THE HONG KONG HOUSING AUTHORITY

Memorandum for the Building Committee

Home Ownership Scheme Blocks
Public Consultation on
Purchasers’ Choice on Standard of Fittings and Provisions

PURPOSE

To report to Members of the result of the public consultation on the proposed three options of purchasers’ choice on standard of fittings and provisions during HOS sale; and to seek Members’ endorsement on the implementation proposal.

BACKGROUND

2. The three choices on standard of fittings and provisions i.e. Basic Shell Option, Standard Option and Upgraded Option, proposed to be offered to HOS owners were discussed at the following meetings -

   (a) Building Committee (Paper No. BC 188/99) on 19 November 1999;

   (b) Home Ownership Committee (Paper No. HOC 111/99) on 9 December 1999; and

   (c) LegCo Panel on Housing on 3 January 2000.

3. The proposals were endorsed in principle and mock-up booths on the three options were installed at Wang Tau Hom Customer Service Centre (WTHCSC) for conducting public consultation.
4. Using Concord Block design as an illustration, six mock-up booths showing the kitchens and bathrooms of each Option have been installed at the ground floor entrance foyer of WTHCSC (Layout plan, schedule of fittings and provisions, and photos are indicated at Annex 1).

PUBLIC CONSULTATION

5. **Objectives and Scope of the Questionnaire**

A questionnaire (Annex 2) survey on the public’s opinion of the three choices was carried out. The objectives and scope were -

(a) to solicit customers’ views and their level of acceptance on the proposed three choices during HOS sales;

(b) to find out customers’ preference among these choices;

(c) to gauge customers’ level of satisfaction towards the standard of fittings and provisions of each Option as shown in the mock-up booths; and

(d) to find out customers’ views on the extent of choices in fittings being offered. These include preference on colour scheme, design and finishes of doorsets, and customers’ views on show flats for each HOS court.

6. **Fieldwork and Data Collection Method**

(a) Face-to-face interviewing method was employed for this study. Interviewers were stationed at the booths to escort and brief visitors on details of the options. Material boards were used to assist visitors in questions relating to preference on colour and types of doorsets. The visitors were then invited to participate in the questionnaire survey.

(b) The fieldwork was conducted between 15 January 2000 to 25 February 2000 (6 weeks). A total of 672 interviews were achieved.
7. **Survey Findings**

The executive summary on the opinion survey are attached at Annex 3. A copy of the full report is available from the Committees’ Secretary upon request. A summary of the findings is as follows -

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Survey Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>When selecting a HOS court, location is the prime considering factor.</td>
</tr>
<tr>
<td>Q7</td>
<td>Respondents welcomed the proposal of having three different choices in standard of fittings and provisions during HOS sale i.e. Basic Shell, Standard and Upgraded Options</td>
</tr>
<tr>
<td>Q9</td>
<td>Preferred option :-</td>
</tr>
<tr>
<td>• Upgraded Option without household electrical appliances (approximately $1,370,000)</td>
<td>30%</td>
</tr>
<tr>
<td>• Upgraded Option with household electrical appliances (approximately $1,385,000)</td>
<td>29%</td>
</tr>
<tr>
<td>• Standard Option (approximately $1,360,000)</td>
<td>22%</td>
</tr>
<tr>
<td>• Basic Shell Option (approximately $1,300,000)</td>
<td>19%</td>
</tr>
<tr>
<td>Q23</td>
<td>Respondents will accept neutral colour scheme as demonstrated in the mock-up booths</td>
</tr>
<tr>
<td>Q24</td>
<td>Willingness to pay an extra cost for colour choice of worktop and cabinet doors (about $4,100)</td>
</tr>
<tr>
<td>Q26</td>
<td>Preferred doorset (without upper glazed panel) and with light colour veneer finish</td>
</tr>
<tr>
<td>Q27</td>
<td>Preferred show flats to be constructed on every HOS site for prospective HOS buyers’ viewing before selection</td>
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</tbody>
</table>
EVALUATION & IMPLEMENTATION

8. The findings of the survey were analysed and the proposals are as detailed in the following paragraphs and Annex 4.

“Upgraded Option” to be Offered as the Standard Provision

9. Three choices were offered during the public consultation i.e. Basic Shell Option, Standard Option and Upgraded Option. Survey findings revealed that as compared with the 22% who chose the Standard Option, a large proportion of the respondents (about 59%) favoured the Upgraded Option.

10. As a continuous drive to improve design and provision standards, the current standard will be upgraded to respond to customers’ preference i.e. the “Upgraded Option” will be offered as the standard provision and described as “Fully-fitted”. There will not be separate “Standard” or “Upgraded” Options in the final choices.

FINAL CHOICES

Two Choices on Standard of Fittings and Provisions During HOS Sale

11. Following paragraph 9 above, to satisfy the diverse needs of the HOS purchasers in terms of re-decoration works, two options on the standard of fittings and provisions will be offered i.e. Basic Shell Option and the “Fully-fitted” Option but without household electrical appliances (except built-in gas hob).

Provision of Two Burner Built-in Gas Hob

12. For the Fully-fitted Option, although household electrical appliances will not be included in the package, a two burner built-in gas hob is to be provided to achieve an integrated worktop design.

Colour Choice on Worktop and Cabinet Doors

13. Two colour choices on worktop and cabinet doors of kitchen and bathroom are to be implemented for the Fully-fitted Option.
Veneer Door Finish

14. White colour paint finish component doorsets with upper glazed panels are currently provided in standard blocks. The survey findings revealed that 94% of the respondents preferred doorsets without upper glazed panel and with light colour veneer finish.

15. It is proposed to include veneer finish doors without upper glazed panels for kitchen, bathroom and bedrooms inside flats. The flat entrance door will be upgraded to veneer finish and natural finish door frames.

Display Booths for Every HOS Contract

16. Construction of show flats for every HOS contract is supported by 90% of the respondents who welcomed the proposal. This is to convey a clear message on the standards and colour scheme to the buyers before flat selection for individual projects. This will be simplified as a requirement for display booths for every HOS court, not just those implementing purchasers’ choice as pilot schemes.

17. For the purchasers’ choice trial schemes, display booths photos supplemented by material sample boards will be displayed at Wang Tau Hom Customer Service Centre for purchasers’ viewing during HOS flat selection.

PROJECT IMPLEMENTATION

Pilot Schemes

18. It is proposed to implement the choices of Basic Shell Option and Fully-fitted Option without household electrical appliances on three to four selected Concord Blocks and New Cruciform Blocks (NCB) pilot contracts in the Urban and New Territories areas.

19. Out of the 59% who favoured the “Upgraded Option”, 29% preferred the option with household electrical appliances. Subject to details to be worked out for the contract arrangements within the limitations of the World Trade Organisation (WTO) Government Procurement Agreement (GPA) of these appliances, a later trial project may be considered with choices on Basic Shell Option and Fully-fitted Option with household electrical appliances.
20. The proposed implementation date on the pilot schemes in paragraph 18 above shall be HOS projects with building contracts to be tendered out on or after 1 June 2000. Suggested pilot projects and implementation programme are at Annex 5.

**Contractual Arrangement**

21. For building contract tendering purposes for the pilot schemes, the following arrangements are proposed -

(a) The **Fully-fitted Option** will be used as the basis for preparation of the project bills of quantities (BQ);

(b) The **Basic Shell Option** will be allowed by contract clauses that permit substantial deletion; and

(c) The implementation of choices must be governed by strict adherence to time clauses in the contract.

**Review for Wider Implementation**

22. The impact of the purchasers’ choice on the tenders of the pilot schemes and the proportion of Basic Shell and Fully-fitted Options as a result of the HOS sales, will be known around October 2000 and October 2001 respectively. With the availability of the opinion survey findings on Concord Blocks and upgraded NCBs by late 2000, the extent of any refitting out by the owners will be reviewed and assessed. A decision will then be made on whether purchasers’ choice will be more widely implemented and the timing of sales in relation to the completion dates may be re-considered.

**RECOMMENDATIONS**

23. Members are invited to endorse the following -

(a) purchasers’ choice of Basic Shell Option and Fully-fitted Option without household electrical appliances in paragraphs 11 and 12;

(b) colour choice on worktop and cabinet doors in paragraph 13;
(c) veneer door finish in paragraphs 14 and 15; and

(d) the use of pilot schemes in paragraph 18.

24. Members are invited to note the following -

(a) the survey findings of the public consultation at paragraphs 5, 6 and 7;

(b) display booths will be considered as shown at paragraphs 16 and 17; and

(c) the suggested pilot projects and implementation programme at paragraphs 19 and 20.

DISCUSSION

25. At the next meeting of the Building Committee to be held on 23 March 2000, Members will be invited to endorse and note the recommendations at paragraphs 23 and 24 respectively. Upon endorsement by Members, approval will be sought from the Home Ownership Committee on the proposals.

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Date : 21 March 2000
LIST OF ANNEXES

Annex 2 - Questionnaire
Annex 3 - Executive Summary of the Opinion Survey
Annex 4 - Implementation Details on the Choices
Annex 5 - Suggested Pilot Projects and Project Implementation Programme