

**Legislative Council Panel on Housing
Measures to Tackle Under-occupation in Public Rental Housing Estates**

Purpose

This paper briefs Members on the measures to tackle under-occupation cases in public rental housing (PRH) estates.

Background

2. To rationalise the utilisation of precious public housing resources, the Housing Authority (HA) puts in place the under-occupation policy to require those households with deletion of family member(s), resulted in their living space exceeding the prescribed under-occupation standards¹ to move to another PRH flat of appropriate size. The larger units so recovered could be reallocated to eligible households with larger family size and have genuine housing needs, such as the PRH Waiting List applicants.

3. The Audit Commission undertook a study on the issue of under-occupation in 2006 and recommended the HA to establish a set of measures to tackle the under-occupation cases on a priority basis. Having considered the recommendations of the Audit Commission, the HA endorsed a phased approach to handle under-occupation cases. Priority was given to handle those Prioritized Under-occupied (PUO) households (previously known as “Most-serious Under-occupied (UO) households”) with living density exceeding 35 square meters per person and without elderly or disabled family members. They would be given a maximum of four housing offers in the residing estate or an estate within the same District Council constituency. As incentives to encourage transfer, the households concerned would be offered Domestic Removal Allowance (DRA) and opportunity to transfer to flats in new estates subject to availability of housing resources. If the households refuse all the four housing offers without justified reasons, they would be subject to termination of tenancy.

4. Having handled the majority of the PUO households with living density exceeding 35 square meters, the HA reviewed the under-occupation policy in 2010 and endorsed to continue the phased approach to deal with the under-occupation

¹ Existing under-occupation standards are as follows:

Family Size (Person)	1	2	3	4	5	6
Internal Floor Area exceeding (m ²)	25	35	44	56	62	71

cases. The prioritized under-occupation threshold was adjusted to include households with living density exceeding 34 square meters per person and without elderly or disabled family members. Incentives for transfer mentioned in paragraph 3 remained unchanged.

Existing Under-occupation Policy

Revised Prioritized Under-occupation Threshold

5. The HA conducted a further review on the under-occupation policy in June 2013. While the phased approach to handle the UO households is maintained, the HA further revised the PUO household threshold, under which PUO households are regarded as those with living space exceeding the prescribed Internal Floor Area (IFA) according to family sizes and without elderly or disabled members. The PUO households identified according to the revised prioritized under-occupation threshold would be provided a maximum of three housing offers in the residing estate or an estate within the same District Council constituency. The incentives for transfer remained unchanged. The revised prioritized under-occupation threshold for different family size with effect from 1 October 2013 is as follows:

Family Size (Person)	1	2	3	4	5	6
Prioritized under-occupation Threshold (IFA in m ²)	> 30	> 42	> 53	> 67	> 74	> 85

Arrangements for UO households with Elderly or Disabled Member(s)

6. The HA adopts a pragmatic and flexible approach in handling UO households with elderly or disabled members in order to minimise disruption or pressure on them caused by transfer. Since the adoption of the phased approach in 2007, these households are identified as non-PUO households and are placed at the end of the under-occupation transfer list. They can stay in their existing flats until the next under-occupation policy review. However, they can also opt for voluntary transfer to suit their needs.

7. Having considered the fact that the disabled and the more senile elderly tenants would find it more difficult to adapt to a new living environment, the HA endorsed, upon the review of the under-occupation policy in June 2013, to exclude UO households with disabled members or elderly members aged 70 or above from the under-occupation list. The HA also endorsed that UO households with elderly aged between 60 and 69 will continue to be placed at the end of the under-occupation transfer list.

8. Taking into account the supply and demand situation of PRH flats, the HA will focus on handling some 7 600 prioritized under-occupation cases in the coming three years. UO households with members aged between 60 and 69 which are being placed at the end of the under-occupation list can continue to reside in their existing PRH flats until the next policy review.

Flexible Approach in Handling Under-occupation Cases

9. The HA has all along adopted a reasonable and considerate approach in implementing the under-occupation policy. For instance, for PUO households awaiting family members to come to Hong Kong for re-union in the near future or PUO households which need to stay in their existing flats on medical or social grounds, we would exercise discretion based on individual merit subject to the provision of supporting documents.

Way Forward

10. When the under-occupation policy was further reviewed in 2013, 54 500 under-occupation cases were recorded². Excluding some 26 300 households with disabled members or members who are aged 70 or above from the under-occupation list, the HA has to deal with some 28 200 under-occupation cases. Among them, about 7 600 were prioritized under-occupation cases. Despite our efforts, the number of cases has increased by about 54% over the past five years, indicating an average annual growth of 10%.

11. In view of the increasing number of under-occupation cases, there is a need for the HA to continue with the implementation of the under-occupation policy so as to ensure rational utilization of public housing resources for allocation to eligible families with genuine housing needs. We will closely monitor the implementation progress of the revised measures and adopt a reasonable and considerate approach in assisting the UO households to transfer to flats of appropriate size.

**Transport and Housing Bureau
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² Resolved cases have not been counted.