(Translation)

香港特別行政區政府 The Government of the Hong Kong Special Administrative Region

運輸及房屋局

香港九龍何文田佛光街 33 號



Transport and Housing Bureau 33 Fat Kwong Street, Ho Man Tin, Kowloon, Hong Kong

電話 Tel No.

2761 5049

圖文傳真 Fax No.

2761 7445

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本局檔號 Our Ref. HD 4-2/PS 1/1-55/1/4 (2015) II 來函檔號 Your Ref.

Clerk to LegCo Panel on Housing Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central Hong Kong (Attn: Ms Shirley Chan)

Dear Ms Chan,

Under-occupation Policy

I refer to the letters dated 8 and 16 April 2015 from the Panel Secretariat to the Secretary for Transport and Housing, relaying two submissions from 公屋被迫遷戶關注組. The Government's response is at **Annex**.

Yours sincerely,

(Original Signed)

(Jerry Cheung) for Secretary for Transport and Housing

Response to the submissions from 公屋被迫遷戶關注組

Under-occupation Policy

To rationalise the use of public housing resources, it is the Hong Kong Housing Authority (HA)'s long-standing policy to require those households with living space exceeding the prescribed under-occupation (UO) standards to move to another public rental housing (PRH) flat of appropriate size. The larger flats so recovered can be reallocated to households with more family members.

2. The existing UO standard has been adopted since 1992. Given the limited supply of small flats, HA has adopted a phased approach to handle the UO cases in PRH estates since 2007 with priority given to handle those Prioritised UO (PUO) households (previously known as Most-serious UO households). The UO policy has been reviewed in 2010 and 2013 respectively. Under the prevailing measures for handling UO cases which took effect from October 2013, PUO households were redefined as those with living space exceeding the prescribed internal floor area according to family size and without disabled or elderly family members.

Special Meeting of the Legislative Council Panel on Housing on 17 June 2014

- 3. A special meeting of the Legislative Council Panel on Housing (the Panel) was held on 17 June 2014 to receive public views on measures handling UO households. Members and participants requested the Government to provide response on the following issues –
- (a) to review the UO policy with a view to exempting those households which have been rehoused to larger units due to special circumstances, in particular the previous tenants of PRH estates built using seawater and tenants affected by redevelopment and who were rehoused to units in harmony blocks; and
- (b) for households that have become PUO households as a result of the death of their family members, to review whether the six-month period currently allowed for such households to continue to stay in their existing units is too short.

4. The Transport and Housing Bureau provided response to the above follow-up issues on 8 August 2014 (vide LC Paper No. CB(1)1915/13-14(01)), stating that the Housing Department would report the above views to HA and would report the outcome to the Panel in due course.

Decisions of HA's Subsidised Housing Committee

Term Housing Strategy Steering Committee, the Director of Audit and the views collected at the Panel meetings, as well as the views of HA's Subsidised Housing Committee (SHC) Members raised at the informal discussion session held on 25 July 2014, the Housing Department formally sought SHC Members' views on 14 October 2014 regarding the preliminary options on enhancing measures and introducing additional incentives for implementation of the UO Policy¹, including exemption from transfer for households being rehoused under relaxed allocation standard (e.g. under special circumstances such as redevelopment of estates² and development of remote new towns³), and temporary stayput of UO households with compassionate grounds.

Exemption from Transfer for Households being Rehoused under Relaxed Allocation Standard

6. Tenancy agreement signed between HA and PRH tenant explicitly stipulates that households with living space exceeding the prescribed standards have to move to another PRH flat of appropriate size. The PUO households have been enjoying a relatively spacious living environment since they moved to their existing flats. If such group of households could continue to enjoy the privilege of living in a PRH flat exceeding the PUO standard after a change of family composition, HA's fundamental policy of treating all PRH households the same irrespective of their rehousing categories will be seriously jeopardised. It is also unfair to other PRH households. The SHC decided to treat all PRH households the same under the UO policy irrespective of their rehousing categories.

² One-bedroom flat in Harmony Blocks, originally designed for 3/4-person household, could be allocated to a 2-person household with potential growth of family size during estate redevelopment/clearance exercises, subject to availability of resources.

³ Due to surplus of large flats and decreasing number of large families applying for PRH, relaxation of allocation standard was implemented in 2002 where 4-person households were being allocated with 3-bedroom flat in Tin Shui Wai and Tung Chung areas.

¹ For details, please refer to HA's SHC Paper 58/14.

7. However, if UO households (including those involved in previous redevelopment projects) need to stay at their existing flats on medical or social grounds, subject to the provision of supporting documents, HA will exercise discretion on individual cases.

Temporary Stayput of UO Households with Compassionate Grounds

8. In the past, HA would allow stayput of PUO households arising from the decease of family member on individual merits. The stayput arrangement would be reviewed after six months. To allow reasonable time for the relevant household to recover from emotional or psychological stress, the SHC decided at the meeting on 14 October 2014 to allow a standard stayput period of one year to PUO households arising from the decease of family member in general.

Other Decisions

- 9. In addition, the SHC had made the following decisions –
- (a) offer additional incentive in the form of rent waiver up to three months to PUO households for encouraging early transfer;
- (b) consider the suggestion of excluding households with elderly members aged between 60 and 69 from the UO list in the next UO policy review in 2016; and
- (c) continue adopting a reasonable and considerate approach in considering on individual merits the stayput request for PUO tenants waiting for the reunion with family members from Mainland China.

Housing Ordinance

10. Regarding the concern group's views on HA's implementation of the UO policy under the Housing Ordinance (HO), according to Section 4(1) of the HO, the object of HA is to secure the provision of housing and such amenities ancillary thereto as HA thinks fit for the low-income families who cannot afford private rental accommodation. To perform such duty and function, HA has to devise policy for allocation of PRH flats. The fair allocation of PRH flats is a legitimate aim and fair allocation may involve the re-allocation of households to flats of appropriate size due to the change in the number of people in the family. Furthermore, HA's power to establish and carry out its policy in managing its estates is expressly confirmed in Section 4 and in Section 19

- of the HO. Under Section 4(2)(e), HA has the power to manage any housing having regard to the interests, welfare and comfort of the tenants, owners or occupiers thereof. Under Section 19(1)(b), HA is authorised to terminate any lease, notwithstanding the terms of the lease, under its policy by giving prior notice.
- During implementation and review of the UO policy, HA will consider various factors including the demand and supply of PRH flats, demand of tenants and expectation of the public. As mentioned above, the SHC had comprehensively considered the views gathered during the Panel meetings. Given the limited supply of public housing resources, HA has to continue the implementation of the UO policy so that more eligible low-income families can be allocated with PRH flats as soon as possible and social resources can be used properly.

Transport and Housing Bureau April 2015