

Legislative Council Panel on Housing
Supplementary Information

Purpose

Regarding the information requested at the work plan meeting with the Chairman of the Legislative Council (LegCo) Panel on Housing (the Panel) on 25 October 2017¹; the supplementary information requested at the Panel meeting on 6 November 2017; and the letters to the Panel Chairman from Hon Kwok Wai-keung, Hon Luk Chung-hung and Hon Ho Kai-ming on 1 November 2017, and from Dr Hon KWOK Ka-ki and the public on 23 November 2017², this paper provides the relevant response.

Overcrowding Relief in Public Rental Housing (PRH)

Background

2. Currently, PRH households under the Hong Kong Housing Authority (HA) with a living density below 5.5 square metres (sq m) per person (calculated on the basis of internal floor area) are considered to be “overcrowded households”. To improve the living conditions of these households, HA launches the Territory-wide Overcrowding Relief Transfer Exercise (TWOR) every year to enable them to apply for transfer to larger units under the Exercise. The transfer arrangement was enhanced by HA in 2005 when the Living Space Improvement Transfer Scheme (LSITS) was introduced, allowing PRH households with a living density below 7 sq m per person (calculated on the basis of internal floor area) also a chance to apply for transfer to larger units.

3. The Subsidised Housing Committee (SHC) under HA reviewed the arrangements of the said transfer schemes at its meeting on 31 October 2016. Given that the average waiting time (AWT) of PRH applicants had been increasing and that the basic housing needs of existing tenants had been met, Members agreed to merge TWOR and LSITS from 2017-18 onwards. Existing tenants are still able to improve their living conditions through the relevant transfer schemes.

¹ Items 17 – 19 of LC Paper No. CB(1)284/17-18(02).

² LC Paper Nos. CB(1)173/17-18(01), CB(1)268/17-18(01) and CB(1)272/17-18(01).

Implementation

4. The latest round of TWOR and LSITS was launched in one go on 20 November 2017 for eligible tenants to apply. Under the schemes, PRH households with a living density below 7 sq m per person (calculated on the basis of internal floor area) may apply for transfer to larger units. The applicants and their household members must fulfil the “no-domestic-property” requirement and pass the Comprehensive Means Test; while the relevant income and asset limits were set at the levels prescribed under the revised “Well-off Tenants Policies” that came into effect in October 2017.

5. The Housing Department (HD) maintains a single queue of eligible applicants by computer to determine their order of priority for flat selection on the basis of living density (i.e., the most crowded households will select first). If the living density of two households is the same, the household of a larger size will have priority over the other. If both conditions are the same, the length of residence based on the commencement date of the current tenancy will determine the priority. If all conditions are the same, the order of priority will be determined by computer balloting. The flat selection procedure for the latest round of transfer schemes is expected to take place between February and March 2018.

6. HD compiles a list of PRH units available for applicants’ selection based on suitable resources available at that time. Eligible applicants will be invited to choose units on the list which match their family sizes in the eligible districts according to the established order of priority. However, whether an applicant will be able to choose a unit depends on various factors, such as the selection priority of the applicant, and whether the units available for selection match the applicant’s choice. As in other flat selection scheme, we cannot guarantee that every applicant is able to select a PRH unit due to the limited resources.

Latest Position

7. The TWOR and LSITS have been effective to a certain extent since its implementation. As at end-September 2017, the number of overcrowded households was around 4 000, accounting for 0.53% of all PRH households, which is lower than the performance indicator of 0.55% as set by HA in 2017/18. Meanwhile, the number of PRH households with a living density below 7 sq m per person (calculated on the basis of internal floor area) has dropped from around 40 000 in 2006, i.e., before the implementation of LSITS, to around 23 700 in end-September 2017.

8. As at end-September 2017, the average living area of all PRH households is 13 sq m per person (calculated on the basis of internal floor area).

9. Under the latest round of TWOR and LSITS, applicants' order of priority for flat selection is determined by their living density (i.e. the most overcrowded households will select first). Therefore, priority will still be given to overcrowded households with a living density below 5.5 sq m per person. Given that AWT of PRH applicants has been increasing and that the basic housing needs of existing tenants had been met, the above arrangement is conducive to the early release of more PRH units for allocation to PRH applicants. This is to ensure that efforts would be focused towards allocating the limited PRH resources to those tenants and applicants with more pressing needs for housing.

Under-occupation (UO) Policy

Background

10. It is HA's long-standing policy to require households with living space exceeding the prescribed UO standards (see the table in paragraph 15 below for details) to move to another PRH unit of appropriate size. The current UO standards have been in effect since 1992. They are more generous than the PRH allocation standards in order to build in a margin for households who have had relatively less significant changes in their family size to continue living in the same units.

11. A review of the UO situation in PRH was triggered by a study on UO by the Audit Commission in 2006/07. The Audit Commission recommended HA to draw up a plan to tackle the UO problem in order of priorities, and to take enforcement actions against those households who refused to move to units of appropriate size. Subsequently, HA began to adopt a phased approach to handle UO cases in PRH with priority given to prioritised UO (PUO) households (previously known as "most-serious UO households"), i.e., those living in units with an internal floor area exceeding the prescribed thresholds and without disabled members, or elderly members aged 60 or above.

12. The UO policy has since been reviewed in 2010 and 2013. During the 2010 review, HA decided that the UO standards should remain unchanged, but the PUO thresholds should be lowered from a living density of exceeding 35 sq m per person (i.e., the threshold of 2007) to that of exceeding 34 sq m per person in 2010.

13. In 2013, HA reviewed the UO policy again and endorsed the further tightening of PUO thresholds for different household sizes (see the table in paragraph 15 below for details); placing UO households with elderly members aged 60 or above but below 70 at the end of the UO list, and excluding those

with disabled members, or elderly members aged 70 or above from the UO list (hereafter referred to as “excluded UO households”); and giving PUO households a maximum of three housing offers instead of four in their residing estates or an estate in the same District Council constituency for transfer, but their tenancies would be terminated if they refused to accept all the offers without acceptable reasons. As an incentive to encourage transfer, all UO households would be offered new units subject to the availability of resources and granted domestic removal allowance (DRA).

14. In October 2014, HA further approved additional incentives to encourage early transfer. PUO households would be given a rent waiver of three months, two months or one month if they accepted correspondingly the first, the second or the third housing offer. Non-PUO households³ and excluded UO households who choose to transfer to smaller units would also be granted DRA and offered new flats, subject to the availability of suitable resources. HA also endorsed a standard stayput period of one year for families who became PUO households upon the death of family member to allow reasonable time for their recovery from emotional/psychological stress, and the continued adoption of a reasonable and considerate approach in considering on individual merits the stayput request from PUO tenants waiting for reunion with family members from the Mainland.

15. The current UO standards and PUO thresholds are set out in the table below -

Household size	UO standards Internal floor area exceeding	PUO thresholds Internal floor area exceeding
1-person	25 sq m	30 sq m
2-person	35 sq m	42 sq m
3-person	44 sq m	53 sq m
4-person	56 sq m	67 sq m
5-person	62 sq m	74 sq m
6-person	71 sq m	85 sq m

2016 Review of the UO Policy

16. HA discussed the 2016 review of the UO policy on 17 March 2017. Having considered the prevailing PRH supply and demand, including the limited number of smaller units that HA could use to rehouse PUO cases due to the competing demand from PRH applicants, HA decided that it would continue to

³ “Non-PUO households” refers to households with living space exceeding the UO standards but not the PUO thresholds, or those households with elderly members aged 60 or above but below 70.

focus on resolving existing and new PUO cases in the coming three years and endorsed the continuation of the existing policy, under which HA would -

- (1) maintain the current UO standards and PUO thresholds (see the table in paragraph 15);
- (2) continue to exclude households with disabled members, or elderly members aged 70 or above from the UO list, and to place UO households with elderly members aged 60 or above but below 70 at the end of the UO list;
- (3) continue to give the same treatment to all PRH households under the UO policy;
- (4) maintain the arrangement of giving a maximum of three housing offers to PUO households;
- (5) maintain the arrangement of allowing a stayput period of one year for families who became PUO households upon the death of family member, and continue to adopt a reasonable and considerate approach in considering the individual merits of the stayput request of PUO tenants waiting for reunion with family members from the Mainland;
- (6) continue to grant DRA to UO and PUO households and provide an opportunity for them for transfer to new estates, as well as give a rent waiver of up to three months to PUO households as an additional incentive; and
- (7) review the UO policy after three years.

Current Figures of PUO Cases

17. As at March 2013, there were 7 580 PUO cases, and during the four and a half years between April 2013 and September 2017 -

- (1) the number of cases increased by 8 540 (i.e. averaging about 1 900 per annum);
- (2) a total of 10 300 cases were resolved (i.e. averaging about 2 290 per annum), of which 4 370 were transferred to smaller units, and 1 206 resulted in net recovery of flats;
- (3) as a result, there was a net reduction of 1 760 cases (i.e. 10 300 – 8 540);
- (4) the number of cases as at September 2017 was therefore 5 820 (i.e. 7 580 – 1 760).

The Way Forward

18. In view of the increasing demand for PRH, it is necessary for HA to maintain the UO policy to ensure the rational use of the scarce public housing resources. We will closely monitor the implementation of the above policy,

and assist UO households to move to units of appropriate size with a reasonable and considerate approach.

HA's Divestment of Properties

19. In 2005, HA divested 180 non-residential properties through The Link REIT (The Link) (currently known as Link). This enables HA to focus on its core function of providing subsidised public housing and improves HA's financial position in the short-to-medium term with proceeds from divestment. Furthermore, the efficiency of the commercial facilities would be enhanced under the operation of a private entity in accordance with commercial principles.

Housing Ordinance

20. When handing down its judgement in 2005 on a judicial review case regarding the aforesaid sale of properties, the Court of Final Appeal (CFA) affirmed that the divestment plan by HA was consistent with HA's objective, as laid down in section 4(1) of the Housing Ordinance. Section 4(1) requires HA "to secure the provision of housing and such amenities ancillary thereto as the Authority thinks fit" for the persons concerned. CFA ruled that this did not mean that HA needed to be the direct provider itself, but HA secured the provision of these facilities so long as such facilities were available, even though they were not provided by HA but by a third party. In reaching its conclusions, CFA already noted that The Link would adopt a market-oriented commercial approach in operating the retail and carparking facilities concerned, whereas HA's then approach may not always be in line with the private sector practice, and that after the listing of The Link, there may be changes in relation to the operation of the relevant facilities, including, for example, the tenant trade mix.

21. In fact, same as those of the general public, the daily needs of PRH residents for shopping, community services and carparking are met, according to the actual circumstances, via different means including the facilities and services provided by various public and private organisations.

Restrictions on Divested Properties

22. Like other private property owners, Link and owners of other divested properties are governed by relevant laws and land lease conditions.

(1) Statutory Requirements

23. As the Government has indicated at meetings of the LegCo⁴ and on other public occasions at multiple times, private property owners shall, in the light of the actual circumstances, abide by the statutory requirements to operate their properties. For example, the uses of the properties shall comply with the statutory plans prepared and published by the Town Planning Board under the Town Planning Ordinance, addition and alteration works shall be approved in accordance with the Buildings Ordinance, etc.

(2) Land Lease Conditions

24. Restrictive conditions are set out in the Government leases (commonly known as “land leases”) of divested properties. Like other private property owners, divested property owners are obliged to comply with the conditions set out in the land leases. In case a property is sold by an owner, any person who purchases the property is also subject to the same obligations. It is the buyer’s responsibility to understand and comply with the land lease conditions of the property concerned.

25. Conditions of land leases vary with each property. Land uses of the lots, including the requirement that certain floor areas shall be used for providing commercial, residential, educational, social services facilities, etc., as well as the number of parking spaces to be provided, will generally be specified in the lease conditions. Owners must comply with the land use conditions stipulated in the land leases to provide such facilities.

26. Owners who wish to change the relevant land uses must first apply for a waiver from the Lands Department (LandsD) and seek its approval. Consent from other owners of the lots (including HA and residential flat owners) shall also be obtained with regard to such an application.

27. As generally specified in the lease conditions, parking spaces are restricted to the parking of vehicles by the residents and visitors of the lot concerned, while in some land leases certain parking spaces may be designated for the parking of vehicles by the residents of other specified lots, so as to meet the original planning requirements of the property development. Restrictions of use of such parking spaces will not change with the transfer of ownership of

⁴ Including the reply to the question of “The duty of the Housing Authority to provide amenities ancillary to housing” at the LegCo meeting on 6 December 2017, the motion debate on “Vigorously promoting healthy market competition to counteract the market dominance of Link REIT” at the LegCo meeting on 23 November 2016, the reply to the question of “Compliance with conditions in relevant land leases by owners of car parks in public housing estates” at the LegCo meeting on 1 June 2016, and the discussion paper on “Non-profit making organisations operating in premises subject to Welfare Letting Covenant” for the Panel meeting on 10 May 2016, etc.

the car parks/ parking spaces, i.e. individual owners are still obliged to comply with the lease conditions, under which the parking spaces are restricted to the parking of vehicles by the residents and visitors of the lot concerned or other specified lots.

28. As far as lease enforcement is concerned, LandsD, in the capacity of the landlord, handles leased land in accordance with the lease conditions. As in the case of private properties, LandsD mainly acts on complaints and referrals about any breaches of land leases by conducting inspections and taking follow-up actions under the existing procedures. LandsD will consult relevant policy bureaux/ government departments and seek legal advice as appropriate. If breaches of the lease conditions are confirmed, LandsD will take appropriate lease enforcement actions in a resolute manner.

29. LandsD handles breaches of the lease conditions on a case by case basis. It normally requires the owners to rectify the breaches or processes the owners' application for regularisation according to the actual circumstances. Where the breaches have not been rectified or regularised, LandsD will consider taking further actions, including registering warning letters at the Land Registry (commonly known as "imposing an encumbrance"), and re-entry of land or vesting the relevant interests in the Financial Secretary Incorporated pursuant to the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126).

30. Residents or management companies can file a complaint to the relevant District Lands Office (DLO) of LandsD in case they find that individual owners of parking spaces are in breach of the lease conditions. In addition to investigations, the DLO will seek legal advice and assistance from relevant departments where necessary. If breaches of the lease conditions are confirmed, the DLO will issue warning letters to the owners in breach of such conditions and take appropriate lease enforcement actions.

(3) Deeds of Mutual Covenant

31. Apart from the above requirements, there are provisions under the Deeds of Mutual Covenant (DMCs) about the management and maintenance of common areas and recreational facilities etc., in housing estates/ courts to ensure that the owners will discharge their responsibilities. For example, in accordance with the provisions under DMCs, owners are obliged to make available the recreational facilities ancillary to the commercial facilities for use by residents of the housing estates and courts, as well as properly manage and maintain such facilities and the access thereto. The daily management work of the housing estates/ courts are usually performed by the management company. The DMC manager can also require the owners to comply with the provisions under DMCs, including the conditions and limitations set out in the land leases.

(4) Restrictive Covenants

32. The assignment deeds of divested properties also contain, on a case by case basis, certain restrictive covenants, including the requirement that, under specific circumstances, the commercial and carparking facilities shall not be disposed of except as a whole. The covenants also require the owners to lease certain specific units to non-profit making organisations nominated by the Education Bureau (EDB), Social Welfare Department (SWD) or other designated institutions at concessionary rent or 50% of the market rent as assessed by HA for operating education, welfare or community facilities. Owners are not allowed to charge any additional management fee, otherwise HA will regard such acts as breaches of the covenants.

33. Apart from their obligation to comply with the restrictive covenants, owners shall also ensure that the restrictive covenants are incorporated in the relevant assignment deeds or other legal documents in the event of further disposal of these divested properties.

34. As long as the statutory requirements and land lease conditions are complied with, the Government cannot interfere with the owners' lawful right to use their properties. By the same token, as long as the owners do not breach the covenants with HA, HA cannot and will not interfere with their day-to-day operation and commercial decisions, including disposal of properties, leasing arrangements, etc. However, if it is confirmed that the owners are in breach of any laws, land lease conditions or covenants with HA, the relevant government departments and HA will certainly pursue the case in a serious manner and take corresponding actions.

Further Discussions

35. As mentioned in LegCo Secretariat's letter of 5 December 2017, Members hoped that there would be a discussion on the issues relating to the disposal of properties by Link as early as possible. The Government has previously discussed the relevant matters with LegCo on various occasions⁵. On the other hand, LegCo will soon set up a Subcommittee on Issues Relating to

⁵ Including the discussions on "Disposal of properties by The Link Management Limited and related issues" at the Panel meeting on 3 June 2014, "Conversion of Tin Yiu Market into shopping complex by Link Asset Management Limited" at the Panel meeting on 7 December 2015, "Issues concerning excessive charges imposed on operators of welfare and education facilities operating in a shopping centre in a public rental housing estate" at the Panel meeting on 10 May 2016, the question on "Compliance with conditions in relevant land leases by owners of car parks in public housing estates" at the LegCo meeting on 1 June 2016, the motion debate on "Vigorously promoting healthy market competition to counteract the market dominance of Link REIT" at the LegCo meeting on 23 November 2016, and the question on "The duty of the Housing Authority to provide amenities ancillary to housing" at the LegCo meeting on 6 December 2017, etc.

Shopping Centres, Markets and Carparks in Public Rental Housing Estates and Home Ownership Scheme Estates under its House Committee.

Educational and Social Welfare Facilities in HA's Public Housing Developments

36. When drawing up plans for new public housing developments, HA refers to the Hong Kong Planning Standards and Guidelines and consults relevant government departments and organisations, such as District Councils and local communities, in order to provide suitable estate facilities, which may include educational, social welfare, recreational, leisure, retail and carparking facilities, with a view to meeting the basic needs of the residents.

37. Furthermore, given the limited space in existing public housing estates, HA will, on the premise of ensuring that adequate open space is available for residents' access and leisure, endeavour to balance residents' needs for various facilities and consider increasing the provision of non-domestic facilities where feasible to provide residents with various community, educational, welfare and retail facilities. As at end September 2017, there were some 1.74 million sq m of non-domestic facilities under HA, among which over 60% were for the provision of welfare and community facilities, as well as shops and market stalls.

38. Regarding the leasing of properties in HA's public housing to educational and social welfare organisations for the provision of services, HA will lease the premises constructed with Government funding to organisations nominated by the relevant Government bureaux/departments at a nominal rent of \$1 plus management and maintenance fee (if applicable). Furthermore, according to HA's current practice, welfare premises in HA's public housing estates will be leased at concessionary rent to eligible organisations⁶ providing direct welfare or community services to estate residents, upon nomination by the relevant Government departments (e.g. SWD). The current concessionary rent is \$55 per sq m. per month, excluding rates and Government rent (if any). The HA Commercial Properties Committee will review the concessionary rate once every three years. As mentioned in paragraphs 32 to 34, if the properties concerned are located at divested properties and subject to the restrictive covenants, the owners must comply with such covenants, including the requirement to lease certain specific units to non-profit making organisations nominated by the nominating authority (i.e. Government departments such as EDB, SWD, etc.) at concessionary rent or 50% of the market rent as assessed by HA, without charging any additional management fee. Organisations may contact HA if they encounter any situation involving a breach of the covenants.

⁶ Charitable or non-profit making organisations exempted under section 88 of the Inland Revenue Ordinance.

39. As for the operation of educational and social welfare organisations in public housing, as mentioned in the above paragraphs, there are normally provisions under DMCs about the management and maintenance of common areas and recreational facilities in housing estates/ courts to ensure that the owners will discharge their responsibilities. For example, owners shall make available recreational facilities ancillary to the commercial facilities for use by residents of the housing estates and courts, as well as properly manage and maintain such facilities and the access thereto.

40. Like other tenants, educational or social welfare organisations may reflect their views on the management and maintenance of common areas and facilities in the estate directly to the property management companies (PMCs). HA will follow-up and handle cases involving complaint against the PMC. If an owners' corporation (OC) has been formed in the estate concerned, HA will refer the case to the OC for follow up and handling.

HA's Role in Tenants Purchase Scheme Estates

41. All Tenants Purchase Scheme (TPS) estates have formed their OCs and appointed their PMCs to undertake the management and maintenance work of the common areas and facilities in the estates.

42. Once the estate management responsibility has been taken over by OCs, there is no difference between TPS estates and other private properties in terms of estate management, regardless of the percentage of ownership shares held by HA. In other words, these estates are subject to the regulation of the Building Management Ordinance (BMO), the land leases and DMCs. Day-to-day estate management matters are discussed and resolved at meetings of management committees (MCs) or OCs' general meetings convened by OCs pursuant to BMO and DMCs. PMCs appointed by OCs will be responsible for undertaking the estate management work.

43. As the owner of unsold flats in TPS estates, HA appoints representatives from HD to stand for elections in MCs. If elected, these representatives will take part in the management of the estates jointly with other MC members. Since HD representatives have experience in estate management and relatively close liaison with government departments, they will from time to time offer suggestions to OCs on matters about day-to-day management as well as the requirements of DMCs and relevant laws. As one of the owners, HD representatives will encourage other owners to put emphasis on the overall interests of the estates, so as to safeguard the interests of all owners (including HA) and to ensure the quality and the effectiveness of estate management work. HD representatives will also reflect the views of tenants of

unsold flats, and encourage OCs and PMCs to maintain communication with PRH tenants.

44. In accordance with BMO, each member present at an MC meeting (including the representative from HD) shall have one vote for each resolution. As far as OC's general meetings are concerned, except for the circumstances provided for under BMO, all matters arising at the meetings shall be decided by a majority of the votes in terms of ownership share.

45. It has been the practice of HA not to dominate estate matters, but to encourage owners' participation in estate management and promote owners' autonomy. In this connection, HD representatives will usually take a neutral stance in voting on routine management matters at MC meetings and OCs' general meetings for other owners to make decisions on the daily operation of the estates. However, as HA still holds a substantial number of ownership shares in TPS estates, HD must also prudently draw up its voting strategies to safeguard the overall interests of the estate in terms of its management. HD representatives will actively exercise HA's rights to vote in the following circumstances -

- (1) on important matters with far-reaching implications, e.g. increase of management fees, appointment of PMCs, or resolutions to overturn decisions passed at an OC's general meeting;
- (2) for the appointment of the contractor with proprietary lift maintenance in the procurement of lift repair and maintenance services;
- (3) on the use of the Maintenance Fund; and
- (4) for HD representatives in the election of MC members.

46. Day-to-day management matters in TPS estates mostly involve the common areas and facilities under the purview of OCs and the PMCs appointed by OCs. HA will, in accordance with BMO, the land leases and DMCs, scrutinise the management matters of the estates concerned to ensure their compliance with the requirements.

47. Apart from enjoying the rights stipulated in the tenancy agreement, PRH tenants living in TPS estates are obliged to observe the regulations concerning estate management in DMCs (such as not to make structural alterations, not to use their flat for illegal purposes, and not to obstruct the common areas) and all the rules on estate management approved by OCs. Same as other PRH tenants residing in non-TPS estates, those living in TPS estates can reflect their views on estate management matters to HD. Nevertheless, in considering their views, HA shall take into account the positions of other stakeholders in the estates and respect the mode of operation of the OCs. In addition to examining the provisions in the relevant laws, land leases and DMCs, it is necessary for HA to liaise with OCs and PMCs.

Proposal to Re-launch TPS

48. HA launched TPS in 1998 for PRH tenants to buy the units they lived in at a discounted price, thereby helping achieve the then policy objective of attaining a home ownership rate of 70% in Hong Kong in ten years' time. The Government subsequently re-positioned its housing policies in 2002. In keeping with the overall strategy of withdrawing from direct provision of subsidised sale flats, HA decided to cease the sale of PRH units after launching Phase 6B of TPS in August 2005. However, sitting tenants of the existing 39 TPS estates can still opt to purchase the rental flats in which they are living in.

49. As at the end of September 2017, out of a total of about 184 100 PRH units available for sale in the existing 39 TPS estates, around 136 400 units (about 74%) have been sold.

50. The co-existence of flat owners and HA's tenants in TPS estates has created many problems in estate management and maintenance. HA's estate management policies cannot be fully implemented in TPS estates, resulting in PRH tenants living in TPS estates and those living in non-TPS estates being subject to different management regimes. For example, HA's Marking Scheme for Estate Management Enforcement (Marking Scheme) is not implemented in the common areas of TPS estates. HA can only regulate misdeeds committed in the rental units of TPS estates, while misdeeds committed in common areas (such as littering, burning wax, etc.) cannot be regulated by the Marking Scheme. In view of the mixed tenure in TPS estates, HD cannot effectively carry out maintenance works (such as ceiling seepage, pipes leakage, etc.) which involve both sold and rental units within the same block either.

51. There have been discussions on whether TPS should be re-launched during the public consultation on Long Term Housing Strategy (LTHS). In view of the above considerations, the LTHS Steering Committee also considered it not advisable to re-launch TPS.

52. Sitting tenants of the 39 TPS estates can still opt to purchase the PRH units they are living in. However, HA has no intention to launch TPS in other PRH estates. Those living in other PRH units with aspirations for home ownership can purchase subsidised sale flats with premium unpaid in the Home Ownership Scheme (HOS) Secondary Market, or apply for the purchase of newly completed HOS flats with Green Form (GF) status. HA is conducting a comprehensive review on the "Green Form Subsidised Home Ownership Pilot Scheme (GSH). If HA decides to regularise GSH, there will be another avenue for GF buyers to achieve home ownership.

Tenancy Control Measures

53. The Government has explained our policies and views in relation to tenancy matters in detail to the LegCo and the public on various occasions. Regarding tenancy control, the Government has conducted a detailed study into Hong Kong's past experience and overseas experience in implementing such control. We briefed the Panel on the findings in July 2014⁷, and listened to views from members of the public. Subsequently, the Government also elaborated our views on this subject in the Long Term Housing Strategy (paras. 6.15 - 6.18) announced in end-2014. Empirical findings, both local and overseas, suggest that tenancy control measures often lead to an array of unintended consequences, including those to the detriment of some of the tenants whom the measures seek to assist. In view of the current tight housing supply, the potential adverse consequences associated with tenancy control measures may render them counter-productive. Therefore, the Government is of the view that it will not be in the interest of the inadequately-housed households or the general public to introduce tenancy control measures in Hong Kong.

54. During the discussion of the paper on "Measures to alleviate the housing difficulties of residents of sub-divided units"⁸ at a recent Panel meeting on 3 July 2017, the Government has again explained our policies and views on various tenancy matters, such as tenancy control, rent subsidy and vacancy tax, and received public views on the subject. Subsequent to the meeting, we further provided a supplementary paper⁹ to the Panel in October 2017 to elaborate our position.

55. In gist, with regard to rent subsidy, the Government is concerned that in the midst of the present tight housing supply, any form of rent subsidy provided by the Government to tenants will only lead to rent increase, thereby turning the rent subsidy into additional rent, leaving the tenants with no effective assistance. As for vacancy tax, the vacancy rate for private residential units in Hong Kong is at a low level. According to the statistics from the Rating and Valuation Department, the vacancy rate of private residential units have dropped from 4.3% as at end-2012 to 3.8% as at end-2016, which was substantially lower than the long term vacancy rate of 5% for the period 1996-2015. There are no notable signs of the idling of private residential flats.

⁷ LC Paper No. CB(1)1709/13-14(01)

⁸ LC Paper No. CB(1)1215/16-17(03).

⁹ Paras. 14-19 and 27-30 of LC Paper No. CB(1)1466/16-17(01).

56. Noting that the Panel has thoroughly deliberated various tenancy-related issues at its previous meetings, the Government considers that there is no pressing need to discuss the subject again. That said, if the Panel intends to do so, taking into account items planned for discussion at future Panel meetings in the 2017-18 session, we consider that the Panel meeting in June or July 2018 may be a more appropriate timing.

B189TB – Extension of Footbridge and Cycle Parking Area at Choi Yuen Road, Sheung Shui

Provision of double deck cycle parking facilities

57. We propose to provide spiral parking facilities in this project, with a view to providing more cycle parking spaces within the limited space of the site. In planning and designing cycle parking facilities, we have taken into account relevant considerations, including the designed parking capacity, installation and maintenance costs, utilisation rate and visual perspective of the cycle parking facilities. The double deck parking facilities are not suitable to be adopted in this project in view of the following analyses –

(i) Designed parking capacity of the cycle parking facilities

Double deck cycle parking facilities contain two deck levels for cycle parking. If a bicycle is to be parked at the upper deck, the upper cycle rack must first be pulled and lowered down to the ground at an inclined angle. The bicycle is then put into the cycle rack and the rack is pushed back to its original position together with the bicycle. Hence, sufficient manoeuvring space is required for loading and unloading bicycles at upper cycle racks (Details are at **Appendix 1**).

According to the Transport Planning and Design Manual (TPDM), the double deck cycle parking facilities are more suitable for use in area where it is regular in shape, under a covered environment (e.g. underneath footbridge) and where it is possible to provide a 2-metre wide space in front of the facilities for loading and unloading; to facilitate the loading and unloading, the double deck cycle parking facilities are more suitable for spaces with a certain width. Generally speaking, the number of cycle parking spaces provided by spiral cycle parking facilities will not be less than the number of parking spaces provided by double-deck cycle parking facilities (Details are at **Appendix 2**). As Choi Yuen Road is long and narrow in shape geographically and spatially, provision of spiral parking facilities is more appropriate.

(ii) Installation and maintenance costs, as well as utilisation rate

According to the TPDM, the installation and maintenance costs of the double deck cycle parking facilities are higher than those of spiral parking facilities.

As mentioned in paragraph 57(i) on the operation of double deck cycle parking facilities, parking a bicycle at the upper deck will require considerable effort and thus the utilisation rate of the upper deck will be relatively low.

(iii) Visual perspective

The overall height of the double deck parking facilities is nearly 2 metres. It may impose visual impact to the adjoining footpath and cycle track which are relatively open in environment.

Extension of the proposed footbridge to the Sheung Shui MTR Station

58. If the existing footbridge along Choi Yuen Road is to be connected to Sheung Shui MTR Station, we need to extend part of the footbridge for about 160m, and provide several piers and associated foundation for support. Based on the following site constraints, the safety and risk consideration of underground public utilities and the impact on transport services, we consider the extension of the proposed footbridge to Sheung Shui MTR Station not feasible (Details are at **Appendix 3**) –

(i) Concentrated large scale underground public utilities

A large portion of footpath and carriageway at Choi Yuen Road near Sheung Shui MTR Station are occupied by large scale underground public utilities, including four Dongjiang water mains of Water Supplies Department (WSD) with diameter ranging from 1.4 metres to 2.4 metres, and a 3-cell box culvert of Drainage Services Department (DSD), etc. There is insufficient space for the diversion of these underground utilities for erection of piers and associated foundation at Choi Yuen Road near Sheung Shui MTR Station.

(ii) WSD's requirement for works related to Dongjiang water mains

WSD strictly requires a horizontal clearance of at least 5 metres between the centre line of the Dongjiang water mains and any piers or foundation, not only to ensure that the water mains will not be affected by the loading of the proposed structures in order to reduce the risk of damage to the water

mains; but also to provide sufficient space for maintenance and emergency repair works, to avoid affecting the daily life of residents and the MTR service.

(iii) Impact on the carriageway and taxi stand

If the piers and foundation of the proposed footbridge extension are to be located within the carriageway and the existing taxi stand, there will be severe impact on their operation. Together with the keen public demand for taxis at the taxi stand nearby Sheung Shui MTR Station, it is not suitable to construct piers/foundation at the taxi stand or the carriageway nearby.

Provision of a cover to the at-grade footpath

59. If a cover is to be provided along the footpath of Choi Yuen Road from the lift tower and staircase of the existing footbridge to the Sheung Shui MTR Station, we need to erect supporting structure and foundation along the footpath. Based on the following site constraints and the safety and risk consideration of underground public utilities, we consider that the provision of cover to the footpath is not feasible (Details are at **Appendix 4**) –

(i) Concentrated large scale underground public utilities

A large portion of the footpath at Choi Yuen Road near Sheung Shui MTR Station is occupied by underground high voltage electric cables and falls within the Waterworks Reserve Area of WSD, which includes the above-mentioned Dongjiang water mains. The foundation of the cover will adversely affect these Dongjiang water mains and high voltage electric cables. Since the Waterworks Reserve Area is closely adjoining the 3-cell box culvert of DSD and the East Rail Line of MTR at both sides, there is insufficient space for the diversion of underground utilities at Choi Yuen Road near the Sheung Shui MTR Station.

(ii) WSD's requirement for works related to Dongjiang water mains

As the footpath at Choi Yuen Road is in close proximity of, and even right above the Dongjiang water mains, if a cover is to be provided, a major portion of its supporting structure and foundation will not comply with WSD's requirement as mentioned in paragraph 58(ii).

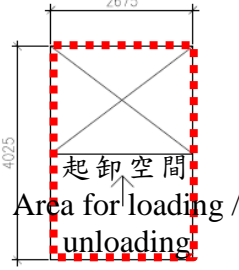
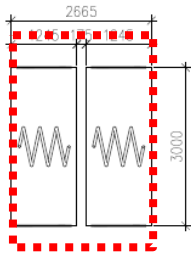

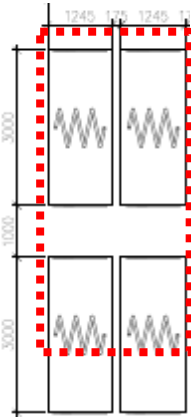
雙層單車停泊設施及其起卸空間

Double deck cycle parking facilities with loading and unloading area



附件一:附錄二 ANNEX 1 : APPENDIX 2

比較雙層停泊設施與螺旋型泊車架於同樣的範圍內提供的單車停泊位數量
Comparing the numbers cycle parking spaces provided within a given area by double-deck cycle parking facilities and spiral parking rack

	雙層停泊設施 Double deck parking facilities	螺旋型泊車架 Spiral parking rack
情況一 (無共用起卸空間) (約 2.7 米 x 4 米範圍) Scenario One (without shared use of area for loading/unloading) (area of about 2.7m x 4m)		
單車停泊位數量 Number of cycle parking spaces	$9 \times 1 = 9$	$6 \times 2 = 12$
情況二 (共用起卸空間) (約 2.7 米 x 6 米範圍) Scenario Two (Shared use of area for loading/unloading) (area of about 2.7m x 6m)		
單車停泊位數量 Number of cycle parking spaces	$9 \times 2 = 18$	$6 \times 2 + 3 \times 2 = 18$

圖例 LEGEND :

擬議行人天橋
PROPOSED FOOTBRIDGE

擬議單車停車處
PROPOSED CYCLE
PARKING AREA

現有行人天橋
EXISTING FOOTBRIDGE

公營房屋發展
PUBLIC HOUSING
DEVELOPMENT
(寶石湖邨
PO SHEK WU ESTATE)

延伸行人天橋的可行性
FEASIBILITY FOR
FOOTBRIDGE EXTENSION

主要工地限制
MAJOR SITE CONSTRAINTS

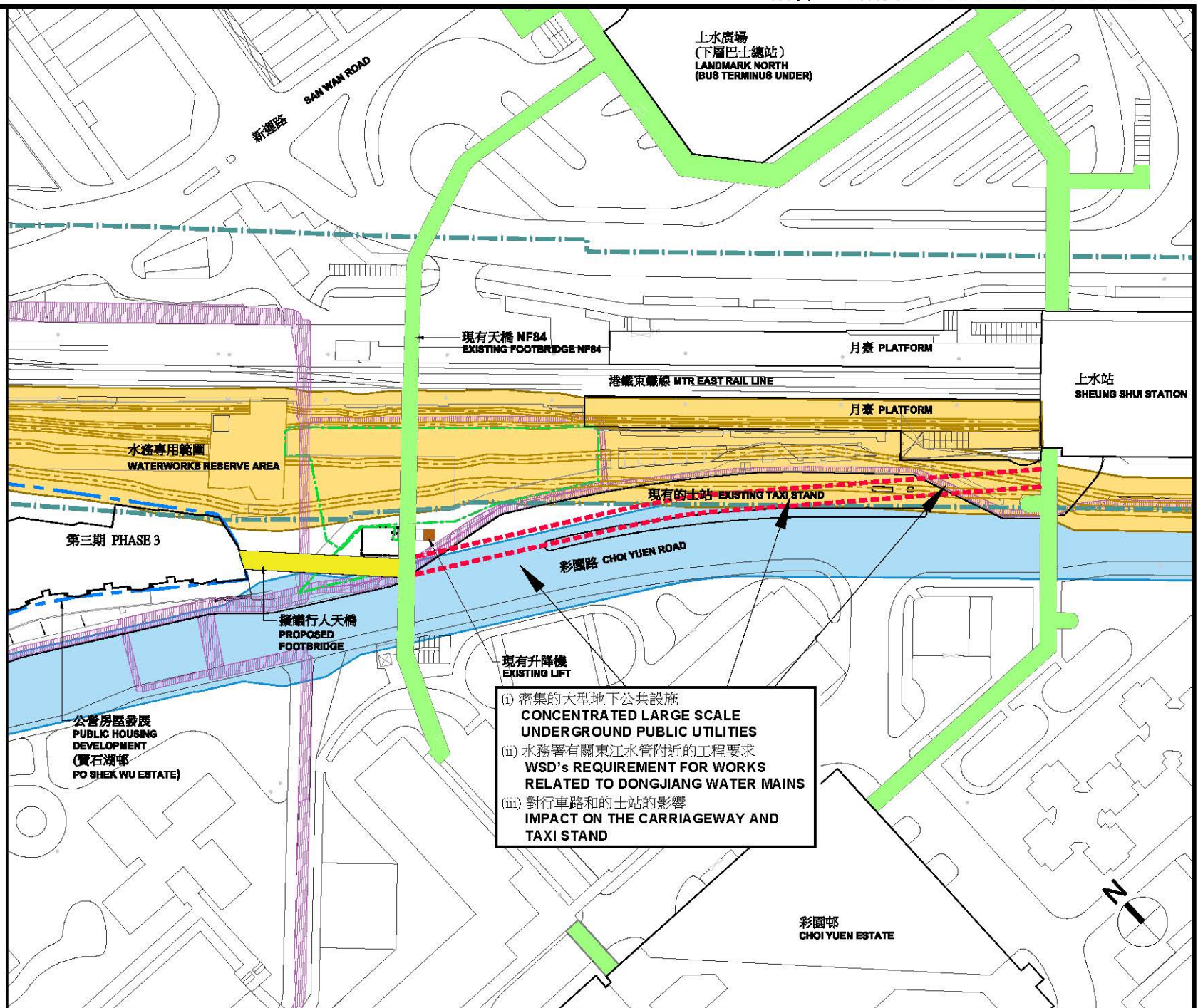
水務專用範圍及水務署要求 #
(包括4條大口徑東江水管)
WATERWORKS RESERVE AREA
AND WSD's REQUIREMENT #
(INCLUDING FOUR DONGJIANG
WATERMAIN WITH LARGE
DIAMETER)
直徑大於900毫米的東江水管中心
線5米範圍內不可有任何結構物
NO STRUCTURE SHALL BE
ERECTED WITHIN 5M FROM
CENTRE LINE OF DONGJIANG
WATERMAIN WITH DIAMETER >
900MM

渠務專用範圍 (包括箱形暗渠)
DRAINAGE RESERVE AREA
(INCLUDING BOX CULVERT)

中電電纜
CLP CABLE

港鐵保護範圍
MTRC RAILWAY
PROTECTION AREA

WSD = Water Supplies Department
CLP = China Light and Power Co Ltd.
MTRC = Mass Transit Railway Corporation



彩園路延伸行人天橋連接港鐵上水站的可行性

FEASIBILITY OF EXTENDING PROPOSED FOOTBRIDGE AT CHOI YUEN ROAD TO SHEUNG SHUI MTR STATION

比例 SCALE 1:1000 (A3)

圖例 LEGEND :

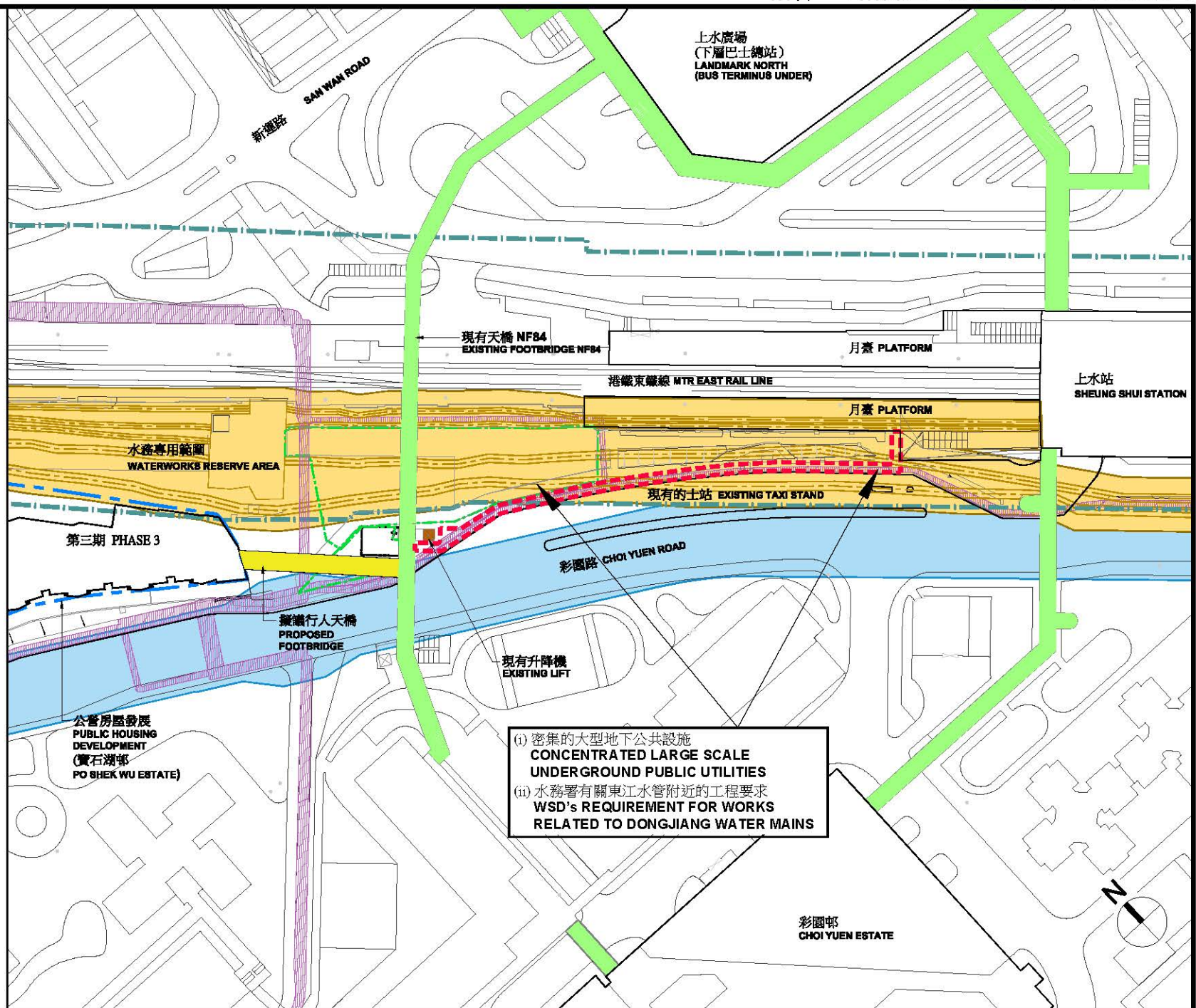
- 擬議行人天橋
PROPOSED FOOTBRIDGE
- 擬議單車停車處
PROPOSED CYCLE
PARKING AREA
- 現有行人天橋
EXISTING FOOTBRIDGE
- 公營房屋發展
PUBLIC HOUSING
DEVELOPMENT
(寶石湖邨
PO SHEK WU ESTATE)
- 有蓋行人路的可行性
FEASIBILITY FOR COVERED
WALKWAY

主要工地限制

MAJOR SITE CONSTRAINTS

- 水務專用範圍及水務署要求 #
(包括4條大口徑東江水管)
WATERWORKS RESERVE AREA
AND WSD's REQUIREMENT #
(INCLUDING FOUR DONGJIANG
WATERMAIN WITH LARGE
DIAMETER)
直徑大於900毫米的東江水管中心
線5米範圍內不可有任何結構物
NO STRUCTURE SHALL BE
ERECTED WITHIN 5M FROM
CENTRE LINE OF DONGJIANG
WATERMAIN WITH DIAMETER >
900MM
- 渠務專用範圍 (包括箱形暗渠)
DRAINAGE RESERVE AREA
(INCLUDING BOX CULVERT)
- 中電電纜
CLP CABLE
- 港鐵保護範圍
MTRC RAILWAY
PROTECTION AREA

WSD = Water Supplies Department
CLP = China Light and Power Co Ltd
MTRC= Mass Transit Railway Corporation



彩園路有蓋行人路連接港鐵上水站的可行性

FEASIBILITY OF COVERED WALKWAY AT CHOI YUEN ROAD TO SHEUNG SHUI MTR STATION

比例 SCALE 1:1000 (A3)