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Panel on Housing

Special meeting on 14 March 2012

**Background brief on Hong Kong Housing Society's
Joyous Living Projects
prepared by the Legislative Council Secretariat**

Purpose

This paper sets out the background to Joyous Living projects undertaken by the Hong Kong Housing Society (HKHS), and also gives a brief account of the views expressed by Members on related issues.

Senior Citizen Residence Scheme

2. To increase the supply of housing for the elderly, the Administration announced in the 1997 Policy Address to introduce a "Senior Citizen Residence (SEN) Scheme" under which flats would be built in the urban area to lease for life to the elderly. The SEN Scheme is purposely designed for elderly people in the middle-income group who are healthy and able to look after themselves and have the means to live in an independent lifestyle with affordable and purpose-built accommodation with integrated care and supportive services. It seeks to fill a market niche for elderly in the middle-income group who may not prefer subsidized institutional care and attention homes or elderly homes, and yet may not be able to afford in the long run the considerable costs of quality private elderly homes. The SEN Scheme is to be implemented and operated by HKHS on self-financing and user-pays principles.

3. Two lots (one in Tseung Kwan O and the other in Jordan Valley) were granted to HKHS at nominal land premium to provide a total of 576 units. To ensure security of tenure, the units in the two projects are to be leased to eligible elderly persons for life, or until they terminate their tenancies on their own initiatives. Upon joining the Scheme, they will pay an entry contribution (tantamount to pre-paid rent), the amount of which varies with the age of the tenants and can be paid in a lump sum or in stages. Management and basic

health care fees are payable on a monthly basis. Upon termination of the lease or death of tenants, a portion of the entry contribution (depending on the length of occupation) will be refunded to the elderly or their beneficiaries. A summary of the basic eligibility criteria for joining the SEN Scheme and the scale of entry contributions is given in **Appendix I**.

4. The two pilot projects, Jolly Place in Tseung Kwan O and Cheerful Court in Jordan Valley, were completed in 2003 and 2004 respectively. At present, all 576 units are rented out and interested applicants have to register on a waiting list.

5. The progress of the SEN Scheme was discussed by the Panel on Housing (the Panel) at its meetings on 18 July 2001, 5 January 2004 and 8 April 2008. The Panel generally supported the need to enhance housing services for the elderly to address the growing ageing problem in Hong Kong. In view of the success of the two pilot projects under SEN Scheme as evidenced by the over 150-applicant waiting list, members considered that more sites (including the vacant site after the demolition of the Tanner Hill Estate) should be granted to HKHS for building more SEN flats so that elderly people could "age in place" in Hong Kong and close to their families instead of moving to the Mainland in search of affordable elderly housing. Some members enquired whether the eligibility criteria, including means test, could be relaxed so that more elderly persons would be eligible for new SEN projects. Some other members enquired about the bases for determining the refund of the entry contribution, the monthly fee of medical coverage, and the monitoring mechanism for the management of services and funds under the SEN Scheme.

Joyous Living

6. Riding on the experience derived from the SEN Scheme, HKHS realizes the keen demand for an integrated, one-stop quality retirement living solution among seniors in Hong Kong. However, some interested and financially better-equipped seniors failed to lease a SEN unit due to its limited supply and the requirement of means test. This group of seniors are willing to pay for quality services that they desire for along with the idea of worry-free retirement living. To provide a choice to this group of financially better-equipped seniors, HKHS introduces the Joyous Living concept to provide one-stop household, leisure, all-inclusive wellness and skilled care services and facilities. Joyous Living will be operated on a self-financing basis and the entry contribution will be determined with reference to market rate based on the user-pays principle at the time of subscription, hence requiring no asset or means test. While the eligibility criteria for subscription of residential units under Joyous Living projects are yet to be finalized, the basic entry requirement is that residents must be aged 60 or above.

7. Joyous Living will comprise two projects in Tanner Hill, North Point, and Wetland Park Road, north-western New Territories, providing 588 and 950 independent living residential units respectively. Superstructure works for the Tanner Hill project is expected to commence in early 2012 for completion by early 2015 with expected application date scheduled for end 2013 to early 2014. As for the Wetland Park Road project, the planning and design work is underway for completion tentatively scheduled in end 2016.

Questions and motions at Council meetings

8. Questions on provision of housing for the elderly were raised at the Council meetings on 10 January 2007, 22 April 2009 and 17 November 2010. Motions urging the Government to formulate a comprehensive policy on housing for the elderly were carried at the Council meetings on 9 April 2008, 30 June 2010 and 8 June 2011. Details of the Council questions and the wordings of the motions are hyperlinked below for ease of reference.

Latest development

9. The Panel has requested the Administration to brief members on the details of Joyous Living projects undertaken by HKHS at the special meeting on 14 March 2012.

Relevant papers

10. A list of relevant papers is in the **Appendix II**.

Summary of Basic Eligibility Criteria for SEN Scheme

	Eligibility criteria			
1	Age	60 or above		
2	Residency requirement	<i>Singletons</i> : Hong Kong permanent residents <i>Doubletons</i> : for unrelated couples, both must be Hong Kong permanent residents. For couples, one must be a Hong Kong permanent resident.		
3	Affordability test (assets before paying entry contribution)		Aged 60 to 69	Aged 70 or above
		Singletons	\$1.5 million to \$3.3 million	\$1.0 million to \$3.3 million
		Doubletons	\$2.25 million to \$4.95 million	\$1.5 million to \$4.95 million
4	Public housing benefits	Persons enjoying public housing benefits by virtue of their elderly status are not eligible. Persons enjoying such benefits not by virtue of their elderly status can apply but have to surrender their benefits after taking up a unit.		

Scale of Average Entry Contribution

Age	Lump sum payment (in \$ million)	Stage payment (in \$ million) (Note)
60 – 64	0.32 – 0.49	0.36 – 0.54
65 – 69	0.29 – 0.44	0.32 – 0.49
70 – 74	0.28 – 0.41	0.31 – 0.46
75 or above	0.26 – 0.39	0.29 – 0.43

Note: Under the stage payment method, tenants have to pay 40% of the entry contribution on taking up the units, 30% at the 12th month, and 30% at the 24th month.

**Hong Kong Housing Society's
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List of relevant papers

Council/ Committee	Date of meeting	Paper
Housing Panel	18 July 2001	<p>Information paper on "Hong Kong Housing Society's Senior Citizen Residence Scheme" provided by the Administration (LC Paper No. CB(1) 1794/00-01(03)) http://www.legco.gov.hk/yr00-01/english/panels/hg/papers/a1794e03.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1) 2226/00-01) http://www.legco.gov.hk/yr00-01/english/panels/hg/minutes/hg010718.pdf</p>
Housing Panel	5 January 2004	<p>Information paper on "Progress of the Hong Kong Housing Society's Senior Citizen Residences Scheme" provided by the Administration (LC Paper No. CB(1) 667/03-04(05)) http://www.legco.gov.hk/yr03-04/english/panels/hg/papers/hg0105cb1-667-5e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1) 874/03-04) http://www.legco.gov.hk/yr03-04/english/panels/hg/minutes/hg040105.pdf</p>
Housing Panel	8 April 2008	<p>Information paper on "Housing for the elderly provided by the Hong Kong Housing Authority and the Hong Kong Housing Society" provided by the Administration (LC Paper No. CB(1) 1161/07-08(04)) http://www.legco.gov.hk/yr07-08/english/panels/hg/papers/hg0408cb1-1161-4-e.pdf</p> <p>Information paper on "Hong Kong Housing Society's Role in Providing "Housing with Care" for the Senior Citizens in Hong Kong" provided by Hong Kong Housing Society (LC Paper No. CB(1) 1181/07-08(01)) http://www.legco.gov.hk/yr07-08/english/panels/hg/paper/hg0408cb1-1181-1-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1) 2025/07-08) http://www.legco.gov.hk/yr07-08/english/panels/hg/minutes/hg080408.pdf</p>

Hyperlinks to relevant Council Questions:

Date	Council Questions
10 January 2007	Council question raised by Hon Joseph LEE http://www.info.gov.hk/gia/general/200701/10/P200701100149.htm
22 April 2009	Council question raised by Hon CHAN Kin-por http://www.info.gov.hk/gia/general/200904/22/P200904220120.htm
17 November 2010	Council question raised by Hon LAU Kong-wah http://www.info.gov.hk/gia/general/201011/17/P201011170151.htm

Hyperlinks to relevant Motions:

Date	Motions
9 April 2008	Motion moved by Prof Hon Patrick LAU as amended by Hon Frederick FUNG, Hon James TO, Hon Mrs Selina CHOW LIANG, Hon SIN Chung-kai, Hon CHAN Yuen-han, Hon Albert HO and Hon LEE Wing-tat http://www.legco.gov.hk/yr07-08/english/legco_rpt/legco_motion04101-e.pdf
30 June 2010	Motion moved by Hon LAU Kong-wah as amended by Hon WONG Shing-chi and Dr Hon PAN Pey-chyou http://www.legco.gov.hk/yr09-10/english/legco_rpt/legco_motion0702-e.pdf
8 June 2011	Motion moved by Hon TAM Yiu-chung as amended by Hon WONG Shing-chi and Dr Hon PAN Pey-chyou http://www.legco.gov.hk/yr10-11/english/legco_rpt/legco_motion0609-e.pdf