

**REPORT ON
MAJOR COMMENTS RECEIVED ON
LONG TERM HOUSING STRATEGY
REVIEW CONSULTATIVE DOCUMENT**

Housing Bureau

February 1998

SUMMARY OF MAJOR COMMENTS RECEIVED ON LONG TERM HOUSING STRATEGY REVIEW CONSULTATIVE DOCUMENT

Introduction

On 24 January 1997, the Housing Branch (now the Housing Bureau) published a consultative document entitled “Homes for Hong Kong People : The Way Forward”, setting out the main conclusions and recommendations of the Long Term Housing Strategy Review. In the course of the public consultation which ended on 31 May 1997, we -

- (a) distributed about 52 000 copies of the consultative document and 195 000 copies of summary leaflets;
- (b) conducted over 110 briefings of various public and private organisations including the Legislative Council, all District Boards, political parties, the Housing Authority (HA), the Housing Society (HS), professional associations, private developers, academics, housing concern groups and the media;
- (c) received some 470 individual written submissions, including late submissions received up to the end of July 1997 (a full set of written submissions is kept in the Housing Bureau for reference upon request); and
- (d) responded to a motion debate on the subject in the Legislative Council on 19 March 1997.

Public comments

2. Public comments were balanced. There was general support for the principal objectives and strategy set out in the consultative document. Many of the specific recommendations were welcomed and supported. Some of the more controversial recommendations were criticised by interested parties.

3. As regards the broad strategy -

(a) increasing land supply and flat production

The community welcomed our proposals to increase land supply and flat production, although many doubted our ability to meet the flat production targets up to 2001, and the land supply and housing production requirements beyond 2001;

(b) maximising the contribution of the private sector

The community, and the private sector in particular, welcomed our proposals to make good use of the private sector's capacity and expertise in meeting the housing demand, and to ease supply constraints. Some developers showed particular interest in the concept of "mixed development", and in exploring opportunities to release their land holdings for housing development;

(c) encouraging wider home ownership

The community generally welcomed our goal to encourage wider home ownership. Some political parties and housing activists considered that the Government's housing strategy should primarily be to provide adequate public rental housing to meet demand, supplemented by the sale of subsidised home ownership flats at affordable prices. Public housing tenants hoped that selling prices for public rental flats would be reasonable and low. Some respondents expressed concern that prices of private domestic flats were beyond the affordability of the general public; and

(d) providing public rental housing for those in need

The community generally endorsed the principle of equity in the allocation of public rental housing (including introduction of a means test on income and net assets before entry and at regular intervals). Some political parties, housing concern groups and public housing tenants criticised our proposals to increase rents gradually to achieve the Median Rent to Income Ratios of 15% or 18.5%, and to restrict the grant of new tenancies to adult children upon the death of the principal tenant and the spouse.

4. The HA supported all the basic principles and the majority of our specific recommendations. The HS also responded positively and favourably.

5. Major public comments on the 41 recommendations in the consultative document and the Administration's responses are summarised below.

INCREASING LAND SUPPLY AND FLAT PRODUCTION

Recommendation 1

To update regularly projected flat requirements, using the model operated by the Government's Working Group on Housing Demand.

Major public comments

- There was general support for the regular review and updating of housing demand. Many urged the Government to ensure the accuracy of our flat requirement projections, and to take proper account of the housing needs of new arrivals from the mainland of China as well as the differing housing needs of the local community.

Administration's response

- The housing demand model, operated by the Government's Working Group on Housing Demand under the direction of the Secretary for Housing, is designed to produce the best possible estimates of future housing demand from different groups including new arrivals from the mainland of China. The demand model has been re-run to take into account the results of the 1996 Population By-census and the Survey on Housing Aspirations. We will regularly re-assess future demand for housing, in both the public and private sectors.

Recommendations 2 to 6

To look at opportunities, subject to an assessment of infrastructural capacity and environmental impact, to increase land supply for housing by -

- rezoning land in selected locations previously designated for industrial or unspecified community uses, which are surplus to requirements;
- identifying potential new development sites on the periphery of planned or developed urban areas to which new roads and infrastructure could be extended without undue difficulty; and
- redeveloping suitable old flatted factory estates of the HA.

To explore options to increase the density of development in -

- comprehensively designed new development areas where existing community services and infrastructural capacity permit; and
- individual residential sites which have spare capacity.

Major public comments

- There was general support for the recommendations to increase land supply for housing.
- Many suggested that the Government should explore other options to increase land supply for housing, e.g. by maximising the use of land resources in the New Territories, particularly agricultural land, and developing new Strategic Growth Areas.

Administration's response

- We will meet our long-term target of producing not less than 85 000 flats a year from 1999-2000, in order to meet the future needs of the community, by increasing land supply in the following ways :
 - developing reserved sites on current town plans;
 - redeveloping existing sites in the public and private housing sectors;

Major public comments

- There were divided views on increasing land supply by reclamation.

Administration's response

- developing new Strategic Growth Areas, including both land-based and reclamation-based areas;
- rezoning agricultural, industrial and other land, where infrastructural capacity and environmental conditions permit;
- increasing the density of HA estates by improving supporting infrastructure and exercising flexibility in the application of planning guidelines;
- increasing the density of development in other selected locations ; and
- redeveloping suitable old HA flatted factories.

Major public comments

- Some suggested the Government should set up a high level central co-ordinating mechanism to monitor land supply to meet demand for housing.

Administration's response

- The Steering Committee on Land Supply for Housing (HOUSCOM), chaired by the Financial Secretary, was set up, inter alia, to monitor land supply for housing. HOUSCOM has streamlined procedures, established an inventory ("control lists") of individual housing sites, and put in place a mechanism for resolving speedily disputes relating to housing development at the district and central levels.

Recommendations 7 to 9

To speed up housing production by continuing -

- to act efficiently and effectively through the Housing Project Action Team to remove bottlenecks in the production of new flats;
- to look at further ways to improve and speed up procedures for the approval of housing projects and related land transactions; and
- to ensure that housing related infrastructure projects, such as water supply, sewerage and transport links, are funded and completed in good time.

Major public comments

- These recommendations were supported. Some urged the Government to explore effective ways to remove constraints in speeding up housing projects and to monitor closely the construction programme to ensure completion on schedule.

Administration's response

- As noted above, we have put in place a mechanism to resolve problems affecting housing or housing-related infrastructure projects speedily at both district and central levels.
- We have adopted a streamlined process for public housing production under which the average planning and development time will be reduced from 62 months to 47 months for the HA, and from 52 months to 46 months for the HS.
- We have also adopted measures to accelerate departmental approvals required for private housing development.

Major public comments

- The HA urged the Government to adopt a longer planning horizon than 10 years for housing production, and to provide a steady and sufficient supply of serviced land to the HA.

Administration's response

- We are drawing up a 13-year rolling programme for flat production. We will ensure a sufficient supply of suitable land, together with supporting infrastructure, for the production of both public and private housing.

Recommendation 10

To continue to make every effort to utilise fully the permitted development density in both new and redeveloped HA (and HS) estates, in particular through the design and layout of the blocks on individual sites.

Major public comments

- There was clear public support for the recommendation.
- The HA and HS welcomed the recommendation but sought the Government's support in accomplishing this task by applying planning guidelines flexibly and providing supporting infrastructure in a timely manner.

Administration's response

- We will increase the development density of public housing estates by improving supporting infrastructure and exercising flexibility in the application of planning guidelines where appropriate.

Recommendation 11

To monitor the capacity of the construction industry and, if necessary, to take early measures in consultation with the Construction Advisory Board and the Construction Industry Training Authority, as appropriate, to alleviate any specific constraint which may arise.

Major public comments

- There was general support for the recommendation.
- There were suggestions to address the labour shortage problem in the construction industry by increasing training and retraining courses to provide more skilled labour to meet the shortage in specific trades, and to encourage the use of less labour intensive construction methods for housing projects.
- There were divided views on addressing the problem by importation of labour.

Administration's response

- The Government has completed a trade-specific study of the manpower requirements of the construction industry over the next five years. The study indicates that labour demand for on-site workers will grow substantially. The Government will meet the labour needs of the industry primarily through an expanded, sustained and flexible training and retraining programme for local workers.

MAXIMISING THE CONTRIBUTION OF THE PRIVATE SECTOR

Recommendation 12

To take all reasonable steps to streamline and speed up Government procedures for the approval of private housing projects and related land transactions, and to apply these procedures flexibly and pragmatically.

Major public comments

- The public, and the private sector in particular, welcomed the recommendation. Many also urged the Government to conduct an overall review of the existing system and procedures for approval of housing projects and related land transactions with a view to streamlining and speeding up these procedures.

Administration's response

- HOUSCOM has completed a review of housing development procedures with a view to increasing the efficiency of housing production in both the private and public sectors. (See also points made in response to recommendations 7 to 9 above.)

Recommendation 13

To provide, subject to a detailed feasibility study and a pilot scheme, an increasing proportion of subsidised home ownership flats by way of mixed development.

Major public comments

- There was general support of the “mixed development” concept.
- The HA, HS and some private developers expressed interest in taking part in this initiative.
- Some were concerned that mixed development might lead to the reduction in public housing sites and the supply of public rental housing flats.

Administration’s response

- In the light of support and comments received, we will launch a “mixed development” scheme in 1998 on a pilot basis, under which private developers will be required to make available at least 30% of flats in a development for sale under our subsidised home ownership programme. The pilot scheme will use “greenfield” sites, and the HS will be invited to operate it.
- If the pilot scheme proves successful, we will consider extending it to projects involving redevelopment, lease modification or land exchange.
- We will continue to build sufficient public housing flats to meet forecast demand.

Major public comments

- Some pointed to possible management problems caused by mixed ownership of subsidised home ownership flats and private flats.

Administration's response

- We do not envisage insuperable management problems. We will ensure that purchasers of subsidised home ownership flats and private flats enjoy the same standards of facilities and management.

Recommendation 14

To continue to monitor the operation of the private housing market and to take action, where appropriate, to protect the interests of consumers.

Major public comments

- Many urged the Government to take immediate and effective action to curb speculation in the private housing market so as to protect the interests of genuine home buyers and to help achieve the housing goal of encouraging wider home ownership in the community.
- Some cautioned the Government not to take any action which was not in line with the principle of a free market economy in Hong Kong.

Administration's response

- The Government recognises the importance of property prices to the economy and to the community. While the Government's policy is to allow the residential property market to operate freely as far as possible, it will closely monitor the market and intervene if it becomes necessary, as was the case in 1994 and 1997. The ultimate and effective way to stabilise property prices and discourage property speculation lies in an adequate supply of land for housing development and the production of more housing flats.

ENCOURAGING WIDER HOME OWNERSHIP

Recommendation 15

To continue to operate the Home Purchase Loan Scheme (HPLS) as a flexible and cost-effective means of encouraging home ownership.

Major public comments	Administration's response
<ul style="list-style-type: none">• There was general support for maintaining and expanding the HPLS.	<ul style="list-style-type: none">• We will explore with the HA the possibility of increasing the number of loans provided under the HPLS.
<ul style="list-style-type: none">• Many also suggested the introduction of a new loan scheme or tax relief for first time home buyers.	<ul style="list-style-type: none">• We intend to launch a new Home Starter Loan Scheme targeted at first time home buyers, and to provide loans of \$600,000 each to 6 000 eligible families in each of the next five years.
<ul style="list-style-type: none">• Some suggested that one-person households should also be eligible for the HPLS, and that the allocation quota of Home Ownership Scheme (HOS) flats for “white form” applicants should be increased.	<ul style="list-style-type: none">• We will consider these suggestions at the appropriate time, in the light of the availability of resources.

Recommendations 16 & 17

- To invite the HA to consider widening its existing “transfer block” scheme to provide more opportunities for home purchase among both existing and qualified prospective public housing tenants, subject to both demand and available supply.
- To support the HA’s proposal to provide a monthly mortgage subsidy to Comprehensive Redevelopment Programme (CRP) tenants during the first three years who choose to buy new rental flats in reception estates.

Major public comments

- Many supported the recommendation to widen the HA’s existing “transfer block” scheme.
- There was a general support for the recommendation to provide a three-year monthly mortgage subsidy to CRP tenants who choose to buy new rental flats in reception estates.
- The HA supported the two recommendations.

Administration’s response

- Beginning in 1998, we will offer all prospective HA public rental tenants the opportunity to buy subsidised home ownership flats as an alternative to rent when it comes to their turn for public rental flat allocation.

Major public comments

- Some were concerned that the transfer of new rental blocks to HOS for sale would reduce the overall supply of public rental flats for applicants on the Waiting List, and that local rehousing might not be possible for those sitting tenants affected by the CRP who cannot afford to buy “transfer block” flats in reception estates.

Administration’s response

- We will continue to provide public rental flats to meet demand, including demand from applicants on the Waiting List and CRP tenants who opt for public rental flats instead of subsidised home ownership flats.
- We will increase the supply of public housing flats for families on the Waiting List from an average of 14 000 flats to 20 000 flats a year, beginning in 2000.

Recommendation 18

To allow public housing tenants to apply for the purchase of Sandwich Class Housing (SCH) flats on equal terms with families living in private housing.

Major public comments

- The HS, HA and many other respondents supported the recommendation as they agreed it would encourage better-off tenants to release their flats for re-allocation to other families in greater need and provide more choice of home ownership for tenants.
- Some were concerned that the recommendation, if implemented, would reduce opportunities for sandwich class families living in private rented accommodation.

Administration's response

- Public housing tenants will in future be allowed to apply for the purchase of SCH flats on equal terms with families living in private housing.
- In view of anticipated future demand for SCH flats and as a further effort to assist sandwich class families to purchase their own homes at affordable prices, we will build another 20 000 SCH flats by 2005, in addition to the 30 000 SCH flats pledged by 2003.

Recommendation 19

To invite the HA to work out the details for a new scheme to sell suitable existing rental flats to public housing tenants at affordable prices.

Major public comments

- There was overwhelming support for the recommendation to work out a new scheme to sell HA's public rental flats to tenants.
- There was a general agreement that the success of the new scheme would depend on its attractiveness to the tenants in terms of selling prices, mortgage arrangements, choice of blocks for sale, future arrangements for maintenance and management of the sale blocks, and resale restrictions. Some respondents made specific suggestions on selling prices and other operational details.

Administration's response

- In view of the support for the recommendation and taking into consideration comments and suggestions received during the public consultation exercise, we will sell at least 250 000 public rental flats to tenants at reasonable and affordable prices over the next ten years. Flexible mortgage arrangements will be negotiated with financial institutions; the condition of flats will be checked and essential renovation works carried out before sale; a structural safety guarantee period will be provided; Owners' Corporations will be set up; maintenance funds will be established; and reasonable resale conditions will be drawn up. The first batch of about 27 000 public rental flats will be offered for sale by the HA in early 1998.

Major public comments

- Some expressed concern that the new scheme would reduce the supply of public rental flats for allocation to applicants on the Waiting List, and that the Government might force sitting tenants to buy their rental flats.

Administration's response

- We recognise the need to maintain a sufficient stock of rental flats for allocation to those in genuine need.
- We will increase the supply of public housing flats for families on the Waiting List from an average of 14 000 flats to 20 000 flats a year, beginning in 2000.
- We will not force tenants to buy their rental flats.

PROVIDING PUBLIC RENTAL HOUSING FOR THOSE IN GENUINE NEED

Recommendations 20 & 21

To ensure that the allocation of public rental housing is based on genuine need, to invite the HA to work out details for arrangements –

- to require all prospective tenants to undergo a comprehensive means test, covering both income and net assets, before entry; and
- to offer interim housing to families displaced by clearance operations who fail the means test for a limited period of, say, one year, and to give them priority for the purchase of HOS flats or the grant of HPLS loans, subject to meeting the normal eligibility criteria.

Major public comments

- Some political parties and housing concern groups, particularly those based in squatter areas, Cottage Areas and Temporary Housing Areas, opposed the proposal to require families displaced by clearance operations to undergo comprehensive means tests before entry to public rental housing. The District Boards had divided views on the proposal.

Administration's response

- We believe that, as a matter of equity, limited public rental housing resources should be given only to those in genuine need of subsidy. To ensure that the allocation of subsidy is based on genuine need, we believe it is both fair and reasonable that prospective tenants should be subject to the same eligibility criteria for public rental housing, including means tests.

Major public comments

- Some suggested that most clearerees were in genuine need of public rental housing and that the proposal would delay clearance operations.
- Those who supported the proposal agreed that it was in line with the current housing policy of safeguarding rational allocation of public housing resources. Some suggested that the means tests on net assets should be confined to checking of residential property.
- The HA fully supported the proposal.

Administration's response

- Families displaced by clearance operations, who fail the means tests but still have a temporary need for housing, will be offered interim housing for a limited period of stay during which they will be given priority for the purchase of HOS/Private Sector Participation Scheme flats or the grant of HPLS loans. We will continue to plan and co-ordinate clearance operations well in advance to ensure that rehousing resources are available.
- Taking into consideration all the public comments on the proposal, we will invite the HA to introduce in 1998 means tests, covering income and assets, for prospective HA tenants.

Major public comments

- Many urged the Government to reduce the average waiting time for public rental housing allocation to two or three years as soon as possible.

Administration's response

- We aim to reduce the waiting time for allocation of public rental flats to an average of under five years by 2001, four years by 2003 and three years by 2005, by increasing the number of flats rented and sold to Waiting List applicants and implementing measures to ensure that public rental housing is allocated to those in genuine need.

Recommendations 22 & 23

To ensure that the continued enjoyment of public rental housing is based on genuine need, to invite the HA to work out details for arrangements -

- to require the adult members of a deceased tenant’s family (with the exception of the surviving spouse) to undergo a comprehensive means test before the grant of a new tenancy, and, where necessary, to pay extra rent; and
- to require adult members who fail the means test to pay market rent and to allow them to remain as tenants for a limited period only.

Major public comments

- Some political parties, housing concern groups and public rental tenants opposed the recommendations on the grounds that the proposed “inheritance” restrictions would discourage adult members from living with their parents. The District Boards had divided views on the recommendations.
- Some suggested that those tenants who gained access to public rental housing through the “Families with Elderly Priority Scheme” or Government clearances should be exempted from means tests.

Administration’s response

- Public rental housing represents an enormous subsidy by the community. As a matter of equity, we must ensure that those who enter public rental housing and those who remain in it should be in genuine need of this subsidy. There is therefore no question of “inheriting” a public rental flat from a family member upon the death of the principal tenant. The need for subsidy must be justified by requiring surviving tenants concerned (other than a spouse) to undergo comprehensive means tests covering both income and net assets.
- The proposed exemption would go against the basic principle of allocating public housing subsidy on the basis of genuine need.

Major public comments

- There were also suggestions that those who failed the means tests should be given priority to purchase HOS flats or allowed to buy their public rental flats, and that they should be allowed to stay in the rental flats for a limited period longer than one year.
- Those who supported the proposal generally agreed that the continued enjoyment of public rental housing should be based on genuine need, and that public rental flats should not be regarded as personal property carrying inheritance rights, but as a community asset.
- The HA supported the proposals.

Administration's response

- We will allow families who failed the means tests to remain as tenants in the public rental housing flats for a limited period while they look for new accommodation, but they will be required to pay market rent.

Recommendations 24 to 27

To minimise the pre-emption of the supply of public rental flats, to invite the HA to consider-

- to confine any further redevelopment of HA estates, following completion of the HA's Comprehensive Redevelopment Programme in 2005, to selected blocks determined by need, and having regard to structural conditions and build-back potential;
- to require applications for transfer which would involve the allocation of an additional flat to be made through the Waiting List;
- to make no further change to the current space allocation standards for public rental housing until outstanding demand on the Waiting List has been substantially met; and
- to require eligible households living in interim housing to register on the Waiting List in order to help ensure a more equitable allocation of public housing resources.

Major public comments

Administration's response

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| <ul style="list-style-type: none">• There was general support for the recommendations to minimise the pre-emption of supply of public rental flats.• The HA in general supported these recommendations.• Although the HA has no intention of improving current space allocation standards in the near future, it had reservations over a commitment to maintain these standards until outstanding demand on the Waiting List has been substantially met. | <ul style="list-style-type: none">• As there are still many applicants on the Waiting List who are living in sub-standard accommodation in the private sector, we believe that our first priority is to accommodate the needy before we consider improving further the current space allocation standards for public rental flats. |
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Major public comments

- Some public rental tenants called for a quicker way to solve their overcrowding problems.

Administration's response

- To minimise pre-emption of public rental housing supply, it is reasonable and fair to require families living in public rental housing to apply for additional flats through the Waiting List in the normal way.

Recommendations 28 to 30

To ensure that public housing rents truly reflect tenants' ability to pay, to invite the HA to consider measures-

- to set and maintain rents for new public rental estates (of Harmony block design) at a level sufficient to achieve median rent-to-income ratios (MRIRs) of 15% and 18.5% (for the relevant space allocation standards);
- to increase rents for existing public rental estates progressively to achieve and maintain MRIRs of 15% and 18.5% (for the relevant space allocation standards), having regard to relative estate values, over the period to 2006; and
- to review and revise the existing Rent Assistance Scheme as necessary to ensure that adequate assistance continues to be available to those families facing genuine hardship.

Major public comments

Administration's response

- There was general agreement with the principle that public housing rents should be based on tenants' ability to pay.
- Many agreed that it was reasonable for the HA to increase rents to more realistic but still affordable levels.

Major public comments

- Some political parties, public housing tenants and housing concern groups objected to the two recommendations on the grounds that the proposed rent adjustments were too drastic and would seriously affect the livelihood of many tenants, particularly low-income families. Some considered that rent increases should not exceed the rate of inflation. District Boards had divided views on the recommendations.
- The HA supported the general principle of setting the two MRIRs, but did not agree to setting a time-frame (by 2006) for achieving the target rent levels.

Administration's response

- Public housing rent levels are determined on the basis of tenants' ability to pay. The principle of affordability is translated by the HA into appropriate median rent to income ratio ceilings for its estates. The HA also takes into account inflation, its own operating costs and the relative value of the housing estate.
- The Government continues to uphold the principle of affordability and the provision of relief to those in temporary financial need.

Major public comments

- There was general support for reviewing the HA's Rent Assistance Scheme. Many suggested waiving the current requirement that families which have benefited from the scheme for two years have to move to cheaper flats if they still need rent assistance.
- Some also proposed to extend the Rent Assistance Scheme to families living in private rented accommodation, particularly families on the Waiting List.

Administration's response

- We will review and revise, where necessary, the conditions governing the provision of temporary rent assistance. We consider it reasonable to require tenants in need of long-term assistance to apply for Comprehensive Social Security Assistance (CSSA).
- We consider it appropriate for families living in private accommodation who are facing genuine hardship to apply for CSSA.

Recommendations 31 to 33

- To provide suitable, small sites to the HS for the construction of affordable housing for sale or rent to eligible elderly persons.
- To support the measures being taken by the HA to increase the supply of small public rental flats for allocation to eligible single persons.
- To encourage the private sector to provide affordable housing to single persons, with priority being given to the elderly, and to welcome suggestions on how this may best be achieved.

Major public comments

Administration's response

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| <ul style="list-style-type: none">• There was general support for the three recommendations.• Some considered that there was no commercial incentive for private developers to provide affordable housing for the elderly and single persons.• The HS undertook to introduce purpose-built flats for elderly persons. | <ul style="list-style-type: none">• We will consider ways to encourage contributions from the private sector in this area in consultation with the Elderly Commission.• We will invite the HS to undertake a pilot "Senior Citizen Residence Scheme", comprising 500 flats with integrated care services, to be completed by 2001. |
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Major public comments

- The HA said that it would also explore the feasibility of building more small flats for the elderly and single persons.
- There were suggestions to provide more suitable public rental housing to meet the special needs of elderly persons, particularly single persons; and to rehouse single persons living in bedspace apartments to public rental flats as soon as possible.

Administration's response

- In the next five years up to 2001, the HA plans to allocate 43 000 small flats to eligible single persons, and about 30 000 of these flats will be allocated to elderly persons.
- We will expand the existing Housing for Senior Citizen Scheme to provide more specially designed rental housing flats, with warden services to able-bodied elderly persons not living with their families.
- By 2001, we will offer public housing, including interim housing, to all eligible persons displaced by bedspace apartments which do not meet the safety standards for licensing.

Recommendations 34 to 38

To invite the HA to adopt, as guiding principles for clearance operations, proposals -

- to continue to encourage squatters and rooftop dwellers who are eligible for public rental housing to register on the Waiting List;
- to continue to undertake squatter clearances to ensure public safety and to meet development needs, and to plan and co-ordinate clearances well in advance to ensure that sufficient rehousing resources are available;
- to explore the feasibility of clearing all the remaining Cottage Areas, subject to the availability of rehousing resources;
- to consider the feasibility of clearing all squatter areas on mixed lots in urban areas, subject to the availability of rehousing resources; and
- to continue to rehouse, in accordance with existing eligibility criteria, persons who are made homeless by the demolition of rooftop structures.

Major public comments

- There was general support (including support from the HA) for these guiding principles on clearances, although some urged the Government to formulate a comprehensive plan and set a timetable for clearing the remaining squatter areas and Cottage Areas as soon as possible.

Administration's response

- We will clear the remaining five Cottage Areas by 2001, and will draw up a programme for clearance of squatter areas affected by development for a public purpose.

Major public comments

- The Government was also urged to formulate a policy on dealing with clearances of the remaining Cottage Areas so that the residents concerned would be clear of their position.
- Some suggested the Government should conduct a freezing survey to register all existing rooftop dwellers so that suitable rehousing arrangements can be planned ahead for future clearances of all rooftop structures as soon as possible.

Administration's response

- Clearances of the remaining Cottage Areas will be carried out in accordance with existing policy and guiding principles for clearances.
- We will continue to rehouse, in accordance with existing eligibility criteria, persons who are made homeless by the demolition of rooftop structures.

Recommendations 39 to 41

To support the HA's initiatives-

- to phase out existing, traditional Temporary Housing Areas (THAs) as soon as possible, and, in the meantime, to improve their standards to provide residents with decent, hygienic accommodation;
- to provide interim housing as far as possible through the use of old public rental housing blocks on the fringe of the urban areas; and
- to continue to examine the feasibility of other forms of interim housing.

Major public comments

- There was general support for phasing out old-style THAs as soon as possible.
- Many considered that interim housing could be provided through the use of old public rental housing blocks.
- Some considered that expenditure on interim housing would be better spent on building more public rental flats to rehouse THA residents.

Administration's response

- We will clear all remaining old-style THAs by 2000 by rehousing eligible clearerees in public housing, including interim housing, in order to improve the living conditions of those affected and to free land for development.
- The HA has developed plans to construct a new form of vertical interim housing on earmarked sites in the New Territories to tie in with the clearance programme of old-style THAs.
- There is always a need to provide interim housing for people who become homeless but who are not immediately eligible for public rental housing.

Major public comments

- Some also urged the Government to set a maximum period of stay in interim housing so that residents can gain access to public rental flats as soon as possible.

Administration's response

- Eligible families living in interim housing will be rehoused in public rental flats by applying through the Waiting List in the usual way.