

Information Paper for Legislative Council Panel on Housing

Policy on Clearance of Squatter Areas and Temporary Housing Areas

Purpose

This paper informs Members of the policy on clearances of Squatter Areas and Temporary Housing Areas (THAs).

Clearance of Squatter Areas

2. The Housing Department (HD) is the Government's clearance agent responsible for planning, coordinating and implementing Government clearances.

3. It is the Government's policy not to render anyone homeless as a result of its clearance operations. Squatters living in affected structures at the time of announcement of clearance will be offered rehousing, provided that they satisfy the rehousing eligibility criteria set out in **Annex A**. To prevent impostors from queue-jumping, a pre-clearance survey will be conducted on the day of announcement of clearance.

The 1982 Squatter Control Survey

4. In 1982, for squatter control purpose, HD conducted a territory-wide Squatter Control Survey (SCS) on unleased and undeveloped Government land and leased agricultural land. Squatter structures registered in the SCS are tolerated until they are involved in a clearance for development, environmental improvement or safety reasons. Any illegal structure or unauthorized extension built after 1 June 1982 are subject to enforcement and demolition action once discovered.

The 1984/85 Squatter Occupancy Survey

5. To contain the growth of squatter population, HD conducted a Squatter Occupancy Survey (SOS) in 1984/85, registering the personal particulars of the occupants of the structures surveyed in 1982.

6. Coverage by the 1982 SCS and by the 1984/85 SOS are two of the criteria to determine the rehousing eligibility of clearnees. When a squatter area is to be cleared, genuine occupants of surveyed structures will be offered public housing, including both public rental housing (PRH) or interim housing (IH), according to their eligibility. The squatter clearance policy has been widely publicised and is well accepted by the general public. Rehousing arrangements for eligible squatter clearnees are set out in **Annex B**.

Business Undertakings

7. Business operators conducting business, at the time of the pre-clearance survey, in a surveyed structure registered for such purpose in the 1982 SCS may be eligible for ex-gratia allowance (EGA), the amount of which varies according to the type and size of the business involved. The basis for calculation of EGA rates were approved by the Finance Committee of the Legislative Council. The EGA rates have since been reviewed annually in accordance with the approved basis.

THA Clearance

8. THAs are for accommodating people who are rendered homeless by clearances, natural disasters and etc., but are not immediately eligible for PRH. At present, eight THAs remain, accommodating some 900 households. These THAs will be cleared by the end of this year.

9. Under existing policy, THA residents are eligible for rehousing to PRH or IH if they fulfil the rehousing criteria set out in **Annex C**. Rehousing arrangements for THA residents are similar to those for residents affected by squatter clearances (set out in Annex B).

Comprehensive Means Test (CMT)

10. Public housing are valuable resources. To ensure that public housing resources are allocated to people most in need, all prospective PRH tenants including Waiting List (WL) applicants, squatters and THA clearnees are required to undergo the CMT, covering both income and net assets, before being allocated PRH units. This policy applies to all squatter clearnees and roof-top occupants affected by Government clearance operations announced after 11 September 1998 and residents moving into THAs after 23 September 1995. The current income and net asset limits are shown in **Annex D**. These limits

are reviewed every year. The CMT policy also extends to prospective IH licensees affected by Government clearance operations announced after 15 April 1999.

11. For clearerees who fail the CMT but have a genuine temporary housing need, they will be offered IH for a restricted period of one year. During their one-year stay at IH, they have to pay licence fees at market level. They will be given priority for the purchase of Home Ownership Scheme / Private Sector Participation Scheme flats or the grant of loans under the Home Purchase Loan Scheme if they meet the normal eligibility criteria for White Form applicants.

12. The introduction of the CMT for THA residents and clearerees displaced by Government clearance operations was one of the proposals in the Long Term Housing Strategy (LTHS) Review consultative document which had undergone a public consultation exercise between January and May 1997. The public at large support the proposal which is a positive step to safeguard the rational allocation of public housing resources.

The “9.23 Policy”

13. Before 23 September 1995, squatter clearerees not eligible for PRH were rehoused to THAs upon clearance. Upon clearance of the THAs, eligible licensees were rehoused to PRH.

14. On 23 September 1995 the then Management and Operations Committee of the Housing Authority (HA) approved the policy that all residents rehoused to THA/IH after 23 September 1995 (except those affected by clearance operations announced before 23 September 1995 and subsequently rehoused to THAs) had to register on the WL. Their subsequent rehousing to PRH would depend on the maturity of their WL applications and their fulfillment of the WL eligibility criteria. Since then, THA/IH licensees have not been automatically rehoused to PRH upon clearance. THA licensees whose WL applications not yet mature are only rehoused to another THA or IH. This is commonly known as the “9.23 Policy”. This policy is intended to eliminate the possibility of queue-jumping by squatting and to ensure rational allocation of public housing resources.

Housing Bureau
Government Secretariat
October 2000

Rehousing Eligibility Criteria for Squatter Clearees

A. Eligibility criteria for public rental housing

To be eligible for public rental housing upon squatter clearance, affected squatters must satisfy the following eligibility criteria -

- (1) at the time of pre-clearance survey, genuine residents of domestic structures covered by the 1982 Squatter Control Survey;
- (2) they must be covered by the 1984/85 Squatter Occupancy Survey;
- (3) at least half of the family members must have lived in Hong Kong for seven years without any conditions of stay;
- (4) they must not own any domestic property, or have entered into any agreement for the purchase of any domestic property, nor have disposed of any such property within 24 months before the date of announcement of clearance;
- (5) satisfying a comprehensive means test covering both income and net asset of the applicants and their family members. (This criterion is applicable to squatters affected by clearance operations announced on or after 11 September 1998.)

(Note : Clearees not satisfying criterion A(3) above but all other criteria may be rehoused to refurbished flats in older estates.)

B. Eligibility criteria for interim housing

To be eligible for interim housing upon squatter clearance, affected squatters must satisfy the following eligibility criteria -

- (1) at the time of pre-clearance survey, genuine residents of domestic structures covered by the 1982 Squatter Structure Survey;
- (2) they must not own any domestic property, or have entered into any agreement for the purchase of any domestic property, nor have disposed of any such property within 24 months before the date of announcement of clearance;
- (3) satisfying a comprehensive means test covering both income and net asset of the applicants and their family members. (This criterion is applicable to squatters affected by clearance operations announced on or after 15 April 1999.)

**Rehousing Arrangements
For Eligible Squatter Clearances and THA Residents**

It is the Government's policy not to render anyone homeless as a result of its clearance operations. Affected residents, subject to meeting the prevailing clearance eligibility criteria, will be offered the following rehousing arrangements -

(a) *Public Rental Housing (PRH) or Interim Housing (IH)*

They will be offered PRH or IH according to their eligibility in the same or nearby districts as far as practicable subject to availability of resources.

(b) *Home Ownership Scheme (HOS) or Private Sector Participation Scheme (PSPS)*

They may apply for HOS/PSPS flats using Green Forms, subject to the fulfillment of other eligibility criteria. Those whose eligibility for PRH have been established are accorded second priority Green Form status for purchasing HOS/PSPS flats, while those with IH eligibility are given ordinary Green Form status.

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

They may apply, using Green Forms, for interest-free loan under the HPLS for purchase of flats in the private sector or in the HOS secondary market --- \$600,000 (if repaid in 20 years) or \$800,000 (if repaid in 13 years), or a non-repayable monthly subsidy of \$5,100 for a period of 48 months.

(d) *Buy or Rent Option (BRO)*

Those with PRH eligibility may apply for the purchase of public housing flats under the BRO, with a monthly mortgage subsidy for six years amounting to \$162,000.

(e) Cash Allowance for Singleton and Two-person Households

Singletons and two-person households may opt for a cash allowance in lieu of rehousing --- \$37,330 for a singleton and \$48,310 for a two-person household. However, recipients of this allowance will be ineligible for any form of public housing assistance for the subsequent two years.

Rehousing Eligibility Criteria for THA Residents

A. THA residents who moved in on or before 23 September 1995

THA residents are required to fulfil the following criteria in order to be eligible for PRH upon clearance -

- (1) they must be authorized residents registered with the Housing Department under a licence;
- (2) they must be eligible for the 'Direct Offer Exercise' for PRH ¹;
- (3) they must be in genuine residence at the affected THA units;
- (4) they must not own any domestic property, or have entered into any agreement for the purchase of any domestic property, nor have disposed of any such property within 24 months before the date of announcement of clearance; and
- (5) they must not be Ex-Home Ownership Scheme (HOS) / Private Sector Participation Scheme (PSPS) flat owners or Ex-Home Purchase Loan Scheme (HPLS) recipients.

B. THA residents who moved in after 23 September 1995

For THA residents who moved in after 23 September 1995, i.e. who are not eligible for the "Direct Offer Exercise" for PRH, they are required to register on the Waiting List (WL). If their WL applications do not mature at the time of clearance, they will be offered interim housing (IH) units. If their WL applications mature at the time of clearance, they will be offered PRH units provided that they fulfil the prevailing WL eligibility criteria, including the income-cum-asset test. If they fail the test, they will be offered IH as they may still have a temporary housing need. However, their stay in IH will be restricted to one year, during which they will be required to pay licence fee equivalent to market value.

¹ Authorized residents living in THAs on or before 23 September 1995 or persons who are affected by clearance operations with announcement dates on or before 23 September 1995 but are subsequently rehoused to THAs, are eligible for rehousing to PRH upon clearance under the 'Direct Offer Exercise'.

**Comprehensive Means Test for
Public Rental Housing and Interim Housing
Income and Asset Limits**

(effective from 1 April 2000)

Family Size	Income Limits (per month)	Net Asset Limits
1	\$6,600	\$220,000
2	\$11,900	\$330,000 *
3	\$14,800	\$390,000 *
4	\$17,700	\$470,000
5	\$19,200	\$530,000
6	\$20,700	\$600,000
7	\$23,500	\$660,000
8	\$26,200	\$700,000
9	\$28,700	\$700,000
10 and above	\$30,700	\$700,000

- * The asset limit for small nuclear households of two or three persons who are all aged 60 or above is the same as that of four-person households, i.e. \$470,000.