

Doc Type	HA
Paper No	71/95
Title	Development Fund Project - Interim Housing at Sha Kok Mei
CONTENTS	<p>HA 71/95</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Housing Authority</p> <p>Development Fund Project -Interim Housing at Sha Kok Mei</p> <p>PURPOSE</p> <p>This paper seeks Members' endorsement to use the Development Fund to finance a pilot scheme of interim housing at Sha Kok Mei in Sai Kung, using a proprietary prefabricated building system.</p> <p>THE DEVELOPMENT FUND</p> <p>2. The Development Fund was set up in October 1994 with the objective of financing projects for the development of housing and housing-related projects and infrastructure that would further the policy of providing adequate and affordable housing to benefit those in need of housing provision. It had an opening balance of some \$7 billion as at 1 April 1995.</p> <p>3. In June 1995, Members approved improvements to the Home Purchase Loan Scheme in order to provide sitting tenants with an additional incentive to encourage them to give up their rental flats for reallocation. The improvements provide for an increase in the amount of loan and the monthly subsidy for Green Form applicants to \$600,000 and \$5,100 respectively for two years, namely 1995/96 and 1996/97, with an annual quota of 2,000 for each year.</p> <p>4. As at the end of November 1995, 4,340 applications have been received from Green Form applicants; 849 loans have been granted and 3,233 approvals-in-principle have been issued, pending completion of property purchase. A total of \$296.3M has been spent from the Development Fund up to the end of November 1995. The cash flow projection for the Development Fund from 1995/96 to 1999/2000 is given in Annex A.</p> <p>INTERIM HOUSING</p> <p>5. Paper No. HA 70/95 on "Future Direction for the Provision of Interim Housing" highlights the strong demand for interim housing in the next two years which will be met by the retention of 13 traditional THAs and re-use of Kwai</p>

Shing East Block 12 as interim housing. A shortfall of supply of interim housing will emerge as the 13 traditional THAs are progressively cleared from 1997/98 onwards. It is therefore necessary to find alternative accommodation to meet the continual demand for interim housing.

6. The long-term aim is to re-use old housing blocks as interim housing. This will be supplemented by a low-rise and makeshift type of interim housing which enables rapid construction to meet unforeseen demand.

THE DESIGN

7. The new style interim housing will make use of a proprietary prefabricated building system which is quick to assemble and provides a high quality of finishes. Upon removal, up to 90% of the component parts, including structural frames, external and internal wall panels and windows, and sanitary fittings may be recovered and re-used, subject to fair wear and tear.

8. The design of such interim housing units is based on the following -

- (a) self-contained units with individual bathroom and kitchen;
- (b) allocation of about 4 to 5 sq m of living space per person, with a slightly larger area for single person;
- (c) adjustable internal partitions to produce units of different sizes;
- (d) fixed location and sizes of kitchen and bathroom.

9. Two standard modules have been developed. The 2-person units have a total area of 14.85 sq m (3.3m x 4.5m), and the 4-person units 22.77 sq m (3.3m x 6.9m). Additional sizes of unit based on the standard units may be provided by relocating partitions. Family units for up to 10 persons can be provided if some of the bathrooms and kitchens are removed. The net living space per person for different household sizes is given in Annex B.

10. The prefabricated interim housing blocks may be built up to a maximum of four storeys. The length of the blocks can vary to suit site constraints by adjusting the number of units per floor. The system also provides the flexibility necessary to meet the demands of different household size mixes. The block design in Annex C provides a total of 96 units split evenly between 2-p and 4-p standard modules. The length of the block is maximised in accordance with the requirement of means of escape in case of fire.

SHA KOK MEI SITE

11. We propose to pilot the use of prefabricated building system for interim housing at a site within the existing Sha Kok Mei Temporary Housing Area

(THA) in Sai Kung. The existing THA blocks on this site will be cleared in March 1996. On this basis, building will be completed by the end of September 1996. The proposed programme is in Annex D.

12. The Sha Kok Mei site has a tenure which lasts until 2000. It is designated as a Comprehensive Development Area (CDA), together with a school and Indoor Recreation Centre (IRC) for the longer term. The Lands Department has no objection to the CDA portion of the site being used for interim housing as there is no programme for development of the site in the near future. The Environmental Protection Department may require some mitigation measures against road traffic noise and air pollution from the adjoining Tai Mong Tsai Road.

ESTIMATED COST

13. The estimated project cost is \$17.84M, breakdown as follows -

Description	Construction Cost (\$M)
Foundation	0.624
Supply and delivery of materials	7.747
Construction of building	2.996
External works & drainage	2.090
Preliminaries	3.710
Contingencies (5%)	0.673
Total	17.840

14. Actual construction cost will depend on the outcome of tendering. Since up to 90% of the materials may be re-used upon relocation, the actual consumption cost is \$10.87M. On this basis, the average unit cost works out to be about \$113,000.

15. The high cost is partly attributed to the low-rise development, and the lack of economy of scale for a project of such a size. Nonetheless, taking into account the higher quality compared to the traditional timber structures, and the flexibility in terms of flat mix and re-use, we consider it worthwhile to try out the scheme.

16. This type of interim housing will only be used sparingly where it can be justified on the basis of demand, timing and site availability. For example, if there is a sudden surge in the demand for interim housing and there are no long-term sites available for building tall blocks or other types of interim housing, the prefabricated building system will provide a quick stop-gap solution.

CONSULTATION

17. Both the Development Committee and the Works Liaison Group have been consulted and endorsed the proposed pilot scheme at Sha Kok Mei.

FINANCIAL IMPLICATIONS

18. It is estimated that, after payment for the enhanced HPLS, the Development Fund will have a balance of \$9,581.7M as at 31 March 1997. The balance will be reduced to about \$9,563.9M as a result of funding the present proposal in 1996/97.

RECOMMENDATION

19. It is recommended that a pilot scheme of interim housing using prefabricated building system should be carried out at Sha Kok Mei using the Development Fund.

ADVICE SOUGHT

20. At the Housing Authority meeting on 4 January 1996, Members will be asked to approve the recommendation in paragraph 19 above.

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