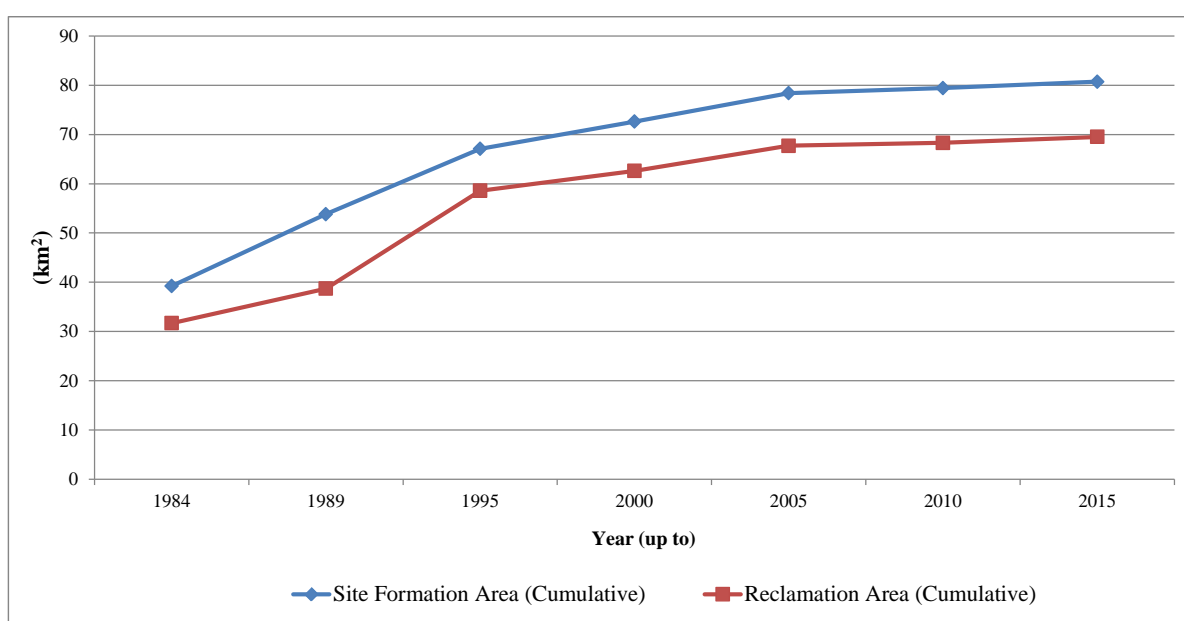
Remarks: The land use data was compiled using satellite images dated December 2016 and January 2017 (©AIRBUS DS (2016, 2017)), in-house survey information of the Planning Department up to end-2016 and other relevant information from various government departments. As definitions of some land use classes and methodology are updated from time to time, the figures this year may not be comparable directly to those provided in previous years.

- Notes:
- (i) "Private Residential" includes residential land developed by private developers (excluding village houses, subsidised housing and temporary housing area).
 - (ii) "Public Residential" includes subsidised housing and temporary housing area.
 - (iii) "Rural Settlement" includes village housing and temporary structures.
 - (iv) "Open Space" includes parks, stadiums, playgrounds and recreational facilities.

Source: PlanD

Land Formation Area and Reclamation Area (1984-2015)

Year (up to)	Land Formation Area (Cumulative) ^[1]		Reclamation Area (Cumulative) ^[2]	
	(km ²)	Compound Average Annual Growth Rate (%)	(km ²)	Compound Average Annual Growth Rate (%)
1984	39.2	-	31.7	-
1989	53.8	6.5	38.7	4.1
1995	67.1	3.8	58.6	7.2
2000	72.6	1.6	62.6	1.3
2005	78.4	1.5	67.7	1.6
2010	79.4	0.3	68.3	0.2
2015	80.7	0.3	69.5	0.3



Notes: [1] The figures comprise areas of land formed by general site formation and reclamation by CEDD (2005-2015), and the then Civil Engineering Department and Territorial Development Department (1984 to 2000).

[2] Based on "Hong Kong Geographic Data" prepared by LandsD.

Mid-year Population, Domestic Households, Average Household Size and GDP

Year	Mid-year Population	Domestic Households ^[1]	Average Household Size ^[1]	GDP in Real Terms ^[2]
	(in million persons)	(in million)	(in persons)	(in billion HK\$)
1966	3.63	0.76	4.6	162.9
1971	4.05	0.86	4.5	223.3
1976	4.52	1.00	4.2	331.6
1981	5.18	1.24	3.9	538.3
1986	5.52	1.47	3.6	722.7
1991	5.75	1.60	3.5	998.3
1996	6.44	1.86	3.4	1,247.7
2001	6.71	2.05	3.2	1,399.3
2006	6.86	2.22	3.0	1,831.6
2011	7.07	2.36	2.9	2,173.9
2016	7.34	2.50	2.8	2,447.5
Projections ^[3]				
2021	7.63	2.63	2.8	-
2026	7.84	2.74	2.8	
2031	8.01	2.82	2.7	
2036	8.15	2.88	2.7	
2041	8.22	2.92	2.7	
2046	8.21	2.92	2.7	
2049	8.18	2.91	2.7	
2051	8.14	-	-	
2056	8.02			
2061	7.89			
2064	7.81			

Compound Average Annual Growth Rates

Compound Average Annual Growth Rates					
Period	Mid-year Population	Domestic Households ^[1]	Average Household Size	GDP in Real Terms ^[2]	
	Compound Average Annual Growth Rate (in %)				
1966-1971	2.2	2.5	-	6.5	
1971-1976	2.2	3.1		8.2	
1976-1981	2.8	4.5		10.2	
1981-1986	1.3	3.4		6.1	
1986-1991	0.8	1.7		6.7	
1991-1996	2.3	3.1		5.0	
1996-2001	0.9	2.0		1.9	
2001-2006	0.4	1.6		5.5	
2006-2011	0.6	1.2		3.5	
2011-2016	0.7	1.2		2.4	
Projections ^[3]				Working Assumptions ^[2a]	
2016-2021	0.8	1.0	-	2017	3.5
2021-2026	0.5	0.8		2018-2021	3.0
2026-2031	0.4	0.6		2022-2024	2.8
2031-2036	0.4	0.4		2025-2034	2.5
2036-2041	0.2	0.2		2035-2044	2.3
2041-2046	*	*			
2046-2051	-0.2	-		2045-2054	1.6
2051-2056	-0.3				
2056-2061	-0.3			2055-2064	1.4
2061-2064	-0.3				

Notes: [1] Domestic households and average household size for 1966, 1971, 1976 and 1981 are from Population Censuses/By-censuses of the years concerned, while those for 1986 and onwards are from General Household Surveys conducted by C&SD.

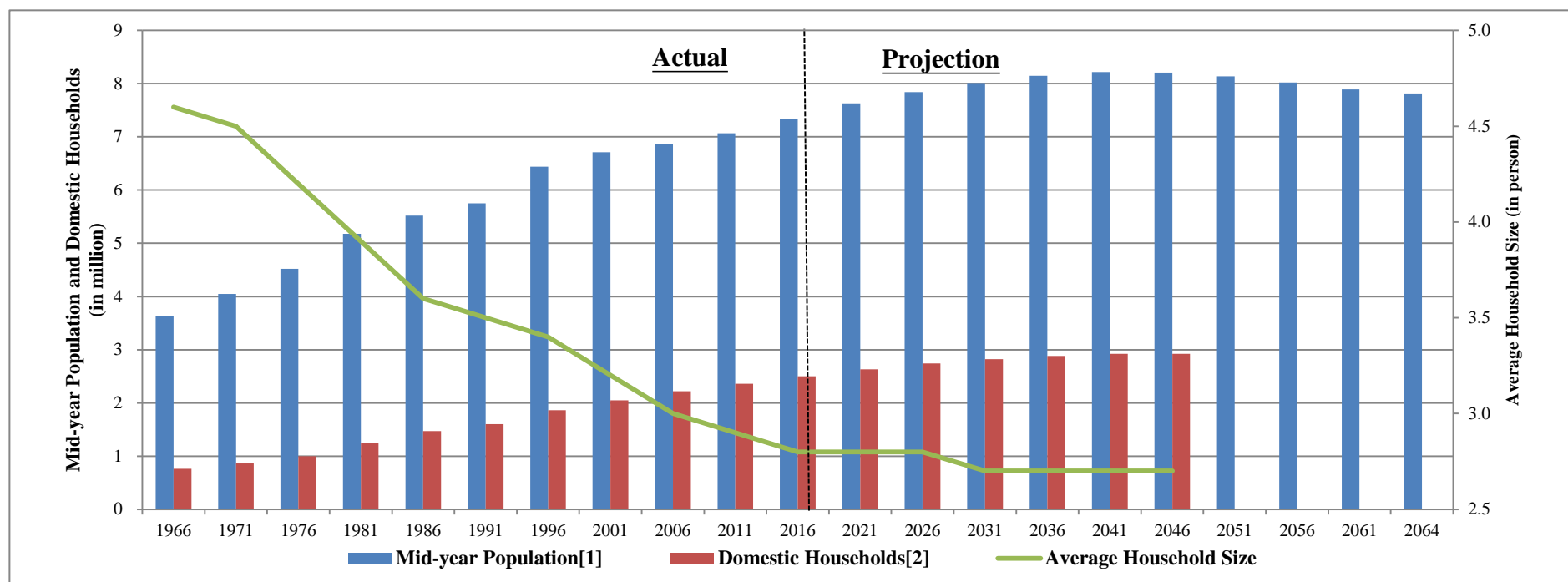
[2] GDP in real terms refer to GDP in chained (2015) dollars.

[2a] The latest GDP growth forecast for 2017 as a whole has been revised upward as announced by the Government on 11.8.2017. The trend growth rate for 2018-2021 follows the medium-term assumption as adopted in the 2017-18 Budget. The trend growth rates beyond the medium term (i.e. 2021) are working assumptions only. They are to a certain extent judgemental and subject to further revisions and should not be taken as the official economic forecasts by the Government.

[3] Projected population and domestic households are based on the results of the Hong Kong Population Projections 2015-2064 and the Hong Kong Domestic Household Projections up to 2049 published by C&SD in September and October 2015 respectively.

* Represent a figure of value within ± 0.05 or $\pm 0.05\%$.

Population (1966-2064), Domestic Households and Average Household Size (1966-2046)



Notes: [1] Projected population is based on the results of the Hong Kong Population Projections 2015-2064 published by C&SD in September 2015.

[2] Projected domestic households and average household size are based on the results of the Hong Kong Domestic Household Projections up to 2049 published by C&SD in October 2015. As such, the projection figures for 2051, 2056, 2061 and 2064 are not available.

Rental and Price Indices for Various Types of Property (1985 - June 2017)

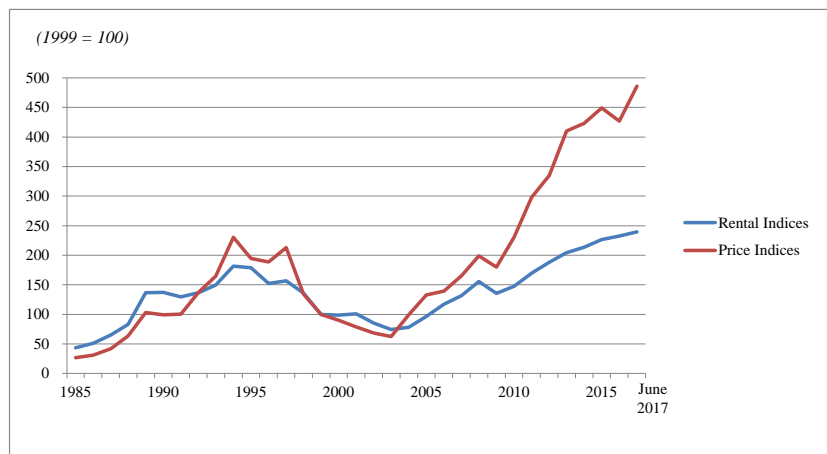
Year	Private Offices ^[1]		Private Retail ^[2]		Private Flatted Factories ^[3]		Private Domestic ^[4]	
	Rental Indices	Price Indices	Rental Indices	Price Indices	Rental Indices	Price Indices	Rental Indices	Price Indices
	(1999 = 100)							
1985	43.4	26.5	35.8	19.1	49.9	47.6	39.4	19.0
1986	51.2	30.9	38.2	21.8	52.5	49.0	42.7	21.3
1987	65.4	42.0	42.7	26.5	62.0	68.3	47.0	26.3
1988	83.1	63.5	50.0	35.6	86.6	95.3	54.8	31.9
1989	136.4	103.2	62.7	46.7	112.3	119.9	69.4	40.2
1990	137.3	99.1	70.1	52.4	117.6	127.3	76.7	44.8
1991	129.6	100.3	79.2	66.5	121.8	136.9	82.4	61.1
1992	136.8	137.1	92.3	93.3	131.3	175.9	90.4	85.2
1993	149.9	164.6	102.4	113.3	144.7	209.8	97.4	93.0
1994	181.8	230.3	116.5	133.5	149.5	223.7	118.1	114.9
1995	178.6	194.6	117.8	129.7	146.9	198.7	120.7	107.3
1996	152.3	188.4	117.8	134.0	132.4	171.4	119.0	116.9
1997	156.8	213.1	123.5	177.3	132.5	168.9	134.5	163.1
1998	135.9	134.5	111.2	128.3	118.1	131.8	112.6	117.1
1999	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2000	98.5	89.9	101.3	93.6	95.4	91.2	98.1	89.6
2001	101.0	78.7	99.4	86.8	90.3	82.0	95.4	78.7
2002	85.4	68.4	92.9	85.0	82.7	74.8	83.4	69.9
2003	74.6	62.5	86.4	85.5	74.9	71.7	73.6	61.6
2004	78.1	99.3	92.8	119.3	77.3	88.6	77.7	78.0
2005	96.4	133.0	100.5	149.3	82.6	125.0	86.5	92.0
2006	117.4	139.3	104.3	153.5	91.0	158.5	91.6	92.7
2007	131.9	165.5	111.8	172.5	100.5	199.5	101.8	103.5
2008	155.5	199.0	116.2	192.2	109.3	235.9	115.7	120.5
2009	135.7	179.8	110.9	193.1	99.4	216.3	100.4	121.3
2010	147.6	230.4	122.9	257.2	108.9	284.4	119.7	150.9
2011	169.9	297.9	134.3	327.4	118.6	385.0	134.0	182.1
2012	188.3	334.7	151.3	420.5	131.9	489.8	142.6	206.2
2013	204.1	409.8	165.5	506.8	147.3	655.4	154.5	242.4
2014	213.7	423.0	173.1	521.2	160.1	668.0	159.5	256.9
2015	226.7	448.9	182.5	559.2	174.4	723.9	172.8	296.8
2016	232.3	426.9	178.6	526.9	181.4	692.7	168.2	286.1
Latest Figure (June 2017 ^[5])	239.5	485.9	182.7	543.1	193.9	782.9	183.6	336.1

Notes:

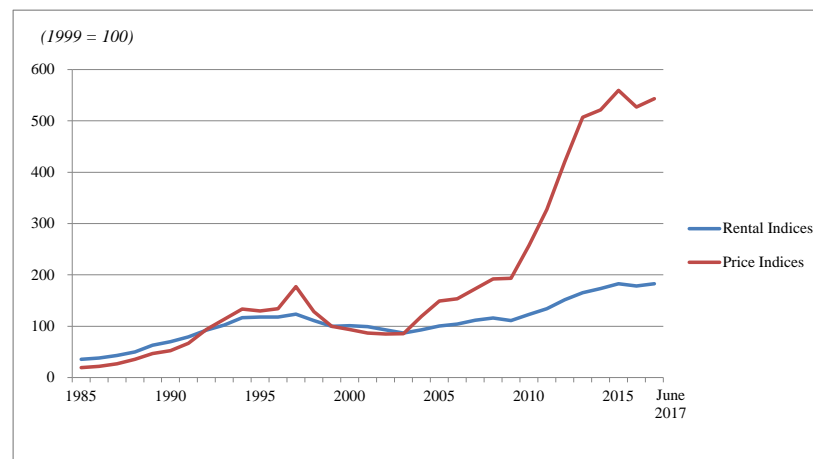
- [1] Based on RVD. Private Office premises comprise premises situated in buildings designed for commercial/business purposes. Excluded are non-domestic floors in composite buildings.
- [2] Based on RVD. Premises owned by the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) are excluded. Following the divestment of selected commercial HA premises to Link Real Estate Investment Trust (Link REIT) at the end of 2005, these divested properties are classified as private sector properties and are included in the statistics from 2006 onwards.
- [3] Based on RVD. Private Flatted Factories comprise premises designed for general manufacturing processes and uses, including offices, directly related to such processes, and normally intended for sale or letting by the developers. Specialised factories are excluded. Similar premises built by HA are not included.
- [4] Based on RVD. Private Domestic Units are defined as independent dwellings with separate cooking facilities and bathroom (and/or lavatory). Public sector developments, including domestic units built under the Private Sector Participation Scheme for subsidised sale, and all units built under the Home Ownership, Buy or Rent Option, Mortgage Subsidy, Sandwich Class Housing, Urban Improvement and Flat for-Sale Schemes are not included. Besides, rental estates built by HA and HS, units sold under the Tenants Purchase Scheme, and Government-owned quarters are also excluded. Village houses are not included in the stock, completions, demolition, take-up and vacancy figures except for the previous years of 2001 and before as specified.
- [5] Provisional figures.

Rental and Price Indices for Various Types of Property (1985 - June 2017)

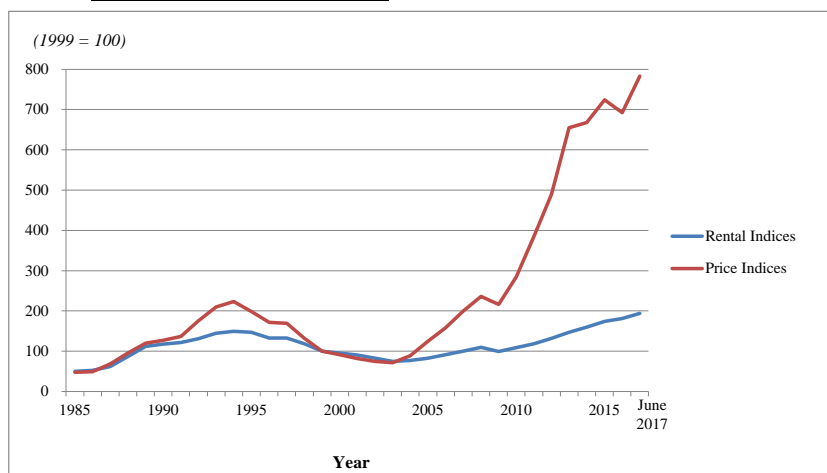
Private Offices



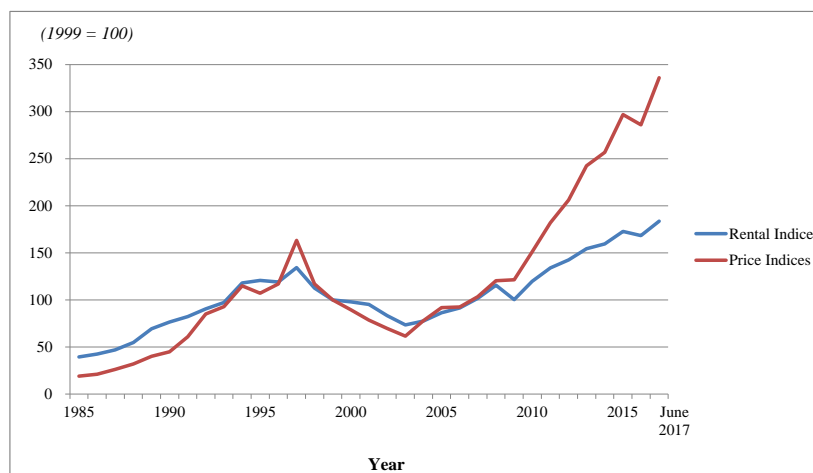
Private Retail



Private Flatted Factories



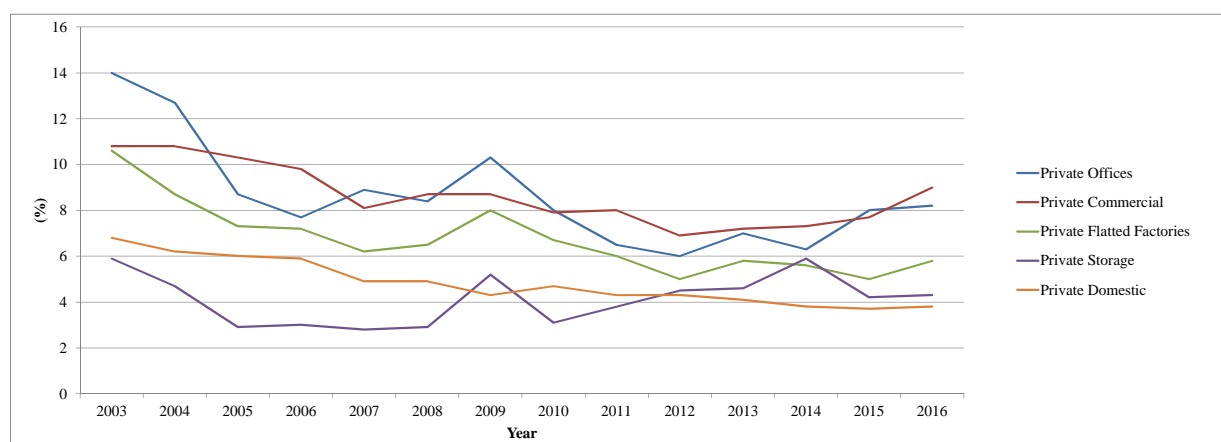
Private Domestic



Stocks and Vacancy of Various Types of Property (1990-2016)

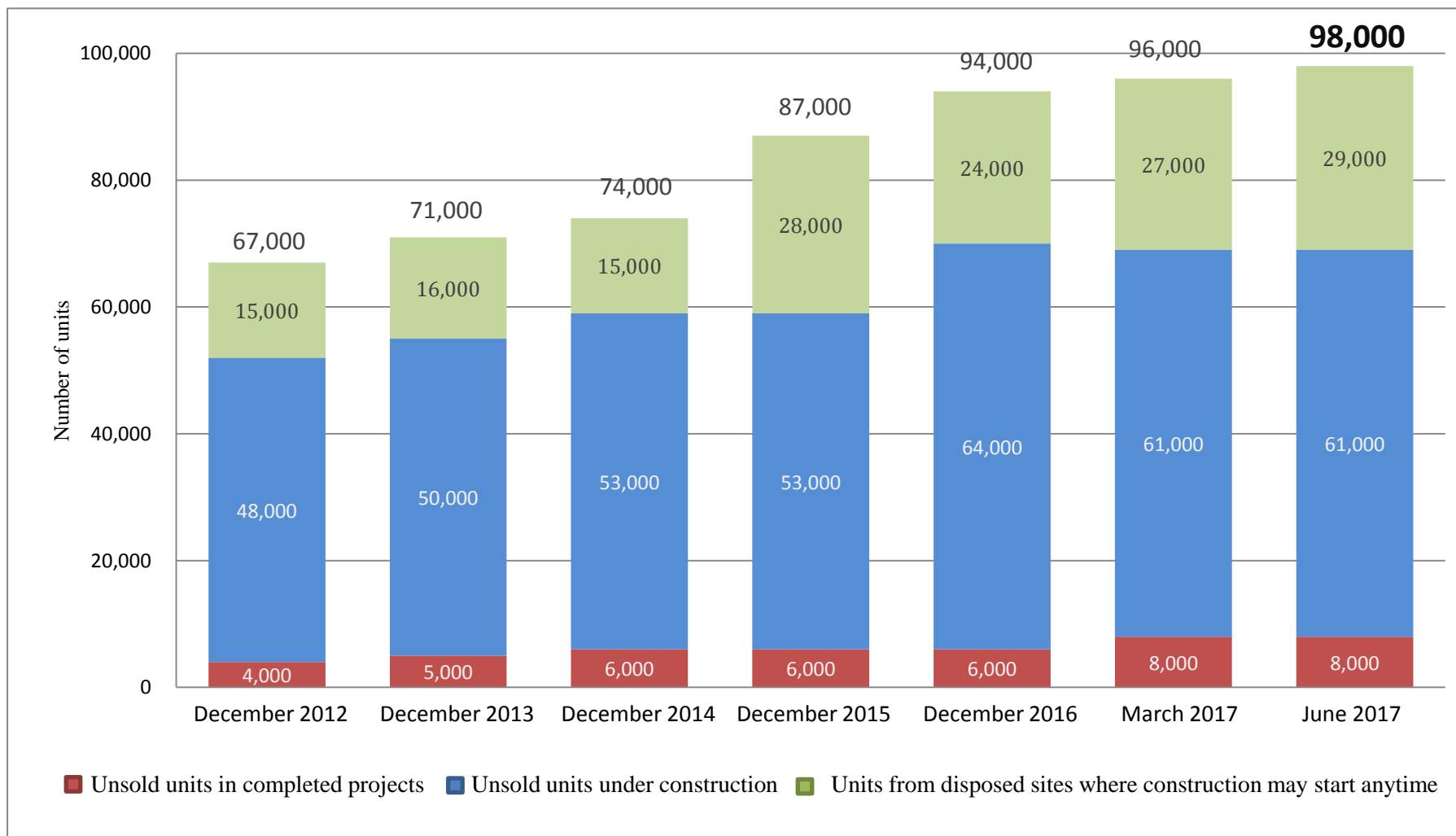
Year	Private Offices ^[1]		Private Commercial ^[2]		Private Flatted Factories ^[3]		Private Storage ^[4]		Private Domestic ^[5]	
	Stock (IFA in million m ²)	Vacancy Rate (in %)	Stock (IFA in million m ²)	Vacancy Rate (in %)	Stock (IFA in million m ²)	Vacancy Rate (in %)	Stock (IFA in million m ²)	Vacancy Rate (in %)	Stock (in million units)	Vacancy Rate (in %)
1990	5.1	6.1	7.3	5.2	16.8	5.3	2.1	1.1	0.75	3.5
1991	5.5	9.2	7.5	4.6	17.1	6.2	2.8	10.3	0.78	4.2
1992	6.1	9.7	7.7	4.4	17.6	6.4	3.2	12.3	0.81	4.2
1993	6.4	6.7	7.9	6.1	17.8	6.0	3.3	6.4	0.83	3.9
1994	6.9	9.8	8.0	6.7	17.6	6.3	3.3	6.4	0.86	4.7
1995	7.2	9.4	8.2	7.8	17.7	7.9	3.2	8.2	0.89	4.1
1996	7.4	11.2	8.3	9.1	17.8	11.9	3.1	7.1	0.91	3.7
1997	7.9	11.5	8.5	8.9	17.9	10.0	3.3	9.4	0.94	3.8
1998	8.6	15.9	8.8	9.4	17.9	10.8	3.4	8.4	0.96	4.5
1999	9.0	14.0	9.0	9.2	17.9	9.7	3.5	8.1	1.00	5.9
2000	9.1	10.2	9.0	7.5	17.5	8.5	3.4	4.7	1.03	5.4
2001	9.2	11.1	9.1	8.2	17.6	10.9	3.4	7.1	1.05	5.7
2002	9.3	12.6	9.2	10.7	17.6	10.5	3.4	7.5	1.09	6.8
2003	9.5	14.0	9.3	10.8	17.5	10.6	3.4	5.9	1.01	6.8
2004	9.8	12.7	9.4	10.8	17.5	8.7	3.4	4.7	1.03	6.2
2005	9.8	8.7	9.5	10.3	17.5	7.3	3.4	2.9	1.05	6.0
2006	9.8	7.7	10.4	9.8	17.4	7.2	3.4	3.0	1.07	5.9
2007	10.1	8.9	10.5	8.1	17.3	6.2	3.4	2.8	1.08	4.9
2008	10.4	8.4	10.6	8.7	17.4	6.5	3.4	2.9	1.09	4.9
2009	10.5	10.3	10.7	8.7	17.3	8.0	3.4	5.2	1.09	4.3
2010	10.5	8.0	10.7	7.9	17.2	6.7	3.4	3.1	1.10	4.7
2011	10.8	6.5	10.8	8.0	17.2	6.0	3.5	3.8	1.11	4.3
2012	10.9	6.0	10.9	6.9	17.1	5.0	3.6	4.5	1.12	4.3
2013	11.0	7.0	10.9	7.2	17.2	5.8	3.6	4.6	1.12	4.1
2014	11.1	6.3	10.9	7.3	17.0	5.6	3.6	5.9	1.14	3.8
2015	11.3	8.0	11.0	7.7	16.9	5.0	3.6	4.2	1.15	3.7
2016	11.5	8.2	11.1	9.0	16.7	5.8	3.7	4.3	1.16	3.8

Vacancy Rate (2003-2016)

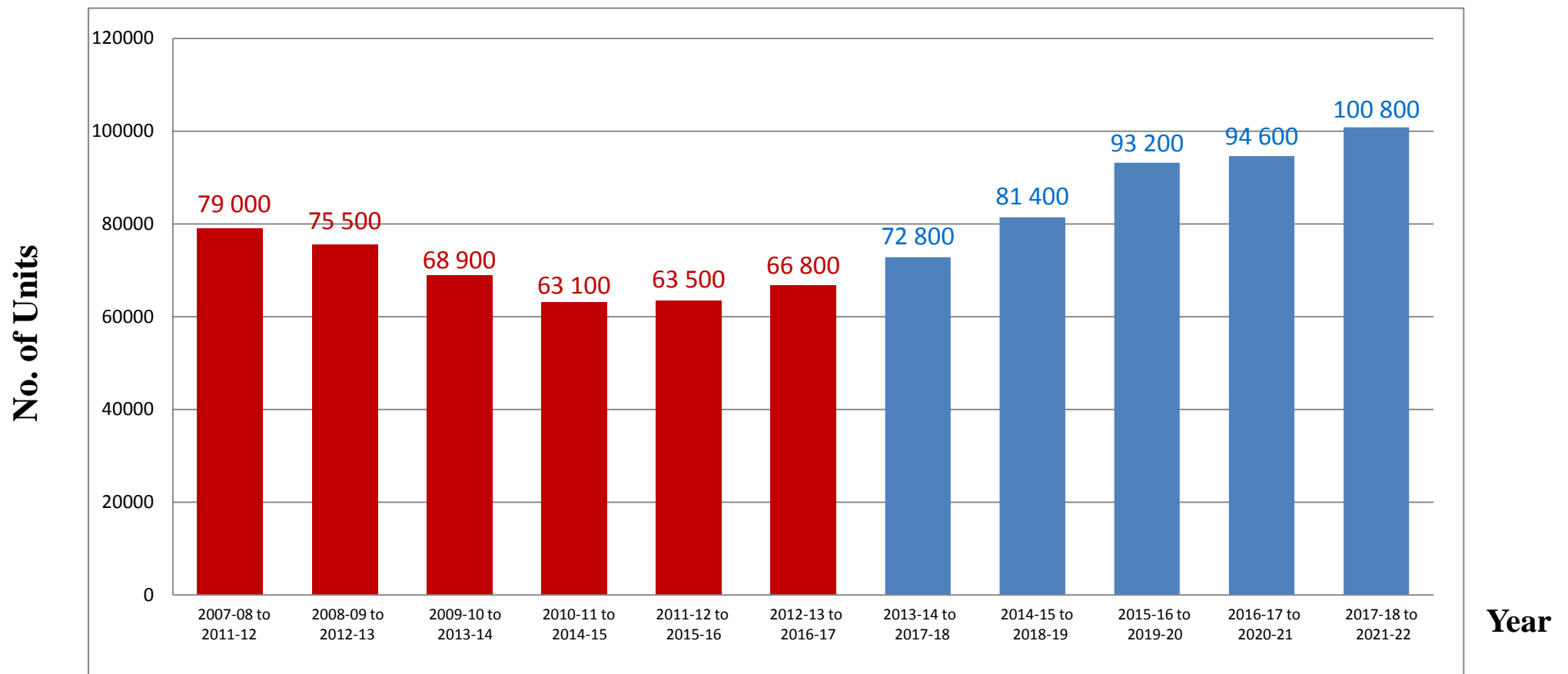


- Notes:
- [1] Based on RVD. Private Office premises comprise premises situated in buildings designed for commercial/business purposes. Excluded are non-domestic floors in composite buildings.
 - [2] Based on RVD. Private Commercial premises include retail premises and other premises designed or adapted for commercial use, with the exception of purpose-built offices. Carparking space is excluded. Commercial premises owned by the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) are excluded. Following the divestment of selected commercial HA premises to Link Real Estate Investment Trust (Link REIT) at the end of 2005, these divested properties are classified as private sector properties and are included in the statistics from 2006 onwards.
 - [3] Based on RVD. Private Flatted Factories comprise premises designed for general manufacturing processes and uses, including offices, directly related to such processes, and normally intended for sale or letting by the developers. Specialised factories are excluded. Similar premises built by HA are not included.
 - [4] Based on RVD. Private Storage premises comprise premises designed or adapted for use as godowns or cold stores and include ancillary offices. Premises located within container terminals are included.
 - [5] Based on RVD. Private Domestic Units are defined as independent dwellings with separate cooking facilities and bathroom (and/or lavatory). Public sector developments, including domestic units built under the Private Sector Participation Scheme for subsidised sale, and all units built under the Home Ownership, Buy or Rent Option, Mortgage Subsidy, Sandwich Class Housing, Urban Improvement and Flat for-Sale Schemes are not included. Besides, rental estates built by HA and HS, units sold under the Tenants Purchase Scheme, and Government-owned quarters are also excluded. Village houses are not included in the stock, completions, demolition, take-up and vacancy figures except for the previous years of 2001 and before as specified.

First-hand Private Housing Supply **(Projected supply for the coming three to four years)**



Public Housing Production (Five-year Production)

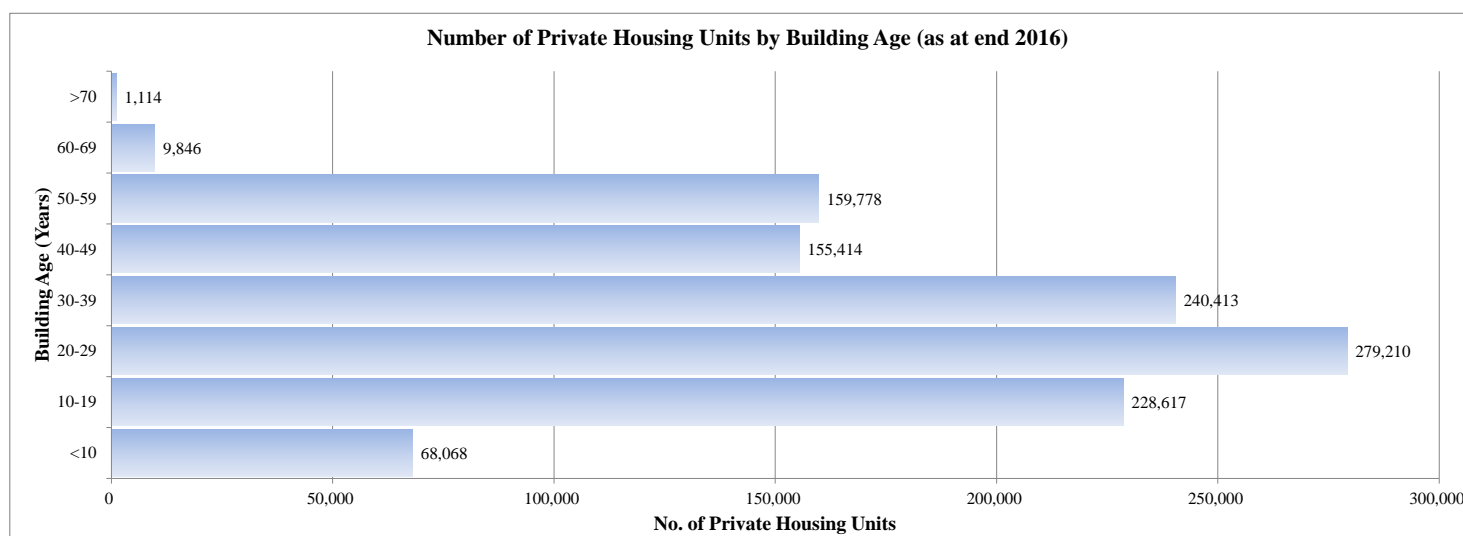


Note: The five-year public housing production from “2007-08 to 2011-12” to “2011-12 to 2015-16” are based on the figures stated in the 2015/16 Annual Report of the Hong Kong Housing Authority. The production for the five-year period of “2012-13 to 2016-17” is as at March 2017. For the estimated production in the five-year period of “2013-14 to 2017-18” and after, the figures are based on the statistics as at June 2017.

Age Profile of Existing Private Housing Stock

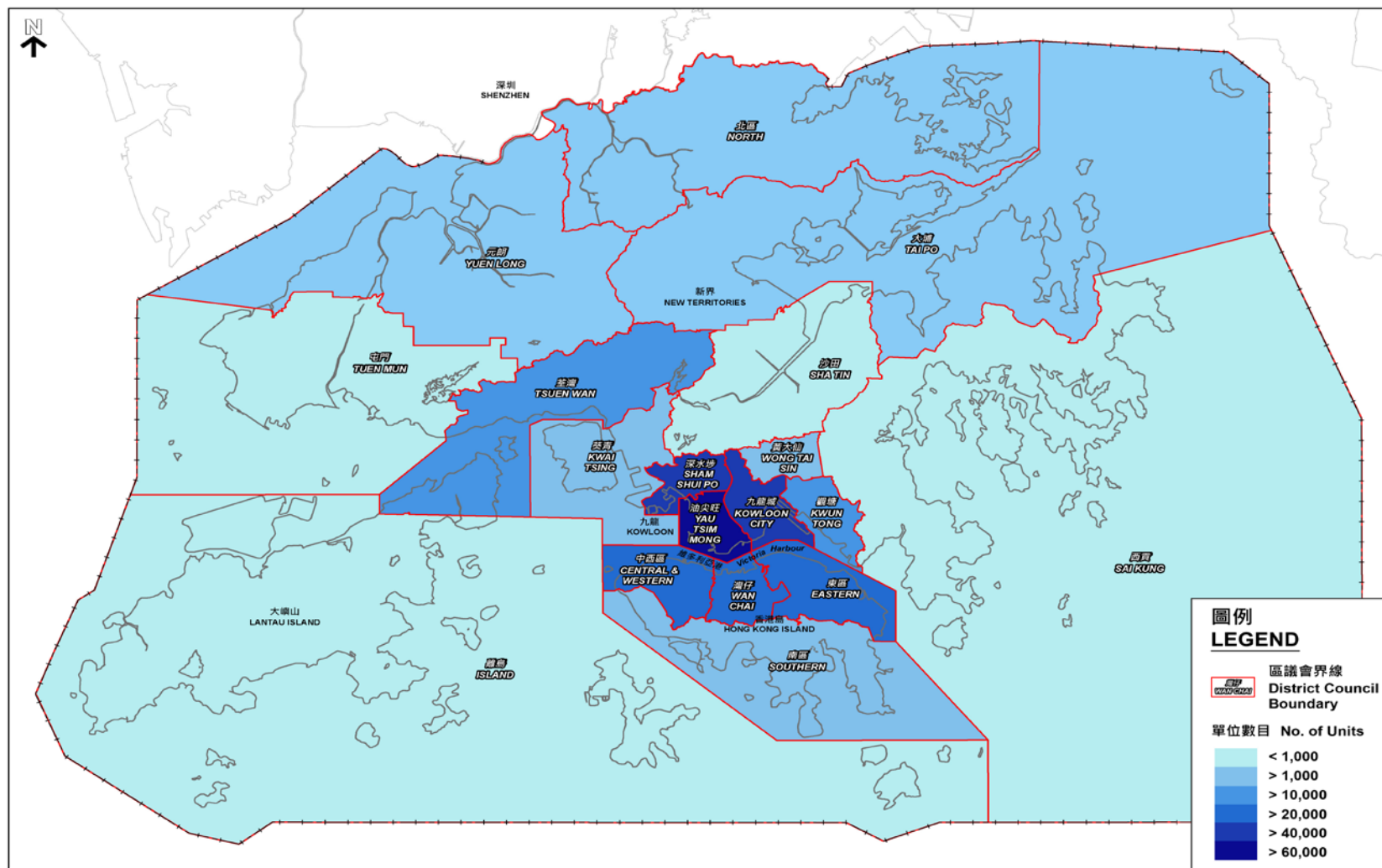
Number of Private Housing Units by Building Age and District Council (as at end 2016)

District Council	Building Age (Years)																Total	
	Below 10		10-19		20-29		30-39		40-49		50-59		60-69		70 or Above			
	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%	No. of Units	%
Central and Western	3 075	3.3	12 591	13.4	25 801	27.5	21 400	22.8	18 424	19.6	11 487	12.2	890	0.9	151	0.2	93 819	100.0
Wan Chai	2 611	4.4	3 924	6.6	10 170	17.0	11 349	19.0	13 680	22.9	16 811	28.1	1 057	1.8	139	0.2	59 741	100.0
Eastern	1 492	1.2	9 913	8.0	30 402	24.5	44 681	36.0	20 142	16.2	16 703	13.5	727	0.6	34	0.0	124 094	100.0
Southern	2 257	5.7	4 591	11.7	15 008	38.2	13 207	33.6	2 498	6.4	1 417	3.6	277	0.7	65	0.2	39 320	100.0
Sham Shui Po	2 522	3.1	13 491	16.6	7 560	9.3	13 486	16.6	19 674	24.3	22 422	27.7	1 788	2.2	135	0.2	81 078	100.0
Kowloon City	3 308	3.1	19 794	18.5	14 464	13.5	17 515	16.3	20 032	18.7	28 744	26.8	3 187	3.0	232	0.2	107 276	100.0
Wong Tai Sin	3 417	17.5	3 359	17.2	2 665	13.6	2 591	13.3	4 317	22.1	3 188	16.3	0	0.0	4	0.0	19 541	100.0
Kwun Tong	607	1.3	559	1.2	14 467	29.8	15 607	32.2	9 439	19.4	7 862	16.2	0	0.0	0	0.0	48 541	100.0
Yau Tsim Mong	7 158	5.9	25 128	20.9	6 433	5.3	13 470	11.2	21 531	17.9	44 962	37.4	1 496	1.2	190	0.2	120 368	100.0
Kwai Tsing	927	2.6	10 483	29.4	5 312	14.9	10 546	29.6	7 809	21.9	459	1.3	126	0.4	2	0.0	35 664	100.0
Tsuen Wan	4 385	5.5	21 217	26.5	25 761	32.2	18 538	23.2	6 669	8.3	3 263	4.1	136	0.2	4	0.0	79 973	100.0
Tuen Mun	2 674	5.2	14 659	28.5	27 528	53.5	5 558	10.8	884	1.7	97	0.2	9	0.0	6	0.0	51 415	100.0
Yuen Long	9 393	13.8	15 006	22.1	25 321	37.3	12 593	18.6	5 060	7.5	368	0.5	90	0.1	36	0.1	67 867	100.0
North	2 076	7.0	9 425	31.8	14 356	48.4	1 115	3.8	1 266	4.3	1 323	4.5	14	0.0	58	0.2	29 633	100.0
Tai Po	2 680	8.6	4 631	14.9	13 298	42.8	7 707	24.8	2 332	7.5	384	1.2	43	0.1	15	0.0	31 090	100.0
Sha Tin	12 854	16.8	12 870	16.8	22 954	30.0	26 814	35.1	867	1.1	59	0.1	4	0.0	11	0.0	76 433	100.0
Sai Kung	5 848	12.2	33 283	69.2	6 321	13.1	1 702	3.5	695	1.4	220	0.5	1	0.0	32	0.1	48 102	100.0
Islands	784	2.8	13 693	48.0	11 389	40.0	2 534	8.9	95	0.3	9	0.0	1	0.0	0	0.0	28 505	100.0
Total	68 068	6.0	228 617	20.0	279 210	24.4	240 413	21.0	155 414	13.6	159 778	14.0	9 846	0.9	1 114	0.1	1 142 460	100.0



Source: PlanD

2016年底私人房屋單位樓齡達40年或以上(按區議會)
Private Housing Units Aged 40 or Above by End 2016 (by District Council)



MSP17/008
17/01/2017