

**Memorandum for the Subsidised Housing Committee of
the Hong Kong Housing Authority**

Notes of Members' Meeting with Concern Groups

Attached for Members' information are the notes of Members' meeting with Concern Groups held in Oi Man Community Hall, Oi Man Estate on Tuesday, 10 February 2015.

Concern Group	Discussion Item
Federation of Public Housing Estates	(A) Green Form Home Ownership Pilot Scheme (B) Resumption of the Tenants Purchase Scheme
Society for Community Organization	(A) Average waiting time for public rental housing (B) Quota and Points System
Wo Lok Estate Redevelopment Concern Group	Request for Early Redevelopment of Wo Lok Estate
Public Rental Housing Households Facing Forced Transfer	Enhanced Measures and Additional Incentives in Handling Under-occupation Cases

Ms Cindy CHAN
Secretary, Subsidised Housing Committee
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File Ref. : HD1-7/COMM1/CG-1 Pt.9
(Corporate Services Division)
Date of Issue : 15 April 2015

The Chairman welcomed representatives of the Federation of Public Housing Estates (the Concern Group) to Members' Meeting with Concern Groups under the auspices of the Hong Kong Housing Authority (HA).

2. **The Chairman** explained that the purpose of the meeting was to provide a forum for Members of HA and its committees to meet with the concern groups, listen to their views on housing issues and relay their concerns to the Committees concerned.

3. The concerns expressed by **the Concern Group** at the meeting were consolidated as follows:

- (a) Since the cessation of the sale of Home Ownership Scheme (HOS) and public rental housing (PRH) flats in 2002, the residents had expressed their views repeatedly to the Concern Group that although in 1998 the then Chief Executive pledged to sell about 250 000 PRH flats, so far only half the number, or 130 000 PRH flats, were sold. The residents understood that there was room for improvement for the then Tenants Purchase Scheme (TPS), but for those living in TPS estates, it would be most desirable if the scheme could be relaunched for them to buy the PRH flats they were living so that they would be spared the trouble of moving home, carrying out refurbishment work and adapting to their new homes. Even with the introduction of a new scheme, namely Green Form Subsidised Home Ownership Pilot Scheme (GSH), the Government should at the same time examine the possibility of relaunching TPS.
- (b) Although the Government claimed that there were management problems arising from mixed tenure in the same building as a result of the implementation of TPS, the residents thought that it was no more than a pretext of not honouring the pledge to sell all the 250 000 PRH flats back then. The Government should consider providing incentives for PRH tenants living in the 39 TPS estates, who accounted for around 30% of the total PRH population, to move to other estates so that their flats could be released for selling to other PRH tenants under less stringent restrictions. This would presumably result in a win-win situation.

- (c) It was proposed that TPS be extended and the flats for sale should be of a particular category which, for example, should not be too old and included in redevelopment programmes, nor should they be located in new estates. Such flats should as far as possible be those in TPS estates to minimise the problem of mixed tenure, but sitting tenants should not be compelled to move out of their flats. Since the tenants would move out on a voluntary basis, HA had to make the incentives attractive enough for them to do so. Further consideration was required on creating incentives. For instance, the unsold flats of Nam Cheong Estate under TPS could be offered for sale to its sitting tenants or tenants of the nearby Fu Cheong Estate, while providing an incentive for Nam Cheong Estate tenants to move out by allowing them to transfer to the nearby Fu Cheong Estate which was relatively new. In assessing whether the majority of buyers would prefer to purchase the flats they were living, the Housing Department (HD) should refer to the actual number of sitting tenants buying TPS flats in the past.
- (d) In setting flat prices, HA could follow the “adjusted replacement cost” approach used in the past. Target buyers, that is to say the Green Form (GF) applicants, should include those who had passed the detailed vetting and were due for flat allocation in about a year’s time. But unlike the proposed GSH, the previous TPS did not cover well-off tenants. HA had to review the policy in this respect. The residents opined that it would be unfair if the special credits offered to sitting tenants for buying their flats were cancelled. As the sitting tenants had missed the concessionary period to buy their flats for reasons such as financial considerations, it would be unfair if the credits were offered to new tenants while they were no longer entitled to the offer. In addition, the two-year concessionary period under TPS during which special credits were offered was not long enough. If two years had passed before the tenants decided to buy their flats, they would have to make an extra payment of \$50,000. As such, the Concern Group asked whether HA would consider extending the concessionary period for giving tenants enough time to make up their mind.

- (e) The Concern Group welcomed the launch of GSH and suggested that reference be drawn from the previous Buy-or-Rent Option. For instance, the mortgage-to-income ratio could be set at a level lower than that for HOS, and a mortgage subsidy could be provided. A survey of PRH tenants' intention to purchase HOS flats conducted by the Concern Group last year found that for the majority of households surveyed, the affordable flat price was no more than some \$1.5 million and the flats to be bought should not be smaller than the rental flats they were living. Whether the management fee payable by each household would be high because of the single block design was also their concern when they considered buying flats in single block developments. The Government had since 2007 ceased to buy back HOS flats. As a result, HOS flat owners could put up their flats for sale in the market within a short period, further pushing up HOS flat prices in recent years. The Concern Group therefore proposed that reference should be drawn from the mechanism of similar housing schemes and a restriction period for resale of around five years should be set for the new scheme.
- (f) GSH aimed to increase the turnover of PRH flats and further improve the housing ladder by providing an alternative for PRH residents. The requirements for flat sale should be in line with the previous and current schemes, and HA should put in place buy-back arrangements. This would amount to a ban on the free transaction of the flats in the open market, which could help curb speculation. To encourage PRH tenants to buy the flats, their affordability had to be taken into account in setting flat prices which should be lower than those of HOS flats. Generally speaking, PRH tenants had a higher income than PRH applicants. If the target buyers of the new scheme included PRH applicants who had passed the detailed vetting and were due for flat allocation in about a year's time, the flat prices to be set would be affected. The Concern Group did not agree to the pegging of flat prices to market prices, but it thought that the latter might in fact serve as one of the indicators to be taken into consideration in price setting. It was hoped that the provision of discounted purchase prices for the tenants would produce a win-win result.

4. **Members'** opinions were consolidated as follows:
- (a) Given the severe shortage of PRH resources for transfer, it was believed that there were not be many cases like Nam Cheong Estate. To transfer tenants from Nam Cheong Estate to Fu Cheong Estate and vice versa as proposed above, there had to be enough vacant flats of similar size available in Fu Cheong Estate so that transfer arrangements could be made for tenants of Nam Cheong Estate who were willing to move out. The procedures involved were extremely complicated and due consideration should be given to ascertain the feasibility of the proposal.
 - (b) Back then, when HA formulated the TPS policy whereby special credits were offered to tenants, the principle of fairness had been taken into account. There were divided views in the community over the offer of special credits to PRH tenants, who had enjoyed housing benefits for years, in purchasing their PRH flats. People opined that it would give rise to unfairness as such tenants were unduly favoured. This was an issue that needed to be considered.
 - (c) The community also had divided views over the future resale of GSH flats. Some people considered that the resale should be restricted to GF applicants whereas others opined that the restriction might discourage tenants from buying the flats.
5. The responses of **representatives of the Housing Department** were consolidated as follows:
- (a) The issue of mixed tenure arising from the implementation of TPS years ago had indeed triggered management problems. HA therefore had no intention to extend the scheme to other estates. Both the sitting tenants and the new tenants could only enjoy the special credits during the two-year concessionary period.
 - (b) HD had to balance the views of various parties when setting the prices of GSH flats. Some people, for example, held the view that selling the flats to PRH tenants at excessively low prices would be unfair to others since they had already enjoyed housing benefits for years.

6. **The Chairman** thanked the representatives of the Concern Group for attending the meeting and would relay their views to other Members.

7. The meeting was adjourned at 2:55 p.m.

(See Chinese version for the document submitted by the Concern Group after the meeting for Members' reference.)

THE HONG KONG HOUSING AUTHORITY

Notes of Members' Meeting with Concern Groups

Date : 10 February 2015 (Tuesday)
Time : 3:00 p.m.
Venue : Oi Man Community Hall, Oi Man Estate, Ho Man Tin, Kowloon
Concern Group : Society for Community Organization

PRESENT

Members of the Housing Authority and its Committees

Mr Stanley WONG Yuen-fai, SBS, JP (**Chairman**)
Mr MAN Yu-ming, MH
Ms Lusan HUNG Lo-shan

Representatives of the Housing Department

Mr John HUNG Leung-bun	Assistant Director (Strategic Planning)
Mr Samson LOK Yuk-leung	Senior Housing Manager (Applications) 1
Miss Angie AU YEUNG Man-yee	Senior Assistant Committees' Secretary (Recording Officer)

Representatives of the Society for Community Organization

(See Chinese version for the names of the representatives)

The Chairman welcomed representatives of the Society for Community Organization (the Concern Group) to Members' Meeting with Concern Groups under the auspices of the Hong Kong Housing Authority (HA).

2. **The Chairman** explained that the purpose of the meeting was to provide a forum for Members of HA and its committees to meet with the concern groups, listen to their views on housing issues and relay their concerns to the Committees concerned.

3. The views expressed by **the Concern Group** were summarised as follows:

- (a) Many applicants awaiting allocation of public rental housing (PRH) were inadequately housed in small sub-divided units or even cage homes. The waiting time of family applicants with four or more members was particularly long and the situation was serious. To expedite the PRH allocation process and meet the Government's pledge to provide first flat offer within three years, it was proposed that the production of flats for four-or-more-person households should be increased. While the Government had announced the number of PRH flats to be provided in the coming five years, it still needed to strike a balance in respect of the size of PRH flats to be built to effectively address the problem of waiting time of different groups of family applicants.
- (b) It was requested that sympathetic consideration should be given to tenants affected by redevelopment projects of the Urban Renewal Authority (URA). Though compensation was provided by URA for the affected tenants, it was insufficient for families with special needs (such as those with disabled members) to make ends meet. It was hoped that HA could consider the special circumstances of individual families and arrange early allocation of PRH flats for families with special needs on compassionate grounds. Moreover, the waiting time of some singleton applicants had been lengthened to significantly exceed the three-year target due to the recent adjustment of the Quota and Points System (QPS). In this regard, it was proposed that besides using age and waiting time as the primary factors in determining the points of the QPS applicants, other conditions such as health and financial situations of these singleton applicants should also be considered.

- (c) Enhanced efforts should be made to enable the young and elderly family members to live together for the promotion of inter-generational harmony. HA should also step up the measures on under-occupation cases in PRH estates to ensure the fair use of public housing resources.
- (d) The waiting time of applicants with a large family (for example, having seven members) was generally longer due to the short supply of large flats. It was enquired if two PRH flats suitable for three/ four-person families could be provided for such applicants to shorten their waiting time.
- (e) The Government should work out a more practical waiting time target basing on the current number of PRH applicants registered and PRH flat production to prevent the applicants from having unrealistic expectations that they would obtain the first flat offer within three years.

4. **Members'** responses were summarised as follows:

- (a) The views expressed by the Concern Group in the above were clearly understood. However, it was important that the needs of both family and singleton applicants should be addressed simultaneously and impartially as far as possible so that no one group would be neglected. Under the refined QPS implemented since 1 February 2015, generally speaking, the older singleton applicants would be allocated PRH flats earlier. For family or singleton applicants who had compassionate grounds such as health considerations or social needs, they might apply for compassionate rehousing to advance the allocation of PRH flats upon the recommendation of the Social Welfare Department (SWD).
- (b) HA had launched various "Harmonious Families" schemes to encourage different generations of a family to live closer together. In recent years, HA had recovered thousands of flats under the under-occupation policy and then re-allocated them to suitable family applicants. HA would continue to implement these policies.

5. Responses of the **representatives of the Housing Department** were summarised as follows:

- (a) The prevailing PRH policy accorded priority to family applicants. HA's target of maintaining the average waiting time at around three years was not applicable to non-elderly one-person applicants under QPS. The Government planned to provide 200 000 PRH flats in the next ten years, and this target could only be achieved by corresponding availability of land supply. Therefore, HA would need the support of local communities and District Councils during the consultation on housing developments.
- (b) The results of the Special Analysis of Housing Situation for General Applicants for Public Rental Housing conducted by HA in June last year indicated that the waiting time was longer for four-person households. To expedite the processing of applications from this group of applicants, HD had optimised the flexibility given by the allocation standards to provide PRH flats suitable for four-person households. On the other hand, the provision of two-bedroom flats suitable for four-person households would be increased in the next year or two with a view to shortening the waiting time of these applicants. Given that the family circumstances of applicants might change over time and other factors might affect the situation, it was difficult for HD to estimate the waiting time of individual applicants.
- (c) Following the refinement of QPS since 1 February this year, generally speaking older applicants would be allocated PRH flats earlier. The general public could obtain information of the allocation progress from the announcements in newspapers and through the monthly updates on HA's website.
- (d) There had been an established mechanism on referring cases for compassionate rehousing between HD and SWD. PRH applicants asking for compassionate rehousing were required to undergo a preliminary assessment by HD. Subject to the consent of the applicants, HD would refer individual cases to SWD for assessing their eligibility for compassionate rehousing. Regarding the cases mentioned by the representative of the Concern Group, HD would follow up the matter with the applicants concerned after the meeting.

- (e) HD would handle the applications of large families (for example, households with seven or more family members) in a flexible manner and had been actively considering allocating two nearby flats in the housing offers for such families, subject to the availability of resources. As regards the allocation arrangements for four-person households, HD would consider the availability of resources and demand at the time and strike a balance in PRH allocation to prevent the related policy from leaning towards certain groups of family applicants.

6. **The Chairman** thanked representatives of the Concern Group for attending the meeting and said that their views would be relayed to other Members.

7. The meeting was adjourned at 4:00 p.m.

(See Chinese version for the document submitted by the Concern Group after the meeting.)

THE HONG KONG HOUSING AUTHORITY

Notes of Members' Meeting with Concern Groups

Date : 10 February 2015 (Tuesday)
Time : 4:05 p.m.
Venue : Oi Man Community Hall, Oi Man Estate, Ho Man Tin, Kowloon
Concern Group : Wo Lok Estate Redevelopment Concern Group

PRESENT

Members of the Housing Authority and its Committees

Mr Stanley WONG Yuen-fai, SBS, JP (**Chairman**)
Mr MAN Yu-ming, MH
Ms Lusan HUNG Lo-shan

Representatives of the Housing Department

Mrs Connie LAI FAN Siu-wah	Chief Planning Officer/ 1
Ms FONG Tak-shiu, Teresa	Senior Planning Officer/ 3
Mr CHEUNG Kwei-sang, Gary	Senior Maintenance Surveyor/ KE
Ms LEE Suk-fun, Nancy	Housing Manager/ KE12
Miss AU YEUNG Man-yee, Angie	Senior Assistant Committees' Secretary (Recording Officer)

Representatives of the Wo Lok Estate Redevelopment Concern Group

(See Chinese version for names of the representatives)

The Chairman welcomed representatives of the Wo Lok Estate Redevelopment Concern Group (the Concern Group) to Members' Meeting with Concern Groups under the auspices of the Hong Kong Housing Authority (HA).

2. **The Chairman** explained that the purpose of the meeting was to provide a forum for Members of HA and its committees to meet with the concern groups, listen to their views on housing issues and relay their concerns to the Committees concerned.

3. Matters of concern expressed by **the Concern Group** at the meeting were consolidated as follows:

- (a) It was disappointed that Wo Lok Estate had not been incorporated into the redevelopment programme of public rental housing (PRH) estates in the recent Policy Address. Although the building structure of Wo Lok Estate were good, interior maintenance works to many flats needed to be carried out over the years; and that had been causing inconvenience and nuisance to the tenants. It was hoped that Wo Lok Estate, which was completed over 50 years ago, could be incorporated into the redevelopment programme as soon as possible. As high average maintenance cost was a criterion for redevelopment, such as the case in Wah Fu Estate, the Concern Group would like to know the average maintenance cost per flat in Wo Lok Estate.
- (b) It was hoped that upon the future redevelopment of Wo Lok Estate, sitting tenants could be rehoused to estates located in urban areas. Lower Ngau Tau Kok Estate should be an appropriate offer, for example. Since Wo Lok Estate mainly comprised seven-storey blocks, it was believed that redevelopment of the estate would bring a significant increase in the supply of PRH flats.
- (c) Some residents applied for transfer as a result of failing to rectify the structural defects inside their flats after maintenance works had been carrying out over a prolonged period. However, their applications were regarded as unjustifiable by the Department. The residents tabled at the meeting photographs of the structural conditions of some flats to Members and Departmental

representatives for their reference. The residents also asked whether a tenant could request transfer to another flat on a floor accessible by lifts in other estates on special grounds such as poor health for fear of removal for a second time, which might cause much inconvenience to the tenants, in particular to the elderly, if redevelopment of Wo Lok Estate was to be carried out in a few years. Moreover, the residents complained about the poor attitude of some works contractors who failed to make timely response to their requests.

- (d) They hoped the Department would release the study report on redevelopment of the estate so that residents would have a better understanding of the specific situation of the estate in which they were living.

4. Responses of **representatives of the Housing Department** were summarised as follows:

- (a) According to findings of the study completed by the Department in February 2014 on the redevelopment of 22 aged public housing estates, these estates were regarded as potential targets for redevelopment. But it did not mean that they had any specific priorities or schedule for redevelopment. In considering the proposed redevelopment of individual estates, HA would conduct a series of detailed technical studies and consultations with relevant Government bureaux and departments, District Councils and local communities to determine the provision of associated ancillary facilities such as community, welfare, transport and educational facilities in the wider context of the district concerned. Upon completion of the detailed technical studies, HA would give sufficient advance notice to affected tenants and provide them with financial and other assistance if decision to proceed with the redevelopment was made. HA will normally make official announcement of redevelopment projects three years prior to clearance operations.
- (b) While redevelopment of aged public housing estates might increase PRH supply in the long term, it would reduce PRH stock available for allocation in the short term. This would inevitably exert further pressure on HA's pledge to maintain the average waiting time target at around three years. Based on

past experience in estate redevelopment, there would not be any net gain in flat supply at the early stage of redevelopment. For example, the whole redevelopment programme for Tsui Ping Estate which was in the vicinity of Wo Lok Estate took 16 years to complete in phases and net gain in flat supply could be provided only in the final phase of redevelopment. Hence, the redevelopment of aged estates could at best serve as a supplementary source of additional PRH supply. Given the current keen demand for PRH flats, it was therefore undesirable to carry out any massive redevelopment programme which would only result in freezing a large number of PRH flats that might otherwise be used for allocation to needy households. That said, HA would continue to consider the redevelopment of individual estates in accordance with its policies and criteria.

- (c) As regards the proposed rehousing of sitting tenants at Wo Lok Estate to Lower Ngau Tau Kok Estate, the Department pointed out that the Development Bureau had briefed Kwun Tong District Council on the land report for the district in the middle of last year. The report stated that several plots of land in the district would be used for public housing development upon approval for change of land use. Hence, Lower Ngau Tau Kok Estate was no longer the only plot of land available in the district to provide rehousing resources to facilitate redevelopment.
- (d) The Department would conduct comprehensive structural investigations into all aged blocks. The investigation works of Wo Lok Estate, which commenced in 2007, were completed in 2009. Both the criteria for structural condition and the requirement for safety factor set by the Department for its buildings were stricter than those applicable to private residential buildings. The structural investigation works were conducted by professional engineering staff. Although the structural frame and other aspects of Wo Lok Estate had made it look relatively aged, the housing estate had an estimated life expectancy of another 15 years at least. The Department reassured representatives of the residents about the structural safety of Wo Lok Estate. Besides, the Department had also implemented a “total” estate maintenance programme, under which comprehensive total maintenance works of Wo Lok Estate were carried out in 2008 and in 2013 respectively. The

Department had acted on its initiative to find out from residents whether their flats were in need of repair. In addition, the maintenance site offices of various housing estates would conduct annual inspection, and report on items in need of repair for follow-up works. That said, a small number of tenants had, on personal grounds, failed to reach an agreement with the Department to allow workers into their flats for repair. The Department therefore hoped that residents would cooperate as soon as possible to enable early commencement of the works, so as to ensure the provision of adequate and safe accommodation as well as up-to-date passive recreational facilities and barrier-free access facilities within the buildings for the benefits of residents.

- (e) The Department hoped that residents could strengthen communication with the estate management staff. As for the negative feedback on the customer service provided by individual works contractors, the Department would remain vigilant and remind workers of the contractors to improve on their customer service. For individual cases, residents could provide the estate office with detailed information to facilitate follow-up actions. For some flats, repair works had to be carried out repeatedly. More often than not, their problems originated in nearby flats. For example, if water seepage in a flat was caused by leakage in the flat above, and the tenant living on the upper floor failed to cooperate with the Department to facilitate investigations and repairs in his/ her flat, the problem could not be eliminated. As a result, water seepage in the flat below kept on. As such, the effective completion of works hinged on the cooperation and support of tenants and all parties concerned, without which the Department would not be able to conduct in-depth investigations and carry out repair works as necessary.
- (f) Under the prevailing policy on transfer, considerations were given to various factors, such as the health condition, social background, and medical needs of the tenants who applied for transfer. The Department would make every endeavour to arrange for the transfer of applicants whose conditions had been assessed and certified by professionals concerned in support of their applications. Approval for transfer was granted in some

cases in the past. However, applying for transfer merely on the ground that the flat was in need of repair was not in line with the policy on transfer.

5. **Members'** responses were consolidated as follows:
 - (a) HA had carried out structural fortification works in other aged public housing estates apart from Wo Lok Estate. If carrying out such works could extend the life expectancy of those housing estates by ten years or above, it might be a more cost-efficient option as compared to redevelopment. One important consideration for the redevelopment of a housing estate was whether rehousing could be arranged for sitting tenants. The availability of suitable reception resources within the district was in fact a key determinant. Other considerations included the build-back potential upon redevelopment of the housing estate, and the impact on the allocation time for PRH applicants on the Waiting List. In setting the criteria for the redevelopment of public housing estates, priorities were not given to the most aged housing estates or to those in dire need of repair, but HA regarded structural safety as a prerequisite for all public housing estates.
 - (b) PRH programme had been implemented in Hong Kong for over 60 years. Hence, many of the housing estates were already over 40 years old. It was HA's responsibility to ensure the provision of structurally safe accommodation to residents. Despite the ageing appearance of these estates, they could still provide safe accommodation for residents upon repairs.
 - (c) It was believed that the Department would strengthen its supervision of contractors of in-flat maintenance works, so that the works could be properly completed and better service would be provided. Poor attitude of works staff could be reflected to the estate management staff for follow-up action.
6. **The Chairman** thanked representatives of the Concern Group for attending the meeting.
7. The meeting was adjourned at 5 p.m.

(See Chinese version for the document submitted by the Concern Group after the meeting.)

THE HONG KONG HOUSING AUTHORITY

Notes of Members' Meeting with Concern Groups

Date : 10 February 2015 (Tuesday)
Time : 5:05 p.m.
Venue : Oi Man Community Hall, Oi Man Estate, Ho Man Tin, Kowloon
Concern Group : Public Rental Housing Households Facing Forced Transfer

PRESENT

Members of the Housing Authority and its Committees

Mr Stanley WONG Yuen-fai, SBS, JP (**Chairman**)
Mr MAN Yu-ming, MH
Ms Lusan HUNG Lo-shan

Representatives of the Housing Department

Mr Virgil HSU Kam-lung	Chief Manager/ Management (Support Services) 2
Miss Angie AU YEUNG Man-yee	Senior Assistant Committees' Secretary (Recording Officer)

Representatives of the Public Rental Housing Households Facing Forced Transfer

(See Chinese version for the names of the representatives)

The Chairman welcomed representatives of the Public Rental Housing Households Facing Forced Transfer (the Concern Group) to Members' Meeting with Concern Groups under the auspices of the Hong Kong Housing Authority (HA).

2. **The Chairman** explained that the purpose of the meeting was to provide a forum for Members of HA and its committees to meet with the concern groups, listen to their views on housing issues and relay their concerns to the Committees concerned.

3. The matters of concern expressed by **the Concern Group** at the meeting were consolidated as follows:

- (a) The so-called "enhanced measures" and "additional incentives" for handling under-occupation cases in public rental housing (PRH) estates were in fact a policy of forced transfer of existing tenants, instead of voluntary transfer. Their tenancies would be terminated if they refused to move out. Moreover, the so-called "under-occupied" flats were just slightly more spacious than flats of standard size which provided tenants with sufficient space for daily activities. It was unacceptable to tenants that the Department repeatedly reduced the standard flat size over the years and even made comparisons with the poor conditions of subdivided flats. Some households might be categorised as under-occupied due to changes in HA's policies, and they might become overcrowded households when they had new family members a few years later. By that time, transfer arrangements would have to be made again, which would not only cause inconvenience and disturbance to the tenants, but also result in a waste of resources during the process and create conflicts. Compared to the past, HA currently would not even allow a family to live in a slightly larger flat as a kind of buffer.
- (b) Some of the existing PRH tenants were previously squatter residents affected by the Government's clearance programmes. Some of these tenants were then later notified by the Housing Department (HD) of the need to transfer because there were building irregularities in the PRH flats they were living in. However, the tenants later found out that they were transferred to flats that were categorised as under-occupied. Members of HD staff, in response to tenants' enquiries, said that since the transfer

was made to facilitate the implementation of the Department's work, the tenants would not be requested to transfer again even though they were living in an under-occupied flat. Nevertheless, one of the representatives at the meeting today was immediately notified by HD of the need to transfer because a family member had passed away and as a result the family became an under-occupied household. The affected tenant therefore felt cheated by HD. Not only was the Department not held responsible for the mistakes in the building works which resulted in the transfer, but the tenant had to shoulder additional expenditure on things like furniture and refurbishment, and deal with problems arising from the transfer.

- (c) The Government should formulate land use policies for Hong Kong as a whole from a macro as well as forward-looking perspective. However, many sites were unjustifiably left vacant nowadays and private developers were allowed to stockpile land for real estate speculation. It was proposed that the Government should explore measures such as implementing rent control and introducing tax on vacant private land, which would help resolve the underlying causes of housing problems in Hong Kong in the long term. HA should not only provide sufficient number of flats to the people in need and who were eligible for PRH, but also provide them with a people-oriented living environment in terms of quality and space. In this regard, reference should be made to the relevant standards of other countries if necessary.
- (d) Under the existing policies, some households became well-off tenants because their total household income increased when their children entered the job market upon leaving school. If their children were to be deleted from the tenancies, these households would become under-occupied after their children moved out. HA offered flats that were a little larger than the standard allocation to tenants in order to attract them to move to newly developed areas such as Tin Shui Wai and Tung Chung in the past. It was extremely unfair as these tenants had to move again now that these flats were defined as under-occupied due to changes in policies.

4. The responses of **representatives of the Housing Department** were consolidated as follows:

To ease the worries of the under-occupied households with elderly members aged between 60 to 69 that they would be transferred, the Department had issued a written notification to reassure these tenants that they could remain in their flats until the next review of the relevant policies.

5. **Members'** responses were consolidated as follows:

- (a) Besides handling the issue of under-occupied households, HA also had to offer flats to the PRH applicants who had been waiting for years for allocation. Under no circumstances would HA make reference to the living space of a present-day subdivided flat for drawing up the standard size of a flat. In order to provide PRH flats of suitable size to tenants, HA had to make transfer arrangements for both the overcrowded and under-occupied households. Thus, limited resources could be allocated to the tenants in need in a more equitable way. As time evolved and the actual situation changed, such policies had to be reviewed and revised if necessary. Hong Kong was a place with a large population living on very little land. As it had limited land resources, timely adjustments had to be made in all respects to make the best use of resources in an equitable manner. Considering the situation in Hong Kong, the allocation of about 20 square metres of living space per person was already quite generous.
- (b) Regarding households which became under-occupied due to the death of a family member, HD would exercise discretion on a case-by-case basis to consider allowing these households to move out at a later date. It was not the intention of HD to create the problem of under-occupied households which appeared later when it allocated slightly larger flats in newly developed areas to the tenants in the past.

- (c) Although the Government would consider formulating land use policies from a more macro perspective, HA still had to deal with the problems of overcrowded and under-occupied households of PRH flats due to changes of household size in these families. It was impossible for HA to predict the changes in family size in each and every of the over 750 000 PRH households. But as far as households with family members aged 60 or above were concerned, a grace period would be granted to allow these households to stay in their flats until the next policy review.

6. **The Chairman** thanked the representatives of the Concern Group for attending the meeting.

7. The meeting was adjourned at 6:35 p.m.