

LCQ17: Refurbishment of recovered public rental housing flats

Following is a question by the Hon Leung Man-kwong and a written reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (May 22):

Question:

Regarding the refurbishment of recovered public rental housing (PRH) flats, will the Government inform this Council:

- (1) of the average number of days between PRH tenants who had successfully purchased flats under the Home Ownership Scheme and the Green Form Subsidised Home Ownership Scheme took over the keys of the purchased flats and moved out of their PRH flats in the past three years, and among such PRH tenants, the number and percentage of those who had applied for extended stay in PRH flats;
- (2) of the process for reinstating the fittings and fixtures in PRH flats by PRH tenants when they move out of their flats;
- (3) given that according to the Hong Kong Housing Authority's key performance indicators, refurbishment of vacant PRH flats is required to be completed within 44 days, of the longest, shortest and average time required for the Housing Department (HD) to refurbish such flats in the past three years; and
- (4) as the Government has indicated in the reply to a question raised by a Member of this Council on April 10 this year that if the fixtures and fittings installed by the outgoing PRH tenant are in good conditions, the HD will generally allow them to be retained without having to be reinstated such that the prospective tenant can choose to keep using them, whether there is any case in which the incoming tenant chooses not to accept such fixtures and fittings and, under such circumstances, who will be responsible for the costs of reinstating such fixtures and fittings?

Reply:

President,

In order to expedite the process of recovering of public rental housing (PRH) flats and minimise the period of receiving double housing benefit, the Hong Kong Housing Authority (HA) will require tenants who have purchased subsidised sale flats (SSFs) to return their PRH flats as soon as possible. According to the prevailing policy, PRH tenants are required to terminate the original tenancies and surrender the existing PRH flats to the HA within 60 days upon (i) taking over keys of the flats purchased (including Home Ownership Scheme (HOS) and Green Form Subsidised Home Ownership Scheme

(GSH)); or (ii) the 10th working day from the date of execution of the deed of assignment of the flat purchased, whichever is earlier. In case of need, households concerned may apply for an extended stay for a maximum period of 30 days, during which they are required to pay an occupation fee on a daily basis equivalent to triple net rent plus rates; or if they are market rent payers at the time of termination of tenancy, to pay market rent or triple net rent plus rates (whichever is the higher).

In consideration of the need to deal with more vacant flats in the future, the Housing Department (HD) has optimised the workflow of vacant flat refurbishment to expedite the works progress, and implemented a new mechanism to provide contractors with information of housing estates, including the type and size of flat units, that become vacant due to the purchase of SSFs at least three months in advance. This allows the contractors to make prior arrangement for manpower and materials required for the refurbishment works.

In addition, upon receiving notification from tenants of their planned moving out from PRH flats due to the purchase of SSFs, the HD will arrange a preliminary vacating inspection with the tenants in existing flats within 10 working days from the date when they take over the keys of the new purchased flat, and at the same time the HD will inform the tenants of the items to be removed or reinstated before they return the existing flat, so as to allow the tenants to budget early and choose to arrange the reinstatement works themselves or pay the HD for carrying out the reinstatement works; such arrangement can also facilitate HA's contractors to have better resource and manpower planning for timely completion of works. The HD frontline and managerial staff at different levels will convene regular meetings with contractors to review the overall progress and performance of refurbishment works, supervise the contractors and resolve any difficulties that may be encountered during the progress of works, as well as to improve works efficiency and service quality.

Four HOS and GSH courts were completed in the past year, providing about 8 800 units. Many of the PRH tenants surrendered their PRH flats due to purchase of HOS and GSH flats. Coupled with the HD's tremendous efforts put in combating tenancy abuse of PRH flats, about 15 500 units were recovered for different reasons, which was 55 per cent more than an annual number of about 10 000 units in the past. In order to meet the challenge of an increasing vacant flat refurbishment works in the future, the HD is reviewing the standards of works and streamlining the workflow, with an aim of achieving the Key Performance Indicator (KPI) of 44 days on average.

In response to the questions raised by the Hon Leung Man-kwong, the reply is as follows:

(1) In the past three years, among the cases of PRH tenants who had purchased first-hand HOS/GSH flats and surrendered their PRH units, the average time taken from the tenants' execution of the deed of assignments to the surrender of their PRH flats was around 70 days. In the past three years, among those having successfully purchased flats under the HOS and the GSH, an average of about 1 360 households (61 per cent) applied for extension for returning PRH

flats. One of the main reasons is that the renovation works of the newly purchased flats have not yet been completed.

(2) Under the prevailing arrangement, estate staff will arrange a preliminary vacating inspection at the existing flats with tenants or their representative and works staff of the HD within 10 working days from the date they collect the keys of SSFs purchased, so as to inform them the reinstatement items and the cost required if such are carried out by the HD. Tenants may choose to arrange the reinstatement works themselves or pay the HD for carrying out the reinstatement works. On the day when tenants hand over the flats, estate staff will further conduct a final vacating inspection together with the tenants or their representatives and works staff of the HD to ensure that original fixtures and facilities are properly reinstated. Otherwise, tenants will have to pay the HD for the reinstatement charges plus the prevailing administrative costs incurred.

(3) After a tenant has moved out from a public housing unit, the HD will conduct a comprehensive inspection of the landlord installations in the unit and arrange refurbishment works based on actual need, which generally include the removal and replacement of power supply, water supply and gas supply installations and equipment within the units; waterproofing and plaster works; installation of plumbing and drainage pipes, sanitary fittings, metal works and carpentry, painting works and post-completion cleaning, etc. In individual cases, the HD has to carry out major repairs in the recovered units and its adjacent flats or common areas, such as larger scale concrete repairs and water seepage repairs at upper floor units, etc. Yet, the repairs involving adjacent flats must be carried out before completion of vacant flat refurbishment works so as to maintain structural safety and integrity of the building. Despite the KPI of 44 days' turnaround time on average for vacant flat refurbishment works, the actual time required may vary depending on the number of units required to be refurbished at the same time, as well as the scope and complexity of the works for the individual units. Therefore, the overall time required to complete the refurbishment works for each vacant unit may be different. Once the contractor reports the completion of the refurbishment works, the HD will promptly arrange an inspection to ensure that the refurbished unit meets the required standards.

In the past three years, although part of the time was still during the epidemic, the average turnaround time for vacant flat refurbishment works was 45 days, which is very close to the KPI of 44 days. Among them, the shortest refurbishment time taken for some cases was only 19 days, while about 1 per cent of the vacant flats took more than 100 days to complete, the longest time required for one case was 197 days. The HD has reviewed the situation of individual vacant flats that took a longer time to complete the refurbishment, and found that in 2023, there was a significant increase in the number of public housing residents vacating their public housing flats due to purchasing SSFs as compared with the same period in previous years. In the first three quarters of 2023 alone, nearly 5 000 public housing households vacated their units after purchasing SSFs, which is approximately three times higher than the average for the previous two years. In some regions, the number of vacant flats even doubled within a three-month period

from May to July 2023. Owing to the sharp increase in the number of vacant units within a short period of time, the workload of vacant flat refurbishment works in some regions had exceeded the short-term capacity of the contractors in these regions. Although the HD anticipated an increase in vacant flat refurbishment works due to the sale exercises of SSFs and provided contractors with at least three months' advance notice to arrange for additional manpower and materials for the refurbishment works, the current shortage of skilled workers in the construction industry in Hong Kong had rendered difficulty for the contractors to recruit enough additional manpower to cater for the short-term surge in workload. In order to reduce the impact on prospective tenants, the HD has requested the contractors to appropriately adjust their sequence of work, accord priority to the refurbishment works of vacant flats that have already been allocated to prospective tenants; and expedite the progress of works. On the contrary, if the flat concerned has not yet been accepted by the applicant, the HD will accord the refurbishment works of that flat unit to a lower priority in the face of a sharp increase in the number of vacant flats in a short period of time.

Taking into account the need to deal with an increasing number of vacant flats in the future due to the purchase of SSFs, the HD is reviewing the workflow and standards for vacant flats refurbishment works in order to expedite the work progress. It is expected that the review will be completed in 2024.

(4) According to prevailing arrangement, the HD will conduct a comprehensive inspection of the installations and equipment in the units before public housing tenants move out from the flats. The HD will adopt a flexible and "people-oriented" approach to assess and determine which installations and equipment can be retained, repaired or need to be improved. If the fixtures and equipment installed by the previous tenant are in a good condition, the HD will generally retain them (i.e. there is no need for the outgoing tenants to reinstate to its original state) for the continued use by the incoming tenant. This arrangement not only reduces waste and construction debris, contributing to environment protection, but also helps reduce the decoration costs and time for incoming tenants, as well as the restoration time for outgoing tenants. Hence, it is generally welcomed by tenants. If a new tenant is unwilling to accept the installations and equipment in the unit that have been assessed by the HD as suitable for use, it is considered that he/she refuses to accept the allocation, and the unit will be immediately returned to the Applications Sub-section of the HD for re-allocation.