

Legislative Council
Subcommittee to Follow Up Issues
Related to Inadequate Housing and Relevant Housing Policies

Supplementary Information

The Legislative Council Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies conducted a meeting on 19 February 2019. At the meeting, Members requested the Government to provide supplementary information on one item and passed six motions. The Government's response is set out below.

Transitional Housing

Policy Position

2. As the Government mentioned in a document submitted to the Subcommittee earlier¹, the Government has been striving to address the housing problem facing the low-income families with poor living conditions by increasing the supply of public rental housing (PRH). As pointed out in the Chief Executive's 2017 and 2018 Policy Addresses, since it takes time to identify land for housing construction, the Government will, on top of the long-term housing policy and measures, support and facilitate the implementation of various short term initiatives put forward and carried out by the community to provide transitional housing for alleviating the hardship faced by families awaiting PRH and other inadequately housed households (IHHs). To this end, the Transport and Housing Bureau (THB) has set up a task force to provide one-stop coordinated support to facilitate the implementation of transitional housing projects by the community, including offering advice on relevant administrative or statutory procedures, and assisting them in applying for appropriate funding, etc.

3. There have been suggestions that the Government should incorporate transitional housing in the Long Term Housing Strategy (LTHS). According to the framework under LTHS, the Government updates the long term housing demand projection annually and presents a rolling ten-year housing supply target to capture social, economic and market changes over time, and make timely adjustments where necessary. One of the demand factors to be considered during the annual update of long term housing demand projection is IHHs, which covers households living units made up of temporary structures (e.g. huts, squatters and roof-top structures); units located in a non-residential building

¹ LegCo Paper No. CB(1)588/18-19(02)

(e.g. commercial and industrial buildings); units shared with other households (e.g. rooms, cubicles, bedspaces and cocklofts in private permanent buildings); and subdivided units (SDUs). When determining the total housing supply target under the LTHS, the Government has already taken into account the housing needs of the IHHs. Furthermore, given the short term nature of transitional housing, the timing and amount of its supply is unstable and subject to change in a short period of time. Hence, it is not suitable to include these housing in the ten-year housing supply target.

Project Information

4. The Task Force on Transitional Housing (the Task Force) has, over a period of time in the past, facilitated the implementation of a number of transitional housing projects initiated by the community, including several projects in existing vacant residential buildings through the “Community Housing Movement” operated by the Hong Kong Council of Social Service (HKCSS). The organisations responsible for these projects have made use of community resources flexibly to provide transitional housing, and, at the same time, appropriate support to meet the needs of the tenants. As at February 2019, a total of nine major non-profit community organisations / social enterprises provided about 610 transitional housing units, of which about 220 were launched under the “Community Housing Movement” of HKCSS. Details on these projects are set out in **Annex**.

5. The Government encourages different organisations in the community to provide various kinds of transitional housing projects by extending their creativity, making reference to different overseas experiences, and adapting these experiences to the present situation of Hong Kong.

Financial Support

6. On financial support, the Financial Secretary announced in the 2019-20 Budget Speech that \$2 billion would be set aside to support non-governmental organisations (NGOs) in constructing transitional housing. THB will map out the detailed arrangements after considering the operational experience gathered from transitional housing projects and listen to views from different sectors of the community. If all the preparatory work proceeds smoothly, the Government hopes to submit the funding proposal to the Legislative Council within 2019.

Potential Sites

7. As for potential sites, the Task Force and the Lands Department are co-ordinating and studying with relevant departments the preliminary sites suitable for developing transitional housing, including the service period and basic restrictions of these sites. Moreover, the Task Force will follow up the land use arrangements of those temporary land allocation sites used for construction works or temporary works areas under the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link project and the Shatin to Central Link project, which are to be returned by the Highways Department and the Mass Transit Railway Corporation Limited. Based on preliminary information, some of these sites are currently occupied by permanent facilities (such as railway associated facilities, roads, re-provisioned facilities, etc.), may have been reserved for other long-term uses, or are relatively small in size. The Task Force will look into the latest situation of these sites with relevant departments/ organisations to consider whether they are suitable for transitional housing.

8. It was also suggested in a motion that the site reserved for Hong Kong Disneyland Resort (HKDL)'s Phase 2 development (the Phase 2 site) should be used for the purpose of transitional housing. According to the Option Deed signed between the Government and Hong Kong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company as shareholders) (the joint venture) in 2000, the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL's further development. The Phase 2 site can be put to short term uses before the joint venture exercises the Option, and such short term uses have to comply with various permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc. but not residential use (e.g. development of transitional housing). When considering these short term uses, the Government also needs to take into account whether such uses are compatible with the use and atmosphere of HKDL. The Government respects contractual spirit and has no intention to change the existing land use arrangements for the Phase 2 site.

Modification/Exemption under the Building Ordinance

9. Having considered the constraints associated with the planning and design of old domestic buildings, Building Department (BD) will grant modification/exemption regarding the application of the regulations under the Building Ordinance to eligible transitional housing projects in the said buildings in order to facilitate the implementation of transitional housing. At present, two transitional housing projects have been granted modification/ exemption by BD. For these projects, BD made the following requirements –

- (i) The proponent should, for living areas with reduction of natural lighting and ventilation, provide artificial lighting and mechanical ventilation at a rate no less than 5 air changes per hour;
- (ii) The proponent should, for premises without the provision of a kitchen, not install or use cooking facilities with naked flame. They should also provide a communal pantry and standalone smoke detectors or heat detectors at strategic locations near the counter top of the communal pantry;
- (iii) The proponent should, for pantries with reduction of natural lighting and ventilation in which the sinks are located, provide artificial lighting and mechanical ventilation at a rate no less than 5 air changes per hour; and
- (iv) The proponent should engage authorised persons to conduct annual inspections to ensure the continual effective operation of the compensation measures.

10. BD is preparing some concrete examples of the above-mentioned modifications and exemptions measures for Members' reference. We will provide the relevant information before the next meeting.

SDUs

Tenancy control and rent subsidy

11. The housing problem in Hong Kong stems from a long term severe imbalance between demand and supply. To address the problem of high housing prices and rentals attributed to demand-supply imbalance, the fundamental solution remains to be a continued increase in housing supply. The Government strives to increase land supply and speed up housing production while at the same time introduce transitional housing, so as to alleviate housing difficulties of the IHHs.

12. Providing rent subsidy to SDU tenants and introducing tenancy control cannot solve the problem of supply shortage. In the midst of the tight housing supply, if the Government provides rent subsidy to tenants, landlords may increase rent, thereby indirectly turning the rent subsidy into additional rent, leaving the tenants with no effective assistance. Furthermore, providing recurrent rent subsidy to a selected group of tenants (such as those living in SDUs for three years or more) may increase the demand for rented accommodation, thereby triggering a rise in rental level and increasing the burden of households who are unable to receive the subsidy due to various reasons.

13. As for tenancy control, 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 the tenants whom the measures seek to assist, such as reducing supply of rented accommodation, landlords being more selective about their tenants, etc. Weighing the pros and cons, the Government is of the view that introducing any form of tenancy control amid the current tight housing supply may be counterproductive and will not be in the interest of tenants or the general public.

Separate water and electricity meters

14. Under current policies, tenants of SDUs may apply to the Water Supplies Department (WSD) and the two power companies for installation of separate water and electricity meters respectively. Landlord's consent on the application is required for carrying out the necessary conversions. Such applications must also meet certain preconditions and safety standards. For example, electrical installations must comply with the safety standards stipulated in the Electricity Ordinance. As for the installation of water meters, there should be individual access to the premises for the Water Authority to carry out inspection or other duties as necessary without using access occupied by other parties. Relevant information can be located on the websites of the WSD and the two power companies.

15. According to the Waterworks Regulations, a registered consumer of the WSD may recover from the occupier of the premises the cost of water supplied through its inside service, including water charge and other relevant and reasonable costs, such as maintenance costs. The consumer, however, must not profit from the cost recovery process. According to the Supply Rules of the power companies, unless with the company's prior written consent, a consumer is prohibited from reselling electricity to a third party. If SDU tenants suspect that the landlord overcharges for water or electricity, they can report the case to the WSD or the two power companies for follow-up and investigation.

16. As site constraints and safety considerations vary from building to building (for example, there may not be individual access to the premises for the Water Authority to maintain the inside service or there may be concerns over the electrical safety of the building), the Government currently has no plan to impose mandatory requirement for the installation of separate water and electricity meters in all SDUs.

Registration or survey of SDU households

17. The Census and Statistics Department (C&SD) collected information on the number and socio-economic characteristics of persons and households living in SDUs in all private housing² in the 2016 Population By-census (16BC). The relevant statistics were published in January 2018. We believe that the statistics can enhance the Government and public's understanding of the situation of households living in SDUs. C&SD will collect information on SDUs in the 2021 Population Census (21C) and publish detailed statistics based on its results. The sizable scale of population censuses/by-censuses, as compared to other household surveys, enables more effective collection of information of households living in SDUs.

18. The main purpose for conducting statistical surveys on SDUs is to estimate the housing demand arising from households living in SDUs, so as to update the rolling ten-year housing supply target under the Long Term Housing Strategy (LTHS). In every year between the 16BC and the 21C, C&SD will estimate the number of households living in SDUs based on the trend data from the results of the 16BC and past thematic household surveys on SDUs, as well as relevant information on the construction and demolition of buildings. The estimated figure will be published in the LTHS Annual Progress Report.

Interim Housing (IH) and Temporary Housing Area (THA)

19. As regard the suggestion in the motions that the supply of IH should be increased and the provision of THA should be resumed, according to the prevailing Government's policy, clearerees living in illegal squatter structures not covered by the 1982 survey, illegal rooftop structures built after 1 June 1982, or living in industrial premises need to find their own accommodation if they are evicted. However, if they are rendered homeless due to Government actions and have the need for temporary accommodation, they may, upon referral by relevant government departments, be accommodated in the Po Tin Transit Centre (TC) while waiting for eligibility vetting for further rehousing or looking for alternative accommodation themselves. If these persons have stayed in Po Tin TC for three months, passed the "homeless test" and fulfilled the eligibility criteria for PRH (including income limit, asset limit and "no-domestic-property" requirement), they can be admitted to the Po Tin IH while awaiting PRH allocation.

² As regards households living in industrial buildings (IB), due to the low response rate, C&SD could not compile an accurate breakdown through the 16BC. Nevertheless, the number of IB households (regardless of whether they are living in SDUs) were subsumed in the category "households living in non-residential buildings" and their housing demand has been taken into account in the LTHS Annual Progress Report. As for the 21C, C&SD will endeavour to solicit the support of IB households to provide the required information such that detailed analysis on the characteristics of households living in IB may be made.

20. The Hong Kong Housing Authority anticipates that the existing IH should be able to meet the needs of households who will be affected by Government clearances and enforcement, hence currently has no plan to build new IH or resume the provision of THA.

Transport and Housing Bureau
March 2019

Information on Transitional Housing Project

Service Operators	Projects	Number of Units
Light Be	Light Home	70
	Light Housing	40
Society for Community Organization	Prior Community Social Housing	14
	Community Joy's To Gather	39*
	Rooms for Rent	4*
Lok Sin Tong	Lok Sin Tong Social Housing Scheme	20*
		55
St. James' Settlement	James' House	14*
Hong Kong Sheng Kung Hui Welfare Council	Good Homes	60*
The Aberdeen Kai-fong Welfare Association Social Service	Best Neighbour Walk Together	16*
The Salvation Army	Home Plus	53*
Hong Kong Housing Society	Transitional Rental Housing Scheme – Yue Kwong Chuen	217
Yan Oi Tong	Green Garden	11*
Total Number of Units		613

* Launched under the “Community Housing Movement” operated by HKCSS.