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Legislative Council

LC Paper No. CB(1)143/13-14
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Ref : CB1/PS/3/12/1

Panel on Housing

Subcommittee on the Long Term Housing Strategy

Minutes of the meeting
held on Thursday, 30 May 2013, at 8:30 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Kwok-hing, MH (Chairman)
Hon Tony TSE Wai-chuen (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon WONG Yuk-man
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Hon KWOK Wai-keung
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members attending : Hon LEUNG Yiu-chung
Hon Gary FAN Kwok-wai

Members absent : Hon Michael TIEN Puk-sun, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Public Officers attending : **For item II**

Mr Thomas CHAN, JP
Deputy Secretary for Development
(Planning & Lands)¹

Mr Eric YUE
Chief Town Planner/
Housing & Office Land Supply and
Acting Assistant Director of Planning/Special Duties
Planning Department

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

For item III

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

Ms Ruby LO
Deputy Director
Policy 21

Mr Rex CHANG, JP
Deputy Secretary for Development
(Planning & Lands)²

Mr Ryan CHIU
Principal Assistant Secretary for Development
(Planning & Lands)³

Mr CHEUNG Tin-cheung
Assistant Director/Existing Buildings 2
Buildings Department

Mr NG Kuen-chi
Assistant Director (Fire Safety)
Fire Services Department

Clerk in attendance : Ms Miranda HON
Chief Council Secretary (1)¹

Staff in attendance : Ms Diana WONG
Research Officer (1)¹

Miss Tiffany NG
Research Officer (1)²

Miss Lilian MOK
Council Secretary (1)¹

Miss Mandy POON
Legislative Assistant (1)¹

Action

I. Items for discussion at the next meeting

(LC Paper No. CB(1)1117/12-13(01) — List of outstanding items for discussion)

1. The Chairman proposed and members agreed that the next meeting originally scheduled for 18 June 2013 would be rescheduled for Wednesday, 26 June 2013, at 8:30 am in Conference Room 3 of the Legislative Council Complex to discuss the "Review of housing demand for both public and private sectors". For the meeting in July 2013, members further agreed that the Subcommittee would discuss the Administration's initiatives to revitalize industrial buildings.

II. Government's initiatives to increase housing land supply

(LC Paper No. CB(1)1117/12-13(02) — Administration's paper on "Government's initiatives to increase housing land supply"

LC Paper No. IN21/12-13 — Information note on "Land Supply in Hong Kong" prepared by the Research Office of the Legislative Council Secretariat

LC Paper No. IN20/12-13 — Information note on "Housing Supply in Hong Kong" prepared by the Research Office of the Legislative Council Secretariat)

2. The Chairman thanked the Research Office of the Legislative Council ("LegCo") Secretariat for their hard work in preparing the various information notes for members' reference.

3. The Deputy Secretary for Development (Planning & Lands)1 ("DS(P&L)1") briefed members on the latest progress of the Administration's initiatives to increase housing land supply. DS(P&L)1 advised that the Government had provided input for the LegCo Secretariat's preparation of the information notes.

Conversion of vacant school premises and other suitable sites for residential use

4. While supporting rock caverns development to release more land for housing and other uses, Mr Christopher CHUNG commented that the initiative of converting vacant school premises ("VSPs") for residential use was not cost effective as most of the premises were relatively small in size and had limited scope for development. He opined that the rezoning of VSPs should encompass suitable sites nearby in order to increase the areas of developable land. Mr LEUNG Chi-cheung shared similar views that the Administration should carefully assess the viability of the initiative, in particular the flat production capacity of individual VSPs concerned.

5. Taking the public market in Hing Wah Estate (Phase II) as an example, Mr Christopher CHUNG pointed out that quite a number of traditional wet markets located in older public rental housing ("PRH") estates were left vacant or had low occupancy rates. He urged the Administration to explore alternative uses of vacant market facilities to enhance utilization of land. Consideration

should be given to converting vacant public markets into residential flats to offer local rehousing to sitting tenants affected by the redevelopment of PRH estates. Mr WU Chi-wai also proposed that the Administration should consider converting recreational sites with low utilization rate for residential development.

6. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") responded that the Hong Kong Housing Authority ("HA") had been identifying suitable sites, including VSPs, public market sites and carpark sites, for PRH development. In so doing, HA was conducting consultation with relevant government bureaux and departments ("B/Ds") and would take into account relevant factors, including the development feasibility and capacities of individual potential sites, with an aim to optimize the use of land. The Administration would also consider the characteristics of individual localities and ensure the balanced provision of different facilities to meet the community needs before making a decision to rezone a site for other uses.

New Development Areas

7. Noting that New Development Areas ("NDAs") were a major source of land supply, Mr Christopher CHUNG urged the Administration to offer incentives, such as increasing the average living space per person and lowering PRH rentals, to encourage eligible applicants to move to PRH estates located in relatively remote NDAs. PSTH(H) responded that most of the eligible households were generally willing to move into new PRH estates located in remote districts and adequate transport facilities would be provided for them.

8. Miss Alice MAK expressed concern that the Administration's public consultation work was ineffective. She opined that the Administration should proactively engage the public, including local residents and stakeholders, in the planning of Hung Shui Kiu NDA before formulating a Preliminary Outline Development Plan to prevent the situation where conflicts emerged when the project was at an advanced stage and considerable resources and time had already been spent. Mr WU Chi-wai echoed the importance of engaging the community in the planning process.

9. DS(P&L)1 responded that the Administration acknowledged the rising public aspirations for better town planning and had been engaging people from all spectrum of the community in various stages of the planning process. Continuous efforts would also be made to expedite and streamline the planning process with an aim to speed up land supply and thus housing production. PSTH(H) further advised that HA had put in place the Public Housing Construction Programme ("PHCP"), which was a rolling programme forecasting PRH production in the coming five years and would be reviewed on an annual basis. PSTH(H) assured members that although the delivery of public housing was subject to various uncertainties and variations, relevant B/Ds had been

working closely to identify suitable land for PRH developments and there would not be any window period during which no PRH units were available for eligible applicants.

10. While agreeing to make the best use of land to increase housing supply, Mr LEUNG Chi-cheung held the view that in considering whether or not to increase the plot ratio of a site within NDAs, the Administration should be mindful of the need to preserve the local and rural characteristics of respective NDAs. He also urged the Administration to strengthen ties with the local communities and promote greater public involvement in the planning process. DS(P&L)1 responded that the Administration would take into account various factors and relevant planning considerations, such as the developments in the surrounding areas, air ventilation, environmental and traffic impacts, etc., before deciding on an optimal development density for a site. The Administration would also continue to promote community participation in the planning of NDAs and other land supply initiatives.

Introduction of vacant property tax

11. Mr KWOK Wai-keung said that the Administration had only set out long-term initiatives to increase housing land supply without offering any immediate solution to existing housing problems. Noting from the Information Note on "Housing supply in Hong Kong" (LC Paper No. IN20/12-13) that there were 38 860 vacant small/medium-sized flats at the end of 2012, Mr KWOK asked if the Administration would consider introducing a "vacant property tax" to discourage flat hoarding, thereby increasing the supply of residential flats in the property market.

12. DS(P&L)1 explained that apart from formulating long-term measures, there was a host of short to medium-term initiatives to increase the supply of housing land. These included rezoning suitable land for other uses and increasing the development density of existing sites for private/public housing developments. The Administration would continue to closely monitor the trend of the private residential property market to ensure its healthy and stable development. PSTH(H) stated that the Administration had no plan to introduce a "vacant property tax" at this stage.

Redevelopment of aged PRH estates

13. Miss Alice MAK noted that the redevelopment of aged PRH estates was a timely and costly process, and enquired whether the Administration could speed up the redevelopment process in order to boost the supply of PRH units within a short period of time. She further asked if the Administration had any plan to encourage the Hong Kong Housing Society ("HKHS") to redevelop its older rental housing estates to optimize their development intensities.

14. PSTH(H) responded that HA had endorsed the Refined Policy on Redevelopment of Aged Public Rental Housing Estates in 2011 to better assess the redevelopment potential of aged PRH estates. When drawing up redevelopment plans for aged estates, the prime consideration was the availability of suitable decanting facilities for PRH tenants of the estates concerned. The build-back potential and net gain in flat production upon redevelopment would also be examined. While HA was reviewing the redevelopment potential of individual aged PRH estates, a certain amount of lead time was required to map out the rehousing arrangements in a holistic and careful manner. On the other hand, HKHS would review the redevelopment priority of its rental estates and the future redevelopment plan from time to time. The redevelopment of Ming Wah Dai Ha ("MWDH") in Shau Kei Wan was an example. HA had been in discussion with HKHS to facilitate the redevelopment of its housing estates. The Chairman remarked that the Administration should make reference to the redevelopment of MWDH, for which a priority programme had been worked out to offer local rehousing to affected tenants before the redevelopment had commenced. This could ensure the smoothness of the redevelopment process.

15. While agreeing on the need to expedite the redevelopment of aged PRH estates, Mr LEE Cheuk-yan urged the Administration to consider converting the Long Bin Interim Housing ("Long Bin IH") Estate in Yuen Long into new PRH development. He pointed out that the living environment and hygiene conditions of Long Bin IH Estate were most undesirable as the ceilings of all units there were made of fiberglass material, which often caused skin allergy to some residents. There were also serious problems of mosquitoes and bed bugs. In response, PSTH(H) stressed that Long Bin IH Estate was safe and properly maintained. Nevertheless, the Administration would consider Long Bin IH Estate as well as other older PRH estates in the review of the redevelopment potential of individual aged PRH estates.

16. Mr LEUNG Kwok-hung criticized the Administration for using the land released by the demolition of PRH estates, such as the former Valley Road Estate, for private residential development instead of constructing public housing. He enquired about the number of former PRH sites designated for private housing development and the respective land areas involved in these development projects. PSTH(H) explained that in deciding to use former PRH sites for private housing development, the Administration would examine carefully whether the proposed development project was compatible with public expectation. He stressed that in each case, the Administration would earmark compensatory land for building PRH to ensure that the number of PRH units available for the public would not be reduced. In addition, various facilities would be provided to serve PRH residents and the neighbouring community.

Supply of land and PRH production

17. In response to Mr WU Chi-wai's enquiries about the supply of land and PRH units in Hong Kong for the five years from 2018-19 to 2022-23, DS(P&L)1 advised that the short to medium-term initiatives as set out in the 2013 Policy Address to increase housing land supply would make available about 309 hectares of land for residential use, providing at least some 128 700 units based on known developments. There was an established mechanism whereby the Planning Department ("PlanD") would allocate suitable land to HA for public housing development. For PRH production, a total of some 79 000 new units would be completed during the five-year period from 2012-13 to 2016-17 according to HA's PHCP. A higher production target of at least 100 000 units in total for the five years starting from 2018 had been set by the Chief Executive in his 2013 Policy Address.

18. PSTH(H) added that land had been secured for the development of the 79 000 new PRH units for the current five-year period till 2016-17 and construction works were progressing in full strength. He further assured members that relevant B/Ds including the Development Bureau ("DevB"), the Transport and Housing Bureau, PlanD and the Lands Department ("LandsD") had been working closely to ensure the timely delivery of the 100 000 new PRH units in the next five-year period from 2018 onwards. The Chairman proposed that the Administration should make use of diagrams and tables to illustrate the Government's various housing strategies and initiatives to facilitate the public's understanding of the information and statistics.

Lease modifications/land exchanges

19. Noting that lease modification/land exchange was one of the sources of private housing land supply, Mr LEUNG Chi-cheung enquired whether the Administration would proactively encourage private property developers to speed up their housing development projects by way of lease modification/land exchange with a view to increasing the supply of private residential flats.

20. DS(P&L)1 agreed that one of the main sources of land supply was through private redevelopment which often entailed lease modifications. While the Administration would facilitate the private sector in redeveloping land for residential use, the initiative to execute lease modification or land exchange rested entirely with individual developers who would have their own timetable based on market situation and commercial consideration. The Government's annual forecast of private housing land supply would include, amongst others, all private redevelopments regardless of whether they were subject to lease modifications/land exchanges.

21. The Deputy Chairman expressed concern about the lengthy lease modification process which might adversely affect private property developers' incentive to undertake new development projects. He urged the Administration to examine how the existing procedures and time for processing applications for lease modifications/land exchanges could be shortened and streamlined. DS(P&L)1 explained that there was no standard timeframe for processing lease modification/land exchange applications owing to the different circumstances of individual cases. The actual time taken for land premium assessment and agreement depended on the negotiations between LandsD and individual applicants. Nevertheless, a number of improvement measures had already been taken on board by LandsD and the Real Estate Developers Association of Hong Kong to expedite the process. In tandem, LandsD was working on further enhancement of processes under lease.

Admin 22. As requested by the Deputy Chairman, the Administration would provide a paper to brief members on the current procedures for processing applications for lease modifications/land exchanges (with the respective lead times involved), as well as the updated progress of the review being conducted by LandsD to enhance the processing arrangements.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)1574/12-13(01) on 19 July 2013.)

23. Mr LEUNG Chi-cheung referred to the dissenting views from the local communities about land resumption and change of land use relating to the North East New Territories ("NENT") NDAs. He was concerned that the Administration might meet a tremendous tide of objection if more stringent requirements for processing applications for lease modification and land exchange were to be imposed on private landowners whose land would be resumed for development. He proposed that the Administration should make reference to the approach adopted in the past in developing new towns, whereby landowners in the New Territories whose land parcels were required for development would be issued with Letters A/B and entitled to exchange for building land at a fixed ratio as an alternative to cash compensation.

24. DS(P&L)1 responded that as the planning and engineering studies on NENT NDAs were in progress, implementation details and appropriate refinements would be worked at a later stage. Nevertheless, the Administration took note of members' views and concerns in this regard.

Land use reviews/studies

25. Noting that PlanD had completed a round of review of sites zoned "Government, Institution or Community" ("G/IC") and other government sites,

the Deputy Chairman proposed that the Administration should consider introducing a mix of compatible land uses for those sites since mixed use developments could help create diversity and optimize land resources in the otherwise monotonous urban areas with only single-purpose developments. DS(P&L)1 responded that the Administration took note of the suggestion and would consider this when processing the rezoning of those sites. In fact, the Administration conducted land use reviews and planning studies with a view to achieving optimal land use in all districts.

26. The Deputy Chairman further pointed out that quite a number of sites covering a total land area of about 700 hectares had been zoned "Comprehensive Development Area" ("CDA") for years but had yet to be developed. He urged the Administration to expeditiously initiate or facilitate land development in such CDA sites for the optimization of land resources, thereby meeting the housing and other needs of Hong Kong people. In response, DS(P&L)1 explained that the Town Planning Board ("TPB") would review annually the sites zoned CDA for more than a certain period of time on the statutory plans with an aim to monitor the progress of CDA developments. TPB would also change a CDA site to other suitable land use zonings when development within the site could not be carried out or had significant implementation difficulties due to changes in land development or planning circumstances, so as to make the best use of land.

Other sources of housing land

27. In response to the Deputy Chairman's enquiry about the updated progress of the residential development projects undertaken by the MTR Corporation Limited ("MTRCL"), DS(P&L)1 said that the Administration had been maintaining close contact with MTRCL to ensure the smooth implementation of different property development projects atop MTR stations. He further supplemented that the West Rail property development projects were taken forward by the West Rail Property Development Limited, which was jointly set up by the Government and the Kowloon-Canton Railway Corporation, for the purpose of developing the West Rail property sites.

Admin 28. At the Deputy Chairman's request, the Administration undertook to provide information on the updated progress of the residential development projects (including the West Rail property development projects) undertaken by MTRCL, as well as the respective numbers of flats estimated to be provided by these projects.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)1574/12-13(01) on 19 July 2013.)

29. Given that Hong Kong was a very compact city, the Deputy Chairman proposed that the Administration should consider developing underground spaces in urban areas as one of the viable sources of land supply for public and commercial facilities. DS(P&L)1 responded that as proposed in the 2013 Policy Address, the Administration was preparing for the commencement of a study to explore the development potential of underground spaces in the built-up areas of Hong Kong.

Increasing development density

30. Mr LEE Cheuk-yan expressed concern about the problem of wall effect brought about by development projects in recent years. He enquired whether the new quality and sustainable built environment requirements were applicable to the existing sites for private housing developments being reviewed by PlanD. He also asked if there would be a balanced provision of different facilities (e.g. elderly-care homes) in such housing sites.

31. DS(P&L)1 responded that the sustainable building design guidelines, as promulgated in the Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers APP-152 issued by the Buildings Department ("BD") to enhance the quality and sustainability of the built environment, were applicable to any new building development. PlanD would take into account practical considerations, such as the adequacy of various facilities in the area, and relevant planning considerations before making a decision to increase the development density and flat production in an existing housing site. It would also make reference to the Hong Kong Planning Standards and Guidelines, which was a manual of criteria for determining land uses and provision of facilities.

32. PSTH(H) advised that HA had been constantly improving the facilities and environment of PRH estates. Since estate greening was one of the major initiatives of HA, the green coverage in PRH estates had been increased to at least 20%. The Deputy Director (Development & Construction), Housing Department supplemented that new PRH developments would comply with the sustainable building design guidelines issued by BD in respect of enhancing the coverage of greening and improving air flow in building developments. HA would also ensure that a wide range of community facilities would be provided to maintain an appropriate standard of living of PRH residents.

III. Issues relating to the subdivision of flat units

(LC Paper No. CB(1)1117/12-13(03) — Administration's paper on "Issues relating to the subdivision of flat units"

LC Paper No. IN22/12-13

— Information note on "Subdivided flats in Hong Kong" prepared by the Research Office of the Legislative Council Secretariat)

33. PSTH(H) briefed members that the Long Term Housing Strategy Steering Committee ("the LTHS SC") had commissioned Policy 21 Limited, an independent research institution, to conduct a survey on subdivided units ("SDUs") in Hong Kong ("the Survey"). The objective of the Survey was to estimate the number of SDUs in the territory and to gather information on the profile of tenants living therein in order to provide LTHS SC with objective information to facilitate its deliberations on the long-term housing demand of Hong Kong. PSTH(H) stressed that while LTHS SC would make reference to the findings of the Survey in the formulation of recommendations, the Survey was not for the purpose of setting building and fire safety standards for SDUs, given that the building and fire safety issues were addressed through the enforcement action conducted by relevant B/Ds, including BD and the Fire Services Department ("FSD").

34. With the aid of a power-point presentation, the Deputy Director, Policy 21 Limited ("DD(Policy 21)") briefly introduced the methodology and key findings of the Survey.

(*Post-meeting note:* A set of the power-point presentation materials on the subject was circulated to members vide LC Paper No. CB(1)1197/12-13(01) on 3 June 2013.)

35. The Deputy Secretary for Development (Planning & Lands)2 ("DSD(P&L)2") then briefed members on the current enforcement action against irregularities of building works associated with SDUs by BD and FSD.

Inadequate assistance for tenants of subdivided units

36. Mr LEE Cheuk-yan noted with concern that according to the Survey, there were nearly 67 000 SDUs in Hong Kong, involving more than 170 000 residents. Mr LEE commented that although the Survey had provided statistical information on SDUs, the Administration did not provide any direction or strategy for resolving the problem of SDUs. He further criticized the Administration for not reinstating rent control for residential properties or offering rental subsidies to address the plight of low-income families. PSTH(H) responded that increasing housing supply was the underlying solution to various housing problems in Hong Kong. The purpose of the Survey was to provide an overview of SDUs in Hong Kong, thereby facilitating the LTHS SC to forecast

the housing needs of different groups of people in the community.

37. Mr WONG Yuk-man pointed out that more and more SDUs had been found in industrial buildings and BD had been undertaking enforcement action against the unauthorized building works (UBWs") in such units. While noting that measures had been put in place to assist occupants of SDUs in industrial buildings affected by BD's enforcement action, Mr WONG criticized that the eligibility and assessment criteria for the relocation allowance funded by the Community Care Fund were overly stringent. Some displaced tenants moving out of their SDUs had therefore been rendered homeless.

38. Mr LEUNG Yiu-chung shared Mr WONG's view and commented that the Administration had not taken heed of members' views about the shortage of PRH supply over the years. He also expressed dissatisfaction that in taking the enforcement action, BD had not taken into account the difficulties faced by individual displaced tenants and had failed to provide them with adequate financial support and housing assistance. He enquired how the Administration would assist the displaced tenants who were driven out of their SDUs due to the Administration's enforcement action or redevelopment projects.

39. In response, PSTH(H) stressed that the Administration had been able to achieve the target of maintaining the average waiting time ("AWT") of general PRH applicants on the Waiting List ("WL") at around three years with an annual average production of 15 000 PRH units in the past few years. In fact, the AWT for first offer of PRH units was only about 2.7 years. The Administration was also committed to increasing the annual production of PRH to 20 000 units per annum starting from 2018. While agreeing that some SDUs were by any standards inadequate housing, PSTH(H) said that offering PRH units to rehouse displaced SDU tenants would be unfair to other PRH applicants on WL. Given the limited supply of PRH, the existing PRH allocation arrangements would help to ensure that PRH units were allocated in an equitable manner to people with genuine housing needs.

40. Miss Alice MAK noted from the Survey that almost half of the SDU tenants surveyed were not eligible for PRH as their household income had exceeded the prevailing income limit for PRH. There were also many who worked hard to earn a living without seeking financial support from the Comprehensive Social Security Assistance Scheme. To improve the poor living conditions of SDU tenants, Miss MAK urged the Administration to consider relaxing the income and asset limits for PRH so that more SDU tenants would be eligible for PRH. Mr James TO echoed that if there were SDU tenants whose income was slightly above the prevailing income limit for PRH but was still within a reasonable range, the Administration should exercise discretion to consider such special or marginal cases according to the merit of individual cases. He also requested the Administration to assist SDU tenants in applying

for PRH if they fulfilled the prescribed eligibility criteria.

41. PSTH(H) acknowledged the housing needs of SDU tenants and their demand for PRH. HA had been assisting eligible SDU tenants to apply for PRH in accordance with the prevailing PRH allocation policy. As different households might have different reasons for living in SDUs and being ineligible for PRH was merely one of the reasons, PSTH(H) considered it unfair to accord priority to SDU tenants in the allocation of PRH units.

Limitation of the survey

42. In response to Mr Frederick FUNG's enquiry about the limitation of the Survey, DD(Policy 21) advised that the scope of the Survey was confined to buildings aged 25 and above, excluding village houses. Among the 18 600 such buildings, a sample of 2 000 buildings had been selected for the purpose of interview. Although the greater the number of households participated in the Survey, the more accurate the estimation and projection would be, DD(Policy 21) considered it appropriate to confine the scope of the Survey, given the limited time available for conducting the Survey. She further highlighted that the sample selection had been conducted systematically with the list of buildings sorted by districts such that the sample so chosen was distributed across different districts.

43. Noting that the Survey did not cover SDUs in industrial buildings, Mr Frederick FUNG urged the Administration to conduct another survey in this respect, so as to have a more comprehensive picture of the prevalence of SDUs in Hong Kong. In view of the lead time for construction of PRH, Mr FUNG opined that the Administration should consider providing interim housing as temporary accommodation for SDU tenants awaiting PRH allocation.

Provision of interim housing

44. Mr LEUNG Chi-cheung was concerned that SDUs gave rise to problems of building safety and fire escape, and considered that the Administration should make reference to the rehousing arrangements for occupants of squatter areas affected by clearance when working out concrete measures to assist SDUs tenants. Noting that nearly half of the SDU households surveyed had applied for PRH, Mr LEUNG said that the Administration should give priority to such households in PRH allocation. He also echoed the views of Mr Frederick FUNG that temporary accommodation in the form of interim housing should be provided for SDU households who were awaiting PRH allocation and suitable vacant school premises might be converted into interim housing.

45. PSTH(H) responded that the Administration had conducted a territory-wide survey decades ago to estimate the number of squatter huts in the territory.

While squatter huts could be located more easily, SDUs were commonly hidden in old buildings and were more difficult to identify. Therefore, the findings of the Survey were essential to provide an overview of the current situation of SDUs as well as to facilitate the LTHS SC to formulate corresponding measures. On interim housing, PSTH(H) explained that the provision of interim housing might be less cost-effective than the construction of new PRH blocks, given that the latter was the ultimate solution to the various housing problems faced by poorly-housed households which could not afford private housing.

Enforcement action against irregularities of building works associated with SDUs

46. Mr Alan LEONG appreciated that the Survey provided a more accurate estimate on the prevalence of SDUs in the territory. Noting from the Survey that there were more than 170 000 SDU tenants in Hong Kong, Mr LEONG pointed out that it might not be feasible for the Administration to eradicate all SDUs and rehouse the affected tenants within a short period of time. He enquired whether the LTHS SC was tasked to review the problem of SDUs and would recommend the formulation of a policy to eradicate SDUs by setting priorities according to the level of safety of individual units.

47. PSTH(H) responded that the LTHS SC would make reference to the findings of the Survey when examining the problem of SDUs. Members' views and concerns on the subject would also be reflected to the LTHS SC for further deliberation. As regards the building and fire safety problems associated with SDUs, PSTH(H) reiterated that relevant B/Ds had already undertaken enforcement action to rectify irregularities of building works associated with such units. He further advised that industrial buildings were neither designed nor suitable for residential use and the use of an industrial unit for domestic purpose would pose high risk to the inhabitants. As such, SDUs in industrial buildings were the target of enforcement action. Besides, SDUs with structural safety problems would also be tackled with priority.

48. In response to Mr WU Chi-wai's enquiry about the progress of the enforcement action against irregularities of building works associated with SDUs, the Assistant Director/Existing Buildings 2 responded that where actionable UBWs were identified, BD would issue a removal order under the Building Ordinance (Cap. 123) requiring building owners to rectify the irregularities of building works identified. Upon issue of a removal order, BD would take action to ensure compliance by building owners. In general, BD would allow adequate time for building owners to comply with the orders before considering whether to instigate prosecution.

Admin 49. To facilitate members' discussion on SDUs, the Administration agreed to provide the following –

- (a) the report of the Survey; and
- (b) detailed information on the profile, characteristics and living conditions of tenants living in SDUs enumerated in the Survey (e.g. age, gender, household size, education attainment, income level, length of time on WL for PRH, unit size, unit rentals, availability of essential facilities inside such units, etc.).

(Post-meeting note: The Survey report containing the information requested was circulated to members vide LC Paper No. CB(1)1371/12-13(03) on 24 June 2013.)

50. To allow ample time for members to express their views and concerns on SDUs, the Chairman proposed and members agreed that the Subcommittee would continue the discussion on the item at the next meeting which would be rescheduled for Wednesday, 26 June 2013. Members of the Panel on Housing would also be invited to attend the meeting.

IV. Any other business

51. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
23 October 2013