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Panel on Housing

Meeting on 3 January 2011

**Background brief on measures to tackle under-occupation in
public rental housing estates**

Purpose

This paper sets out the background on measures to tackle under-occupation in public rental housing (PRH) estates, and gives a brief account of the views and concerns expressed by the Panel on Housing (the Panel).

Background

2. Public housing resources are heavily subsidized by public funds. It has been a long-standing policy of the Hong Kong Housing Authority (HA) to allocate PRH flats to households having regard to their sizes under the established allocation standards. However, due to subsequent moving-out, decease, marriage or emigration of some family members, the remaining members may enjoy far more average living space than is allowed under the established standards, rendering the family an under-occupied household. The allocation standards and under-occupation standards of PRH flats are given below -

Internal Floor Area (Square metres (m ²)) \ Household size		1 person	2 persons	3 persons	4 persons	5 persons	6 persons
		Under-occupation Standard (i.e. internal floor area above)		25	35	44	56
Maximum Allocation Standard	PRH flats built before 1992	19.8	31	34	42	44	50
	New type of PRH flats built after 1992	17.81	23	34.5	46.08	54.25	54.25
	PRH flats in Tin Shui Wai and Tung Chung	17.81	30.34	39.74	49.06	54.25	54.25

Under the existing tenancy agreement, an under-occupied household has to move to a PRH flat of a size which HA considers appropriate.

Measures and difficulties in handling under-occupation

3. In tackling the issue of under-occupation, HA has adopted the following guiding principle -

- (a) elderly tenants and households with disabled members should be the last ones on the list of under-occupied households to be transferred, and consideration should be given to providing financial support to such tenants on transfer;
- (b) to avoid more acute shortage of small flats, instead of taking action to demand under-occupied households to move from large flats to small flats under the tenancy agreements, priority should be given to allocating flats to Waiting List (WL) applicants and clearées;

- (c) the keen demand for small flats should be taken into account in planning new PRH projects; and
- (d) the under-occupation standards should be reviewed in due course given that the living space of PRH tenants has been significantly improved in recent years.

4. According to HA, the number of under-occupied households has more than doubled from 15 300 cases in 2000 to 31 700 cases in 2006. Nearly 90% of these cases involved one or two-person households. Of these, some 40% (more than 12 000 households) consisted entirely of elderly residents. About 90% of the under-occupied households have to move to one or two-person flats under the existing requirement. However, the progress of transfers has been affected not only by the inadequate supply of these flats, but also the unwillingness of households to move out. The problem of shortage of small flats has become more serious when two-thirds of applicants on WL are one or two-person households. As a result, only an average of about 500 under-occupied households was transferred to flats of more appropriate sizes in 2005 and 2006.

5. The policy on under-occupation in PRH was discussed at the Panel meeting on 5 March 2007. Panel members generally considered that a more flexible approach should be adopted in handling under-occupation cases, particularly those involving elderly tenants. While the provision of a removal allowance would help ease the financial burden of relocation, HA should take into account the social, psychological and physical needs of the elderly in the process. Consideration should also be given to relaxing the under-occupation standard for households with family members suffering disabilities or chronic illness as they might require larger living space. Given the diminishing demand for larger units, some members opined that efforts should be made to encourage the younger generation to live with their elderly parents to help reduce the vacancy rate of large units and release small units for re-allocation to WL applicants. Other members considered that the District Councils should be consulted on the guiding principles and strategies for tackling the issue of under-occupation.

Review of under-occupation situation

6. The review of under-occupation situation was triggered off by a study of the Audit Commission conducted in 2006-2007. The Audit findings recommended, among others, the drawing up of a plan to tackle the

under-occupation problem in order of priorities and to take strong enforcement actions against those households who had refused to move. As such, the Subsidised Housing Committee of HA endorsed in May 2007 to adopt a step-by-step approach to deal with the most serious under-occupation cases, i.e. those of average living density exceeding 35 m² per person without elderly and disabled family members. A target of 1 000 flats each year was set for the transfer of the most serious under-occupation households in 2007-2008 and 2008-2009 respectively. A review of the interim measures would be conducted after two years of implementation.

Latest development

7. The Administration proposes to brief the Panel on 3 January 2011 on the review findings of the interim measures in tackling under-occupation in PRH estates, and also the way forward in dealing with most serious under-occupation cases.

Relevant papers

Information paper provided by the Administration for the Housing Panel meeting on 5 March 2007

<http://www.legco.gov.hk/yr06-07/english/panels/hg/papers/hg0305cb1-1012-3-e.pdf>

Minutes of the Housing Panel meeting on 5 March 2007

<http://www.legco.gov.hk/yr06-07/english/panels/hg/minutes/hg070305.pdf>

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