

## **Information paper for Legislative Council Panel on Housing**

### **Policy on rehousing upon redevelopment**

#### **PURPOSE**

This paper informs Members of the rehousing arrangements for households affected by the redevelopment of public housing estates.

#### **BACKGROUND**

2. In 1988, the Housing Authority (HA) drew up a Comprehensive Redevelopment Programme (CRP) to redevelop all the Mark III to Mark VI public rental housing (PRH) blocks to provide a better living environment to tenants. So far, 459 out of the 566 blocks affected have been demolished and 140,000 households (comprising 493,000 persons) rehoused. The current target is to redevelop all the remaining non-self-contained PRH flats by 2001 and to complete the entire CRP by 2005.

3. The HA maintains a five-year rolling programme under the CRP. This programme is updated annually and promulgated regularly to inform residents affected in advance to prepare them for rehousing. Formal announcement of the target evacuation date and the details of reception resources for each estate under the CRP is made about 18 to 24 months before the final evacuation day.

#### **REHOUSING ARRANGEMENTS**

4. Affected tenants are rehoused to designated PRH estates without the need to undergo the income-cum-asset test and to make declarations on domestic property ownership. In planning reception resources, the Housing Department (HD) projects the number of households affected by redevelopment and endeavors to identify sufficient local rehousing resources for them.

5. Details of rehousing arrangements for domestic tenants and related arrangements are given at **Annex**.

## **ALLOCATION STANDARD**

### **(a) For one-person and two-person households**

6. Under the current allocation standard, one-person and two-person households are allocated small units of 16 m<sup>2</sup> to 17 m<sup>2</sup> internal floor area (IFA) in Harmony blocks. For two-person households, they may opt for refurbished flats of up to 31 m<sup>2</sup> IFA in non-Harmony blocks. In addition, two-person households with the prospect of family growth may be allocated one-bedroom flats of 34.5 m<sup>2</sup> IFA, subject to the availability of resources, to avoid future overcrowding problems. Two-person households may also opt for new flats of 22 m<sup>2</sup> IFA in certain PRH estates subject to the availability of resources.

7. At the meeting of the Rental Housing Committee (RHC) of the Housing Authority held on 18 May 2000, the allocation standard for two-person households was reviewed. The RHC reaffirmed appropriateness of the current minimum allocation standard of 7 m<sup>2</sup> IFA per person and the actual allocation standards ranging from 16m<sup>2</sup> to 31 m<sup>2</sup> IFA for two-person elderly households. The Committee also noted that the HD had been adopting a flexible and sympathetic approach in allocating flats to one-person and two-person households, particularly those comprising elderly members. The RHC also reaffirmed the propriety of using IFA for setting allocation standards. It noted that this approach had been well accepted by the public at large since all internal facilities such as toilets and kitchens were for the exclusive use of tenants.

### **(b) For eight-person and larger households**

8. In normal circumstances, one household will only be allocated one flat. However, households of larger family size may opt for two or more flats in special circumstances, in which eight-person households are allocated two one-bedroom flats (totaling 68m<sup>2</sup> IFA) which can be divided into three- to four-bedrooms depending on the households' choice, and nine-person households are allocated one one-bedroom flat plus one two-bedroom flat (totaling 77m<sup>2</sup> IFA). In both circumstances, the average IFA for each household member is 8.5m<sup>2</sup> which exceeds the current minimum allocation standard of 7 m<sup>2</sup> IFA per person.

Housing Bureau and Housing Department

November 2000

## **Rehousing arrangements for tenants affected by Comprehensive Redevelopment Programme**

### **Allocation of Public Rental Housing (PRH) flats**

Subject to the availability of resources, in general, tenants affected are allocated PRH flats within the same district, and their preferences for rehousing to other districts are met as far as practicable.

### **Purchase of Home Ownership Scheme (HOS) flats**

2. Tenants affected are encouraged to purchase HOS flats. If they choose to purchase HOS flats, first priority in flat selection is granted to those tenants who have been given rehousing notices. Second priority is given to those whose rental flats will be redeveloped in five years but rehousing notices for which have not been issued. Successful HOS purchasers may apply for mortgage subsidies amounting to \$162,000 over six years under the Mortgage Subsidy Scheme.

### **Home Purchase Loan Scheme (HPLS)**

3. Tenants may apply for interest-free loans under the HPLS for purchasing flats in the private sector or in the HOS secondary market. Their priority in application for the HPLS will be the same as that for HOS. Eligible tenant will be granted a loan amount of \$600,000 (if repaid in 20 years) or \$800,000 (if repaid in 13 years), or a monthly subsidy of \$5,100 for a period of 48 months.

### **Cash allowances in lieu of rehousing**

4. Single-person and two-person households affected by redevelopment may opt for a one-off Singleton Allowance of \$37,330 or Doubleton Allowance of \$48,310 respectively in lieu of rehousing. Recipients of these allowances are, however, not eligible for any form of public housing in the subsequent two years.

### **Domestic Removal Allowances (DRA)**

5. DRA are payable to households affected by redevelopment to assist them to meet part of their removal expenses. The current DRA rates, applicable to redevelopment projects announced on or after 8 March 2000, are as follows -

<b>Household Size</b>	<b>DRA</b>
1 person	\$3,950
2 - 3 persons	\$7,470
4 - 5 persons	\$9,170
6 persons and above	\$11,410

### **Advance Allocation Scheme**

6. Since 1996, the HD has implemented the Advance Allocation Scheme to allocate flats to tenants affected by redevelopment. Under this scheme, tenants affected can select flats in reception estates according to their priorities determined by an open ballot, except for one-person households whose priorities are determined by the age of tenants.

Housing Department  
November 2000