

Legislative Council Panel on Housing

Review of the Interim Measures to Tackle Under-occupation in Public Rental Housing Estates

Purpose

This paper briefs Members on the review results of the interim measures to tackle the under-occupation cases in public rental housing (PRH) estates and the revised arrangements implemented with effect from 1 November 2010.

Background

2. To ensure the rational use of heavily subsidised housing resources, the Housing Authority (HA) allocates PRH flats to households having regard to their income limits and household sizes under established allocation standards. Over time, household size does change for various reasons, including moving-out of some family members previously listed in the tenancy agreement and death of family members. Remaining members may enjoy more living space than that is allowed under the established standards, thus the family becomes an ‘under-occupation household’. Under the existing policy, under-occupation households have to surrender their PRH flats and move to smaller flats of an appropriate size. The recovered flats will then be re-allocated to other families with a larger household size which are in need of bigger flats.

3. The current standards of under-occupation are –

Household size in person	1	2	3	4	5	6
Under-occupation standard (Internal Floor Area in m ²)	>25	>35	>44	>56	>62	>71

4. In response to the recommendations of a study conducted by the Audit Commission in 2006/07, the HA’s Subsidised Housing Committee (SHC) agreed in May 2007 to adopt a step-by-step approach to deal with the most serious (MS) under-occupation cases, i.e. those of average living density exceeding 35 m² per person and without elderly or disabled family members.

5. As an incentive, we would offer the households concerned a total of four housing offers in the same estate or estates in the same District Council constituency, a Domestic Removal Allowance (DRA) and an opportunity for transfer to new estates, subject to availability of housing resources. For those MS under-occupation households which refused all four offers without good reason, a notice-to-quit would be issued to them. Under-occupation households which choose to transfer ahead of their turn of taking up relocation under the Transfer Priority List (TPL)^{Note}, may also enjoy the DRA and the opportunity for transfer to new estates.

Review Results of MS Under-occupation Cases

6. In the past three years, we have identified about 2 350 MS under-occupation cases with living density above 35m² per person. The majority of these are 1-person households living in 2-bedroom flats. With the incentives adopted, we have resolved some 1 800 (77%) of such cases, leaving behind 550 outstanding cases.

Considerations When Tackling Remaining Under-occupation Cases

7. Given the on-going completion of new smaller PRH flats and recovery of small flats from out-going tenants, we are now in a position to deal with more under-occupation cases.

8. A detailed breakdown on the living space of households with living density exceeding 30m² per person, and without elderly or disabled household members is summarised in the table below –

Living density/person in m²	Number of under-occupation households in each category	Living density/person in m²	Number of Under-occupation Households in each range
>35	550	>35	550
>34≤35	2 400	>34	2 950
>32≤34	1 200	>32	4 150
>30≤32	1 450	>30	5 600

^{Note} A priority list is drawn up according to the households' living densities, and the duration of under-occupation.

9. Having regard to the demand and supply of small flats, we aim to resolve some 3 000 under-occupation cases with living density exceeding 34m² per person and without elderly or disabled family members in the coming two years.

Revised Measures on Tackling the Under-occupation Cases

10. In view of the above, in October 2010 the SHC endorsed the following revised arrangements to tackle under-occupation cases -

- (a) to re-define the MS under-occupation households as those with living density above 34m² per person and without elderly or disabled family members for the coming two years;
- (b) to review the under-occupation situation two years after the implementation of the revised arrangement;
- (c) to continue to accord lower priority for under-occupation households with elderly or disabled family members; and
- (d) to continue to adopt the other measures and incentives currently in force as stated in paragraph 5.

Way Forward

11. With SHC's endorsement, the revised measures to tackle the under-occupation cases as stated in paragraph 10 have been implemented since 1 November 2010. We will review the overall situation in two years to see if there is a need to further revise the approach and pace of the programme to resolve the remaining under-occupation cases.

12. Members are invited to note the revised measures implemented by the HA as stated in paragraph 10 to tackle under-occupation in PRH estates.

**Transport and Housing Bureau
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