

Legislative Council Panel on Housing

Housing-related Initiatives in the 2007-08 Policy Agenda

Introduction

The newly-released 2007-08 Policy Agenda sets out the new and ongoing initiatives the Chief Executive intends to implement in the coming year. This paper provides the details of the housing-related initiatives in the Policy Agenda.

New Initiatives

Investing for a Caring Society

Implementing a set of enhanced public housing arrangements to promote mutual family support and care for the elderly

2. To support the Government's policy of fostering harmonious families, encourage mutual support among family members and promote care for the elderly, the Housing Authority (HA) has implemented five enhanced public housing measures since October 2007, with a view to establishing a family-based support network in public rental housing (PRH) estates. The five enhanced measures are the Families with Elderly Persons Priority Scheme, Special Scheme for Families with Elderly Persons, Addition Policy for Harmonious Families, Enhanced Transfer Scheme for Harmonious Families and Amalgamation of Tenancies for Harmonious Families. The details of the enhanced measures are set out in the **Annex**. The HA would ensure that the enhanced measures are consistent with the prevailing PRH management and allocation policies, such that public housing resources would continue to be allocated in a rational manner. It is believed that such measures would not result in abuse or queue-jumping.

Ongoing Initiatives

Quality City, Quality Life

Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources

3. We appreciate the rising public aspiration for environmental conservation and a better living environment. The HA has endeavoured to promote the Strategy for Sustainable Construction to provide a green and healthy living environment for PRH residents. In designing and building new PRH estates, the HA will continue to implement the following measures-

- carrying out “micro-climate” studies and applying computer simulation techniques to collect scientific data such as wind speed, air flow, day-light penetration to work out the best disposition, location and orientation for the estates, in order to allow the residents to enjoy the best of the natural environment;
- planting on rooftops and external walls of domestic blocks on a pilot basis to increase green area;
- utilizing renewable energy, such as installing solar-powered lamp posts in landscape areas, and installing solar photovoltaic system on walkway covers and roofs of domestic blocks to provide the power supply for some of the communal facilities and reduce the emission of carbon dioxide;
- adopting the Central Compactor System to compress refuse for convenient disposal and transportation and better hygiene;
- applying the newly-developed Common W-trap Drain Pipe System to ensure that water is stored in the traps, thus preventing the transmission of odour and bacteria and the spread of diseases from other floors of the building through drain pipes;
- implementing an environmental-friendly procurement policy which specifies the use of renewable, recyclable and environmental-friendly building materials.

4. In addition, the HA will continue to make effective and rational use of PRH resources to ensure a sustainable PRH programme. The HA will continue to reduce PRH vacancy rate, for example, by converting Housing for Senior Citizens units with low utilization rate into normal PRH flats, introducing the Express Flat Allocation Scheme to facilitate the letting of relatively less popular flats, and offering an extra half-rent period to applicants who are willing to rent long-standing vacant flats.

5. Furthermore, in accordance with the HA's Housing Subsidy Policy, tenants who have been living in PRH for ten years or more are required to declare household income biennially. The Policy on Safeguarding Rational Allocation of Public Housing Resources requires better-off households to pay higher rents or vacate their flats depending on individual circumstances.

6. The HA will step up measures against abuse of PRH resources. Suspected abuse cases would be identified at an earlier stage through daily tenancy management and regular home visits. The HA will also step up publicity to promote public awareness of the importance of an effective use of public housing resources.

Investing for a Caring Society

Maintaining supply of public rental housing for needy applicants with an average waiting time of around three years

7. The aim of the Government's subsidized housing policy is to assist those low-income families who cannot afford private rental housing through the provision of PRH. We will endeavour to keep the average waiting time for PRH at around three years. The current average waiting time for PRH is 1.8 year for family applicants¹ and 1.3 year for elderly applicants. In the next five years, the HA will build some 15 000 PRH units per year. Together with the projected 16 000 recovered PRH flats per year which can be re-allocated, it is estimated that the supply of PRH would be adequate to maintain the average waiting time at around three years. The Government would continue to ensure that there would be sufficient supply of land for the HA to implement a sustainable PRH programme.

¹ The waiting time of non-elderly single-person applicants is not taken into account.

Preparing for the first rent review of PRH under the new income-based rent adjustment mechanism, including the collection and compilation of income data of PRH tenants

8. In January 2007, the Government introduced the Housing (Amendment) Bill 2007 to replace the statutory 10% median rent-to-income ratio under the Housing Ordinance (Cap. 283) with a new income-based PRH rent adjustment mechanism. The Housing (Amendment) Ordinance 2007 was passed by the Legislative Council in June 2007 and will come into operation on 1 January 2008.

9. Under the new rent adjustment mechanism, a review of PRH rent will be conducted every two years. The first review will be conducted in 2010. The PRH rent will be adjusted upward or downward depending on the movement of the income index which reflects the change in PRH tenants' household income. For downward rent adjustment, the PRH rent will be reduced according to the rate of reduction of the income index. In the case of upward rent adjustment, the PRH rent will be increased by the rate of increase of the income index or 10%, whichever is less. The income index will be computed by the Census and Statistics Department. To facilitate the computation, the HA has been collecting income data from 2 000 randomly selected PRH households every month. With effect from August 2007, the HA has also reduced the PRH rent by 11.6%, in order to provide a reasonable starting point for the new rent adjustment mechanism to operate effectively. The new rent adjustment mechanism provides a more flexible framework which better reflects PRH tenants' affordability. It also helps ensure the sustainability of the PRH programme in the long run.

Ten Major Infrastructures, Boosting Our Economy

Disposing of surplus Home Ownership Scheme flats in a smooth and orderly manner

10. The HA formulated and announced in April 2006 the detailed "Tentative Sales Programme of Surplus Home Ownership Scheme (HOS) Flats" for selling its some 16 600 unsold and returned HOS flats in batches in an orderly manner. The HA will arrange two sale phases each year from 2007 to 2009, with around 2 000 to 3 000 flats offered for sale to Green Form and White Form applicants in each phase.

11. The HA completed the Phase 1 sale in May 2007 and sold a total of 3 052 flats (comprising 1 200 flats in Kingsford Terrace Stage I in Wong Tai Sin, 1 489 flats in Yu Chui Court in Sha Tin and 363 flats in Tin Fu Court in Tin Shui Wai). It launched Phase 2 in August 2007 offering a total of 3 255 flats (comprising 810 flats in Kingsford Terrace Stage II in Wong Tai Sin, 275 flats in Ka Keng Court in Tai Wai and 2 170 flats scattered in various courts). Eligible applicants have commenced flat selection from late September 2007 and it is anticipated that the sale exercise of Phase 2 would be completed by end of 2007. The HA will continue to closely observe the market situation, and would make timely and appropriate adjustments to the sales programme in case of any major market changes.

Transport and Housing Bureau
October 2007

**The five enhanced public housing arrangements
implemented since October 2007**

1. Families with Elderly Persons Priority Scheme: The minimal waiting time for applicants has been reduced from two years to 18 months.
2. Special Scheme for Families with Elderly Persons: Applicants are offered two separate flats in the same estate. The minimum waiting time for applicants has been reduced from two years to 18 months. Applicants may now choose flats in any district except the Urban District, instead of only the New Territories as in the past.
3. Addition Policy for Harmonious Families: The enhanced policy allows one adult offspring and his/her family members to be added to the tenancy of the elderly tenant instead of staying as conditional temporary stayers.
4. Enhanced Transfer Scheme for Harmonious Families: In the past, younger families were allowed to apply for transfer to NT estates to live nearer to their elderly parents and vice versa. The geographical restriction has been removed under the enhanced arrangement. Applicants may choose any District Council districts to which they wish to move. The HA has set aside 1 000 flats for the enhanced scheme, most of which are located in the Urban District.
5. Amalgamation of Tenancies for Harmonious Families: Younger families living in PRH may apply for amalgamation of tenancies with their elderly parents or dependent relatives living in PRH. There is no longer any geographical restriction under the enhanced arrangement. An amalgamated household may opt to move to any district and be allocated a new PRH flat subject to availability of resources.