

Memorandum for the Hong Kong Housing Authority

The Latest Position of Chun Yeung Estate

PURPOSE

Following our report to Members on 10 July 2020 (vide Paper No. HA 15/2020), this paper informs Members of the latest situation of Chun Yeung Estate (CYE).

SPECIAL ALLOCATION ARRANGEMENTS FOR PROSPECTIVE PUBLIC RENTAL HOUSING TENANTS OF CHUN YEUNG ESTATE

2. As at 31 July this year, among the about 4 000 prospective tenants of the public rental housing (PRH) units of CYE who have accepted the advance offers of their units under the Modified Advance Allocation Scheme, about 3 100 prospective tenants have chosen to wait for the CYE intake (including about 2 800 households not applying for Interim Housing (IH) and about 300 households applying for temporary accommodation in IH; all those who have applied for IH have been allocated with IH units, of which 160 households have accepted the offers). The remaining some 900 prospective tenants have applied for units of other estates (we have made housing offers to some 800 households, of which about 300 households have accepted the offers).

Blocks 1 to 3 (i.e. Chun Yat House, Chun Yi House and Chun San House) of Chun Yeung Estate

3. We mentioned in Paper No. HA 15/2020 that the Government planned to cease using CYE as a quarantine centre (QC) in end July this year and would hand it over to the Hong Kong Housing Authority (HA). Subject to the detailed inspection and the condition of the blocks and units, we estimated at that time that the intake of prospective tenants of Blocks 1 to 3 might commence gradually in late October this year. However, the COVID-19 epidemic has rapidly deteriorated over the past few weeks, and the situation was severe. The significant increase in both the number of confirmed cases and the

number of close contacts of confirmed cases in Hong Kong has resulted in a huge demand for quarantine facilities. For public health protection, the Government hence considers it necessary to continue to use Blocks 1 to 3 of CYE as QC in the coming months. As such, intake of these three blocks cannot commence in late October this year. The Government has advised that it will keep a close watch on the development of the epidemic situation, review the number of quarantine facilities available and cease the use of these three blocks as QC as soon as practicable. Barring special circumstances, the Government currently estimates that it should be possible to cease using Blocks 1 to 3 of CYE as QC at the end of this year (when the 2 000 quarantine units located at Phase 3 of Penny Bay come into operation). The Government's press release is at **Annex I**.

4. When the Government ceases to use Blocks 1 to 3 of CYE as QC, it will clear and thoroughly disinfect the relevant units before handing them over to HA. We will then inspect the condition of these three blocks and the facilities inside the units in detail, after which we will conduct necessary restoration works and acceptance testing to ensure that every unit meets the specified standard of PRH under HA. We will also, in view of health considerations, replace some of the internal facilities of those units that had been used for quarantine purpose. We estimate that we may need several months to conduct quite a lot of restoration works. The actual time required can only be assessed after we can enter the relevant blocks and units for detailed inspection. According to the above Government's plan of ceasing the use of Blocks 1 to 3 as QC, we estimate that the intake of the prospective tenants of Blocks 1 to 3 may commence gradually at the beginning of the second quarter of 2021 the earliest. We will endeavour to reduce the time required for the restoration works and intake formalities, and to compress the time for completion of each procedure so that prospective tenants can move in by batches as soon as possible.

5. A small number of units in Blocks 4 and 5 of CYE, which are scheduled for intake starting from late August this year, are now available for allocation. We will invite prospective tenants of Blocks 1 to 3 of CYE to consider moving to Blocks 4 and 5 in accordance with the type and number of units available for allocation and the relative priority of the prospective tenants' PRH application registration date. As for those prospective tenants of Blocks 1 to 3 who are not allocated to Blocks 4 and 5, we will actively follow up with the Government with a view to providing relief arrangements under the Anti-Epidemic Fund for these affected prospective tenants later on.

Block 4 (Chun Sze House) and Block 5 (Chun Wu House) of Chun Yeung Estate

6. After the Government handed over Blocks 4 and 5 of CYE to HA, we conducted the necessary restoration works and acceptance testing to ensure that every unit meets the specified standard of PRH under HA, and have also, in view of health considerations, replaced some of the internal facilities of those units that had been used for quarantine purpose. As mentioned in Paper No. HA 15/2020, intake of Blocks 4 and 5 is scheduled to commence gradually in late August. The Estate Office of CYE will soon inform the prospective tenants of the details of the intake formalities separately.

7. According to the Department of Health, during the period when Blocks 1 to 3 of CYE are used as QC, strict quarantine management measures are adopted, which include restricting the persons under quarantine to stay inside the quarantine units. If the persons under quarantine have medical needs, they will be arranged to be taken to the hospital by ambulance from QC direct. In addition, persons under quarantine are not allowed to come into contact with any persons other than the QC and medical staff. We will segregate the QC (Blocks 1 to 3) and the remaining parts of CYE (Blocks 4 and 5 and the Chun Yeung Shopping Centre) by tall partitions. There are also separate pedestrian and vehicular entrances and exits at Blocks 4 and 5 for residents' access to CYE through these separate channels. The above measures can effectively prevent persons and vehicles going to/leaving the QC from entering or exiting the premises of Blocks 4 and 5. Thus, Blocks 4 and 5 are suitable for accommodation. In addition, residents of Blocks 4 and 5 may choose to use Wong Chuk Yeung Street and Kwei Tei Street or the pedestrian route connecting Block 4 and the shopping centre (the pedestrian route is separated from the QC by tall partitions and connected by lifts and elevators to facilitate residents' access) for travelling between Chun Yeung Shopping Centre and the public transport layby (located at the lower level of the shopping centre and connected to Kwei Tei Street). Please refer to the simplified layout plan of CYE at **Annex II**. We also recommend residents of CYE to continue to adhere to the general hygienic measures for the public provided by the Government for epidemic prevention, including wearing masks properly, keeping personal hygiene, performing hand hygiene frequently, and maintaining social distancing.

8. We have written to the prospective tenants concerned informing them of the latest situation of CYE. Furthermore, upon receipt of information from the Food and Health Bureau in July this year about individual units in Blocks 4 and 5 of CYE with confirmed cases of COVID-19, we have already written to the prospective tenants of these two blocks, informing them whether their units involved persons that are confirmed of contracting COVID-19 during the period when CYE is used for quarantine purpose.

ARRANGEMENTS FOR COMMERCIAL LETTINGS

9. Owing to the uncertainty of the intake date, we have earlier made special arrangements for the 17 retail shops and a Single Operator Market (SOM) in Chun Yeung Shopping Centre, offering these successful tenderers an option to withdraw their tenders and receive a full refund of the deposits (vide Paper Nos. CPC 9/2020 and HA 15/2020). Three successful tenderers eventually withdrew their tenders and received refund of their deposits. The re-letting of the three shops has been completed. In view of the upcoming intake of Blocks 4 and 5 of CYE, we will arrange for intake formalities for the prospective tenants of the shopping centre, so that they can carry out renovation and commence operation as early as possible to tie in with the intake of PRH tenants.

10. As the intake of prospective tenants of Blocks 1 to 3 may commence gradually from the beginning of the second quarter of next year at the earliest, we will make special arrangements again to offer commercial tenants an option to withdraw their tenders and receive a full refund of the deposits. We will arrange re-letting of the shops as soon as possible in case the commercial tenants opt to withdraw their tenders.

11. HA has been implementing a rent adjustment scheme for commercial tenants in new estates under its established policy. The monthly rent payable by commercial tenants after the rent free period^{Note 1} is calculated based on the number of flats let as a percentage of the number of flats scheduled for intake in the tender document, and such tenants are entitled to a rent rebate in the range of 15% to 90% of the rent stated in the tenancy agreement^{Note 2}. As the intake of Blocks 1 to 3 of CYE is yet to commence, commercial tenants of Chun Yeung Shopping Centre who opt to complete the intake formalities will enjoy a rent rebate in accordance with the scheme.

Note 1 Under the established policy, commercial tenants are entitled to a rent free period ranging from one to three months based on the internal floor area of the shops.

Note 2 Details of the rent adjustment scheme for new estates are as follows –

<u>Flats already let as percentage of flats scheduled for intake</u>	<u>Rent payable as percentage of rent stated in tenancy agreement</u>
above 90%	100%
above 80% up to 90%	85%
above 70% up to 80%	70%
above 60% up to 70%	60%
above 40% up to 60%	40%
above 20% up to 40%	20%
up to 20%	10%

According to the established mechanism, SOM tenants are required to refund the rent rebates to the stall operators proportionally. Notwithstanding that SOM tenants are not entitled to rent rebates during the rent free period, they are still required to grant individual stall operators, except during the licence fee free period for the stall operators, a concession equivalent to the rent rebate amount under the rent adjustment scheme applied to new estates.

INFORMATION

12. This paper is issued for Members' information.

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c.c. Members of HA Committees/Sub-Committees

File Ref. : HD 4-1/AADM/1-55/21/1
(Strategy Division)

Date of Issue : 18 August 2020

Press Releases

Government announces that intake for Blocks 4 and 5 of Chun Yeung Estate will commence gradually at end of this month

The Government announced today (August 18) that further to its earlier handover of Blocks 4 and 5 (i.e. Chun Sze House and Chun Wu House) of Chun Yeung Estate to the Hong Kong Housing Authority (HA), the intake for these two blocks will commence gradually at the end of this month. The Housing Department (HD) will soon inform prospective tenants of the details of the intake formalities.

As for Blocks 1 to 3 (namely Chun Yat House, Chun Yi House and Chun San House), due to the rapid deterioration of the COVID-19 epidemic and the severe situation over the past few weeks, the significant increases in both the number of confirmed cases and the number of close contacts of confirmed cases in Hong Kong have resulted in huge demand for quarantine facilities. To safeguard public health, the Government considers it necessary to continue to use these three blocks as quarantine centre. The Government will continue to closely monitor the developments of the epidemic situation and review the number of quarantine facilities available, and will cease the use of these three blocks as quarantine centre as soon as practicable. The Government currently estimates that Blocks 1 to 3 of Chun Yeung Estate should be able to cease being used as quarantine centre by the end of this year when the 2 000 quarantine units located in Phase 3 of Penny's Bay Quarantine Centre come into operation. The Government will then clear and thoroughly disinfect the relevant units before handing them over to the HA. The HA estimates that it may need a few months to carry out a considerable amount of restoration work and the intake of the prospective tenants may commence gradually at the beginning of the second quarter of 2021 at the earliest.

The Government deeply understands the disturbance to prospective tenants caused by the latest changes to the intake schedule of Blocks 1 to 3 of Chun Yeung Estate. The Government will actively consider providing further relief arrangements for the affected eligible prospective tenants under the Anti-epidemic Fund, and will notify them separately.

During the period when Blocks 1 to 3 of Chun Yeung Estate are being used as quarantine centre, the Department of Health will adopt strict quarantine management measures, which include restricting the persons under quarantine to stay inside the quarantine units. If the persons under quarantine have medical needs, they will be arranged to be taken to hospital by ambulance from the quarantine centre direct. In addition, persons under quarantine are not allowed to come into contact with any persons other than the quarantine centre staff and medical personnel. The HD will segregate the quarantine centre (Blocks 1 to 3) and the remaining parts of the Estate (Blocks 4 and 5 and the Chun Yeung Shopping Centre) with tall partitions. There are also separate pedestrian and vehicular entrances and exits at Blocks 4 and 5 for residents' access to Chun Yeung Estate through separate channels. The above measures can effectively prevent persons and vehicles going to or leaving the quarantine centre from entering or exiting the premises of Blocks 4 and 5. Thus, Blocks 4 and 5 are suitable for accommodation. The Government also recommends

that residents of Chun Yeung Estate continue to adhere to the general hygiene measures for the public provided by the Government for epidemic prevention, including wearing surgical masks properly, maintaining personal hygiene, performing hand hygiene frequently, and keeping social distance from others as far as possible.

In regard to the above arrangements, the HD will also issue letters to the prospective tenants of Chun Yeung Estate to update them on the latest developments of the intake of the Estate.

The Government deeply understands that the use of the Estate as quarantine centre has caused a great impact and inconvenience for prospective tenants. However, since Hong Kong is facing a new wave of COVID-19 infections, the quarantine centre located in Chun Yeung Estate has been playing a very important and irreplaceable role. The Government would like to express its heartfelt gratitude to all prospective tenants for their patience and understanding.

Ends/Tuesday, August 18, 2020
Issued at HKT 17:53

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(Chinese only)

