

**Information Paper for LegCo Panel on Housing
Sub-committee on Rehousing Arrangements for Residents
Affected by Clearance of Squatter Areas**

Clearance of Squatter Areas

PURPOSE

This paper informs Members of the current rehousing arrangements for residents affected by clearance of squatter areas.

BACKGROUND

2. At the Housing Panel meeting on 1 November 1999, Members expressed concern over the rehousing arrangements for squatter clearerees who are not eligible for public rental housing (PRH) and therefore only offered interim housing (IH) far away from their existing accommodation. Members requested the Administration to examine the feasibility of providing IH in the urban area.

**EXISTING REHOUSING ARRANGEMENTS FOR ELIGIBLE
CLEARREES**

3. The Housing Department (HD) is responsible for planning, co-ordinating and implementing Government clearances upon the receipt of formal clearance applications from the Lands Department. It is the Government policy not to render anyone homeless as a result of Government's clearance operations. Genuine residents affected by Government's clearance operations, subject to meeting the prevailing clearance eligibility criteria at **Annex**, will be offered the following rehousing arrangements -

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

Clearerees will be offered PRH or IH according to their eligibility. They will be rehoused 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)***

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

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

Eligible clearerees may apply, using Green Form, 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)***

Clearerees with PRH eligibility may apply to purchase 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***

For singleton or two-person households, they 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 further payments of the allowance or any form of public housing for the subsequent two years.

REQUESTS FROM RESIDENTS AFFECTED BY CLEARANCE OPERATIONS

4. Some residents affected by clearance operations in the urban area have expressed concern over the offer of IH in the extended urban area and the

New Territories for those not eligible for PRH. They have made the following requests -

- (a) to convert vacant PRH blocks pending redevelopment, e.g. Block 23 of Tung Tau Estate, into IH;
- (b) to defer the clearance of Temporary Housing Areas (THAs) in urban area, e.g. Kai Yiu, Kai Wo and Kai Lok THAs, and convert them into IH; and
- (c) to speed up the refurbishment process of vacant PRH units so that more resources could be freed for allocation.

HOUSING DEPARTMENT'S RESPONSE

Conversion of Vacant PRH Blocks into IH

5. In the past, HD had converted three old rental blocks due for redevelopment (i.e. Block 12 of Kwai Shing Estate and Blocks 10 & 11 of Shek Lei Estate) for use as IH in order to meet short term IH demand. However, by taking up redevelopment sites in the urban area for such purpose, it will result in serious delay in housing development and cannot achieve an overall environmental improvement to the area in question.

6. As regards Block 23 of Tung Tau Estate, this 33-year old Mark IV block has been scheduled for redevelopment under the Comprehensive Redevelopment Programme. The block will be demolished in mid-2001 for public housing development. Any delay in the demolition of this rental block will affect the overall redevelopment programme. Besides, the structural conditions and age of the block would render the proposed conversion not feasible.

Deferment of Clearance of THAs

7. As regards the proposed deferment of clearance of THAs, the Government has pledged to clear all remaining THAs by the end of 2000 in order to improve the living conditions of those affected and to free land for development. For instance, the tenure of the THA sites in Kowloon Bay will

soon expire and the cleared sites have to be handed over to the Lands Department immediately after clearance for construction of a school.

Speeding up Refurbishment of Vacant PRH Flats

8. As regards speeding up of the refurbishment of vacant PRH units, the HD has already shortened the refurbishment process to about 50-54 days. This has speeded up the re-allocation of refurbished flats to those needy families on the General Waiting List (GWL) and other rehousing categories. In fact, the current vacancy rate of PRH units is 1.7%, lower than the 2% pledge. However, as a matter of equity, these flats can only be allocated to persons eligible for PRH and not for those who are only eligible for IH.

CONCLUSION

9. To meet the demand for IH in the coming years, new IH blocks are being built in Tuen Mun and Tin Shui Wai providing some 17,700 units for allocation to eligible families. The first batch of new vertical IH at Tuen Mun (about 8,700 units) will be available in early 2000, while some 4,000 and 5,000 IH units at Tin Shui Wai will be available in 2001 and 2003 respectively. The design of these new IH blocks is comparable to PRH blocks, i.e. with self-contained toilet and kitchen facilities. Other community and shopping facilities are also provided in these IH estates. They are very much improved in design and facilities than the traditional THAs.

Housing Department
December 1999

Rehousing Eligibility Criteria for Squatter Clearances

A. Eligibility criteria for public rental housing

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

- (1) Genuine residents of domestic structures covered by the 1982 Squatter Structure Survey;
- (2) Covered by the 1984/85 Squatter Occupancy Survey;
- (3) Satisfy the seven-year residence qualification;
- (4) Not owning any domestic property within 24 months prior to the pre-clearance survey until date of intake; and
- (5) Satisfy a comprehensive means test covering both income and net asset of the applicants and their family members.

B. Eligibility criteria for interim housing

- (1) Genuine residents of domestic structures covered by the 1982 Squatter Structure Survey;
- (2) Not owning any domestic property within 24 months prior to the pre-clearance survey until date of intake; and
- (3) Satisfy a comprehensive means test covering both income and net asset of the applicants and their family members.