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**Memorandum for the Hong Kong Housing Authority  
and its Committees/Sub-Committees**

**Reports from Chairmen of Committees**

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Please find enclosed the reports from Chairmen of the following  
Committees for Members' information –

- (a) Building Committee;
- (b) Commercial Properties Committee;
- (c) Finance Committee;
- (d) Subsidised Housing Committee; and
- (e) Tender Committee.

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(Corporate Services Division)  
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# **Report by Chairman of the Building Committee for 2023/24**

## **INTRODUCTION**

Throughout the year of 2023/24, the Building Committee (BC) made a commendable effort in advancing the planning, design and construction of public housing. BC met 11 times (including one joint meeting of BC and the Tender Committee) and organised two site visits. Altogether, 37 discussion papers, 17 presumption papers and 16 information papers were processed.

## **ISSUES DISCUSSED**

2. The work of BC covers the Hong Kong Housing Authority (HA)'s policies relating to the implementation of the construction and major improvement, renovation and rehabilitation programmes, and the monitoring of progress of these programmes, which are grouped in the following categories –

- (a) endorse programme of activities including new initiatives, monitor their performance and approve the financial targets, service standards and performance measures; and
- (b) approve project budget, master layout plans and scheme designs for public housing projects.

## **PUBLIC HOUSING PRODUCTION**

### **Production in 2023/24**

3. HA completed about 12 100 flats, including around 11 900 public rental housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) units and around 200 other subsidised sale flats (SSFs) in eight projects <sup>Note 1</sup> in 2023/24. HA also completed about 18 400 m<sup>2</sup> gross floor area of retail

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Note 1 The eight projects include seven PRH/GSH projects (Lai Cho Road – Block 1 (Lai Yiu Estate), Diamond Hill Phase 2 – Blocks 3 to 5 (Kai Chuen Court), Tai Po Area 9 – Blocks 6 to 9 (Fu Tip Estate), Tai Po Area 9 – Blocks 2 to 5 (Fu Tip Estate), Ching Hong Road North Phase 1 – Block 1 (Cheung Ching Estate), Ching Hong Road North Phase 2 – Block 2 (Cheung Ching Estate) and Yip Wong Road Phase 1 – Block 4 (Yip Wong Estate)), and one other SSFs project (Java Road – Block A (Kei Wah Court)). Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.

facilities <sup>Note 2</sup> and about 380 parking spaces <sup>Note 3</sup>. Compared with the forecast production as at March 2023 benchmark, the completion of one PRH/GSH project <sup>Note 4</sup> was deferred from 2023/24 to 2024/25 due to contractor's slow progress. HA continues to be vigilant towards the risks which its high construction volume is exposed to in the current operating environment and implement the strategies and initiatives HA has put in place to mitigate them, including the use of labour-saving design and efficient construction methods, innovative technologies, such as Modular Integrated Construction (MiC), off-site prefabrication and construction robotics, and arranged various training and recruitment schemes for workers.

4. A new initiative of Centralised Project Information Management System (CPIMS) (retitled to Housing Authority Project Information Management and Analytics Platform (HA-PIMAP)) was introduced to Members on 30 March 2023. It is developed with a view to enhancing the efficiency and effectiveness in collecting and analysing data throughout the planning, design, construction and handover stages to further facilitate project and construction management in meeting the challenges posed by the substantial increase in public housing developments in the coming years.

### **Commitment of Capital Works**

5. Last year, Members endorsed the scheme design and project budget of 29 projects producing about 67 300 PRH/GSH units and other SSFs <sup>Note 5</sup> with the commitment of capital expenditure of about \$100.159 billion. These projects are scheduled to be completed between the financial years of 2027/28 to 2030/31, and will contribute to meeting the public housing supply target of 216 000 PRH/GSH units and 92 000 other SSFs for the ten-year period from 2024/25 to 2033/34 stated in the Long Term Housing Strategy Annual Progress Report 2023.

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Note 2 In Hang Tai Road and Diamond Hill Phase 2. Figure is rounded to the nearest hundred.

Note 3 In Lai Cho Road, Yip Wong Road Phase 1, Diamond Hill Phase 2, Tai Po Area 9 and Java Road. Figure is rounded to the nearest ten.

Note 4 Redevelopment of Pak Tin Estate Phase 10.

Note 5 Yip On Factory Estate, Sui Fai Factory, 373 Lai Chi Kok Road, Tsuen Nam Road, Choi Shun Street, Fanling Area 48, Pak Shing Kok Road, Wang Cheong Factory Estate, Kai Lung Wan South and North, Kwai On Factory Estate, Queen's Hill Extension, Kam Sheung Road Site 4a Phases 1 and 2, Shap Pat Heung Road, Tung Chung Area 46, Tung Chung Area 23 Phase 1, Long Bin Phases 2 and 3, Tung Chung Areas 133A, 133B and 133C, Tung Chung Area 119, Yau Yue Wan Village Road, Cheung Muk Tau Sites 1 and 2, Yuen Long South Site 2.2 Phase 1 and Phase 2, Ching Hiu Road and Tin Wah Road Phase 1.

## **PROVIDING QUALITY HOMES**

### **Expediting the Development of Housing Units**

6. The Government has identified sufficient land for meeting the supply target of 308 000 public housing units over the next ten years, and HA will continue to take forward these public housing developments.

7. HA will adopt MiC and innovative construction technology more widely to speed up public housing construction. The construction works of HA's MiC projects are in the pipeline with the first MiC module installed on site at Anderson Road Quarry Site R2-7 in July 2023. HA continues to identify projects suitable for MiC application, and adopt Design for Manufacture and Assembly (DfMA) approach for all public housing projects. HA actively adopts technologies to enhance efficiency in construction, including extending the application of Building Information Modelling (BIM), Geographic Information System (GIS) and other innovative technologies such as laser scanning and small unmanned aerial vehicles in the planning, design and construction stages; utilising mobile devices and mobile applications of Development and Construction Site Mobile System (DCSMS) for site supervision to streamline on-site communication and workflow; using construction robotics to address labour shortage; making use of technologies to improve site safety management; and applying and actively exploring MultiTrade Integrated Mechanical, Electrical and Plumbing (MiMEP) for building services installation.

8. Since 2022, HA has been applying the Design-and-Build (D&B) procurement model in suitable projects to cope with the increasing volume of housing production. HA issued tenders for four D&B projects in 2023/24. Following the tender approval of the Tender Committee, Members approved the revised project budget for the D&B projects at Tuen Mun Area 54 Site 4A (South) and Site 5 (involving about 2 500 flats) and Tung Chung Areas 114 and 117 (involving about 5 290 flats) in August 2023 and January 2024 respectively.

### **Promoting Green and Healthy Living**

9. HA continues to promote passive design, energy-saving practices, the use of renewable energy, water conservation and other resource saving measures to create a sustainable living environment. In support of the Government's initiatives to promote the wider use of electric vehicles, all parking spaces for private cars, motorcycles and light goods vehicles in new car parks will be equipped with medium chargers. In addition, two quick chargers for hourly private car parking spaces will be provided for new car parks with a total of 100 or more parking spaces. Since 2011, HA has been installing

grid-connected photovoltaic (PV) systems in new PRH projects and participating in the feed-in tariff schemes launched by electricity supply companies. In 2023/24, HA continued to register new projects with the Hong Kong Green Building Council for assessment under the Building Environmental Assessment Method (BEAM) Plus to foster a quality and sustainable built environment as well as to gain up to the maximum allowable Gross Floor Area concession in relevant projects under the Buildings Department (BD)'s Sustainable Building Design Guidelines. The 11 projects which have obtained BEAM Plus Certification for New Buildings during the year are set out at **Annex A**.

## **Building Control**

10. The Independent Checking Unit (ICU) continues to exercise dual building control functions with regard to new public housing development projects and existing buildings developed by HA, including –

- (a) administrative building control over new public housing development projects, and existing buildings in PRH estates without any part sold or divested, which are not subject to the Buildings Ordinance (BO), by applying standards and practices parallel to that of BD; and
- (b) statutory building control under delegated authority from the Building Authority (i.e. the Director of Buildings) over those properties which are subject to BO, including properties in PRH estates with divested retail and/or car parking facilities, and properties with SSFs sold by HA under various schemes.

11. Besides, the Lift Inspection Focus Team continues to monitor the use and operation of HA's lifts and escalators for risk management and enhancing the compliance with the Lifts and Escalators Ordinance (Cap. 618).

12. ICU continues to operate and enhance its electronic submission and processing system, namely the "Housing Electronic Plan Submission System" (HePlan), in handling building and structural plans and exercising building control in HA's new development projects and existing buildings. Preparation work for further enhancement of HePlan for BO cases of alterations and additions works is in progress. ICU has also developed and implemented the "Housing Electronic Checking System for Test Reports" (HeCheck) adopting artificial intelligence technology to enhance the efficiency and accuracy of checking any non-compliance in test reports of concrete and reinforcement. In 2023/24, HeCheck has successfully processed nearly 42 000 test reports with satisfactory results.

## Site Safety

13. The Department continues to implement HA's Site Safety Strategy in new works construction contracts, maintenance and improvement (M&I) works contracts, property services agents and cleansing and security service contracts. HA sets goals at an accident rate of no more than eight industrial accidents per 1 000 workers and zero fatal industrial accident. Accident rates of 5.2 <sup>Note 6</sup> per 1 000 workers for new works contracts and 0.7 per 1 000 workers for maintenance works contracts were achieved in 2023, which are lower than the average industry accident rate of 27.6 per 1 000 workers. One fatal industrial accident occurred in HA's new works contracts and no fatal industrial accident occurred in HA's maintenance works contracts in 2023. HA continues to put emphasis on site safety to drive contractors for higher site safety standard.

14. During the year, HA has taken steps to strengthen the safety management systems to further improve safety performance of both new works and M&I works sites, including –

- (a) contract specifications were enhanced to cover more smart site safety systems and enhancements to site safety and health provisions to improve site safety management and promulgated in December 2023;
- (b) the Housing Authority Safety Auditing System (HASAS), the Housing Authority Lift and Escalator Nominated Subcontracts Safety Auditing System (HALENSAS) and the Surprise Safety Inspection Programme (SSIP) were conducted to tighten vigilance on high risk operations;
- (c) HASAS (Maintenance & Improvement) measures were enhanced with increased surprise checks to drive motivation of maintenance contractors for enhancing the safety performance. Induction training materials of accident sharing are reviewed annually;
- (d) the five-year site safety PASSPORT training programmes for new works staff were reviewed and enhanced by incorporation of experiential safety training in 2023; and

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Note 6 Annual accident rate is based on accident statistics of 2023 received on 30 April 2024 from the Labour Department (LD) which were compiled on the basis of calendar year.

- (e) annual safety forum, seminars, workshops, lunchtime talks and meetings were held to keep the works contractors, property management contractors and frontline staff updated about safety legislation, contract requirements and innovative safety measures.

## **OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES**

### **Prolonging the Useful Life of Aged Estates**

15. For aged PRH estates, HA continues to implement various programmes and measures to upkeep or improve the building conditions and provide residents with a safe and suitable living environment. These include the Comprehensive Structural Investigation Programme (CSIP), the Estate Improvement Programme (EIP), the Total Maintenance Scheme (TMS) and the Responsive In-flat Maintenance Services (RIMS). CSIP aims to ascertain structural safety and financial sustainability to maintain aged PRH estates for at least 15 years. Under EIP, while preserving a familiar and harmonious environment, new facilities and provisions were added in phases to enable aged estates to better serve the residents' needs. Regarding the in-flat areas, HA has been proactively providing tenants with in-flat inspections and necessary maintenance services through TMS. In parallel, HA has implemented RIMS to promptly respond to tenants' works requests, closely liaise with tenants and provide in-flat maintenance services to tenants.

### **Redevelopment of Aged Estates**

#### **Wah Fu Estate**

16. Proceeding with the redevelopment of Wah Fu Estate (WFE), HA announced the phased clearance and rehousing arrangement for Phase 1a on 14 March 2024, and the existing tenants will be rehoused to the major reception estates in the vicinity in three phases. Major reception estates at the five Pok Fu Lam South sites will provide a total of about 8 920 public housing units, and the number of flats in new WFE is expected to be about 12 200 after redevelopment. Upon completion of the whole redevelopment of WFE, a total of about 21 120 flats will be provided.

## **Sai Wan Estate and Ma Tau Wai Estate**

17. In the 2021 Policy Address, HA was invited to examine the redevelopment of Sai Wan Estate (SWE) and Ma Tau Wai Estate (MTWE) and to consider the possibility of enlarging the redevelopment sites by incorporating nearby land to maximise the housing yield. Public housing development at Ka Wai Man Road Phase 1 (KWMR) and To Kwa Wan Road (TKWR) (currently partially occupied by the Agriculture, Fisheries and Conservation Department as animal management centre) are identified as suitable rehousing resources to kick start the redevelopment of SWE and MTWE respectively. Members approved the scheme design and project budget of KWMR and TKWR in May 2022 and March 2023 respectively.

## **Choi Hung Estate**

18. The Government announced to initiate the redevelopment study of Choi Hung Estate in December 2023. HA has been carrying out the engagement of different stake-holders including local residents, schools, non-governmental organisations, retail tenants, residents' associations and political groups since January 2024. On-site display corner 「彩虹生活館」 has been opened since 26 March 2024. Community engagement activities are scheduled in the coming year including issuance of newsletter to local residents, engagement workshops, fun fair event and District Council consultation. Mei Tung Estate (MTE) was identified as a suitable reception site for rehousing arrangement and Members approved its scheme design and project budget in August 2020.

## **Redeveloping HA's Factory Estates**

19. Construction works for the redevelopment of four factory estates, namely, Sui Fai, Yip On, Wang Cheong and Kwai On, into public housing developments have started. The four sites are expected to provide over 5 000 units starting from 2028.

## **Cost Yardsticks and Project Budgets**

20. Construction Cost Yardsticks (CCY) are updated annually in June to serve as a reference for preparing Project Construction Cost Ceilings, project budgets, and five-year construction expenditure budgets and forecasts for projects under planning. Half-year review is also carried out to track cost trends with better accuracy. The June 2023 CCY for the superstructure of HA's PRH/GSH and other SSFs domestic blocks had been increased by 6.8% and 7.1% respectively over the June 2022 CCY mainly due to the increase in the cost of materials and the cost of labour in some trades since June 2022. The half-year review conducted in December 2023 indicated that there was a rise in tender price

level of +2.5% to the superstructure construction cost of both PRH/GSH and other SSFs domestic blocks as compared with those of the June 2023 CCY. The increase was mainly attributed to increase in the costs of materials and labour in some trades.

21. The Department closely monitors the adequacy of project budgets. During the year, Members approved the revised project budgets for 15 projects due to design development and refinements, increase in flat production, adoption of MiC, adjustment of provisional sums for contract price fluctuation, etc. The Department continues to closely monitor cost trends and manage our project budgets in a timely manner to ensure smooth delivery of the public housing programme.

### **Bench-marking of Construction Cost**

22. The average construction cost of the superstructure of HA's rental domestic buildings is about 44% <sup>Note 7</sup> lower than that of high rise residential buildings of "average standard" in the private sector. This is attributed to economies of scale, mechanised construction methods, optimised structural design and a lean specification on finishes and fittings with emphasis on quality being fitness for purpose. Quality of design and construction, however, is strictly maintained for long term durability.

### **AWARDS RECEIVED**

23. In 2023/24, HA was honoured to receive a number of awards and corporate environmental, safety awards and labels. The details are summarised in **Annex B**.

### **FINANCIAL PERFORMANCE**

#### **Construction Expenditure**

24. The provisional construction expenditure for the year ended 31 March 2024 amounted to \$21,806 million, which was lower than the revised budget of \$21,904 million by \$818 million, mainly due to construction programme adjustments under some projects.

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Note 7 The comparison is based on the construction cost data published by our consultant for 4th Quarter 2022 for high rise residential buildings of "average standard" in private housing estates at the time of preparing the year-end performance review of the Programme of Activities for Development and Construction in 2022/23.

## **Building Control (by Independent Checking Unit)**

25. The 2023/24 provisional expenditure for Building Control was \$248 million, which was \$13 million lower than the revised budget of \$261 million. The variance was mainly due to the lower than budgeted personal emoluments.

## **WAY FORWARD**

26. We will continue to collaborate with stakeholders on all fronts to further enhance the delivery process of public housing. In meeting the housing production target in the coming years, we will continue to uphold HA's core values of caring, committed, customer-focused and creative in serving the community, striving for innovations and making effective use of resources in an environment-friendly manner.

## **CONCLUSION**

27. I thank all BC Members and staff of the Department for their valuable contributions and unfailing support to the work of BC during the past year.

Johnnie Casire CHAN Chi-kau  
Chairman, Building Committee

**Achievement in BEAM Plus Certification for New Buildings in 2023/24**

<b>Rating</b>	<b>Scheme</b>	<b>Project</b>
Gold Rating in the Provisional Assessment	BEAM Plus Version 1.2 for New Buildings	Public Housing Development at San Kwai Street, Kwai Chung
Gold Rating in the Provisional Assessment	BEAM Plus Version 2.0 for New Buildings	Public Housing Development at Wu Shan Road, Tuen Mun
		Public Housing Development at Kwu Tung North Area 19 Phase 1A and Phase 1B
		Public Housing Development at Fanling North Area 15 East (Phase 1)
		Public Housing Development at Tung Chung Area 103
		Public Housing Development at Anderson Road Quarry Site R2-6
		Public Housing Development at Anderson Road Quarry Site R2-7
Platinum Rating in the Final Assessment	BEAM Plus Version 1.2 for New Buildings	Public Rental Housing Development at Queen's Hill Site 1 Phase 2, Fanling
		Public Rental Housing Development at Queen's Hill Site 1 Phase 1 and Phase 5, Fanling
Gold Rating in the Final Assessment	BEAM Plus Version 1.2 for New Buildings	Subsidised Sale Flats Development at Queen's Hill Site 1 Phase 3, Fanling (Shan Lai Court)
		Queens Hill Community Complex, Fanling

**Project Related Local Awards**

<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
<b>Development and Construction Division</b>		
Hong Kong Institute of Project Management – Project Management Achievement Awards 2023	Public Housing Development at Tuen Mun Area 54 Sites 3 & 4 (East) (Ching Tin Estate)	Construction/Engineering Project – Winner
Hong Kong Institute of Project Management – Project Management Achievement Awards 2023	Public Housing Development at Queen’s Hill Site 1, Fanling	Sustainable Project – Winner
Construction Industry Council – CIC Sustainable Construction Award 2023	Public Housing Development at Tung Chung Area 99	Organisations Category – Project Owner (Public Sector) – Silver Award
		Organisations Category – Project Owner (Public Sector) – Smart Sustainability Award
		Industry Practitioners Category – Construction Manager – Outstanding Award
Co-organised by the Hong Kong Green Building Council and the Professional Green Building Council – Green Building Award 2023	Public Housing Development at Queen’s Hill, Fanling	New Buildings Category (Completed Projects – Residential Building) – Grand Award and Special Citation on United Nations Sustainable Development Goals
Co-organised by the Hong Kong Green Building Council and BEAM Society Limited – The Highest Score in Passive Design Route Year 2022/23	Public Rental Housing Development at Queen’s Hill Site 1 Phase 2, Fanling	Residential Category – Environmental – The Highest Score
Co-organised by the Hong Kong Green Building Council and BEAM Society Limited – The Highest Score in Passive Design Route Year 2022/23	Hoi Tak Court Subsidised Sale Flats Development at Fat Tseung Street West	Residential Category – Environmental – The Highest Score

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<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
Co-organised by the Hong Kong Green Building Council and BEAM Society Limited – The Most Active Participation in BEAM Plus New Buildings – Year 2022/23	The Hong Kong Housing Authority	Environmental – The Most Active Participation
Hong Kong Green Building Council – BEAM Plus Certificate Presentaton Ceremony 2023 – New Buildings	Public Rental Housing Development at Queen’s Hill Site 1 Phase 2, Fanling	Residential Category – The Highest Score in Passive Design Route
Hong Kong Green Building Council – Green Building Award 2023	Hoi Tat Street – Public Housing Development at Northwest Kowloon Reclamation Site 6	New Building Category (Completed Projects – Residential) – Finalist
Autodesk Far East Limited – Autodesk Hong Kong BIM Awards 2023	BIM – enabled Systematic Approach to Foundation Design (BIM-SAFD) 2.0	Professional Category (Building Design) – Industry Influencer Award
Autodesk Far East Limited – Autodesk Hong Kong BIM Awards 2023	BIM – SMA <sup>RT</sup> Revolutionising Public Housing Design with the power of Artificial Intelligence	Professional Category (Building Design) – Honorable Mention
The Hong Kong Institute of Building Information Modelling (HKIBIM) – HKIBIM Awards 2023	Construction of Public Housing Development at Wang Chiu Road Phase 1	Statutory Bodies Projects – Silver Award
The Hong Kong Institute of Building Information Modelling (HKIBIM) – HKIBIM Awards 2023	Innovative Use of Computational Design – A Public Housing Design Perspective	BIM projects (BIM initiatives) – Grand Award
Hong Kong Alliance of Built Asset and Environment Information Management Associations – Hong Kong openBIM/ openGIS Award 2023	Centralised Project Information Management System (CPIMS) for use in the public housing project of Yip Wong Road Phases 1 and 2	Project Category – Grand Award
Global Smart Cities Summit cum The 3rd International Conference on Urban Informatics – Smart City Technology Innovation Award	Housing Authority Project Information Management and Analytic Platform (HA-PIMAP)	Technology Innovation – Silver Medal

<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
World Institute of Sustainable Development Planners – Hong Kong Sustainable Development Innovation and Technology Award	1. MiC, 2. HA-PIMAP, and 3. Construction Robots	Technology Innovation – Excellent Award in Green Building Innovation and Technology Category
Hong Kong Intitution of Acoustic – HKIOA Acoustics Awards 2023	Application of Enhanced Acoustic Balcony for Public Housing Developments in Hong Kong	Environmental Noise – Silver Award
<b>Contractor</b>		
Labour Department – Construction Industry Safety Award Scheme 2023/2024	Foundation for Public Housing Development at San Wan Road Fanling by Sunley Engineering & Construction Co., Ltd	Civil Engineering Sites – Meritorious Award
Labour Department – Construction Industry Safety Award Scheme 2023/2024	Construction of Public Housing Development at Ching Hong Road North, Tsing Yi, Phase 1 and Phase 2 by China State Construction Engineering (Hong Kong) Limited	Building Works (Public Sector) – Meritorious Award
Occupational Safety and Health Council – The 18th Occupational Health Award 2022-23	Foundation and Site Formation for Public Housing Development at Tai Wo Hau Road Phases 1 & 2 by Kin Wing Engineering Company Limited	Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Outstanding Award
Occupational Safety and Health Council – The 18th Occupational Health Award 2022-23	Foundation and Demolition for Public Housing Redevelopment at Pak Tin Estate Phases 12 & 13 by China State Construction Engineering (HK) Limited	Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Merit Award
Occupational Safety and Health Council – The 18th Occupational Health Award 2022-23	Construction of Public Housing Development at Anderson Road Quarry Site RS-1 by Shui On Building Contractors Limited	Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Merit Award

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<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
Occupational Safety and Health Council – The 18th Occupational Health Award 2022-23	Construction of Public Housing Development at Anderson Road Quarry Site R2-8 by Unistress Building Construction Limited	Hearing Conservation Best Practices Award – Excellence Award
Occupational Safety and Health Council – The 18th Occupational Health Award 2022-23	Construction of Public Housing Development at Anderson Road Quarry Site R2-8 by Unistress Building Construction Limited	Hearing Conservation Best Practices Award – Innovative Improvement Measures Award
Occupational Safety & Health Council – The 24th Construction Safety Award	Construction of Public Vehicle Park at Sheung Shui Areas 4 and 30 Site 2 Phase 1	Best Safety Enhancement Program for Working at Height and Working above Ground – Certificate of Attainment
Occupational Safety & Health Council – The 24th Construction Safety Award	Construction of Public Housing Development at Hang Tai Road, Ma On Shan Area 86B Phase 2 by China State Construction Engineering (HK) Limited	Best Method Statement – Certificate of Attainment
Occupational Safety & Health Council – Heart Caring Campaign “The Heart Caring Organization Award”		Outstanding Power Operated Elevating Platform Worker – Merit Award
Occupational Safety & Health Council – Heart Caring Campaign “The Heart Caring Organization Award”		Heart Caring Company
Occupational Safety & Health Council – The 24th Construction Safety Award	Construction of Public Housing at Tung Chung Area 99, Tung Chung by Yau Lee Construction Company Limited	Outstanding Lifting Operation Team in Occupational Safety and Health – Bronze Award
Occupational Safety & Health Council – The 22nd Hong Kong Occupational Safety & Health Award	Construction of Public Housing Development at Anderson Road Quarry Site R2-5 by Yau Lee Construction Company Limited	Best Program for Work Safety & Health in Hot Weather Award (Construction Industry) – Bronze Award

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<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
Occupational Safety & Health Council – The 22nd Hong Kong Occupational Safety & Health Award	Foundation and Demolition for Public Housing Redevelopment at Pak Tin Estate Phases 12 and 13 by China State Construction Engineering (Hong Kong) Limited	Safety Performance Award– Construction Industry– Rookie Safety Performance Award – Outstanding Award
Occupational Safety & Health Council – The 22nd Hong Kong Occupational Safety & Health Award	Foundation for Public Housing Development at San Wan Road, Fanling by Sunley Engineering & Construction Co., Ltd.	Best Program for Work Safety & Health in Hot Weather Award (Construction Industry) – Certificate of Attainment
Construction Industry Council – Life First 2023 Walk The Talk Award	Construction of Public Housing Development at Hin Fat Lane, Tuen Mun by Hanison Construction Company Limited	Life First 2023 Quiz Competition – Silver Award
Construction Industry Council – Life First 2023 Walk The Talk Award	Construction of Public Housing Development at Yip Wong Road Phase 1 and Phase 2 by Able Engineering Company Limited	Life First 2023 Quiz Competition – Excellence Award
Construction Industry Council – Life First 2023 Walk The Talk Award	Construction of Public Housing Development at Hang Tai Road, Ma On Shan Area 86B Phase 2 by China State Construction Engineering (HK) Limited	Life First 2023 Walk the Talk Award – Merit Award
Construction Industry Council – Life First 2023 Walk The Talk Award	Foundation and Site Formation for Public Housing Development at Tai Wo Hau Road Phases 1 & 2 by Kin Wing Engineering Company Limited	Life First 2023 Walk the Talk Award – Merit Award
Hong Kong Construction Association – HKCA Construction Safety Award 2023	Construction of Public Housing Development at Chiu Shun Road, Tseung Kwan O by Paul Y. General Contractors Limitd	HKCA Proactive Safety Contractor Award
		HKCA Safe Supervisor Award
		HKCA Safe Person-in-Charge Award

<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
Hong Kong Institute of Real Estate Administrators – Project Management “Construction Management (Public Housing) Award” 2023	Construction of Public Housing Development at Ching Hong Road North, Tsing Yi, Phase 1 and Phase 2 by China State Construction Engineering (HK) Limited	Project Management Construction Management (Public Housing) Award – Certificate of Attainment
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Construction of Public Rental Housing Development Phases 1 & 2 and Subsidised Sale Flats Development at Diamond Hill Comprehensive Development Area by Sun Fook Kong Construction Limited	New Works Project – Best Site Safety – Safety Innovation Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Construction of Public Housing Development at Chai Wan Road, Chai Wan by Shui On Building Contractors Limited	New Works Project – Best Site Safety – Completed Project Site Safety – Building Award & Safety Innovation Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Construction of Public Housing Development at Chui Shun Road, Tseung Kwan O by Paul Y. Contractors Limited	New Works Project – Best Site Safety – Safety Innovation Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Foundation for Public Housing Development at Tung Chung Area 109 by China State Construction Engineering (Hong Kong) Limited	New Works Project – Best Site Safety – Completed Project Site Safety – Foundation/Civil Engineering Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Construction of Public Housing Development at Tsing Hung Road, Tsing Yi by China State Construction Engineering (Hong Kong) Limited	New Works Project – Best Site Safety – Timely Report of Near Miss Incident (Completed and Active Contracts) – Building Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Construction of Public Housing Development at Lei Yue Mun Phase 4 by China State Construction Engineering (Hong Kong) Limited	New Works Project – Best Site Safety – Timely Report of Near Miss Incident (Completed and Active Contracts) – Building Award

<b>Organiser/Award Title</b>	<b>Project/Research Topic</b>	<b>Category and Level Attained</b>
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Foundation for Public Housing Development at Kai Tak Site 2B2 by Kin Wing Engineering Company Limited	New Works Project – Best Site Safety – Timely Report of Near Miss Incident (Completed and Active Contracts) – Foundation/Civil Award
Hong Kong Housing Authority – Quality Public Housing Construction and Maintenance Awards 2023	Foundation and Demolition for Public Housing Development at Pak Tin Estate, Phase 12 and 13 by China State Construction Engineering (Hong Kong) Limited	New Works Project – Best Site Safety – Timely Report of Near Miss Incident (Completed and Active Contracts) – Foundation/Civil Award

## **Report by Chairman of the Commercial Properties Committee for 2023/24**

### **INTRODUCTION**

The Commercial Properties Committee (CPC) met four times during the year. In June 2023, Members conducted site visit to a Hong Kong Housing Authority (HA)'s new shopping centre and attended its grand opening ceremony and also visited the flagship shopping centre of HA that had recently introduced some new shops and had undergone asset enhancement works. In response to the challenging economic climate caused by the COVID-19 pandemic, HA extended rent concessions for its eligible non-domestic tenants until December 2023 and implemented various leasing and promotion initiatives to improve the business environment of its retail facilities. The Department also proactively identified opportunities for enhancement, conducted feasibility studies and improvement works as part of the five-year rolling programme for asset enhancement of HA's retail and car parking (RC) facilities.

### **HA's RETAIL FACILITIES**

#### **New Developments**

2. New retail facilities in Yan On Shopping Centre (Phase 2) and Kai Chuen Shopping Centre (Phase 2) were completed during the year. As at the end of March 2024, the total internal floor area (IFA) of HA's retail portfolio was about 306 000 m<sup>2</sup>.

#### ***Leasing Strategies***

3. We adopted a flexible marketing and leasing strategy in the management of our retail facilities to ensure an effective response to ever-changing market trends and customer expectations with a view to providing more shopping choice and variety of services to the residents and local community. For new retail facilities such as Kai Chuen Shopping Centre, we proactively devised strategic leasing plans well in advance, aiming to prioritise core businesses in the trade mix to address the essential needs of local residents upon intake.

## **Existing Retail Facilities**

### ***Enhancement of Trade Mix***

4. During the year, we continued to review and widen the trade mix of existing retail facilities in line with the market trends. We have been actively bringing in a wide range of popular brand name tenants to achieve not only a well-balanced but also diverse shopping choices in HA's shopping centres, making our retail facilities a good shopping place for the local community.

5. For Domain, HA's flagship shopping centre, we focused on improving its trade and tenant mix through proactive strategies in tenancy renewal and well-planned shop leasing initiatives. To offer more dining choices, a Korean BBQ restaurant was replaced by a renowned Taiwanese restaurant in October 2023. In addition, a new shop offering variety of preserved food, confectionery and groceries was introduced in August 2023 further enhancing Domain's trade mix. In order to bring a refreshed look to Domain and enhance its popularity, we transformed the food court into a food zone namely "Deli@Domain", with five new food and beverage outlets and one retail shop. In March 2024, the Letting Panel endorsed the introduction of two popular restaurants, a Shabu Shabu and Sukiyaki specialty store and a sushi chained restaurant which is Japan's first kaiten (revolving lane) sushi brand from Osaka, at Deli@Domain. These renowned restaurants would be appealing to youngsters and young families, they would help attract patronage from a wider catchment population and improve the marketability of other shops in Domain. The design of these new restaurants would also align with the trendy and chic image of Domain.

### ***Vacancy***

6. Although the Hong Kong economy staged a recovery in the aftermath of the pandemic, retail sentiment remained weak due to changing shopping habits of local residents with the growing popularity of online purchase and going north for consumption. We adopted proactive measures in marketing and maintained the flexible approach in letting of retail facilities in order to mitigate the impact. The vacancy rate of retail premises as at the end of March 2024 was about 3%. Noting that the business mode of certain trades such as supermarkets and restaurants had changed recently resulting in a reduction in the shop areas required, in case tenants of the concerned trades request to align with market trend and reduce their leased area to lower the rental pressure, we would consider their requests and provide necessary assistance. Moreover, we would closely monitor the business operation of HA's retail facilities in order to maintain the provision of goods and services to meet the daily needs of our residents.

## **ISSUES DISCUSSED**

### **Asset Enhancement of HA's Retail and Car Parking Facilities**

7. Since 2011, the Department has formulated a five-year rolling programme for prioritising asset enhancement of HA's RC facilities with a view to enhancing their potential and business environment as well as to meet residents' needs. Based on the Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis of HA's commercial portfolio, we have identified a number of suitable RC facilities for further feasibility studies and asset enhancement. These enhancements involved major improvement works, trade mix re-designation and usage conversion according to the priority set.

8. To roll forward the programme, the Department continued its efforts to identify new enhancement opportunities and implement the earmarked projects. Taking into account the results of the SWOT analyses conducted by the Department, we endorsed in May 2023 to earmark Lung Poon Court and Cheung Sha Wan Estate for inclusion under the programme. The Department would conduct further studies to explore the feasibility of additional retail provisions in Cheung Sha Wan Estate as well as improvement works for the existing retail premises in Lung Poon Court. Besides, improvement works in Yau Lai Shopping Centre was completed during the year while those for Mei Tin Shopping Centre, Upper Ngau Tau Kok Estate, Choi Wan (II) Estate, Shui Pin Wai Estate, Shek Yam (East) Estate as well as Tung Wui Estate were in good progress. The Department will assess the effectiveness of completed projects in terms of financial returns and payback periods after completion of the improvement works, with a view to ensuring the optimal utilisation of resources. In May 2023, the Department reported the effectiveness of two completed projects, including the major improvement works conducted at Pok Hong Market and the creation of additional spaces for Choi Ying Place. Both projects were successfully completed in 2022.

### **Carparks**

#### ***Carparks Management Services***

9. As at the end of March 2024, HA had a portfolio of 194 carparks, providing about 34 000 parking spaces. The management of 118 carparks has been outsourced to carpark operators through management contracts, while the rest are managed by the Department's staff and other property management agents. To improve cost effectiveness and user-friendliness, automation and electronic payment system have been implemented in most of the carparks. We also launched in September 2023 the e-application and e-ballot services of application for monthly parking spaces in HA's carparks which is time saving, without locality constraints and would enhance transparency of the drawing process.

### ***Carpark Charges***

10. HA charges fees at market level for its parking spaces, and the fees are reviewed annually and will take effect on 1 January of the following year. In reviewing the charges, reference is made to the carpark charges of other public bodies and comparable private sector. Having regard to the trend of market charges according to the result of market research, we approved a mild increase in HA's monthly and hourly carpark charges with effect from 1 January 2024.

### ***Maximising the Usage of Carparks and Increasing Parking Spaces***

11. The Department continued to implement various measures aimed at maximising the utilisation of HA's car parking facilities, including re-designation of surplus parking spaces for a particular type of vehicle to other types of vehicle in demand, conversion of surplus monthly parking spaces for hourly parking to meet the demand, adopting floating parking system in some carparks with hourly parking to enable the sale of more monthly tickets and letting surplus parking spaces to non-residents upon obtaining necessary permissions, etc. Through the implementation of such measures coupled with the increasing demand for parking spaces, the overall occupancy rate of HA's parking spaces has been maintained at a high level of around 98% as at the end of March 2024.

12. In response to the keen demand for car parking spaces, the Department has been seeking opportunities for creating additional parking spaces in HA's existing carparks subject to technical feasibility and necessary approvals. As at March 2024, a total of 327 additional parking spaces had been created in 39 estates by making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc.

### ***Provision of Electric Vehicle Charging Facilities***

13. In complement with the Government's initiative to promote the wider use of electric vehicles (EVs), HA has been actively providing EV charging facilities in its carparks since 2011. In collaboration with power companies, EV charging facilities had been installed at hourly private car (PC) parking spaces in some HA's existing carparks. Continuation of a nominal licence fee of \$1 per annum has been approved for these EV charging facilities for 2024 and market licence fee will be imposed upon commencement of imposing EV charging fees by utility companies for these charging facilities.

14. Since 2013, HA has been providing EV charging facilities in the carparks in new public housing developments in accordance with the Hong Kong Planning Standards and Guidelines. Currently, all the PC, motorcycle and light goods vehicle parking spaces in new carparks would be provided with medium chargers and two quick chargers would be installed at hourly PC parking spaces for new carparks with not less than 100 parking spaces.

15. In May 2022, we endorsed the Department's plan to expand the provision of EV charging facilities in HA's existing carparks progressively by phases in support of Government's long-term policy objectives and plans to promote the adoption of EVs in Hong Kong. The Department had confirmed the feasibility of providing an addition of 5 000 medium charging facilities in the existing carparks by end 2025 and had commenced site works at individual carparks. As at the end of March 2024, HA has provided EV chargers at about 650 hourly parking spaces and about 1 680 monthly PC parking spaces in about 100 carparks.

16. In March 2024, CPC approved the arrangements for implementing fee-paying charging services in HA's hourly parking spaces in support of the Government's initiative to marketise EV charging services, so as to promote sustainable development of EV charging services in the long run. Starting from 1 April 2024, HA had imposed \$20 hourly EV charging fees for medium chargers installed at its hourly parking. HA will review the hourly charge annually and the approved charges will take effect from January 1 of the following year.

### **Factory Estates**

17. There are two factory estates under HA, namely Chun Shing and Hoi Tai Factory Estates, providing about 3 400 units of suitable sizes for manufacturers of light industries. Due to persistent and strong market demand for such units, the occupancy rate had all along been maintained at a high level.

### **Telecommunications Installations**

18. According to established policy, the charges for telecommunications installations at HA's properties are set at market level and reviewed annually. Having regard to available market evidence showing an increase in charges for similar installations in private properties since the last review as well as the gradual growth of the telecommunications business, CPC approved to increase the charges by 4.2% to 5.3% for different types of telecommunications installations with effect from 1 April 2024, bringing an anticipated increase in annual income of around \$5.6 million in the coming year.

## **Rent Concession Measures for HA's Non-domestic Tenants**

19. In line with the Government's measures to support enterprises and to relieve the financial burden of people, HA had implemented multiple rounds of rent concessions for its eligible retail and factory tenants. A 50% rent concession was granted to eligible non-domestic tenants for six months from 1 October 2019 to 31 March 2020, which was subsequently extended to 75% for another 39 months from 1 April 2020 to 30 June 2023. From 1 July to 31 December 2023, the rent concession was extended further for six months, with the concession amount adjusted to 50%. For prudent use of HA's resources, the grant of rent concession for supermarkets/superstores was subject to tenants' application and production of proof of sales drop starting from 1 October 2021. And from 1 October 2022 onwards, the grant of rent concession for convenience stores, personal stores and fresh/chilled/frozen food stores was also subject to tenants' application and production of proof of sales drop in view of their similar business nature as supermarkets/superstores. Taken together, the total rent concession period covered 51 months, with the concession amount reaching 75% for most of the time during the period. The total rent foregone for rent concessions granted by HA for the 51-month period from 1 October 2019 to 31 December 2023 was estimated to be around \$5,220 million.

## **Rates Concession Exercise for Non-domestic Premises**

20. In line with the Government's measures to waive rates for the first quarter of financial year of 2024/25, we approved the arrangements to pass on the rates concession to eligible non-domestic tenants/licensees on a "no-loss-no-gain" principle subject to a ceiling of \$1,000 for each rateable non-domestic property.

## **Review of Ex-gratia Allowance for Commercial Tenants Affected by Redevelopment/Clearance**

21. To ease the impact on commercial tenants affected by HA's redevelopment/clearance of public rental housing (PRH) estates and to facilitate the smooth implementation of the redevelopment/clearance exercises, it has been the established practice to offer eligible commercial tenants an ex-gratia allowance (EGA) and restricted tender opportunity to lease shopstalls in HA's markets or a lump sum payment (LSP) in lieu to them. In December 2023, we approved to maintain the rate of EGA payable to eligible commercial tenants paying market rent under fixed term tenancies at 15 times of the monthly exclusive rent as specified in the tenancy agreement on the date of formal announcement of the clearance exercise and to maintain the rate of LSP at \$125,000 with announcement date of clearance exercise falling within the two-year period commencing from 1 January 2024.

## **Use of Recovered Mutual Aid Committee Offices**

22. Upon the dissolution of Mutual Aid Committee (MAC), we had conducted feasibility studies on the future usage of about 1 200 recovered MAC offices and identified that these spaces could be converted into domestic use, internal estate use, used as Municipal Solid Waste service rooms, let to the District Services and Community Care Teams (Care Teams) and to the non-profit-making organisations (NPOs) engaged by the Environmental Protection Department (EPD) for setting up mini-recycling stores. The allocation of each identified use would depend on the actual circumstances of the estates concerned.

23. Where practicable, priority would be given to converting ex-MAC offices into domestic use in order to address the keen demand for PRH units. According to the results of feasibility studies, some 40 ex-MAC offices could be converted into domestic use with sizes ranging from 15 to 40 square meters. At the end of March 2024, three converted domestic units had been successfully let out. Meanwhile, HA has also leased suitable non-domestic premises (including recovered MAC offices) to some 40 NPOs engaged by EPD for setting up mini-recycling stores. Additionally, HA has set aside some recovered MAC offices for letting to the Care Teams at concessionary rent for welfare premises, with the Home Affairs Department (HAD) responsible for administering the allocation. Up to present, a total of about 280 ex-MAC offices were let to Care Teams.

## **Letting Arrangements for Ward Offices after the Reform of the District Councils**

24. In support of the constitutional development as well as policies and measures on district administration, HA has been providing suitable non-domestic premises in PRH estates to District Council (DC) and Legislative Council (LegCo) members as ward offices to facilitate them to serve and to keep in touch with their constituents during their term of offices as far as practicable.

25. In accordance with the reform of DCs under the District Councils (Amendment) Ordinance 2023, appointed members and District Committees Constituency (DCC) members have been introduced under the reformed DC composition. Also, boundaries of the 44 District Council Geographical Constituencies (DCGCs) have been enlarged. The Department had worked together with the HAD and formulated the revised letting arrangements of ward offices. Upon CPC's endorsement of the revised letting arrangements, the Department had arranged two rounds of open applications for ward offices in January and March 2024 respectively and invited councillors via Secretariats of LegCo and concerned DCs for applications. At present, about 320 out of some 350 ward offices under HA have been rented out for use by LegCo and DC members.

## **PROMOTION ACTIVITIES**

26. To support the Government's 2023 Consumption Voucher Scheme, the Department introduced Cash Coupon Redemption Programmes at Domain to stimulate customer spending. These promotions successfully increased sales and footfall. In January 2024, E-coupon redemption was launched in the Domain Club Mobile Application to reward loyal members and encourage spending. Around 70 shop tenants have joined the scheme, which has been well received by merchants and club members. Other shopping centres have also arranged promotional activities and festive decorations during major festivals to enhance the shopping ambience and boost sales.

27. To celebrate the Mid-Autumn Festival and National Day 2023, and to complement the "Night Vibes Hong Kong" campaign initiated by the Government, the Department organised themed events at Domain, including a music show, night markets, busking, and gift redemption activities. Shop tenants also participated by offering promotional discounts. The Domain Club Mobile Application, launched in August 2021, significantly enhanced customer loyalty. As of March 2024, the number of Domain Club members reached approximately 65 500, showing a significant year-on-year increase of 27.2%.

## **Community Services**

28. Throughout the year, we carried on the collaboration with various non-governmental organisations (NGOs), government departments and institutions to hold civic, cultural and community building events or activities in Domain and other shopping centres. Some notable events that took place during the year include "Smart Countryside Exhibition", "Smart City Exhibition", "Kwun Tong Police District Anti-Fraud Awareness Programme", "Energy Saving at Home", "Heep Hong Society Charity Raffle 2023", "Golden Adventures Kick-off Ceremony", Ceremony for "Energy Saving and Decarbonisation for All 2023", "Slope Safety Parent-child Carnival", "Our Neighbourhoods @ Kwun Tong", "2023 District Council Ordinary Election Exhibition" and "14th "Quit to Win" Smoke-free Community Campaign".

## **WAY FORWARD**

29. While facing up to the challenges of the economic conditions at the moment, we will closely review the trade mix of our retail facilities and continue to adopt proactive measures in marketing and flexible approach in letting of retail facilities to optimise the use of retail facilities as well as to explore ways to optimise the use of non-domestic premises and other spaces, such as conversion to domestic or other uses.

30. To optimise utilisation and enhance the business potential of HA's retail facilities, as an ongoing measure, we will roll forward the five-year rolling programme for asset enhancement and identify new enhancement opportunities. As the availability of large-scale improvement projects diminishes, our focus will shift towards smaller scale works and the enhancement of trade mix to meet the needs of our residents.

31. In order to reinforce the position of Domain as a regional shopping mall and to enhance the business environment of HA's shopping centres, the Department will keep launching thematic promotional activities in order to boost sales and footfall in the shopping centres. Additionally, we will encourage tenants to participate in food waste reduction and recycling programmes. In particular, we have collaborated with EPD to set up a Food Waste Pre-treatment System, namely "Food TranSmarter" in Domain, which is the first-ever system in Hong Kong to automatically liquefy food waste into slurry. The installation work is anticipated to be completed in the third quarter of 2024. Furthermore, we will continue to implement various green measures aiming at reducing energy consumption, as well as providing EV charging facilities in HA's new and existing carparks.

## **CONCLUSION**

32. Over the past year, the Department implemented improvement and conversion programmes, strategically managed marketing and leasing activities, conducted asset enhancement studies, and identified new opportunities for enhancement. Continuous promotional activities were arranged to create a favorable business environment and boost tenant sales. Through the implementation of new production and improvement works for existing facilities, the total retail floor space under HA has experienced significant growth. Furthermore, we have witnessed the Department's commendable efforts in introducing new trades and enhancing the profile of our tenants. These initiatives have effectively contributed to sustaining the attractiveness, competitiveness and regional prominence of Domain as HA's regional shopping centre and entertainment hub. We will continue to review the business conditions and industry mix of our shopping malls, and adopt flexible leasing strategies to adjust the industry mix of our shopping malls to enhance occupancy rates and ensure that residents have access to a wide range of suitable and diverse shopping and service options.

33. As Chairman of CPC, I extend my heartfelt appreciation to all Members, including the outgoing ones, for their valuable contributions. I wholeheartedly rely on the ongoing support of all Members in the forthcoming years. Lastly, I would like to express my deepest gratitude to the dedicated staff of the Department for their contribution and unfailing support to the work of CPC.

Serena LAU Sze-wan  
Chairman, Commercial Properties Committee

# **Report by Chairman of the Finance Committee for 2023/24**

## **INTRODUCTION**

The main responsibilities of the Finance Committee (FC) include reviewing the Hong Kong Housing Authority (HA)'s financial performance, annual budgets and forecasts, policies on HA's financial and investment, as well as overseeing the funds management, human resources and information technology (IT) functions.

## **FINANCE COMMITTEE MEETINGS**

2. FC met four times in 2023/24.

## **SUMMARY**

### **Finance and Funds Management**

#### **Budgets and Financial Forecasts**

3. In January 2024, FC examined HA's Budgets and Financial Forecasts for 2023/24 to 2027/28 before submission to HA. The 2024/25 Budget was endorsed by HA on 16 January 2024 and subsequently approved by the Chief Executive in accordance with section 4(3) of the Housing Ordinance (Cap. 283).

4. Under HA's latest budgets and financial forecasts, it is projected that HA will have the necessary financial resources to meet its annual recurrent expenditure and capital expenditure including the construction expenditure up to 2027/28. Construction expenditure remains the largest expenditure item of HA, and is projected to reach around \$40 billion for both 2026/27 and 2027/28. For the budget and financial forecast period from 2023/24 to 2027/28, HA's cash and investment balance is projected to decrease from \$61.2 billion at the beginning of April 2023 to \$40.6 billion by the end of March 2028.

5. Consideration should be given to exercising greater control in expenditure and enhancing income in areas like rental increase for public housing estates and pricing for Subsidised Sales Flats.

## **Investment Strategy**

6. The aim of HA's investment strategy is to ensure sufficient liquidity to meet the operational needs of HA, and in a prudent and diversified manner, put the rest of HA's funds into longer-term investments to enhance long term returns.

7. Based on the annual health check on the Strategic Asset Allocation (SAA) of HA's funds, the Funds Management Sub-Committee (FMSC) supported the recommendation to maintain the existing SAA, i.e. 76% of HA's funds in principal protection placements with the Exchange Fund, 16% in equities and 8% in HKD deposits. This was endorsed by FC in November 2023.

## **Human Resources**

### **Staffing Establishment**

8. In 2023/24, we received permission to create a total of 33 new civil service (CS) posts, by way of redeploying existing CS posts from lower priority areas, for meeting the public housing supply target; supporting various housing related initiatives; and delivering estate management services for public rental housing (PRH) estates. The total establishment of HA as at 31 March 2024 includes 9 822 civil service posts and 658 HA contract staff.

9. HA continued to make flexible use of its supplementary workforce, comprising body-shopped personnel, HA term staff and staff employed under the Government's Post-retirement Service Contract (PRSC) Scheme to meet special and temporary operational needs. As of 31 March 2024, 1 526 body-shopped personnel, 227 term staff and 25 PRSC staff were engaged.

### **Recruitment and Promotion**

10. HA continued to conduct recruitment and promotion exercises to fill new posts and vacancies. In 2023/24, 64 recruitment and 53 promotion exercises were conducted. Around 830 new colleagues were recruited successfully and about 570 serving staff were recommended for promotion/acting in higher ranks in accordance with the established mechanisms.

### **2023/24 Annual Salary Review of HA Contract Staff**

11. In September 2023, FC approved a normal salary increase between 3.51% and 3.57% for HA contract staff for 2023/24.

## **Staff Training and Staff Engagement Initiatives**

12. HA continued to provide a wide range of training for different grades and levels of staff to build a competent, engaged and motivated workforce. In 2023/24, about 51 300 participants attended around 990 training programmes.

13. In 2023/24, HA continued to organise staff engagement activities such as holding staff recognition activities to recognise staff who had demonstrated exemplary performance. In addition, on-line learning resources such as short videos were produced to reinforce HA's core values, viz. caring, customer-focused, creative and committed.

## **Information Technology**

14. Over the years, HA has been taking forward IT initiatives to meet business needs, improve operational efficiency and enhance various services to tenants and the public at large. At present, we have a total of 95 IT systems/services in operation to support the day-to-day business of HA.

## **Key Projects and Major Progress**

### **Enhancing Public Services**

15. HA is committed to providing digital services for convenient public use. As of May 2024, e-submission is available for 97 services provided by HA. Tenants and members of the public can also handle payments to HA electronically including the Faster Payment System (FPS) at their convenience. Where digital identity or digital signatures are required, "iAM Smart" is adopted for the e-submission.

16. FPS will be made available as an additional payment option at some 400 shroff offices in PRH estates, carpark, shopping centres and HA headquarters by September 2024.

17. We will introduce a chatbot in iHousing mobile app and HA's website in August 2024. It serves to provide an additional communication channel to the public for handling general enquiries on basic information of HA's business and collect residents' suggestions in estate management such as cleaning and security services.

18. A new Car Park Management System for carpark users to submit monthly parking space applications electronically was launched in September 2023. The system includes a new electronic ballot function for allocation of monthly car parking spaces.

## **Improving Operating Efficiency**

19. At present, HA's Enterprise Resource Planning (ERP) System supports core operations for finance, general procurement and service contracts for estate services. With approval of FC to revamp the ERP System, the new system is planned for launching in December 2026, with new functions and improvements.

20. FC also approved the implementation of a new Asset Management System (AMS) in December 2023. AMS will serve as a centralised platform to manage HA's physical assets at PRH estates, shopping centres, car parks, factory estates, markets and HA office buildings. The AMS is planned for launching in December 2026.

21. A new People Flow Analysing System is under development for people traffic analysis and facilitate business planning at Domain in Yau Tong, HA flagship shopping centre. The system is planned for launching in December 2024.

22. A new pilot mobile system was launched to ten selected PRH estates in March 2024 for enhancing daily patrol duties. Security staff can report any incidents or events using mobile phones during their daily patrol e.g. they can record damages identified to facilitate prompt repair and cleansing work. The pilot system is being extended to a shopping centre and a carpark in September 2024.

## **Information Security**

23. To protect HA's IT systems and information asset from security attack and vulnerabilities, HA follows strictly the Government's Security Regulations (SR) and IT security policies and guidelines promulgated by the Office of Government Chief Information Officer (OGCIO) from time to time. New measures to combat increasing security threat are also introduced to meet new demands and latest threats in cybersecurity.

## **Publicity and Promotion**

24. In celebration of HA's 50th anniversary (50A), an array of activities that catered for PRH residents, the public and staff of different ages, interests and background was organised. The activities included a logo design competition; Chinese New Year's couplets distribution; production of a promotional video and a commemorative book; Blueprint x Footprint Treasure Hunt webpage for self-guided tour of PRH estates; Public Housing Photography Contest; HA Cup

3x3 Basketball Challenge; lucky bags distribution during the Mid-Autumn Festival; “Evolution of Public Housing in HK – Dialogue with the New Generation” forum; an 8-episode TV documentary series produced jointly with the RTHK; and roving exhibitions of winning entries of the photography contest. The Chief Executive also officiated at the 50A celebration event in person. A comprehensive social media publicity campaign drove widespread and continued publicity and fostered strong engagement for HA 50A. A series of 77 Facebook (FB)/Instagram (IG) posts and nine YouTube (YT) videos were published to keep the public abreast of all the exciting happenings of 50A and to showcase the compelling stories from the commemorative book, Treasure Hunt webpage and the TV documentary series.

## FINANCIAL PERFORMANCE

25. The key figures for HA’s 2023/24 financial performance (provisional) are summarised below –

	<b>2023/24</b>
	<b>Provisional</b>
	<b>Result <sup>Note</sup></b>
	<b>\$M</b>
<b>Operating Surplus</b>	
Rental Housing	778
Commercial	1,055
Home Ownership Assistance	11,185
Sub-total	<u>13,018</u>
Net non-operating income	<u>44</u>
	<b>13,062</b>
Funds Management Account Surplus	3,857
Agency Account Surplus	33
<b>Total Surplus before Appropriation</b>	<b>16,952</b>
Appropriation to the Government	<u>(527)</u>
<b>Net Surplus after Appropriation</b>	<b>16,425</b>
Capital Expenditure	<u>22,058</u>
Cash and Investment Balance at year-end	<u>71,634</u>

Note These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2023/24 annual accounts.

## **WAY FORWARD**

26. In 2024/25, FC will continue with the ongoing work, a major task will be the next round of budget and financial forecast. FMSC will continue to monitor closely the performance of HA's fund managers and HA's investment strategy.

27. In addition, FC will continue to provide policy steer to enable the Department to maintain and enhance human resources management services, including annual salary review for HA contract staff.

Billy MAK Sui-choi  
Chairman, Finance Committee  
and  
Funds Management Sub-Committee

## **Report by Chairman of the Subsidised Housing Committee for 2023/24**

### **INTRODUCTION**

The Subsidised Housing operation continues to focus on the allocation, management and maintenance of the public rental housing (PRH) stock of the Hong Kong Housing Authority (HA) to address the housing needs of low-income families. On-going measures, as well as a series of enhanced measures to optimise and rationalise the use of public resources, have been adopted. We also strive to enhance the sense of well-being, family cohesion and community bonding, and put in much effort in assisting low- to middle-income families and PRH tenants to meet their home ownership aspirations. In 2023/24, our work and efforts concentrate mainly on three themes and they are “Optimising and Rationalising the Use of Public Resources”, “Providing Quality Homes”, and “Promoting Sustainable Living”.

2. In 2023/24, the Subsidised Housing Committee (SHC) met six times and issued 33 papers.

### **OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES**

#### **Enhancement and Implementation of the “Well-off Tenants Policies”**

3. Under the “Well-off Tenants Policies” (WTP), the Housing Department (HD) processes no less than 450 000 income and asset declaration forms in each two-year declaration cycle to review whether PRH tenants have to pay extra rent or even vacate their units.

4. With a view to safeguarding the rational use of PRH resources, at the meeting on 24 May 2023, SHC endorsed the following enhancements to the WTP and the new measures have been implemented since 1 October 2023 –

- (a) PRH tenants would be required to declare to HD every two years whether the tenant and all members of the household own any domestic property in Hong Kong since admission to PRH, and to undertake to declare to HA after having acquired a domestic property in Hong Kong (within one month of entering into any agreement to acquire a property, including provisional agreements). Households who refuse to declare will have their tenancies terminated; and

- (b) if a tenant is required to give up his PRH unit but the moving out date is suspended temporarily, the duration of the relevant Fixed Term Licence (FTL) would be shortened from a maximum of twelve months to a maximum of four months. The eligibility of the tenant for PRH will not be reassessed during the licence period or upon expiry of the licence period. The tenant must move out after the four-month FTL period.

5. As at 31 March 2024, there were some 34 700 households paying additional rent under WTP. Since the implementation of the latest revised WTP on 1 October 2017, about 4 700 PRH flats have been surrendered or recovered from well-off tenants as at end-March 2024.

### **Enhancing Efforts to Combat Tenancy Abuse/Investigations Made by Dedicated Central Team/Publicity Programmes**

6. At the meeting on 24 May 2023, SHC also endorsed the following measures to enhance efforts in combating tenancy abuse –

- (a) PRH tenants would be required to make declarations every two years that they have continuously resided in the units and complied with the terms in the tenancy agreement regarding occupancy status (e.g. not to sublet the unit or engage in illegal activities in the unit or use the unit for non-domestic purposes) after admission to PRH. Tenants are also required to authorise HA to check their information with relevant government bureaux/departments (B/Ds) and public/private organisations. Tenants who refuse to make declarations or fail to make declarations within the specified time may have their tenancies terminated;
- (b) applicants whose PRH applications are cancelled on the grounds of making false declarations would be barred from reapplying for PRH for a period of five years; and
- (c) former PRH tenants whose tenancies are terminated due to making false declarations, breaching any terms of the tenancy agreement, violating the Marking Scheme for Estate Management Enforcement, etc., would not be eligible to apply for PRH for five years instead of two from the date of termination.

7. There are over 800 000 PRH households in the territory at present. HA adopts risk-based strategies and measures to tackle tenancy abuse, including taking proactive inspections and utilising checking mechanisms, educating the residents and the public about the importance of rational use of PRH resources through various channels and means, and encouraging the public to report tenancy abuse cases.

8. In order to combat tenancy abuse more effectively, HA has strengthened its manpower and equipped that with experience in investigation and prosecution, enhanced the communication and collaboration with other government B/Ds and organisations, and applied information technology to facilitate the gathering of key information, with a view to collecting intelligence more effectively and promptly.

9. On 3 October 2023, HD issued the first batch of declaration forms to about 88 000 tenants who have been living in PRH for two to eight years to declare their occupancy status and whether they had domestic property ownership in Hong Kong. Over 99.9% declaration forms have been received by HD. For those tenants who failed to return the forms, we have initiated in-depth investigations, including conducting intensive home visits, carrying out property/land searches, and obtaining key information from other government departments/organisations. Tenants who are found to have deliberately refused to make declarations or have abused PRH flats will have their tenancies terminated. Amongst those tenants who are required to make the declarations, about 500 PRH households have surrendered their PRH flats either voluntarily or been issued Notices-to-quit (NTQ) by HD due to different reasons.

10. With the application of information technology, HD and the Land Registry launched a data matching and verification mechanism since June 2023 to verify the records related to PRH tenants in respect of their ownership of domestic and non-domestic properties in Hong Kong, so as to check if they have abused PRH flats. HD had conducted land searches for all 88 000 households who were required to make the declaration and 15 400 suspected tenancy abuse/false declaration households that HD had learnt from other sources. As at 31 March 2024, about 450 households were confirmed to have domestic property ownership in Hong Kong, out of which 150 flats were recovered. HD would follow up with tenancy enforcement/prosecution actions for the remaining cases in an orderly manner.

11. To encourage Property Services Agents and Security Services Contractors to collaborate in safeguarding PRH resources, an award system has been incorporated in the performance assessment scoring system since the third quarter of 2023. Additional marks will be added to the total score of the

performance assessment of these companies if they have enabled HD's successful issuance of NTQ for tenancy abuse cases. The additional marks may help increase their chance for tender submission as well as tender award.

12. Our efforts have resulted in a decent number of PRH flat recovery in the past two years. In 2021/22, nearly 1 400 flats were recovered due to tenancy abuse and breach of tenancy agreement or housing policies. In 2022/23, over 2 200 flats were recovered due to the aforementioned reasons, whereas in 2023/24, the number of flats recovered due to the aforementioned reasons was increased to about 2 800.

### **Enhancing the “Addition Policy”**

13. At the meeting on 24 May 2023, SHC also revised the “Addition Policy”. Under the revised policy, if an elderly tenant has already included one or more adult offsprings (irrespective of marital status) in the tenancy, the elderly tenant will not be allowed to apply for adding other adult offspring to the tenancy. If there is no adult offspring in the tenancy, an elderly tenant may still apply to add at most one adult offspring (and his/her family members, if applicable) to the tenancy.

### **Tightening the Eligibility Criteria for Green Form Applicants for Subsidised Sale Flats**

14. At the meeting on 26 April 2023, SHC endorsed tightening the eligibility criteria for Green Form (GF) applicants for purchase of Subsidised Sale Flats (SSFs). PRH tenants and Rental Estate tenants of the Hong Kong Housing Society (HKHS) who apply to purchase SSFs as GF applicants should not have owned domestic properties in Hong Kong during the 24 months period preceding the closing date for submitting the application up to the time of purchase. In addition, fixed-term licensees of HA, who are largely former PRH households who have been issued with a NTQ by HA under WTP, will no longer be eligible for purchasing SSFs as GF applicants.

### **Facilitating the Flat for Flat Pilot Scheme for Elderly Owners of the Hong Kong Housing Society**

15. To facilitate HKHS's Flat for Flat Pilot Scheme for Elderly Owners, SHC approved at its meeting on 21 June 2019 to allow eligible elderly owners of HKHS's SSFs who have sold their original flats without payment of premium to buy a smaller one in the Secondary Market of HA. HKHS has started receiving applications under the Pilot Scheme since 14 October 2019. As at 31 March 2024, HKHS received 27 applications from owners, of which 23 eligible applications were approved with “Trade Down Permit” issued while the other four

were ineligible. Amongst the 23 approved applications, ten sales of the original SSFs without payment of premium were recorded and one purchase of a smaller SSF in the Secondary Market of HA was recorded.

### **E-submission Services for Applications of Public Rental Housing and Subsidised Sale Flats**

16. HA launched “Quick Updating of PRH Application” for applicants to submit online requests for updating of application details in June 2020. The e-services enable applicants to submit changes in household particulars, choice of district and date of detailed vetting interview in a fast and effective way. Applicants can also check the status of their PRH applications with the e-services. HA enhanced online submission of PRH applications in September 2023 with digital signing under iAM Smart+, enabling PRH applicants to submit online application forms, declaration forms and upload related documents.

17. HA continued to provide e-services for submission of applications for the Sale of Home Ownership Scheme (HOS) Flats 2023 (HOS 2023) in July 2023, providing applicants with a fast and secure way to submit applications and make payments online via computers or mobile phones. The e-services for the sale exercises ran smoothly. E-services for submission of applications were also provided for the Sale of Green Form Subsidised Home Ownership Scheme (GSH) Flats 2023 (GSH 2023) launched at end-March 2024.

### **Under-occupation Policy cum Full Rent Exemption Scheme for Elderly Households in Public Rental Housing Estates**

18. In January 2024, SHC approved the continuation of the current Under-occupation (UO) Policy and the Full Rent Exemption Scheme for Elderly Households (the Scheme). HA is committed to tackle UO cases. SHC also approved that for those non-Prioritised UO (non-PUO) households or Excluded UO (EUO) households who would become one-person households upon removal of family members from their tenancy but holding an additional PRH unit under double letting arrangement in the original tenancy, they are required to surrender one of the PRH units in order to safeguard rational use of PRH resources. Eligible tenants are also encouraged to surrender both their PRH units and transfer to a PRH unit of suitable size through joining the Scheme.

19. The Scheme was launched in December 2019. As at end-March 2024, some 850 applications were approved with about 330 households successfully transferred to flats of suitable sizes. After the transfer of these households, we have a net gain of some 6 200m<sup>2</sup> of internal floor area in total for allocation.

## **Rehousing and Associated Arrangements for the Clearance of Wah On House and Wah Lok House at Wah Fu Estate**

20. The clearance of Wah On House and Wah Lok House at Wah Fu Estate involving about 2 550 persons from 895 households and its related rehousing arrangements was announced on 14 March 2024. The clearance will take 40 months with the target clearance date scheduled for July 2027.

## **PROVIDING QUALITY HOMES**

### **Mortgage Arrangements for Subsidised Sale Flats**

21. On 17 November 2023, SHC endorsed the relaxation of the mortgage arrangements for SSFs by extending the maximum mortgage default guarantee period and mortgage repayment period for purchasers of SSFs under the Deeds of Guarantee (DoGs) provided by HA to authorised financial institutions participating in the provision of mortgage loans for such flats.

22. The maximum mortgage default guarantee period of the secondary market has been extended to 50 years and the maximum mortgage repayment period of SSFs sold in the primary and secondary market has been extended to 30 years. The relaxation of arrangements in respect of the primary market and secondary market have been implemented in January 2024 and March 2024 respectively.

### **“Families with Newborns Allocation Priority Scheme” and “Families with Newborns Flat Selection Priority Scheme”**

23. At the meeting on 11 January 2024, SHC approved the implementation arrangements for the “Families with Newborns Allocation Priority Scheme” and the “Families with Newborns Flat Selection Priority Scheme” to encourage childbearing by giving incentives to family applicants of PRH and SSF sale exercises.

24. HA launched the “Families with Newborns Allocation Priority Scheme” starting from 1 April 2024, under which PRH family applicants with babies born on or after 25 October 2023 and aged one or below are credited with one-year waiting time so as to advance the allocation of PRH flats for families with newborns.

25. HA will launch the “Families with Newborns Flat Selection Priority Scheme” starting from the Sale of HOS Flats 2024. Under the scheme, HA will set a quota of an additional 10% (i.e. in total 40%) of flats for balloting and priority flat selection by eligible applicants under the “Families with Newborns Flat Selection Priority Scheme” and “Priority Scheme for Families with Elderly Members” according to the order fixed by balloting results. Family applicants of SSF sale exercises with babies born on or after 25 October 2023 will be eligible if their children are aged three or below on the closing date of applications of respective SSF sale exercise. This arrangement will increase the chances of eligible families to purchase flats successfully.

### **Green Form Subsidised Home Ownership Scheme**

26. SHC regularised GSH in January 2018 and fixed the discount for sale of GSH flats at 10% more than the discount adopted for the preceding HOS sale exercise.

27. On 21 December 2023, the Strategic Planning Committee endorsed converting the PRH development at Cheung Sha Wan, involving 2 359 flats, for sale as GSH. SHC endorsed at its meeting on 11 January 2024 the average selling prices and sales arrangements for GSH 2023. The average selling prices of the flats for sale under GSH 2023 were set at a 48% discount from the assessed market values. Application for GSH 2023 was invited at end-March 2024 and was closed in mid-April 2024. During the application period, HA received a total of around 56 000 applications, comprising around 35 000 carry-over GF applications from HOS 2023 and around 21 000 new applications. Balloting for GSH 2023 was held in June 2024 and flat selection is expected to start from the third quarter of 2024.

### **White Form Secondary Market Scheme**

28. SHC regularised the White Form Secondary Market Scheme (WSM) in November 2017. Taking into account the demand for WSM quotas, the utilisation rate and the need to avoid creating unnecessary upward pressure on the sale prices of HOS flats in the Secondary Market, SHC endorsed on 20 July 2023 to maintain the quota for WSM 2023 at 4 500 (same as WSM 2022). WSM 2023 was launched together with HOS 2023 in July 2023. Balloting was held in October 2023. Approval Letters were issued to successful applicants under WSM 2023 in March 2024. Applicants can apply for Certificates of Eligibility to Purchase with a validity period of 12 months from the issue date and the holder is entitled to purchase a SSF with premium not yet paid within the validity period. As at end-March 2024, about 1 100 Certificates of Eligibility to Purchase with a validity period of 12 months were issued to successful applicants under WSM 2023.

## **Sale of New Home Ownership Scheme Flats**

29. At the meeting on 26 April 2023, SHC approved the average selling prices and sales arrangements for HOS 2023. At the same meeting, SHC endorsed the income and asset limits for White Form (WF) family applicants under HOS 2023 and WSM 2023, at \$62,000 per month and \$1,470,000 respectively. According to the established practice, the income and asset limits for WF one-person applicants are set at half of the limits for family applicants, at \$31,000 per month and \$735,000 respectively.

30. A total of 9 154 flats in six new developments were put up for sale under HOS 2023 in July 2023 with around 172 000 applications having been received. In accordance with the established pricing mechanism, and based on the median monthly household income of non-owner occupier households for the fourth quarter of 2022, the average selling prices of the flats for sale under HOS 2023 were set at a 38% discount from the assessed market values. Balloting was held in October 2023. Flat selection commenced from late January 2024 and all flats put up for sale under HOS 2023 were sold by end-May 2024.

## **Sale of Recovered Flats from Estates under the Tenants Purchase Scheme**

31. Although no new Tenants Purchase Scheme (TPS) estates were launched after 2005 by HA, sitting tenants in TPS estates can still opt to purchase the rental flats in which they reside. As at end-March 2024, around 17% of the TPS flats in the 39 TPS estates (i.e. around 31 100 units) remained unsold. In order to accelerate the sale of unsold TPS flats to further meet the aspirations of PRH tenants of home ownership, SHC endorsed in July 2020 to put up recovered TPS flats for sale to eligible GF applicants in the HOS and GSH sale exercises of each year and adopting the existing TPS pricing mechanism and alienation restrictions.

32. Taking into account the satisfactory sales response of recovered TPS flats in the GSH 2020/21 and HOS 2022 sale exercises and to accelerate the sale of unsold flats in TPS estates, SHC endorsed on 16 June 2023 the regularisation of the sale of recovered TPS flats. The target buyers will be those with GF status, as well as eligible applicants under the Express Flat Allocation Scheme (EFAS). HA will continue to put up recovered TPS flats for sale in HOS or GSH sale exercises. Any recovered TPS flat which remains unsold at the end of an HOS or GSH sale exercise will be put up for sale in the EFAS exercise which next follows. Around 400 recovered TPS flats were put up for sale under HOS 2023, flat selection began at the end of January 2024 and all flats were sold.

33. SHC endorsed at its meeting on 11 January 2024 the sales arrangements for putting up a new batch of recovered TPS flats for sale under GSH 2023. The new batch of around 350 recovered TPS flats were put up for sale under GSH 2023 at end-March 2024.

### **Maintenance for Sustainability – Sustainable Building Index**

34. Ten selected PRH estates, which could give a good representation of typical block types, were verified under HA's Building Sustainability Verification System and obtained the Hong Kong Quality Assurance Agency Sustainable Building Index Verified Mark in July 2023. The verifications enabled HA to better gauge the sustainability performance of PRH blocks and to formulate an effective long-term maintenance and improvement (M&I) strategy for its portfolio.

### **Improvement Works for Fire Safety**

35. The Fire Safety (Buildings) Ordinance (FS(B)O) requires the retrofitting of specified fire safety installations and fire safety construction for domestic and composite buildings constructed on or before 1 March 1987. We had submitted fire safety improvement proposals for the related 64 PRH estates to the Enforcement Authorities (EA) for consideration. We are revising the proposals based on the requirements and comments from EA for individual blocks within the 64 estates. We will implement the required fire safety improvement works after the proposals are accepted. The present fire safety provisions of the estates covered by the FS(B)O are satisfactory through regular maintenance.

### **Total Maintenance Scheme**

36. In 2006, HA launched the Total Maintenance Scheme (TMS) under which HA proactively inspects the in-flat conditions and provides comprehensive repair services for PRH units aged ten years or above. Under this proactive scheme, In-flat Inspection Ambassadors (IIA) carry out inspections in PRH units, arrange one-stop repair services, and promote proper maintenance through education. Minor repairs are arranged by IIA on the spot. For more complicated cases, IIA will issue works orders to maintenance contractors for follow up actions. In 2023/24, TMS was carried out in 56 estates.

### **Responsive In-flat Maintenance Services**

37. As an on-going service, the Responsive In-flat Maintenance Services have provided quality in-flat maintenance services through prompt response to tenants' requests and close liaison with tenants.

### **Mandatory Window Inspection Scheme**

38. The Mandatory Window Inspection Scheme (MWIS) is one of the Government's initiatives to improve building safety in Hong Kong. With the delegated authority from the Building Authority, the Independent Checking Unit under the Office of the Permanent Secretary for Housing may issue MWIS statutory notices to HA properties over ten years old. HA engaged Qualified Persons registered with the Buildings Department (BD) to carry out the prescribed inspection and supervision of the prescribed repair for windows upon receiving the MWIS statutory notices.

### **Comprehensive Structural Investigation Programme in Aged Public Rental Housing Estates**

39. The second cycle of the Comprehensive Structural Investigation Programme (CSIP) was launched in 2018 to ensure the structural safety and cost effectiveness of the repair works of aged PRH estates. Up to March 2024, we had completed the investigation of 22 out of the 71 PRH estates included in the second cycle of CSIP and attained satisfactory progress in the investigation programme.

### **Estate Improvement Programme**

40. In order to ensure the sustainability of the PRH estates retained after CSIP assessment, HA continued to implement the Estate Improvement Programme to these estates in phases to upgrade the recreational facilities, renovate the building exteriors and common areas as well as enhancing the landscaping and greening coverage.

### **Lift Modernisation Programme**

41. HA continued to implement the Lift Modernisation Programme in PRH estates, in which conditions of all lifts in operation over 25 years would be evaluated. Modernisation of the lifts will be prioritised based on the result of evaluation, the condition of the lifts and the availability of resources. In 2023/24, 58 lifts were modernised and nine tenders for modernisation of 92 lifts in nine PRH estates were issued.

### **Quality Water Supply Scheme for Buildings – Fresh Water (Management System)**

42. To echo the Government's Action Plan for Enhancing Drinking Water Safety in Hong Kong and take further steps to safeguard drinking water

quality, HA has been progressively implementing Water Safety Plan for Buildings (WSPB) in PRH estates and participating in the “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” (QMS) administered by the Water Supplies Department (WSD) since 2018.

43. As at end of March 2024, 189 estates had implemented WSPB and obtained the QMS certificates from WSD in recognition of HA’s efforts in the proper maintenance of internal plumbing systems. HA will continue to implement WSPB in the remaining PRH estates.

### **Drainage Enhancement Programme for Public Rental Housing Flats**

44. In light of the enhanced above-ground drainage design standards promulgated by BD in 2021, HA has implemented the Drainage Enhancement Programme for our existing PRH flats, comprising the following enhancement works –

- (a) improvement to the locations of the open ends of vent pipes on roofs to address any possible building wake effect;
- (b) addition of connecting branch pipes to collect used water from wash hand basins or shower areas to replenish the water inside the traps of floor drains to prevent loss of water seal; and
- (c) addition of independent U-trap to the toilet floor drains in adjacent flats which have been connected to a common U-trap so as to prevent gas and odours from passing from one flat to its adjacent flat.

45. As at the end of March 2024, the enhancement works had commenced in 127 estates since its commencement from August 2022.

### **Rewiring inside Domestic Flats Programme**

46. HA launched the Rewiring inside Domestic Flats (RDF) Programme in 2005 aiming at maintaining a high electrical standard and upgrading the electrical provision for PRH flats of aged buildings. The RDF Programme includes the replacement of aged surface wirings and associated accessories including consumer units, lighting switches and socket outlets within PRH flats. In 2023/24, RDF works were carried out for PRH flats in 15 PRH/TPS estates.

## **Provision of Visual Fire Alarm System inside Public Rental Housing Units**

47. To further address the needs of hearing-impaired (HI) residents, HA has implemented a new scheme to install the Visual Fire Alarm (VFA) system inside PRH units with HI residents since March 2020, even though the system is not a statutory requirement. VFA system within the domestic unit will flash simultaneously with the communal fire alarm bells to alert the HI residents. The installation of VFA system will be arranged upon tenant's application and is free of charge. As at March 2024, VFA system was installed inside 100 PRH units across 66 PRH estates.

## **PROMOTING SUSTAINABLE LIVING**

### **Review of Income and Asset Limits for Public Rental Housing for 2024/25**

48. SHC endorsed the income and asset limits for PRH for 2024/25 on 22 March 2024. Review of the income and asset limits for PRH is conducted annually based on the established mechanism. Under the mechanism, the income limits for PRH are derived using a household expenditure approach, which consists of housing costs and non-housing costs, plus a 5% contingency provision; while the asset limits are adjusted with reference to movements in the Consumer Price Index (A) over the year.

49. If an adjustment was to be made strictly in accordance with the established formula, the PRH income limits for 2024/25 for one-person and four-person households would be adjusted downwards, while those for households with two persons, three persons and five persons or above would be adjusted upwards. Having regard to the prevailing economic conditions at the time, past practices in reviewing the income limits and the overall situation of the income limit adjustments, SHC endorsed freezing the income limits for one-person and four-person households, while adjusting upwards the income limits for households with two persons, three persons and five persons or above in accordance with the established methodology. In addition, SHC also endorsed adjusting the PRH asset limits upwards by 3.0% for all household sizes in accordance with the established mechanism. The revised income and asset limits came into effect on 1 April 2024.

### **Implementing the Government's Initiative to Assist Lower Income Families**

50. To alleviate the economic pressure on the public, the Government announced to provide rates concession for the first two quarters of 2023/24, subject to a ceiling of \$1,000 per quarter for each rateable property. On a

“no-loss-no-gain” principle, HA passed on the amount of the concession to tenants/licensees on a monthly basis by offsetting an equivalent amount from the monthly rent/licence fees payable by them.

### **Temporary Measure to Withhold Issuance of Departmental Notice-to-quit’**

51. To help those tenants having financial problems get through the hardship during the epidemic, HA had implemented a temporary relief measure to withhold the issuance of NTQ between May and October 2020, and consecutively extended the measure seven times to December 2023.

52. Under this measure, eligible tenants may submit one-off applications to HA and NTQ against them would be withheld up to December 2023 upon approval of their applications. As at December 2023, a cumulative total of about 1 800 applications were approved.

### **Rent Assistance Scheme**

53. HA operates the Rent Assistance Scheme (RAS) to assist PRH tenants with temporary financial difficulties to pay their rent. Under RAS, eligible applicants will be granted a rent reduction of either 25% or 50%. As at end of March 2024, around 22 400 families were receiving assistance under the scheme.

### **Marking Scheme for Estate Management Enforcement**

54. In 2003, HA implemented the Marking Scheme for Estate Management Enforcement in Public Housing Estates (MS) to strengthen control against hygiene-related misconduct in PRH estates, and to promote civic responsibility amongst PRH households. Currently, MS covers 28 misdeeds affecting environmental hygiene and estate management. Up to December 2023, there were recorded accumulatively some 44 100 point-allotment cases.

55. On 24 May 2023, the SHC endorsed the implementation of measures to enhance the MS by increasing penalty points for nine misdeed items related to environmental hygiene, public safety and serious breach of tenancy agreement; and widening the scope of two misdeed items related to environmental hygiene and/or serious breaches of tenancy agreement. The enhanced measures have taken effect from 18 December 2023.

## **Partnering for Better Estate Management/Partnering with Non-Governmental Organisations to Deliver Outreaching Services to Elderly Tenants**

56. To promote community building, strengthen mutual care, foster a harmonious living environment and promote awareness of health care, HA has long been partnering with non-governmental organisations (NGOs) to organise various thematic community building activities for participation by tenants from different age groups since 2009. The core themes include –

- (a) Caring for the Elderly;
- (b) To Promote a Green and Healthy Environment;
- (c) Building a Harmonious Community; and
- (d) Preventing and Combating the Abuse of Public Housing Resources.

57. Some 500 partnering activities were held in 2023/24, including workshops, shows and carnivals. We also helped collaborating NGOs to identify elderly people living alone, and supported their efforts to provide these vulnerable residents with home visits or outreach services.

58. Moreover, HA collaborated with the Department of Health to promote healthy diet and undertaking regular physical activities. We also worked with the Fire Services Department to share important advice on fire and on home safety practices with our tenants.

### **Schemes for fostering Harmonious Families**

59. To strengthen the family-based support network for fostering harmonious families, HA has put in place a series of schemes, namely the Harmonious Families Priority Scheme, Harmonious Families Transfer Scheme, Harmonious Families Amalgamation Scheme and Harmonious Families Addition Scheme, to encourage the younger generation to take care of and live together with their elderly parents/relatives and further establish the concept of “Ageing in Place”. HA will continue to implement these schemes for fostering harmonious families.

### **Promotion of Waste Reduction and Recycling**

60. To raise the awareness of PRH tenants on waste reduction and recycling, we had carried out publicity and public education through various channels, such as organising mascot tours, broadcasting videos via social media,

displaying of promotion banners and posters in PRH estates as well as publication of promotional articles in May and November 2023 estate newsletters. To encourage PRH tenants to cultivate the good habit of waste reduction and separation at source, we also launched a four-month Recyclable Competition in year of 2023/24.

### **Energy Conservation/Carbon Emission Monitoring**

61. HA has been constantly looking for new energy-saving initiatives that can be applied effectively in PRH estates, and adopting more energy efficient equipment when carrying out refurbishment works for building services installations. Recent energy saving measures include the use of Light Emitting Diode luminaires to replace malfunctioned compact fluorescent lamp bulkhead light fittings, exit signs and directional signs.

62. We place importance on both energy efficiency enhancement and renewable energy development. In addition to photovoltaic (PV) installations in new PRH estates, EMD also installed PV systems on the rooftops of residential buildings in some existing PRH estates. Flexible PV panels are used to address the constraints of existing buildings. As at March 2024, we have retrofitted flexible PV systems in 30 domestic blocks, and will identify more suitable blocks to expand the installation. We will continue to explore new technologies and products available in the market to further expand the viability of retrofitting PV systems in existing PRH estates.

63. We continued to conduct Carbon Audits to monitor the carbon emission in selected domestic blocks of 14 typical PRH block types covering the majority of HA block type designs.

### **Tree Management/Tree Ambassadors/Planting Days**

64. We have established a centralised electronic tree database operated on Geographic Information System to upload and update the latest tree data in 2023/24. We have also introduced a computerised Enterprise Tree Management System since early 2016 by using a web-based platform and mobile device application to assist in keeping tree inventory and conducting tree risk assessment. In 2023/24, we continued to conduct tree inspections and carry out required remedial works. As at March 2024, we have enrolled some 900 Estate Tree Ambassadors from tenants to help in surveillance of trees, and organised tree planting days in ten PRH estates.

## **Horticulture/Community Greening Activities**

65. Community involvement and public education activities play a crucial role in promoting greening efforts and fostering an environmentally conscious attitude within a community. In line with this, we have launched a range of initiatives to encourage participation of residents in greening the environment. In the year 2023/24, we continued to organise greening activities for residents in 20 estates, focusing on promoting community participation specifically in greening PRH estates. These activities aim to create a sense of ownership and pride amongst residents and enhance the overall greening of the estates.

## **Enhancing the Sense of Well-being for Residents of Public Rental Housing**

66. The current-term Government has also striven to enhance the sense of well-being of Hong Kong residents. On public housing, the action group has commenced a consultancy study on the “Well-Being” design guidelines for new public housing projects, with a view to complete the formulation of the guidelines for use in building public housing in future and for reference in renovating existing PRH. The same concept will be introduced to existing PRH estates to enhance estate facilities. The “Well-Being” design guidelines are expected to be launched in September this year.

67. In addition, as a pilot scheme HA has selected five existing PRH estates for which phased studies and implementation of thematic improvement measures would be carried out by 2027 to further enhance the estate environment, refurbish public facilities such as play/fitness equipment, ball courts, sitting-out areas, etc., with a view to creating an estate environment that will enhance the sense of well-being of the residents.

68. HA will select about ten existing PRH estates for façade beautification and/or minor estate improvement works and about 20 PRH estates for landscape improvement per year. The designs and site works for both improvement works have been progressively commenced in phases in 2023/24.

## **WAY FORWARD**

### **Promoting Smart Estate Management**

69. With a view to resolving the problems encountered by frontline offices in respect of management problems, local circumstances and operation need, we will make use of innovative technologies which will enhance

management efficiency, expedite facility maintenance and improve service quality. In 2024, ten PRH estates will be selected as pilots for adopting innovative technologies, such as the use of Internet of Things sensors, Artificial Intelligence, and Mobile Devices, etc., to assist daily estate management work.

### **Promoting Waste Reduction and Recycling**

70. We are committed to supporting the Government's overall waste reduction and recycling policy. Notwithstanding the Government's decision on Municipal Solid Waste Charging Scheme, we will keep in view and render support for any Government's new measures and initiatives relating to PRH estates.

### **CONCLUSIONS**

71. We are committed to improving the quality of homes for our public housing tenants and will continue to collaborate with stakeholders at all levels in delivery of housing management, maintenance and related services in a proactive and caring manner. We will continue to promote sustainable living and ensure the optimised and rational use of public resources. In carrying out our work, we will strive for innovations and effective use of resources in an environment-friendly manner. I would like to express my gratitude to all Members for their contribution to the work of SHC. I would also like to thank staff of all ranks of HD for their proactive cooperation and unwavering support for accomplishing the tasks of SHC.

Cleresa WONG Pie-yue  
Chairman, Subsidised Housing Committee

## **Report by Chairman of the Tender Committee for 2023/24**

### **INTRODUCTION**

In 2023/24, the Tender Committee (TC) met 12 times (including one joint meeting with the Building Committee). Altogether, 42 discussion papers, 46 presumption papers and five information papers were processed.

### **ISSUES DISCUSSED**

2. The work of TC covers a comprehensive range of activities relating to the Housing Authority (HA)'s procurement, tenders and quotations exceeding the limits of delegated financial authority of the Chairman of the Housing Department Tender Board<sup>Note 1</sup> as well as HA's list management regime, which is an integrated part of HA's procurement policy. In 2023/24, the following major issues had been discussed by TC –

- (a) scrutinising tender reports being submitted and awarding contracts;
- (b) reviewing and enhancing list management, tendering arrangement and evaluation mechanism, procurement strategies and policies, and contract provisions;
- (c) reviewing and considering the regulatory actions against a building contractor and a cleansing service contractor respectively; and
- (d) endorsing Programmes of Activities.

3. During the year, Members discussed and endorsed various topics as detailed in ensuing paragraphs.

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Note 1 The delegated financial authority of the Chairman of the Housing Department Tender Board covers all works and works related services contracts, information technology (IT) and related purchases/ services, property services contracts, goods and general services contracts up to \$50 million and all Consultancy or Professional Advisory Services Contracts up to \$25 million.

## **SCRUTINISING TENDER REPORTS BEING SUBMITTED AND AWARDING CONTRACTS**

4. In 2023/24, Members approved the award of a total of 77 contracts with a total contract value of \$42.52 billion, including 12 building (new works) contracts <sup>Note 2</sup>, 14 foundation contracts, 11 building services (new works) contracts, eight building maintenance district term contracts, 12 property services/management agency contracts, seven security service contracts, 11 cleansing service contracts, one civil engineering (maintenance) contract and one non-works services contract.

## **REVIEW OF PROCUREMENT AND CONTRACT MATTERS**

5. The Department has continued to review and enhance the procurement system to maintain a fair, open and equitable policy to ensure that we can procure products with best value for money. In May 2023, Members were informed of the annual update on HA's tendering procedures and tender evaluation.

### **Implementation of Security of Payment Provisions in HA's Capital Works New Works Contracts**

6. In April 2023, Members approved the implementation of a pilot scheme for Security of Payment (SOP) Provisions in two selected foundation contracts and one selected building contract to test out the SOP Provisions before the enactment of Security of Payment Legislation.

### **Review on the Duration, Contract Extension Criteria and Imposition of Debarment of HA's Service Contracts**

7. In July 2023, Members approved the alignment of the contract duration of HA's service contracts that rely heavily on engaging non-skilled workers and the counting period of performance assessment for considering contract extension, tightening of the contract extension criteria for service contracts and debarment of incumbent service contractors not meeting the contract extension criteria from tendering for the corresponding new contract of the same property.

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Note 2 Among the 12 building (new works) contracts, two were Design and Build (D&B) contracts.

### **New List Management Requirements with respect to the Property Management Services Ordinance**

8. In July 2023, arising from the implementation of the Property Management Services Ordinance, Members approved the requirement for the provision of a copy of a valid property management company licence as list admission and retention requirements for the HA List of Property Services Agents and the associated regulatory action for non-compliance.

### **Enhancements on the HA List of Lift and Escalator Contractors**

9. In September 2023, Member approved the dissolving of the category “Group L – Machine-Room-Less (MRL) Lift” of the HA List of Lift and Escalator Contractors, and the associated revised tendering arrangement and tender evaluation mechanism for MRL lift installation new works contracts in order to streamline and enhance operating efficiency.

### **Premier League Status under the HA List of Building Contractors (New Works Category)**

10. In November 2023, Members approved the granting of Premier League Status to two building new works contractors up to 30 September 2025.

### **Quality Maintenance Contractors Status under the HA List of Building Contractors (Maintenance Works Category)**

11. In December 2023, Members approved the granting of Quality Maintenance Contractor status to eight building maintenance works contractors for the year of 2024.

### **Review of Workload Capping Limits, Tender Restriction and Listing Requirements**

12. In December 2023, Members approved the increase in Workload Capping Limits of building new works, building services and piling contractors, the allowance of one bonus new works contract to be undertaken by building new works or building services contractors with probationary status, the streamlined assessment criteria of Premier League Status scheme, and the updated list admission and retention requirements in respect of listing status and performance record.

### **Revised Capital Requirements for the HA Lists of Works Contractors**

13. In January 2024, Members approved the revised capital requirements for the HA Lists of Works Contractors to reflect inflation and to align with those of the Development Bureau.

### **Enhancements to Tendering Arrangement and Evaluation Mechanism for Design and Build Contracts**

14. In February 2024, Members approved the exclusion of the sub-attribute “Shortened Programme” from the Threshold Technical Score calculation and removal of the mandatory requirement to engage Quantity Surveying Services Providers in preparation of pricing documents for D&B tenders.

### **REVIEW AND CONSIDERATION OF REGULATORY ACTIONS AGAINST A BUILDING CONTRACTOR AND A CLEANSING SERVICE CONTRACTOR**

#### **Appeal Lodged by a Building Contractor against Regulatory Action**

15. In May 2023, a building contractor lodged an appeal against the regulatory action imposed against it in February 2023. A Review Panel set up by TC in July 2023 decided to uphold the regulatory action.

#### **Consideration of Duration of Debarment Period for a Cleansing Service Contractor**

16. In March 2024, a TC Member was co-opted to consider the duration of debarment period for a contractor to be removed from the HA List of Cleansing Service Contractors.

### **SUMMARY OF CONTRACTS AWARDED, SYSTEM ENHANCEMENT AND REGULATORY ACTIONS ENDORSED BY TENDER COMMITTEE**

17. A summary of the number of contracts awarded, system enhancement and regulatory actions endorsed by TC for 2023/24 is shown in  
----- **Annex.**

## **WAY FORWARD**

18. We will continue to uphold the highest standard of integrity for all contractors, sub-contractors, suppliers and services providers for HA. We shall closely monitor their performance so that any necessary actions shall be undertaken in good time to ensure smooth delivery of our service and operation. We shall keep up the momentum in the coming year.

## **CONCLUSION**

19. Finally, I would like to express my sincere thanks to all Members of TC and staff of the Housing Department for their valuable contributions and uncompromising determination to accomplish the various tasks of TC during the year under review.

Melissa Kaye PANG  
Chairman, Tender Committee

**Summary of Contracts Awarded, System Enhancement and  
Regulatory Actions Endorsed by Tender Committee**

**(a) Contracts Awarded**

	<b>Subject</b>	<b>No. of Contracts Awarded</b>
1.	Building (New Works) Contract	12
2.	Foundation Contract	14
3.	Building Services (New Works) Contract	11
4.	Building Maintenance District Term Contract	8
5.	Property Services/Management Agency Contract	12
6.	Security Service Contract	7
7.	Cleansing Service Contract	11
8.	Civil Engineering Contract	1
9.	Non-Works Services	1
	<b>Total =</b>	<b>77</b>

**(b) System Enhancement**

1. Pilot Scheme for Implementation of Security of Payment Provisions in Housing Authority's Capital Works New Works Contracts;
2. Review on the Duration of Housing Authority's Service Contracts, Tightening of Contract Extension Criteria and the Imposition of Debarment from Tendering on Service Contractors Not Meeting Contract Extension Criteria;
3. Amendments to the Guide to Registration of Works Contractors and Property Management Services Providers arising from the Implementation of the Property Management Services Ordinance;
4. Proposed Maintenance of only One Category under Group L of the Hong Kong Housing Authority List of Lift and Escalator Contractors and Revised Tendering Arrangement and Tender Evaluation Mechanism for Machine-Room-Less Lift Installation New Works Contracts;
5. Assessment Results of Building Contractors' Applications for the Premier League Status under the Hong Kong Housing Authority List of Building Contractors (New Works Category);

6. Quality Maintenance Contractors under the Housing Authority List of Building Contractors (Maintenance Works Category);
7. Revised Workload Capping Limits and Tender Restriction on Works Contractors with Probationary Status, Streamlined Assessment Criteria of Premier League Status Scheme and Updated List Admission and Retention Requirements;
8. Revised Capital Requirements for the Hong Kong Housing Authority Lists of Works Contractors; and
9. Proposed Enhancements to Tendering Arrangement and Evaluation Mechanism and Report on Study of Approaches with Respect to Contractors' Proposed Shortened Programme for Design-and-Build Contracts

**(c) Regulatory Actions**

1. Decision of Review Panel on Appeals against Regulatory Actions Lodged by a Building Contractor; and
2. Consideration of Duration of Debarment Period for a Cleansing Service Contractor to be Removed from the Hong Kong Housing Authority List

**(d) Miscellaneous**

1. Tendering Procedures and Tender Evaluation (Annual Update); and
2. 2024/25 Programme of Activities for Procurement