

## 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.