

THE HONG KONG HOUSING AUTHORITY**Memorandum for the Subsidised Housing Committee****Public Rental Housing Allocation Plan for 2004/05****PURPOSE**

This paper seeks Members' approval of the public rental housing (PRH) allocation plan for 2004/05.

FLATS ALLOCATED IN 2003/04

2. Members approved vide Paper No. [SHC 11/2003](#) the planned allocation of 36 600 PRH flats in 2003/04 for various rehousing categories. As at end March 2004, we actually allocated a total of 38 936 flats, exceeding the planned allocation by 6.4%. In addition, there were 7 811 flats under offer to various applicants. A summary of the overall flat allocation position in 2003/04 is shown at [Annex A](#).

3. For the Waiting List (WL), we rehoused 27 636 households in addition to 6 000 flats under offer exceeding the planned allocation of 21 800 by 26.8%. For Comprehensive Redevelopment Programme (CRP), the rehousing operation at Lower Ngau Tau Kok Estate (1) was completed in June 2003. The late completion of the major reception estate in Pak Tin Phase 3, the poor response of the Special Voluntary Transfer Exercise for Lower Ngau Tau Kok Estate (2) and the rehousing of some families through Anticipatory Housing Scheme were factors contributing to the low consumption. As for Squatter Clearance, we were not able to allocate as many as we had planned because of the Government's postponement of some planned clearance projects and also the rehousing of some households through other channels such as the Anticipatory Housing Scheme.

4. According to the Memorandum of Understanding (MOU) entered into between the Urban Renewal Authority (URA) and the Housing Authority (HA) in June 2002, the HA provides at maximum 1 000 flats annually to house clearerees affected by URA's urban renewal projects. During the year, 288 vacant flats were reserved by the URA with reservation fees equivalent to rent paid to the HA. Consequently, 67 flats were taken up by the clearerees. The reason for the under-consumption was mainly due to the clearerees' demand for local rehousing particularly in Wanchai and Sai Ying Pun Districts where no PRH exists. The increase of clearerees opting for cash compensation instead of PRH flats, or renting of private accommodation also contributed to the low take-up rate. As in the past, the unconsumed flats surplus to URA's actual reservation and requirements were taken up by the WL applicants before the end of the year, same as other category users.

5. For the year 2003/04, the number of approved cases referred by the Social Welfare Department for compassionate rehousing was 1 689, consuming 84.5% of the planned allocation of 2 000 flats.

6. Under the Civil Servants and Pensioners category, we housed 1 035 applicants, representing 69% of the planned maximum allocation of 1 500.

7. We conducted two Territory-wide Overcrowding Relief Exercises (TWOR) and 11 transfer exercises in the year, with 3 770 PRH households rehoused to larger or new flats to improve their living environment. The number of overcrowded households was reduced from 8 500 in March 2003 to 7 163 in March 2004. Against the overall planned allocation of 7 000 flats set under Overcrowding Relief/Transfer in 2003/04, 7 873 flats were taken up for rehousing of overcrowded households and families applying for transfer.

Vacancy Rate and Average Waiting Time

8. The vacancy rate of PRH as at 31 March 2004 was 1.3% (or 8 077 out of 643 696 flats) against our pledge of 1.5%.

9. As at end March 2004, the Average Waiting Time (AWT) for PRH was 2.1 years as against 2.3 years in March 2003. For single elderly applicants, the AWT dropped from 1.0 year in March 2003 to 0.9 year, surpassing the Government's pledge of reducing it to 3 years by 2003 for the general households and 2 years by 2005 for the elderly single persons.

SUPPLY OF FLATS IN 2004/05

10. Subject to Members' approval of transfer of some 2 900 surplus Home Ownership Scheme (HOS) flats to PRH vide Paper No. [SHC 35/2004](#), we estimate that there will be a total supply of 38 300 rental flats for allocation in 2004/05, including 22 000 new flats and an estimated supply of 16 300 vacated flats. Compared to last year's planned allocation of 36 600 rental flats, it will represent an increase of 1 700 flats or 4.6%. Details of the new projects scheduled for intake in 2004/05 are at [Annex B](#).

PROPOSED ALLOCATION FOR VARIOUS CATEGORIES IN 2004/05

Redevelopment and Major Repairs

11. Under the planned CRP for 2004/05, a total of 1 600 flats will be required for the redevelopment of Shek Kip Mei Estate Phase 3 and pre-redevelopment thinning-out of Shek Kip Mei Estate Phases 5 and 6 as well as Wong Chuk Hang Estate. For major repair works, the demand is very small and can be absorbed into the Redevelopment category.

Squatter Clearance/Urban Renewal Authority Projects/Interim Housing Trawling

12. A total of 1 400 flats including the demand for 1 000 in line with the MOU between the HA and the URA will be planned for the Clearance category. Another 1 000 flats will be available for trawling exercises for Interim Housing (IH) in order to pave way for future closure of IHs with very little demand to achieve operational efficiency. In addition, trawling exercises for Shek Lei (II) and Kwai Shing East IHs are required for creation of more vacant units to meet operational needs. The overall requirement for the above purposes under the Clearance category in 2004/05 is 2 400 flats.

Waiting List

13. For the year 2004/05, we propose to make available 23 700 flats for the WL applicants which is an increase of 8.7% or 1 900 flats on last year's planned allocation of 21 800.

Compassionate Rehousing

14. Similar to previous years, 2 000 flats will be available for this category. Additional flats will be provided to meet the additional demand from deserving cases referred to us by the Social Welfare Department.

Overcrowding Relief/Transfers

15. We propose to provide 3 000 flats for overcrowding relief of our PRH tenants and 4 000 flats to meet their transfer needs, making up a total of 7 000 flats under Overcrowding Relief/Transfers. This is the same as last year's planned allocation.

Emergency

16. We propose to continue to provide 100 flats for this category and more can be made available on a need basis.

Junior Civil Servants and Pensioners

17. The number of PRH flats to be provided for Junior Civil Servants and Pensioners in 2004/05 is proposed to remain at 1 500 flats, the same as that in 2003/04.

PROPOSED ALLOCATION PLAN FOR 2004/05

18. The PRH allocation plan for 2004/05 is recommended as follows -

Rehousing Category	Approved Allocation in 2003/04	Actual Flats Allocated in 2003/04	Proposed Allocation for 2004/05	
				%
1. CLEARANCE				
(a) Squatter Clearance	1 100	242	400	1.0
(b) Urban Renewal Authority	1 000	67	1 000	2.6
(c) IH Trawling	200	38	1 000	2.6
2. COMPREHENSIVE REDEVELOPMENT & MAJOR REPAIRS	1 800	331	1 600	4.2
			<small>Note 1</small>	
3. WAITING LIST	21 800	27 636	23 700	61.9
4. COMPASSIONATE	2 000	1 689	2 000	5.2
5. TRANSFER	7 000	7 873	7 000	18.3
(a) Overcrowding Relief	(4 000)	(878)	(3 000)	
(b) Transfers	(3 000)	(6 995)	(4 000)	
6. EMERGENCY	100	9	100	0.3
7. CIVIL SERVANTS				
(a) Junior Civil Servants & Pensioners	1 500	1 035	1 500	3.9
(b) Redemption of Letters of Assurance by Estate Assistants ^{Note 2}	100	16	-	-
Total	36 600	38 936	38 300	100

Note 1 - Subject to Members' approval on the transfer of 2 900 surplus HOS flats to PRH as recommended vide Paper No. [SHC 35/2004](#)

Note 2 - This category of applicants is to be phased out in 2004/05 due to the nearly completion of the redemption scheme

PUBLICITY AND PUBLIC REACTION

19. We would emphasize that the overall allocation plan is set having regard to anticipated supply and demand for the coming year including the short-term increase of some 2 900 surplus HOS flats transferred to PRH. The AWT for WL applicants will be maintained at around three years as pledged.

DECLASSIFICATION OF PAPER

20. We propose that this paper be declassified after the approval of the recommendation by Members as set out in [paragraph 18](#) above. The paper will be made available to the public at the Housing Authority homepage, the Department's Library and through the Department Access to Information Officer when it is declassified.

DISCUSSION

21. At the meeting of the Subsidised Housing Committee to be held on 19 May 2004, Members will be invited to approve -

- (a) the allocation plan of public rental flats for various categories for 2004/05 ([paragraph 18](#)); and
- (b) declassification of the paper ([paragraph 20](#)).

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(Allocation and Commercial Division)
Date : 14 May 2004

**PUBLIC RENTAL HOUSING ALLOCATION FOR THE YEAR 2003/04
FOR THE PERIOD OF 1.4.2003 - 31.3.2004**

Annex A

Rehousing Category	Approved	Flats Allocated		Total (d)=(b)+(c)	%
	Quota in 2003/04 (a)	New (b)	Vacated (c)		
1. CLEARANCE					
(a) Squatter Clearance	1 100	76	166	242	(0.6%)
(b) Urban Renewal Authority	1 000	49	18	67	(0.2%)
(c) IH Trawling	200	18	20	38	(0.1%)
2. COMPREHENSIVE REDEVELOPMENT & MAJOR REPAIRS	1 800	80	251	331	(0.9%)
3. WAITING LIST	21 800	15 188	12 368	27 636 @	(71.0%)
4. COMPASSIONATE	2 000	14	1 675	1 689	(4.3%)
5. TRANSFER	7 000	3 384	4 489	7 873	(20.2%)
(a) Overcrowding Relief	4 000	549	329	878	(2.2%)
(b) Transfers	3 000	2 835	4 160	6 995	(18.0%)
6. EMERGENCY	100	1	8	9	(0.0%)
7. CIVIL SERVANTS					
(a) Junior Civil Servants & Pensioner	1 500	711	324	1 035	(2.7%)
(b) Redemption of Letters of Assurar by Estate Assistants	100	2	14	16	(0.0%)
Total	36 600 ^	19 523	19 333	38 936	(100.0%)

^ - The Allocation Plan for 2003/04 was approved by SHC on 29.5.2003 vide Paper No. [SHC 11/2003](#).

@ - The total number of WL applications rehoused is 27 636 including 80 Rent Allowance for Elderly Scheme recipients having been granted Approval-in-principle issued in 2002/03.

**Supply of New Flats for Public Rental Housing Allocation in 2004/05
(Based on Public Housing Construction Programme of 3/2004)**

New production from 4/2004 to 1/2005[@]

<u>Projects</u>	<u>No. of Flats</u>
1. EHC Site (Yau Lai Estate) Ph. 1 Blks. A, B, C, D & F	2 100
2. Pak Tin Ph. 6 Blk. K	243
3. Mongkok West (Hoi Fu Court)	758
4. NWKR Site 10 (Hoi Lai Estate) Ph. 1 Blks. 1-6	2 358
5. NWKR Site 10 (Hoi Lai Estate) Ph. 2 Blks. 7, 8, 10, 11 & 12	1 992
6. Kwai Chung Ph. 4 Blks. 10-12	1 983
7. Lei Muk Shue Ph. 3 Blks. 5, 5A & 6	1 983
8. Shatin Area 2B Blk. 1	799
9. TSW Area 101 (Tin Yan Estate) Ph. 2 Blks. 6-9	2 112
10. Ko Cheung Court*	1 800
11. Yau Mei Court*	400
12. Lam Tin Ph. 6*	720
sub-total	17 248
Project slipped from 2003/04 production	0
New flats carried over from 2003/04	4 773
Total	22 021

Notes @ Period of supply of new production runs from 4/2004 to 1/2005

* HOS projects anticipated to be transferred to PRH in 2004/05

and is subject to Members' approval as recommended vide Paper No. [SHC 35/2004](#)