

LCQ15: Principles for redevelopment of public rental housing estates

Following is a question by the Hon Kwok Wai-keung and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 8):

Question :

In considering whether or not to redevelop individual aged public rental housing (PRH) estates, the Hong Kong Housing Authority (HA) will, based on the directions set out in the Long Term Housing Strategy and with reference to the four basic principles under the "Refined Policy on Redevelopment of Aged PRH Estates" (i.e. structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped, and build-back potential upon redevelopment), prudently consider the matter in accordance with the actual circumstances. Although HA completed in 2013 a review of the redevelopment potential of 22 non-divested aged estates, it has so far announced the redevelopment directions of only three estates. In this connection, will the Government inform this Council:

- (1) of the proposals and timetables for redevelopment of the 22 estates, and the timing for announcing the relevant details; the respective weightings of the aforesaid four principles when HA considers whether or not to redevelop an individual estate;
- (2) of the total amount of expenditure incurred by HA for carrying out repair and maintenance as well as improvement works for its estates in each of the past five years, and the amount of which incurred for the 22 estates;
- (3) of the number of PRH tenants affected by the redevelopment projects in each of the past five years, with a breakdown by their accommodation situation after moving out (including being accommodated in another PRH flat allocated to them, in a unit acquired under the various subsidized home ownership schemes, and in self-arranged accommodation);
- (4) as some PRH tenants currently affected by the redevelopment projects have relayed that while they may acquire a subsidised sale flat in the capacity of clearances, HA conducted only one round of sale activity per year under the Green Form Subsidised Home Ownership Scheme (GSH) and the Home Ownership Scheme respectively in recent years, rendering them unable to acquire a housing unit in time, whether HA will review the relevant arrangements;
- (5) given that the pre-sale periods for two GSH projects planned to be launched for sale by HA by the end of this year will be as long as three to four years, whether "seamless removal" arrangements will be made for PRH tenants who are affected by redevelopment projects and have acquired a GSH

flat concerned, i.e. they will be requested to move out and surrender their PRH flat only when their GSH flat is ready for intake; and

(6) whether HA will expeditiously set up a committee which is tasked to study and coordinate the redevelopment of estates, including following up the progress of redevelopment projects, as well as reviewing the redevelopment potential of aged estates other than the 22 estates; if so, of the details; if not, the reasons for that?

Reply:

President,

The consolidated reply to the Hon Kwok Wai-keung's question is as follows:

The Hong Kong Housing Authority (HA) has all along been conducting various technical studies with a view to exploring how to make better use of new and existing housing resources. The list of 22 aged public rental housing (PRH) estates mentioned in the question originated from a technical review conducted in 2013. While the review has certain reference value, in considering whether to redevelop individual aged PRH estates, HA will, in a prudent manner, take into account the actual circumstances according to the four basic principles (namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped and build-back potential upon redevelopment) under HA's "Refined Policy on Redevelopment of Aged Public Rental Housing Estates" formulated in 2011.

The Long Term Housing Strategy (LTHS) published by the Government in December 2014 has analysed the issue of redevelopment of aged PRH estates. It has pointed out that while redevelopment may increase PRH supply over the long term, it will, in the short term, reduce PRH stock available for allocation. This will inevitably add further pressure on HA's target in maintaining the average waiting time (AWT) at about three years. The net gain in flat supply from redevelopment will take a long time to realise, very often towards the latter if not the last phase of the redevelopment. Therefore, redevelopment of aged PRH estates can only play a subsidiary role in increasing PRH supply. With the persistently strong demand for PRH, a massive redevelopment programme will freeze a large number of PRH units that may otherwise be allocated to households in need, causing an instant adverse effect on the AWT. Hence, it is not a desirable option.

HA will continue to implement various programmes and measures to maintain and improve the building conditions of the aged PRH estates so as to provide residents with a safe and comfortable living environment. HA launched the Comprehensive Structural Investigation Programme (CSIP) in 2005 to ascertain the structural safety of PRH estates with building age at about 40 or above, and assess the repair works needed for sustaining such estates for at least 15 years and their cost-effectiveness. The 22 non-divested aged PRH estates were among the 42 PRH estates under the first cycle of CSIP

completed in 2018. The investigation results reveal that these estates are structurally safe and the required repair works are cost-effective. HA will, once every 15 years, investigate again the structural conditions of PRH estates that have undergone structural investigation and been decided to be retained so as to ensure that the buildings are structurally safe and financially sustainable.

There are many factors affecting the maintenance expenditure of PRH estates, including building age, design, structural condition, location, maintenance status, etc., hence it is not appropriate to make direct comparison on the expenditure solely among individual PRH estates or based on the building age. The total expenditure for maintenance and improvement works in the past five years (i.e. 2013/14 to 2017/18) for all HA's PRH properties was about \$15.3 billion, of which \$1.75 billion was for the 22 PRH estates mentioned in the question.

As regards the rehousing of the households affected by redevelopment/estate clearance, in the past five years (i.e. 2013/14 to 2017/18), HA rehoused a total of 912 households affected by completed clearance projects, of which 904 households accepted allocation at PRH units, two households opted for cash allowance in lieu of rehousing, three households moved out from their units voluntarily, three households were not eligible for rehousing since they breached the tenancy agreements and had their tenancies terminated and PRH units recovered. As regards the on-going redevelopment/estate clearance projects (including Blocks 9, 10, 11 and 13 of Pak Tin Estate and Mei Tung House and Mei Po House of Mei Tung Estate), there are 2 914 households needed to be rehoused.

In general, HA announces the redevelopment project officially three years prior to the commencement of the clearance operation. Rehousing of households affected by the clearance of estate will commence 30 months before the final evacuation. Before the target clearance date, affected households will have opportunities to participate in the sale exercises of subsidised sale flats (SSFs) (including Home Ownership Scheme and Green Form Subsidised Home Ownership Scheme) with green form and priority in flat selection. All eligible households will be allocated PRH units if they have not accepted other rehousing arrangements, including the purchase of SSF before the final relocation deadline. The HA believe that the above arrangements have allowed the households sufficient time to arrange for relocation.

In addition, if the occupation date of a pre-sold SSF is later than the final relocation deadline of the project, the affected households will be required to move out of their PRH units and arrange accommodation on their own. HA will grant Domestic Removal Allowance to these households. The HA trust that the above arrangement is appropriate.