

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

**Rehousing Policy for Squatter Clearerees**

**PURPOSE**

Members were informed of the general rehousing policy for squatter clearerees (**Appendix I**) at the meeting of the LegCo Panel on Housing on 1 November 1999. At the subsequent meeting of this Sub-committee held on 15 December 1999, Members were also informed of the current rehousing arrangements for squatter clearerees (**Appendix II**). At Members' request, this paper advises Members of the arrangements in relation to the 1984/85 Squatter Occupancy Survey and deliberations of the Housing Authority on 23 September 1995.

**THE 1984/85 SQUATTER OCCUPANCY SURVEY**

*1982 Squatter Structure Survey*

2. In 1982, the Housing Department (HD) conducted a territory-wide Squatter Structure Survey (SSS) on unleased and undeveloped Government land and leased agricultural land for squatter control purpose. Squatter structures registered in the SSS are tolerated until they are involved in development clearance or clearance for environmental improvement or safety reasons. Any illegal structure or unauthorized extension built after 1 June 1982 are subject to enforcement and demolition action once it is discovered.

*1984/85 Squatter Occupancy Survey*

3. To contain the growth of squatter population, HD conducted in 1984/85 a SOS by way of registering the personal particulars of the occupants of the structures surveyed in 1982.

*Rehousing Policy*

4. The 1982 SSS and the 1984/85 SOS are regarded as two of the criteria to determine the rehousing eligibility of occupants affected by squatter clearance. When a squatter area is to be cleared, genuine occupants of surveyed structures at the time of clearance who are covered by the 1984/85 SOS will be eligible for public rental housing (PRH), subject to satisfying other eligibility criteria for squatter clearerees as set out in **Annex A to Appendix I**. Those not covered by the 1984/85 SOS but fulfilling other eligibility criteria will only be rehoused to interim housing (IH). This is in line with the Government policy that no one will be rendered homeless as a result of Government operations. The policy on SOS has been widely publicised and well known among the squatters.

Proposed Removal of the SOS

5. Some squatter clearerees have suggested the removal of the 1984/85 SOS as one of the eligibility criteria for PRH. The request cannot be agreed upon because the SOS is meant to be a freezing survey to deter the growth of squatter population. The proposed removal of the SOS will result in a number of undesirable consequences. First, this would encourage people to move to squatter areas and result in queue jumping for PRH over other prospective tenants including Waiting List (WL) applicants. Secondly, a change of the long established baseline would encourage new squatting as people may have an illusion that new structures would bound to be tolerated and new squatters living therein would also be rehoused to PRH. Thirdly, the possible influx of squatter population into the squatter areas would further aggravate the poor living environment. The buying and selling of squatter structures could become rampant.

6. In short, once the baseline is changed, the original purpose of conducting the freezing survey will be defeated. This will create a lot of unnecessary disputes and unjustified claims.

**POLICY APPROVED BY THE HOUSING AUTHORITY ON 23 SEPTEMBER 1995**

7. Before September 1995, squatter clearerees not eligible for PRH were rehoused to temporary housing areas (THA) upon clearance, provided that they satisfied the rehousing eligibility criteria. Upon clearance of the THA, they would become eligible for rehousing to PRH.

8. To eliminate the possibility of queue-jumping by squatting and to ensure rational allocation of public housing resources, the then Management and Operations Committee (MOC) of the Housing Authority approved on 23 September 1995 that all residents rehoused to THA/IH after 23 September 1995 (except those affected by clearance operations announced before that date and subsequently rehoused to THA) had to register on the WL. Clearerees rehoused in THA/IH will only be allocated PRH when their WL applications mature and they satisfy the WL eligibility criteria. In other words, THA/IH licensees will not be automatically rehoused to PRH upon clearance after 23 September 1995. This is commonly known as the "9.23 Policy".

9. This policy has achieved its intended purpose since its implementation and is general well received by the public.

**Information Paper for LegCo Panel on Housing**  
**Rehousing policy for squatter clearances**

**Purpose**

This paper informs Members of the rehousing policy for people affected by squatter clearances.

**Background**

2. The Housing Department is the Government's agent for squatter control and clearance. When a squatter area is to be cleared, squatters living in the affected structures before announcement of the clearance programme will be offered rehousing, provided that they satisfy the prevailing eligibility criteria for either public rental housing or interim housing as set out in **Annex A**. To prevent queue-jumping, a freezing survey will be conducted on the date of announcement of the clearance programme to ascertain the rehousing commitments.

**Comprehensive means test**

3. To ensure that public housing resources are allocated to people most in need, all prospective public housing tenants including Waiting List applicants and squatter clearances are required to undergo a comprehensive means test, covering both income and net assets, before entry. The current income and net asset limits are shown in **Annex B**. These limits are reviewed on a regular basis.

4. People displaced by clearance operations who fail the means test but satisfy other criteria will be offered interim housing if they have a temporary need for housing. However, their length of stay in interim housing is restricted to one year, and they are required to pay licence fees at market level.

5. During their stay in interim housing, the squatter clearances will be given priority for the purchase of Home Ownership Scheme/Private Sector Participation Scheme flats or the grant of loans under the Home Purchase Loan Scheme, subject to meeting the normal eligibility criteria (for White Form applicants).

6. Since the comprehensive means test was implemented in September 1998, 13 cases have failed the income test and another 3 cases have failed the asset test, thus becoming ineligible for rehousing to public rental housing flats /interim housing units.

### **Conclusion**

7. As set out in the White Paper on Long Term Housing Strategy published in February 1998, public housing resources should be given only to those in genuine need of subsidy as a matter of equity. If we do not, an unfair burden will fall on the general community. And we will be less able to help those who are in genuine need of housing assistance. Under the current arrangements, the comprehensive means test has proved to be an effective measure to ensure the rational allocation of public housing resources.

Housing Department  
October 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.

**Comprehensive means test for public rental housing and interim housing**  
**Income and asset limits**  
(effective from 1 April 1999)

<b>Family size</b>	<b>Income limits (per month )</b>	<b>Net asset limits</b>
1	\$6,600	\$220,000
2	\$11,900	\$330,000 *
3	\$14,800	\$390,000 *
4	\$17,700	\$470,000
5	\$19,200	\$530,000
6	\$20,700	\$600,000
7	\$23,500	\$660,000
8	\$26,200	\$700,000
9	\$28,700	\$700,000
10 and above	\$30,700	\$700,000

\* The asset limit for small nuclear households of two or three persons who are all aged 60 or above is the same as that of four-person household, i.e. \$470,000.

**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 Clearees**

**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.