

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

**Latest Situation of Shek Lei Interim Housing**

**PURPOSE**

This paper informs Members of the building condition of Shek Lei Interim Housing (SLIH) and the latest situation regarding its use as temporary accommodation for eligible persons.

**RECOMMENDATIONS**

2. Members are recommended to note the following –
  - (a) it will no longer be cost-effective to maintain SLIH beyond 2022 due to its deteriorating building condition;
  - (b) there is merit in optimising the development potential of the Shek Li Street site (comprising the SLIH site and the adjoining site of the ex-Shek Lei Catholic Primary School<sup>Note 1</sup>) for public rental housing (PRH) development for addressing the pressing and long- term demand for public housing; and
  - (c) allowing two years' notice for clearance, there is a practical need to start moving out licensees living in SLIH latest by 2020. In the meantime, SLIH will continue to provide temporary accommodation for eligible persons in accordance with the established policy.

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Note 1 The ex-Shek Lei Catholic Primary School, adjoining SLIH, was let to The Confederation of Trade Union (CTU) – Education Foundation Limited as Vocational Training Centre under a lease for five years up to 31 January 2019.

## **CONSIDERATIONS**

### **Building condition and utilisation of SLIH**

3. Currently, the Hong Kong Housing Authority (HA) is operating SLIH in Kwai Chung and Po Tin Interim Housing (PTIH) in Tuen Mun. Under the existing rehousing policy, clearerees living in illegal squatter structures not covered by the 1982 survey, illegal rooftop structures built after 1 June 1982, or living in industrial premises need to find their own accommodation if they are evicted. However, if they are rendered homeless due to Government actions and have the need for temporary accommodation, they may, upon referral by relevant government departments, be accommodated in the Po Tin Transit Centre (PTTC). If these persons have stayed in PTTC for three months, passed the “homeless test” and fulfilled the eligibility criteria for PRH (including income limit, asset limit and “no-domestic-property” requirement), they can be admitted to the PTIH while awaiting PRH allocation. IH units will also be offered to those evicted from PRH due to estate tenancy actions and fulfilled the eligibility criteria for PRH.

4. Blocks 10 and 11 of SLIH, comprising a total of 1 928 units, were constructed in the 1960s. They were built in accordance with the design standards of the 1960s which are substantially different from current standards. The electricity supply is assessed to be inadequate for today’s much wider use of air-conditioners, electric stoves, etc. Without substantial electrical upgrading works, the maximum occupancy that can be supported is estimated to be only about 1 100 units. As for the water supply system, water pressure is inadequate for the upper floors. Coupled with the redecoration and refurbishment works after the structural repair/strengthening, the cost would be very substantial.

5. As for the structural conditions of the blocks, according to our Comprehensive Structural Investigation (CSI) in 2007, the two blocks were structurally safe and could be sustained for another 15 years to 2022. A second-cycle CSI (along with a study for better use of SLIH) conducted in 2015 revealed that the two blocks would not be structurally sustainable beyond 2022 without substantial structural repair/strengthening works. These would involve mainly removing the top three floors of Block 10, recasting the lift lobby slabs and refuse room slabs, as well as the parapet walls at all floors.

6. If we were to do such works, they would inevitably cause disturbance and inconvenience to licensees who live there. Also, it would not be

cost-effective to continue maintaining SLIH. The estimated total cost of repair/strengthening and upgrading work for Block 10 is \$488M (i.e. \$0.63M per unit) while that for Block 11 is \$337M (i.e. \$0.44M per unit), as compared with the estimated average construction cost of \$0.72M<sup>Note 2</sup> per PRH unit. Even after such works, Blocks 10 and 11 could only last till 2033 and 2037 respectively. Thereafter the blocks would need to be further strengthened with thickening of the walls and slabs, but that would violate the means of escape and minimum headroom requirements under the Buildings Ordinance.

7. Considering the need for vacant units to cope with emergencies and natural disasters at all times and the electrical capacity constraint as mentioned above, only persons who need to be accommodated in an urban/extended urban district on social and/or medical grounds as recommended by Social Welfare Department would be considered for admission to SLIH. Otherwise, they will all be accommodated in PTIH. As at end June 2017, only 578 flats of SLIH were occupied, representing an occupancy rate of about 30%.

8. Taking into account the building age, increasing maintenance cost and high vacancy rates of IH blocks, Director of Audit recommended in his Report No. 62 issued in April 2014 that HA should, among other things, continue to closely monitor the demand and supply of IH units and their vacancy rates, and explore the feasibility for their redevelopment. We have been closely monitoring the supply and demand of IH (including SLIH), and exploring the feasibility of putting them into other beneficial uses.

### **PRH development potential of the SLIH site**

9. In view of the deteriorating building condition of SLIH and cost-ineffectiveness of its continued maintenance, we have been exploring the possibility of converting SLIH to other uses. SLIH and the adjoining ex-Shek Lei Catholic Primary School are part of the Shek Li Street site. Subject to Town Planning Board's approval to relax the plot ratio of the Shek Li Street site (see paragraph 2(b)) from 5 to 6, about 1 100 public housing units can be built on it. Given the continuing unmet demand for PRH units and particularly PRH units in urban areas, we should develop the SLIH site into PRH in due course.

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Note 2 The estimated average construction cost per PRH flat of about HK\$0.72M was based on June 2017 cost yardstick as approved vide BC Paper 44/2017.

## **LATEST SITUATION**

10. From the point of view of supply of PRH units, we should develop the SLIH site into PRH units as early as possible. On the other hand, there has been increasing pressure for HA to retain SLIH for rehousing carees generated from various sources. On balance, we consider it appropriate to maintain the use of SLIH in accordance with established policy until we practically need to start moving the licensees out of SLIH. This will be some time in 2020 or earlier, assuming that we give licensees around two years' notice. In the meantime, we will continue to monitor the situation of SLIH to ensure that the buildings are safe and acceptable for use by licensees.

## **INFORMATION**

11. This paper is issued for Members' information.

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