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Panel on Housing
Meeting on 5 February 2007

Background brief
on utilization of Housing for Senior Citizens units

Purpose

This paper provides background information on the development of Housing for Senior Citizens (HSC) units, the improvement measures to enhance the utilization rate of the units and summarizes major discussion on related issues by members at the meeting of the Panel on Housing on 21 June 2005.

The development of HSC units

2. In the late 1980s, the Housing Authority (HA) introduced HSC to cater for the housing needs of the elderly. It was initially provided for elderly singleton applicants aged 60 and above with the objective of fostering mutual support and social interaction among tenants. Under HSC, tenants are provided with hostel-type accommodation with 24-hour warden service and common facilities such as common room, dinning room, bathroom and kitchen¹. From time to time, recreational and cultural activities are organized by social service agencies in the common living room for the elderly tenants.

The review on the provision of HSC units

3. In 1999, Housing Department conducted a survey to gauge the level of satisfaction of HSC tenants. While tenants were generally satisfied with the overall living environment and provision of warden service and emergency alarm system, they found it rather inconvenient to share kitchens and bathrooms with other tenants². With increasing supply of self-contained small public rental housing (PRH) flats, HSC

¹ The earliest version of HSC was made available by partitioning up of a normal domestic public rental housing flat into two or three smaller units. In later versions, some units were provided with independent toilets, but tenants still had to share kitchen facilities.

² The survey findings revealed that if given another choice, 43% elderly households preferred not to share facilities, such as kitchens, dining rooms and bathrooms, with other tenants.

was no longer a preferred choice among elders. Accordingly, the vacancy rates of HSC units rose from 1.7% in March 1997 to 8.3% in March 2000³. In November 2000, after conducting a comprehensive review on the provision of public housing for the elderly, HA decided to cease the development of new HSC; and concentrate on building more self-contained small flats for the elderly having regard to their preferences and the cost-effectiveness of doing so. The age limit for HSC tenants had also been relaxed from 60 to 55 since April 2001. However, the overall vacancy rate of HSC units remained high at 20.71% as at 30 September 2001.

Utilization of HSC units

Lifting the age limit for HSC

4. In 2001, the Audit Commission carried out an investigation into "residential services for the elderly", in which HSC was also examined. In view of the relatively high vacancy of HSC units, the Audit Commission recommended that HA should consider allocating HSC units which had been vacant for a long time to other PRH applicants on the Waiting List so as to make full use of these units. Having regard to the Audit Commission's observations, HA decided in November 2001 to totally lift the age limit for access to HSC, allowing non-elderly singletons to apply for these units with priority given to elderly applicants. As at December 2006, about 10% of HSC tenants are non-elderly singletons.

Incorporating HSC in the Express Flat Allocation Scheme (EFAS)

5. Since December 2001, HSC flats have been included for allocation under EFAS, which is a scheme inviting eligible applicants on the Waiting List to choose from a pool of unpopular vacant PRH flats in the territory, so that applicants can have an earlier chance to be allocated PRH flats. HA considered that although HSC was not a preferred choice among applicants for PRH, opening up allocation of HSC units to non-elderly applicants could provide an additional choice for needy families to have prompt access to subsidized housing and could also improve the letting situation of HSC. According to the Administration, in the past five EFAS exercises, a total of 750 HSC units have been successfully let.

Conversion of HSC into PRH flats or other uses

6. Notwithstanding the above measures, the overall vacancy rate of HSC remained constantly on the high side at 15% while the refusal rate of the flats has also remained high⁴. HA considered that the high vacancy and refusal rates of HSC units suggest strongly that the demand for HSC had diminished over the years. In addition, with the fact that the majority of HSC tenants were already 70 years old or above, it was envisaged that the stock of HSC vacancy should be on the rising trend since

³ The vacancy rate of HSC units in which toilet and kitchen facilities were shared was particularly high, with the refusal rate standing at 90%. According to HA, since the late 1990s, the vacancy rate of HSC has all along been on the high side at about 15%.

⁴ As at 31 May 2006, the refusal rate for different versions of HSC units ranged from 64.2% to 94%.

inadequate new applicants could be fetched to fill the vacancies⁵. Having regard to these developments, HA saw a need to draw up strategic plan to phase out the surplus HSC units while retaining sufficient stock to meet the demand of senior citizens. It then launched a trial scheme in 2003 to convert HSC units to normal PRH flats or other uses, including residential care homes for the elderly, elderly community centres and estate management offices etc.

7. In the light of the success of the trial scheme, HA endorsed the scheme as a long term measure in July 2006. About 500 HSC units are to be converted each year. In identifying suitable HSC for conversion, HA will give priority consideration to HSC units, inter alia, with a higher vacancy rate of more than 30% or 50% depending on the type of design, units with design easier to be converted into normal PRH flats, and units with more than half of the residents aged 70 or above so that the older residents can have access to self-contained PRH flats at an earlier opportunity if they so wish.

8. Under the conversion scheme, residents in HSC programmed for phasing-out will be granted Domestic Removal Allowance on the basis of \$2,670 for each singleton tenant as an incentive to join the relocation programme. If resources permit, they will also be provided with accommodation in their preferred locality. Given that some of the sitting tenants in HSC units may be elderly and senile requiring special care, a survey will be conducted to understand their special needs and preferences so that co-ordination and cooperation with Social Welfare Department and other elderly service agencies can be lined up to render necessary assistance.

Major concerns and views expressed by Members

9. The Panel on Housing was briefed on the allocation of HSC units at the meeting on 21 June 2005. Pointing out that HSC was not a preferred choice among PRH applicants, there was a suggestion that refusal of allocation to HSC units should not be counted towards the three offers for flat selection. Some members held the view that instead of allocating HSC units to non-elderly PRH applicants, consideration should be given to converting more such units into self-contained flats having regard to the increase in demand for the latter. As far as the usage of HSC was concerned, there was a suggestion that HA should let more HSC blocks to operators of residential care homes for the elderly and consider offering concessionary rates to attract operators to use HSC for running elderly homes. The minutes of the Panel meeting is hyperlinked in the **Appendix**.

10. Members have all along been concerned about issues related to the provision and utilization of HSC units. Three related questions were raised at Council meetings in 2001, 2002 and 2004. The details are hyperlinked in the **Appendix**.

⁵ HA's analysis to the age profile of HSC residents revealed that as at 22 May 2006, 71.6% of the residents are 70 years old or above.

Latest developments

11. According to the Administration, as at the end of December 2006, there was a total of 9 820 HSC units in HA's housing stock among which some 2 000 units were vacant representing a vacancy rate of about 20%. The Panel on Housing will re-visit the subject of utilization of HSC units at the coming meeting on 5 February 2007.

References

12. The relevant papers relating to the subject with their hyperlinks are in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
31 January 2007

Utilization of Housing for Senior Citizens units

List of relevant papers

Council/Committee	Date of meeting	Paper
Council Meeting	20 June 2001	LegCo question: Arrangement for allocating PRH units to the elderly (Hansard P.27) http://www.legco.gov.hk/yr00-01/english/counmtg/hansard/010620fe.pdf
Council Meeting	30 October 2002	LegCo question: Improvement to service for elderly tenants of Housing for Senior Citizens (Hansard P.78) http://www.legco.gov.hk/yr02-03/english/counmtg/hansard/cm1030ti-translate-e.pdf
Council Meeting	17 November 2004	LegCo question: Flats for Housing for Senior Citizens (Hansard P.89) http://www.legco.gov.hk/yr04-05/english/counmtg/hansard/cm1117ti-translate-e.pdf
Housing Panel	21 June 2005	Administration's paper on Housing for Senior Citizens (LC Paper No. CB(1)1787/04-05(06)) http://www.legco.gov.hk/yr04-05/english/panels/hg/papers/hg0621cb1-1787-6-e.pdf Minutes of the meeting (LC Paper No. CB(1)2157/04-05) http://www.legco.gov.hk/yr04-05/english/panels/hg/minutes/hg050621.pdf
Housing Authority		Paper on Optimization of Use of Surplus Units of "Housing for Senior Citizens" for Housing Authority's Subsidized Housing Committee http://www.housingauthority.gov.hk/hdw/content/document/en/aboutus/ha/paperlibrary1/s hc/SHC4506.pdf

Council/Committee	Date of meeting	Paper
Housing Authority		Press release by Housing Authority on 27 July 2006 relating to optimizing use of surplus HSC units http://www.info.gov.hk/gia/general/200607/27/P200607270187.htm
Housing Panel		Administration's information paper on utilization of the Housing of Senior Citizens and the improvement measures LC Paper No. CB(1)506/06-07(01) http://www.legco.gov.hk/yr06-07/english/panels/hg/papers/hgcb1-506-1-e.pdf

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