

**Legislative Council Panel on Housing Special Meeting on 14 March 2012**

**Discussion Paper for Agenda I - Hong Kong Housing Society's Joyous Living Scheme**

Purpose

The purpose of this paper is to brief Legislative Council Panel on Housing Members the objectives of the HKHS elderly housing projects at Tanner Hill North Point and the Integrated Elderly Community Project at Tin Shui Wai Area 115, the land premium assessment principles of these two land grants and the disposal and pricing model of the elderly accommodation and related facilities and services to be provided in these two projects.

Hong Kong Housing Society Community- Serving Mission

1. The Hong Kong Housing Society (HKHS) is a non-governmental organization with a social conscience, aiming to serve the needs of the Hong Kong community in housing and related services. Since its formation in 1948, HKHS has implemented different innovative quality housing schemes to meet the evolving needs of the community, in particular the elderly.

Elderly Housing for the Low Income Group

2. From the 70s, HKHS started to provide purposely-design flats for the elderly. Targeted at the low income group, these flats are self-contained, equipped with elderly-friendly installations and supported by warden services. There are now 919 such flats.

## Elderly Housing for the Middle Income Group

3. In view of the fast-growing ageing trend and based on the result of the market survey, the HKHS introduced in 2003 and 2004 two pilot projects of a new type of housing exclusive for middle-class elders under the “Senior Citizens Residence (SEN) Scheme”. The concept of SEN is to provide an integration of accommodation and recreational, medical and health care services under one roof, enabling the elderly tenants to enjoy “Healthy Ageing” and “Ageing in Place”.
4. Since the sites for the SEN projects are granted by Government at nominal land premium, all the tenants are subject to income and asset test. The flats within the projects are rented to eligible elders under a lease-for-life arrangement. The level of the lump sum rent, or entry contribution, as well as the eligibility criteria of tenants are subject to Government’s approval. However, all services provided to the tenants are on user-pays principle without subsidy from HKHS or Government.
5. All the 576 flats for the elderly in the two pilot SEN projects, namely Jolly Place and Cheerful Court, were fully let. At present there is a waiting list of about 335 applicants.
6. As the two SEN projects were well received, the Chief Executive announced in the 2007-08 Policy Address to continue their comprehensive home care approach by expanding the scheme and that HKHS would propose new plans and locations for the elderly housing scheme on Hong Kong Island.
7. The full occupancy rate and long waiting list for the two SEN projects show that there is a strong demand for elderly housing of similar nature. Moreover, during the course of processing the SEN applicants, feedback from the applicants with asset / income exceeding the SEN units, as well as enquiries

from the elderly people who were financially more affordable, showed that there was also a demand for quality retirement housing not subject to any means test. As a matter of fact, according to the market research conducted by HKHS, about 50% out of the 1,000 seniors interviewed indicated their desire for a higher quality retirement housing developed by HKHS.

### Housing for the More Affordable Elderly

8. In order to stay open to the changing spectrum of the elderly population and the changing market sentiment overtime, in 2008 HKHS proposed to Government the development of the Tanner Hill Project (TH) at full market land premium so as to meet the emerging need of elderly of varying income / asset profile. The Government will assess the land premium in respect of the elderly units portion on the principle that HKHS will pay full market land value of the elderly units let (not sell) to elders aged 60 years old or above. For those Government / Institutional and Community facilities receiving policy support from relevant Bureauex, HKHS will have to pay nominal land premium according to the practice notes under existing policies. As regards the remaining facilities HKHS will pay full market land premium. Under this new pilot quality retirement housing scheme, income and/or assets limits as eligibility criteria will not be imposed. Also the rent for the lease-for-life, and the option of short term lease, will both be priced at full market rental level.
  
9. As regards the Integrated Elderly Community Project (IECP) at Tin Shui Wai (TSW) Area 115, in response to Government's invitation to submit proposal for deploying land resources at TSW Area 115 flexibly to promote the social development of TSW, in 2008 HKHS submitted a development proposal to the Government to develop an IECP which allows for "ageing in the community" under continuous seamless caring. Currently the Lands Department is processing HS's application for the land grant of TSW Area 115. The IECP, comprising elderly accommodation and associated medical / health care

facilities, will follow the self-financing basis and user-pays principle. The land premium assessment principle as well as the disposal and operation model of IECF are similar to the TH Project (paragraph 8 refers) under which the elderly tenants will not be subject to any means test, also they can enjoy the comprehensive care and health services according to the user-pays principle without any subsidy from HS or Government.

10. The objectives of the IECF are similar to the TH Project in terms of providing a choice to the financially more affordable elderly people who look for a quality retirement living environment where the normal private residential market has not provided for. In addition, it attempts to address the social unbalance of TSW by bringing in an economically better-off population into the area. Other than the elderly accommodation and the medical / health care facilities such as Residential Home for the Elderly, Day Care Centre, Medical Centre etc, hotel / guest house, education and training facilities and other GIC accommodation will also be provided in the IECF to create new employment and job training opportunities to the low skill / low education sectors of the population and the youngsters in TSW to improve their general quality of life and reinforce their sense of belonging to the local community.
11. According to the current program, Tanner Hill, providing altogether 588 units will be completed by early 2015, whereas TSW Area 115, providing about 950 units, at a later stage. In order to promote and educate the elderly of the quality lifestyle provided by these projects, a new brand, Joyous Living (雋逸生活) was established and unveiled by HKHS in early February 2012.
12. Before the Joyous Living brand launch, about 720 elderly (now become Members of Joyous Living) have showed interest in the HKHS quality retirement housing project, and accordingly registered their particulars for future communications. As at 24 February, about 200 additional new Members were registered. Knowing that the approximate open market rental level of the

quality retirement housing project only 21 Members requested HKHS to delist them from the HKHS register without indicating any reason. With the existing 900 Members on the Joyous Living Register, it is evident that there is a demand for the HKHS quality retirement housing project at full market rental value in the market. With the growing awareness of the financially more affordability elderly group of two projects, HKHS anticipates that the number of registered Members will continue to increase.

13. In the absence of the TH / IECF “Ageing in the Community” model, seniors who need or do not need Government subsidies are competing for the existing pool of elderly accommodation, RCHE and elderly health care resources. A successful quality retirement housing model for the more affordable elderly operated on market driven user-pays principle will encourage the private sector enters into the quality retirement housing market. As a consequence those who are financially more affordable will choose their desired quality retirement living environment and lifestyle, leaving the existing pool of elderly accommodation, subsidized RCHE and elderly health care resources to serve the elderly people who require support from the Government and the charitable organizations. In the circumstances, the Government and the private sector will respectively serve their target group of elderly customers and both land and manpower resources of the community will be allocated and utilized in the most economical and efficient manner.
14. In view of the leasing only restrictions imposed in the Land Grants and considering the full market land premium for the two Joyous Living projects, HKHS will be subject to a very long payback of about 50 years. However, as a housing laboratory to serve the community of Hong Kong, HKHS’s intention to implement these projects is to establish a model for other housing providers, in particular those in the private sector, so that more diversified types of flats could be provided to meet the anticipated increasing demands of the elderly in the coming decades.

## Way Forward

Looking ahead, HKHS will continue to pursue various housing initiatives for serving the elderly, in particular those within the low to middle income elderly group. In the redevelopment of the rental estate at Ming Wah Dai Ha (MWDH) which was announced in 2011, HKHS is prepared to implement an Integrated Redevelopment Model. In essence, upon redevelopment, MWDH will provide not only rental flats but also purposely-design flats targeted at the elderly within low to middle income group. They will be supported by an elderly hub comprising a range of ancillary facilities like RCHE, Day Care Centre, Clinic, Activity Centre etc. These facilities will service both the elderly tenants and the residents in the neighborhood. On the other hand, in the urban renewal project at Shau Kei Wan, HKHS will experiment with a new concept of Mixed Scheme, providing private flats for sale on upper floors and elderly flats for lease on lower floors, all within the same block. The underlying rationale is to promote cross generation help and support between the young and the elderly (長幼共融).

**Hong Kong Housing Society**

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