

CHAPTER 12

PUBLIC BODY

The Hong Kong Housing Authority

GOVERNMENT DEPARTMENT

Housing Department

**Comprehensive Redevelopment Programme
of the Housing Authority**

**Audit Commission
Hong Kong
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COMPREHENSIVE REDEVELOPMENT PROGRAMME OF THE HOUSING AUTHORITY

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COMPREHENSIVE REDEVELOPMENT PROGRAMME OF THE HOUSING AUTHORITY

Summary and key findings

A. **Introduction.** In the Government's 1987 Long Term Housing Strategy (LTHS), it was stated that the differences between the older estates and the new ones had become more marked and socially unacceptable, and that most of the older estates were expensive to maintain. The Government therefore proposed to redevelop most of the older estates by 2001. In 1988, the Housing Authority (HA) integrated this proposal into the programme for the redevelopment of the Marks I to III estates to form an integral programme known as the Comprehensive Redevelopment Programme (CRP), covering all Marks I to VI and Former Government Low Cost Housing estates. The Housing Department (HD), the executive arm of the HA, has drawn up a master redevelopment programme. This programme is reviewed by the HD quarterly (paras. 1.2 to 1.4).

B. **Progress of CRP.** In 1995, the Government revised the target completion date to 2005, with the aim of redeveloping all non-self-contained flats by the end of 2001. By March 2000, out of a total of 566 housing blocks, 411 blocks had been demolished. 155 blocks remained to be demolished by 2005 (para. 1.5).

C. **Audit review.** Audit recently conducted a review of the CRP. Audit has identified some areas for improvement in the management of the CRP (para. 1.6).

D. **Delay in completing the evacuation process.** Audit found that in at least six projects, CRP project delays were caused by the longer time taken for completing the evacuation of the affected tenants. The long evacuation process was mainly due to the handling of hard-core cases. For example, in the case of Lam Tin Estate Phase 5, it had taken seven and a half months to complete the evacuation process, which was longer than the time target of five months. The delay of two and a half months was mainly due to the late issuing of Notices to Quit to the tenants of the hard-core cases (paras. 2.13 to 2.17).

E. **Long time allowed for evacuation.** The HD allows a period of five months for completing the evacuation process. During the five-month period, the new reception estate has been completed and is ready for occupation. If the evacuation process is completed earlier, the old estate can be made available for redevelopment much sooner. Audit notes that the five-month target of evacuation includes three months for determining the appeals by tenants aggrieved by Notices to Quit. An audit analysis shows that most appeals were determined within two months. Audit therefore

considers that there is scope for reducing the three-month period allowed for determining appeals (paras. 2.20 to 2.25).

F. **Use of multiple reception estates.** Audit notes that the HD sometimes has to use more than one reception estate to re-house the tenants of a CRP estate because of the large number of affected tenants. The chosen reception estates are completed on different dates. If the flat allocation process is not finalised before the completion of the first reception estate, flats in this reception estate would be left vacant. Audit noted that in five CRP projects, a significant number of new reception flats had been left vacant for more than six months (paras. 3.4 to 3.7).

G. **Pre-redevelopment transfer scheme.** Under the pre-redevelopment transfer scheme introduced in 1983 to reduce the re-housing commitments upon the clearance of older blocks, tenants in these blocks are encouraged to move out and vacate their flats. Flats vacated are frozen from re-letting. In 1988, the HD extended the pre-redevelopment transfer scheme to those CRP estates which were scheduled to be redeveloped within the first three years of the five-year rolling programme. Audit noted that as at 31 December 1999, there were about 11,300 vacant flats which were being frozen from re-letting (paras. 3.10 to 3.16).

H. **Handling of unauthorised persons.** Unauthorised persons are those people who reside in, but are not eligible for, public rental housing. Audit noted that in some cases, unauthorised persons were not promptly evicted upon being identified. Late eviction of unauthorised persons is undesirable because it gives the wrong impression to tenants that the HD turns a blind eye to the unauthorised stay (paras. 3.19 to 3.21).

I. **Maintenance of tenancy information.** Personal data of tenants living in public rental housing estates are input into a centrally operated computer system, namely the Integrated System for Housing Management (ISHM). The reliability of tenants' information in ISHM is important because the information is used for projecting the flat mix demand of CRP estates. Home visits are required to be undertaken once every two years to verify the latest personal data of tenants living in public rental housing estates. Audit randomly selected 75 home visit records for examination and noted that HD staff did not perform home visits in 64% of the cases within the two-year period (paras. 4.1 to 4.7).

J. **Audit recommendations.** Audit has made the following major recommendations that the Director of Housing should:

- (a) take action to ensure that Notices to Quit will be issued within two months after the completion of the last reception estate (first inset of para. 2.18);

- (b) conduct a critical review to ascertain whether:
 - (i) the three-month period allowed for the issue of Notices to Quit and the determination of appeal cases can be shortened (first inset of para. 2.26); and
 - (ii) there is further scope for shortening the present evacuation period of five months by further streamlining those areas where the time allowed in the Procedure Guidelines on Advance Allocation System can be reduced (second inset of para. 2.26);
- (c) in cases where multiple reception estates are involved, take early action (e.g. speeding up the registration and verification process, advancing the flat allocation process) to complete the re-housing operation before the completion of the first reception estate (para. 3.8);
- (d) critically review whether there is scope for reducing the frozen period of three years under the pre-redevelopment transfer scheme (para. 3.17);
- (e) ensure that, upon detection, all unauthorised persons are evicted from the housing estates as soon as possible (para. 3.22);
- (f) ensure that the ISHM database is always kept up-to-date (first inset of para. 4.8); and
- (g) remind the HD's estate management staff of the need to comply with the requirement of making home visits once every two years (second inset of para. 4.8).

K. Response from the Director of Housing. The Director of Housing has said that he agrees with most of the audit recommendations. However, he considers that the scope for reducing the frozen period is very limited. He has also said that the responsibility of asking unauthorised persons to leave the premises should be taken up by the tenants initially before the HD contemplates any action.

L. Response from the Chairman, HA. The Chairman, HA has said that, overall, the HA has got the right balance between pushing the redevelopment programmes through as cost effectively as possible and dealing compassionately with individual family concerns. He has also said that the objective of redevelopment is to improve the overall standard of living of the affected tenants.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

1.2 In the 1960s and 1970s, the production of public rental housing estates (i.e. the Marks I to VI and Former Government Low Cost Housing (FGLCH) estates) was aimed at satisfying the need for low rental housing. As compared to new estates built since the 1980s, these older estates have small living areas and minimal supporting facilities. In the Government's 1987 Long Term Housing Strategy (LTHS), it was stated that the differences between these older estates and the new ones had become more marked and socially unacceptable, and that most of the older estates were expensive to maintain. The Government therefore proposed to redevelop most of the older estates by 2001. In 1988, the Housing Authority (HA) integrated this proposal into the then existing programme for the redevelopment of the old Marks I to III estates to form an integral programme known as the Comprehensive Redevelopment Programme (CRP).

1.3 The HA's main objective in the CRP is to deliver social benefits, that is, improving the living conditions of those affected tenants of the older public housing blocks.

1.4 The HA is responsible for achieving the CRP through its executive arm, the Housing Department (HD). The HD has drawn up a master redevelopment programme covering all the old Marks I to VI and FGLCH estates. The master programme is reviewed quarterly by the HD. Based on the master programme, a five-year rolling programme is announced to the public annually. The criteria used by the HA to select estates/blocks for redevelopment are shown in Appendix A.

Progress of the CRP

1.5 In 1995, realising that the original target completion date of 2001 would not be met because there were insufficient re-housing resources, the Government revised the target completion date of the master programme to 2005, with the aim that all the non-self-contained flats would be redeveloped by the end of 2001. Notwithstanding the delay, as at March 2000, 411 housing blocks had been demolished out of a total of 566 blocks. The HA expected that, by 2005, the remaining 155 blocks would be demolished.

Audit review

1.6 Against the above background, Audit has recently conducted a review of the CRP. The objective of the audit is to evaluate whether economy, efficiency and effectiveness have been achieved and whether there is room for improvement in the management and delivery of the CRP. Audit has observed that improvements can be made in the management of the CRP. The audit findings are discussed in Parts 2 to 4 of this report.

PART 2: THE CRP's RE-HOUSING OPERATION

2.1 This PART examines the CRP's re-housing operation, particularly the evacuation process.

Consequences of project delays

2.2 When the CRP was announced in 1987, it was expected that the programme would be completed in 2001. However, in 1995, because of insufficient reception estates, the target completion date was revised to 2005.

2.3 Delays in achieving the CRP have two consequences for the community. The first is *economic cost*. Blocks/estates included in the CRP are older blocks/estates. They were generally built with a lower density. Delays in the CRP would delay the more effective use of the sites. In addition, the maintenance cost of older blocks/estates is in general higher than that of newly-built blocks/estates. Delays in the CRP prolong the situation that the HA has to pay the higher cost of maintaining the old estates.

2.4 The second is *social cost*. Delays in the CRP also delay the progress of public housing production. The knock-on effect is that families on the waiting list for public housing have to wait longer. Furthermore, delays in the CRP also lead to a situation in which a part of the community (including HA's tenants in the estates pending redevelopment) continues to be housed in accommodation considered to be of an inferior standard.

Reasons for project delays

2.5 Between January 1997 and July 2000 (July 2000 was the time of completion of the audit), there were 39 approved CRP projects. Of these, the re-housing operations of 22 projects had been completed and, as at the end of June 2000, another 17 projects were still in progress. In examining the 22 completed projects, Audit noted that the HD was able to meet the target date of evacuating the affected tenants in only four projects. In the other 18 CRP projects, the periods of delay ranged from 3 to 19 months (see Appendix B).

2.6 Audit analysed all the 18 delayed CRP projects and noted that of these projects, the delay in nine projects was mainly due to the late completion of the reception estates (Note 1) for various reasons, e.g. extension of completion dates due to inclement weather or implementation of approved variation orders, and slow progress or poor performance of building contractors. In six projects (the delays of the remaining three projects were due to other isolated reasons), delays were largely due to the following factors:

- (a) delay in completing the evacuation process (see paragraphs 2.13 to 2.19 below); and
- (b) long time allowed for evacuation (see paragraphs 2.20 to 2.27 below).

Note 1: *The Housing Department calls the new housing estates built to accommodate the tenants affected by the CRP "reception estates".*

Re-housing operation

2.7 The current procedures for the re-housing operation are based on the Advance Allocation Scheme (AAS), which was approved by the HA in 1996. Under the AAS, priority for flat selection by the tenants would be determined by ballot. Tenants are expected to move from their flats in an old estate into new flats in a reception estate as soon as the new flats are ready for occupation. The intention is to minimise the vacant period of flats in the reception estate.

2.8 Estate management staff and the staff of the Redevelopment Section of the HD are responsible for handling the re-housing operation. The whole operation is expected to be completed within a timeframe of 18 to 24 months after the redevelopment of an estate has been announced. The operation essentially consists of three processes: registration and verification, flat allocation and evacuation.

2.9 **Registration and verification.** The registration and verification process starts immediately after the re-housing operation has been announced. At this stage, the responsible HD staff obtain the latest family particulars of the affected tenants. To ensure that the tenants are eligible for re-housing, information obtained is verified against the HD's records, which are mainly kept in the Integrated System for Housing Management (see paragraph 4.2 below). The HD requires its staff to complete this process **three months before the completion of the reception block** to allow sufficient time for the completion of the flat allocation and evacuation processes.

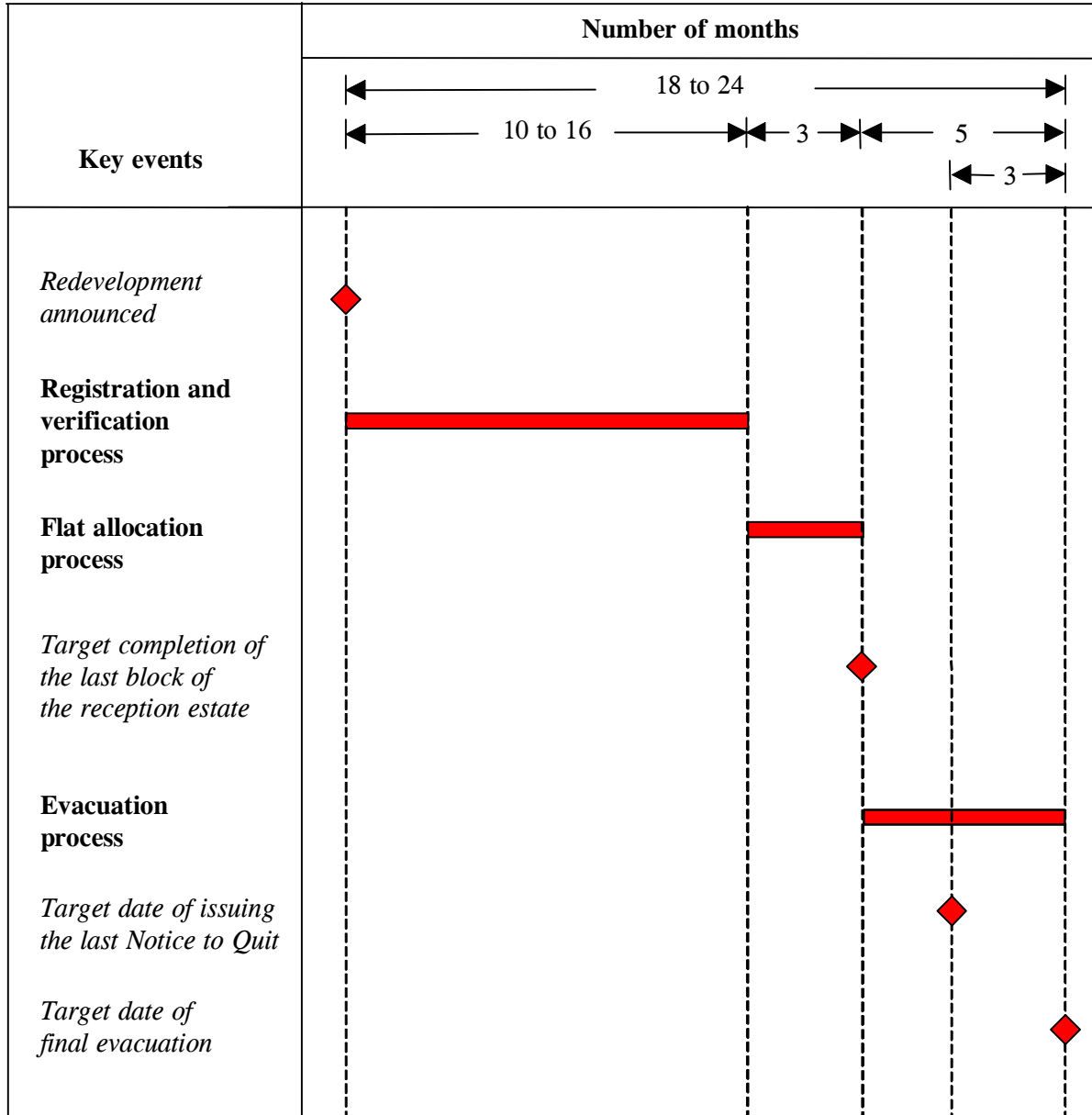
2.10 **Flat allocation.** On the completion of the registration and verification process, the allocation of reception flats to affected tenants starts. The reception flats earmarked for the re-housing operation are open for selection by eligible tenants. The priority for flat selection by individual tenants is determined by a ballot. Separate priority lists are produced for different household sizes. A computer system has been developed for this process. The responsible HD staff are required to complete this process **within the three-month period** between the completion of the registration and verification process and the completion of the reception block.

2.11 **Evacuation.** The evacuation stage commences after the flat allocation process has been completed. The HD allows **five months** for the tenants to be completely evacuated from the old estate. For hard-core cases (i.e. cases where the affected tenants refuse to move or fail to select a flat in a reception estate for whatever reason), the HD makes three additional re-housing offers within one and a half months of the completion of the flat allocation. If all the three re-housing offers are rejected without a valid reason, the tenant concerned will be deemed to have given up his right of re-housing. A Notice to Quit (NTQ) will be issued. Tenants who are aggrieved by the NTQ may appeal to the Appeal Panel of the HA. In order to ensure that the target evacuation date is not affected, responsible HD staff are required to issue an NTQ **at least three months before the target evacuation day**. In other words, the NTQ should be issued **within two months after the date of completion of the last block of the reception estate**.

2.12 To facilitate understanding of the above re-housing procedures and to provide guidance for staff concerned in implementing the AAS in the CRP projects, in 1997 the HD issued a set of "Procedure Guidelines on AAS". It sets out the working details of the new procedures, and the time targets for completing each of the three re-housing processes. The key Procedure Guidelines on AAS are shown in Figure 1 below.

Figure 1

Work schedule and the time targets for the re-housing operation under the Advance Allocation Scheme



Source: The HD's Procedure Guidelines on AAS

Delay in completing evacuation process

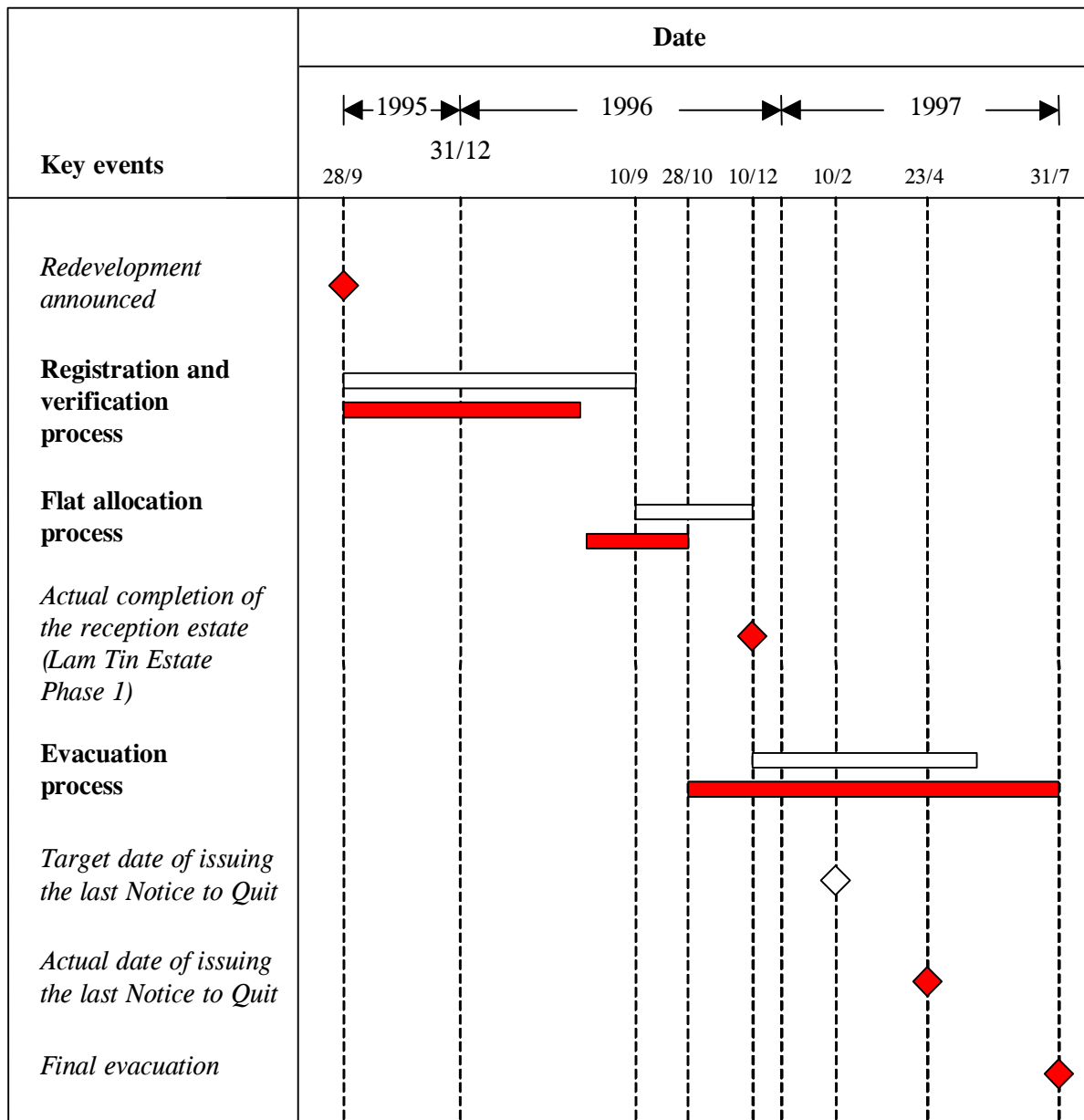
2.13 In the 18 delayed CRP projects (see paragraph 2.5 above), Audit found that in at least six projects, delays were caused by the longer time taken for completing the evacuation process. Results of the audit examination are summarised in Appendix C. The long evacuation process was mainly due to the need to handle hard-core cases in which the tenants refused to accept the HD's re-housing offers. As a case study, Audit analysed the Lam Tin Estate Phase 5 in detail. The case is summarised in paragraphs 2.14 to 2.16 below.

Lam Tin Estate Phase 5

2.14 The redevelopment of Lam Tin Estate Phase 5 was announced in September 1995. Lam Tin Estate Phase 1 was designated as the reception estate. The key events of the re-housing operation at Lam Tin Estate Phase 5 are summarised in Figure 2 below.

Figure 2

Key events of the Lam Tin Estate Phase 5 re-housing operation



Legend:

— Target completion date/period (see Figure 1 in paragraph 2.12 above)

— Actual completion date/period

Source: HD's records

2.15 According to the Procedure Guidelines on AAS, the re-housing operation should be completed *within five months after the date of completion of the last reception block* (see paragraph 2.11 above). As can be seen from Figure 2 above, the last reception block was completed in mid-December 1996. The evacuation process should therefore have been completed by mid-May 1997. However, the operation was only completed on 31 July 1997. There was a delay of two and a half months.

2.16 Audit noted that the re-housing operation at Lam Tin Estate Phase 5 was delayed mainly because it involved 13 domestic hard-core cases for which NTQs were eventually served. Audit noted that the progress of handling these hard-core cases was slow. According to the Procedure Guidelines on AAS, the last NTQ should be served within two months after the completion of the last reception block (see paragraph 2.11 above). As the last reception block was completed in mid-December 1996, the last NTQ should have been served in mid-February 1997. However, Audit noted that the last NTQ was only served in late April 1997, which was two and a half months after the HD's target date.

Audit observations and recommendations on delay in completing evacuation process

2.17 The CRP project of Lam Tin Estate Phase 5 was delayed due to the long time taken to issue NTQs. **In view of the significant economic and social cost implications, it is necessary for the Director of Housing to improve the procedures for issuing NTQs so as to ensure that hard-core cases are promptly dealt with within the period of time allowed under the AAS.**

2.18 **Audit has recommended that the Director of Housing should:**

- **take action to ensure that Notices to Quit will be issued within two months after the completion of the last reception estate, in accordance with the time target set out in the Procedure Guidelines on AAS; and**
- **ensure that HD staff document the reasons for not complying with the two-month time target in issuing Notices to Quit.**

Response from the Director of Housing

2.19 **The Director of Housing** has said that:

- he has no disagreement with the audit recommendation as this is in line with the existing procedure. He has added that flexibility ought to be built in to accommodate special cases;

- he would like to emphasise the human aspects of the CRP. Re-housing process involves an involuntary transfer which potentially could seriously disrupt the livelihood of many people. The large scale removal of people must be dealt with sensibly and sympathetically. It is certainly not a mechanical process. The issue of NTQ to tenants, who are understandably careful in accepting re-housing offers and persistent in getting their requests entertained, is a last resort and needs to be carefully considered before contemplating such action. The HD should only exercise such authority after exploring all other alternatives. Such authority, if exercised without care, would be subject to legal challenge. Any judicial review of the administrative decision made in the process would be even more time-consuming and costly to the community. Fortunately, the HD has managed to keep such legal cases to the bare minimum;
- the re-housing operation of Lam Tin Estate Phase 5 was completed within 22 months, which was in line with the normal time frame of 18 to 24 months; and
- file records will be kept to document the reasons for not complying with the two-month time target in issuing Notices to Quit.

Long time allowed for evacuation

2.20 Under the AAS, the target evacuation date is set at five months after the completion of the last block of the reception estate. Where multiple reception estates are involved, the evacuation date is five months after the completion of the *last* reception block. The HD expects the affected tenants will move from the old estate to the new reception estate during the evacuation period of five months (see paragraph 2.11 above).

2.21 It is worthy of note that during the five-month evacuation period, the new reception estate has been completed and is ready for occupation. If the evacuation process is completed earlier, the old estate can be made available for redevelopment sooner. Furthermore, during the evacuation period, the HD is obliged to manage the new reception estate (after the affected CRP tenants have moved in) and the old estate (because not all the tenants have moved out). If the evacuation period is prolonged, the HD will have to incur additional costs for managing both the new and the old estates. If the five-month evacuation period can be shortened, the management cost is reduced.

2.22 Audit notes that there is scope for reducing the five-month target of evacuation. For example, the time allowed for determining appeals can be reduced. Under the existing HA policy, NTQs are issued to tenants who have refused to be re-housed without a valid reason (see paragraph 2.11 above). A tenant who is aggrieved by the NTQ may appeal to the Appeal Panel of the HA within 15 days upon receipt of the NTQ. As the HD staff are required to issue the last NTQ three months before the target evacuation date, about three months are available for determining appeal.

Audit analysis

2.23 In the audit examination of the 22 completed CRP projects (the re-housing operations of which were completed after January 1997, see paragraph 2.5 above), Audit noted that there were only 17 appeals (i.e. only 3% of the affected tenants of the 513 NTQs issued by the HD lodged appeals). Audit carried out an analysis of the time taken for determining the 17 appeals. The results of the analysis are at Appendix D. A summary is shown in Table 1 below.

Table 1

**Time taken for determining
appeals from tenants after issue of NTQ**

Time	Number of appeals	
Within 1 month	3	
Within 2 months	11	14 (82%)
Within 3 months	2	
Within 4 months	1	3 (18%)
Total		17 (100%)

Source: HD's records

2.24 Of the 17 appeals, 14 (82%) were determined by the Appeal Panel within two months after the date of issue of the NTQs. Audit examined the records of the remaining three appeals to ascertain whether the time used was reasonable. Audit found that the long time taken was caused by the belated submission of appeal papers by the HD staff. Audit considers that the three appeals could also have been determined within two months after the date of issue of the NTQ, if prompt action had been taken to handle the appeals.

Audit observations and recommendations on long time allowed for evacuation

2.25 The evacuation period starts from the date the last reception estate for the CRP project is completed for occupation. The length of time allowed for evacuation has significant resource implications to the HA as pointed out in paragraph 2.21 above. **Procedures or processes that can shorten the five-month evacuation period can yield substantial benefits for the HA. The audit**

analysis in paragraph 2.23 shows that only 3% (17 of 513 or 100%) of NTQ cases had to be determined by the Appeal Panel. Furthermore, all appeals could have been determined within two months after the date of issue of the NTQ. Audit therefore considers that there is scope for shortening the three-month period allowed for determining appeals.

2.26 Audit has *recommended* that the Director of Housing should conduct a critical review to ascertain whether:

- the three-month period allowed for the issue of Notices to Quit and the determination of appeal cases can be shortened (e.g. by ensuring that the staff submit papers to the Appeal Panel earlier); and
- there is further scope for shortening the present evacuation period of five months by further streamlining those areas where the time allowed in the Procedural Guidelines on AAS can be reduced.

Response from the Director of Housing

2.27 The Director of Housing has said that:

- he considers that shortening the setting of appeal hearings to two months from the date of issue of NTQ is acceptable (allowing 15 days for tenants to make an appeal, preparation and submission of appeal paper to the Appeal Panel Secretariat upon receipt of appeal, fixing appeal hearing dates and notifying the appellant two weeks before the hearing dates). Apart from appeal cases involving the CRP, there are many appeal cases of other nature, e.g. Temporary Housing Areas clearances and tenancy irregularities. The workload of the Appeal Panel is heavy. However, priority has all along been given to appeal cases from CRP tenants to tie in with the evacuation date. The three NTQ cases, which took three to four months to determine the appeal, are considered acceptable having regard to the CRP projects concerned. The Appeal Panel determined all the three appeals before the evacuation date thereby causing no delay to the CRP projects; and
- on-going action is taken by the HD to streamline processes. The newly introduced AAS was implemented with great success. New management measures have also been introduced recently to charge higher rents for the tenants who extend their stay unnecessarily in the old blocks due for redevelopment.

PART 3: MANAGEMENT OF HOUSING RESOURCES UNDER THE CRP

3.1 This PART examines the management and utilisation of public rental housing resources under the CRP.

3.2 Audit analysis of the 18 delayed CRP projects (see Appendix B) reveals that in many cases, the public rental housing resources have not been fully utilised. Under-utilisation of public rental housing resources reduces the rental income of the HA, and prolongs the waiting period of families on the waiting list for public rental housing.

3.3 To better utilise the public rental housing resources, Audit considers that there is room for improvement in managing the CRP in the following areas:

- use of multiple reception estates (see paragraphs 3.4 to 3.9 below);
- pre-redevelopment transfer scheme (see paragraphs 3.10 to 3.18 below); and
- handling of unauthorised persons (see paragraphs 3.19 to 3.23 below).

Use of multiple reception estates

3.4 Audit noted that due to the large number of affected tenants, the HD sometimes had to designate more than one reception estate to re-house the tenants of a CRP estate. The chosen reception estates have different completion dates. If the flat allocation process is not finalised before the completion of the first reception estate, flats in this reception estate would be left vacant. Among the 18 delayed CRP projects examined, Audit noted that in five CRP projects, a significant number of flats in the new reception estates had been left vacant for more than six months. Audit estimated that the total rental income forgone was \$19 million (see Appendix E). Audit examined in detail the Shek Lei Estate Phase 9 project, which had the longest vacant period.

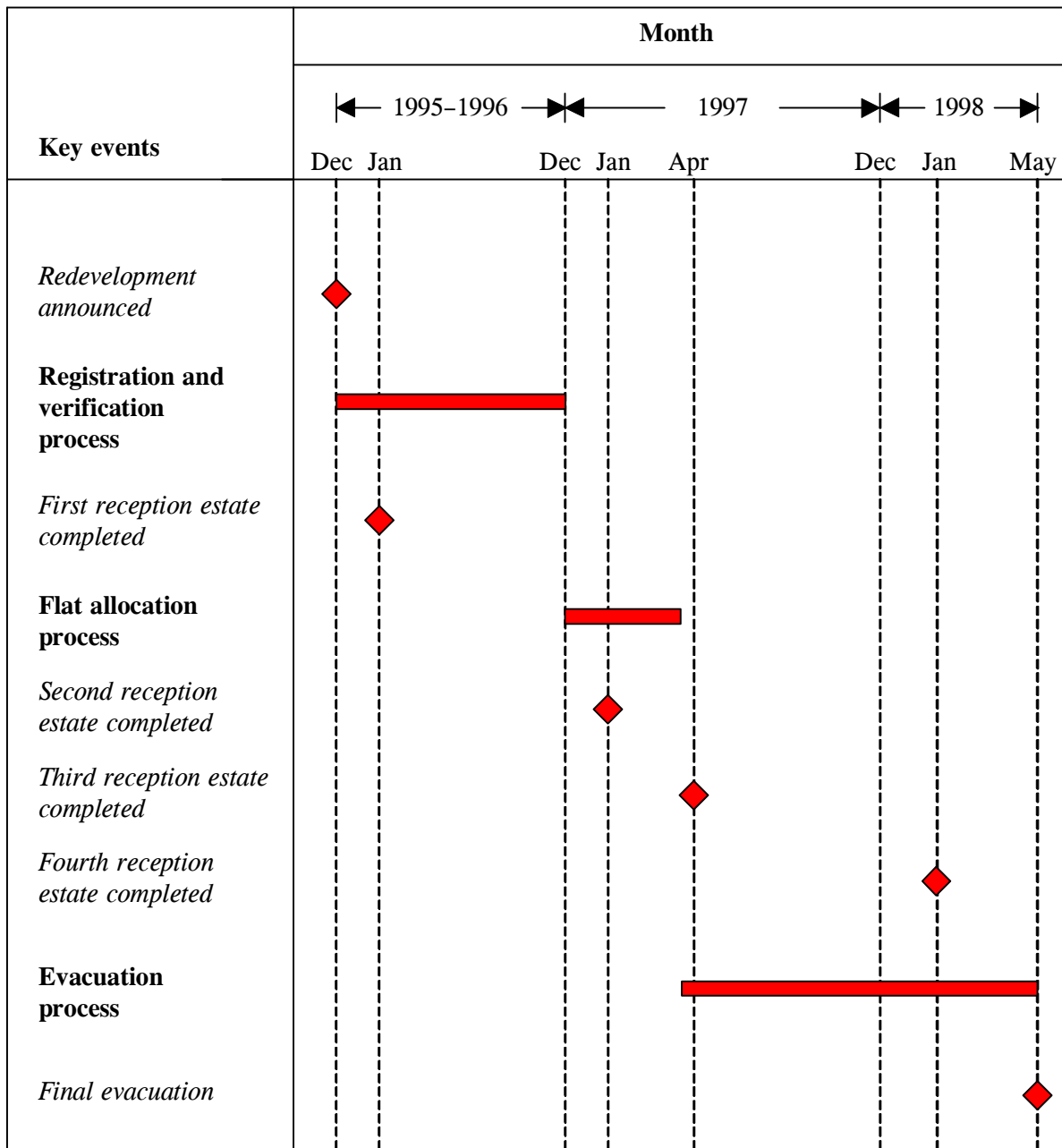
3.5 *Shek Lei Estate Phase 9.* The formal redevelopment announcement of Shek Lei Estate Phase 9 was made in December 1995 and the evacuation was scheduled in July 1997. The four designated reception estates and their completion dates are shown below:

Designated reception estate	Completion date
Shek Yam East Estate Phase 1	January 1996
Kwai Fong Estate Phase 4	January 1997
Shek Lei Estate Phase 4	April 1997
Kwai Shing East Estate Phase 3	January 1998

Because of the late completion of the last reception estate (i.e. Kwai Shing East Estate Phase 3), the actual evacuation date of Shek Lei Estate Phase 9 was deferred by ten months to May 1998. Details of the re-housing operation of Shek Lei Estate Phase 9 are summarised in Figure 3 below.

Figure 3

Summary of the re-housing operation at Shek Lei Estate Phase 9



Source: HD's records

3.6 As can be seen from Figure 3 above, the redevelopment of Shek Lei Estate Phase 9 was announced in December 1995, i.e. one month before the completion of the **first** reception estate (Shek Yam East Estate Phase 1). Because of the time needed for completing the registration and verification process, the flat allocation process could only be completed in March 1997, which was about 13 months after Shek Yam East Estate Phase 1 was ready for occupation (Note 2). During this 13-month period, about 522 flats at Shek Yam East Estate Phase 1, which had been reserved for the re-housing operation of Shek Lei Estate Phase 9, were left vacant. Audit estimated that the total rental income forgone for this estate was \$8.7 million (see Appendix E). Audit considers that the evacuation procedures (e.g. registration and verification of tenants) in this case should have been completed earlier so that the new flats at Shek Yam East Estate Phase 1 would have been taken up sooner.

Audit observations and recommendation on use of multiple reception estates

3.7 To ensure that new flats in reception estates are occupied as soon as possible, they should ideally be handed over to tenants immediately upon completion. This is in line with the objective of the CRP which aims to improve the living conditions of tenants of old public housing estates. **Where multiple reception estates are involved, it is particularly important that the registration and verification process as well as the flat allocation exercise be completed before the completion date of the first reception estate.**

3.8 **Audit has recommended that the Director of Housing should, in cases where multiple reception estates are involved, take early action (e.g. speeding up the registration and verification process, advancing the flat allocation process) to complete the re-housing operation before the completion date of the first reception estate. Letting the new flats in reception estates immediately upon completion will reduce the rental loss and improve the living conditions of the tenants at an earlier date.**

Response from the Director of Housing

3.9 The **Director of Housing** has said that he has no disagreement with the audit recommendation. Letting of the earlier-completed reception estates is the current practice of the HD. He emphasises that the acceptance of the flats at the reception estates by the affected tenants cannot be easily influenced by the HD. He has also said that:

Note 2: *Under the current HD's practice, a new housing block is ready for occupation three weeks after its completion. The three-week period is to allow the Management Branch to complete its flat-to-flat inspection of the entire block.*

- the objective in identifying reception estates is to minimise the difficulties to be faced by the affected residents in removal. The use of multiple reception estates allows the affected tenants a wider choice in respect of locality of reception estates, and is unavoidable in many cases as the flat production at one single reception estate may not always fully and aptly meet the demand. Since re-housing resources are extremely tight, deploying the housing resources from more than one estate to meet the demand of different CRP operations, announced at different times, can make the optimum and effective use of resources;

- in cases of using multiple reception estates, the HD will try to let the reception estates as promptly as possible. As in the case of Tsui Ping Estate Phase 6 (reception estate for Yau Tong Estate Phases 2 and 3 and Lei Yue Mun Road Estate) and Sau Mau Ping Estate Phase 3 (reception estate for Sau Mau Ping Estate Phases 8 and 9) as shown in Appendix E, the flats were immediately let to the affected tenants by batch allocation upon their completion in March 1996. The HD did not wait to let these flats till the completion of the last reception estate. However, some tenants were unwilling to take up the remaining flats mostly on lower floors of the earlier-completed estates. The remaining flats, crucial to meet the demand, had to be reserved till the AAS was conducted, normally two months before the completion of the last reception estate; and

- the Shek Lei Estate Phase 9 project is a very special case in that the first reception estate (Shek Yam East Estate Phase 1) was completed one month after formal announcement of the project. The flats at Shek Yam East Estate Phase 1, being the main reception estate for Shek Yam Estate Phase 3 and Shek Lei Estate Phase 6, were immediately let upon completion. There was a clear operational need to reserve the surplus flats to meet the shortfall of flats for Shek Lei Estate Phase 9 project.

Pre-redevelopment transfer scheme

3.10 The pre-redevelopment transfer scheme was first introduced in 1983. The scheme provides an early opportunity for tenants living in old blocks to improve their living conditions before redevelopment and to reduce future re-housing commitments. The scheme is an important strategy to facilitate depopulation prior to evacuation and to achieve a safety margin for the tightly scheduled redevelopment programme. Under the scheme, tenants in older blocks are encouraged to move out and vacate their flats. Flats vacated would be frozen from re-letting.

3.11 In 1988, the HD extended the pre-redevelopment transfer scheme to those CRP estates that were scheduled to be redeveloped within the first three years of the five-year rolling programme.

3.12 Audit noted that, as at 31 December 1999, there were about 11,300 CRP vacant flats that were being frozen from re-letting. A summary of these vacant flats is shown in Appendix F.

3.13 Audit conducted an ageing analysis of these 11,300 frozen vacant flats. Audit estimates that, if all these CRP estates are to be evacuated according to the scheduled evacuation dates, the average duration of the “frozen period” will be about 17 months. Results of the ageing analysis and calculation of the average “frozen period” are at Appendix G.

Audit observations and recommendation on pre-redevelopment transfer scheme

3.14 Public rental housing flats are scarce resources. Under the pre-redevelopment transfer scheme, a considerable number of vacant public rental flats in CRP estates are left vacant. According to the analysis in paragraph 3.13 above, substantial number of vacant flats in various CRP estates had been frozen from re-letting under the pre-redevelopment transfer scheme. This is a matter of concern.

3.15 During the frozen period, the HD leaves these flats vacant and receives no rental income from them. As there are still other tenants living in the estate, the HD would still have to provide a full level of estate management services, like cleansing, lifts, security, etc. The cost of providing estate management services at these estates, where significant number of vacant flats have been frozen from re-letting, remains largely the same. If these vacant flats can be used to generate some additional income, the budgeted deficits of the HA’s rental housing business can be reduced. This can ease the pressure on rental increase.

3.16 Audit noted that the three-year “frozen period” under the pre-redevelopment transfer scheme was introduced in 1988. At the time, the re-housing operation was carried out by a manual process, which was both labour-intensive and more time-consuming. Following the implementation of the AAS in 1996 (see paragraph 2.7 above), the re-housing process has been streamlined and a computer system was developed for the flat allocation process (see paragraph 2.10 above). The time required for completing the re-housing operation has been reduced from nine to five months after the completion of the last block of the reception estate. **Audit considers that there is a need to review whether there is scope for reducing the three-year frozen period under the pre-redevelopment scheme.**

3.17 **Audit has recommended that the Director of Housing should critically review whether there is scope for reducing the frozen period of three years under the pre-redevelopment transfer scheme.**

Response from the Director of Housing

3.18 The **Director of Housing** has said that:

- the arrangement of freezing vacant flats in blocks due for redevelopment within the three-year period from re-letting is to avoid causing inconvenience to the new tenants from moving twice within a relatively short period. The vacant flats are, however, re-let to overcrowded families living in the same phase of CRP on the estate. Such practice has already achieved reduction in vacancies;
- as formal announcement of redevelopment is made about 18 to 24 months before the target evacuation date, all vacant flats in CRP blocks must be frozen from re-letting upon announcement of redevelopment. As the average frozen period is about 17 months, it is logical not to re-let these premises to new tenants. Otherwise, it will cause them great inconvenience and create operational difficulties for the HD; and
- the scope for reducing the frozen period is very limited. As the strategy is aimed to achieve early thinning-out of population, reducing the frozen period will defeat the HD's effort of encouraging early moving-out through other channels, e.g. according priority and offering mortgage subsidies to CRP tenants to purchase Home Ownership Scheme flats.

Handling of unauthorised persons

3.19 Audit examination of the 22 completed CRP projects also revealed that in 20 projects, HD staff had found there were unauthorised persons residing in the estates. Of the 20 CRP projects, Lam Tin Estate Phase 7 had the highest number (95 cases) of unauthorised persons. These cases involved 90 domestic units and 5 non-domestic units.

3.20 HD's staff discovered the unauthorised persons in these 95 cases during the registration and verification process. They were identified between May 1996 and November 1997. Audit noted the progress of evicting them was slow. By 31 October 1998 (i.e. about one year after the registration and verification process had been completed), there were still seven such cases (two domestic cases and five non-domestic cases). NTQs were served only in September and October 1998. The tenants of these seven cases eventually moved out in December 1998.

Audit observations and recommendation on handling of unauthorised persons

3.21 **In the CRP project of Lam Tin Estate Phase 7, the HD did not take prompt action to evict unauthorised persons from rental estates. The position is undesirable because it gives**

the wrong impression to tenants that the HD turns a blind eye to the unauthorised stay. Audit considers that the HD should, as soon as unauthorised persons have been identified, take early action to evict them from the housing estate.

3.22 Audit has *recommended* that the Director of Housing should ensure that, upon detection, all unauthorised persons are evicted from the housing estates as soon as possible.

Response from the Director of Housing

3.23 The Director of Housing has said that:

- it is a breach of the tenancy agreement for the tenants to allow unauthorised persons to stay in their rented premises. The tenants have the responsibility of asking the unauthorised persons to leave the premises. The tenants should take up the responsibility initially before the HD contemplates any action;

- in accordance with the provision in the Housing Ordinance (Cap. 283), a tenancy must be terminated formally before any forcible eviction can be taken against unauthorised persons. Thus, the HD cannot take physical eviction until the tenancy is formally terminated; and

- if the Social Welfare Department considers that the unauthorised persons deserve re-housing on social or compassionate grounds, transit centre or interim housing will be offered. It is the current government policy not to render anybody homeless as a result of government action.

PART 4: MAINTENANCE OF TENANCY INFORMATION

4.1 This PART examines the maintenance of tenancy information. The accuracy and reliability of the tenancy information is important to the CRP because the information is used:

- by the Planning Section in projecting the demand for flats of different sizes in reception estates; and
- by the Redevelopment Section in verifying the re-housing entitlement of tenants during the registration and verification process (see paragraph 2.9 above).

Integrated System for Housing Management

4.2 Public rental housing is government-subsidised housing. Public rental housing flats are allocated to those who have met the eligibility criteria. To ensure that the public rental housing resources are properly allocated, the Housing Ordinance empowers the HA to collect personal data from tenants living in public rental housing estates. Such information is input into a central computer system called the Integrated System for Housing Management (ISHM).

4.3 Prior to 1998, the HA required estate management staff to conduct flat inspection every 18 months to obtain the information required. Since 1998, the HA has adopted new procedures, whereby tenants are requested to declare their occupancy position on a prescribed form once every two years. On receipt of the completed forms, estate management staff perform home visits to verify the information provided thereon. All records on flats inspected are recorded in computer. The procedures of home visit and the information that requires verification are listed in the HD's Management Instruction Manual.

4.4 According to the Management Branch Instruction, all verified declaration forms should be properly filed. Any changes in tenancy particulars (e.g. addition/deletion of household members) should be input into the ISHM immediately.

Audit analysis

4.5 Under the current system, home visits should be undertaken once every two years to verify the latest personal data of tenants living in public rental housing estates. In order to ascertain whether HD staff had followed this requirement, Audit visited five CRP estates and randomly selected 75 home visit records for review. The audit findings are summarised in Table 2 below.

Table 2

Results of Audit's review of 75 home visit records

Estate visited	Total number of records examined	Cases of home visits not made once every two years	Rate of non-compliance
	(a)	(b)	(c) = (b) ÷ (a) × 100%
Ho Man Tin	15	4	27%
Lower Ngau Tau Kok Phase 2	15	7	47%
Upper Ngau Tau Kok	15	11	73%
Tai Hang Tung	15	13	87%
Shek Kip Mei	15	13	87%
Total	<u>75</u>	<u>48</u>	64%

Source: HD's records

4.6 The figures in Table 2 above show that the HD staff of the five estates did not fully comply with the HD's requirement, as stipulated in the Management Branch Instruction, that home visits should be made once every two years. In Tai Hang Tung Estate and Shek Kip Mei Estate, the extent of non-compliance was 87% of the cases.

Audit observations and recommendations on maintenance of tenancy information

4.7 The results of the audit examination in paragraph 4.6 above indicate that in some estates, home visits had not been made as frequently as they should have been. Therefore, it is doubtful whether the ISHM database contains up-to-date information. An outdated ISHM database does not provide accurate information to the Planning Section, which is responsible for forecasting the demand for flats of different sizes in the reception estates. The Redevelopment Section and the estate management team may need to spend longer time to complete the registration and verification process because of the inaccurate information in the database.

4.8 **Audit has recommended that the Director of Housing should take necessary actions to:**

- **ensure that the ISHM database is always kept up-to-date; and**

- **remind the HD's estate management staff of the need to comply with the requirement of making home visits once every two years.**

Response from the Director of Housing

4.9 **The Director of Housing** has said that:

- it is the standard practice adopted by the HD in maintaining the ISHM database up-to-date. He is in general agreement with the audit recommendation;

- the need for making declaration once every two years by tenants and the updating of ISHM database have already been identified following an agreed corruption prevention study by the Independent Commission Against Corruption in 1996. Since then, instructions and regular reminders have been issued by the HD to staff. A publicity campaign against tenancy abuse was also launched in late September 2000; and

- management staff have also been reminded to update ISHM and carry out home visits once every two years on schedule as far as possible.

PART 5: GENERAL RESPONSE FROM THE DIRECTOR OF HOUSING AND THE CHAIRMAN, HA

5.1 This PART summarises the general response from the Director of Housing and the Chairman, HA.

Response from the Director of Housing

5.2 The **Director of Housing** has said that redevelopment is a complex process involving a wide range of activities. It affects the tenants to a great extent. So far, some 140,000 families, comprising 493,000 persons have benefited from the CRP. The CRP has caused minimum disruption to their lives. The achievement of the HA on redevelopment of its old housing estates is generally well recognised. Members of the Legislative Council often express concern and interest over many redevelopment projects and the subject is regularly discussed at the Legislative Council Housing Panel and Case Conferences. They invariably ask the HD to consider the affected tenants' interests sympathetically with great emphasis being placed on a smooth implementation of the re-housing process. The HA, with unique experience in this field, is effective in accomplishing the task. The proactive approach to handling tenants' requests has minimised confrontation with the affected tenants and concerned groups, but patience is needed and the process is therefore time-consuming. He has also said that:

- the HA's main objective of the CRP is to deliver improved living conditions and not to keep costs and subsidies down by delaying CRP projects. This involves balancing a number of critical factors including social cost, economic cost as well as community and tenants' circumstances and expectations;
- if the late completion of the reception estates is taken into consideration, the average delay is 0.86 month (see Appendix H);
- economic and social costs only give one side of the picture. At times there have been social benefits of delay. For example in Cheung Sha Wan Estate, Tai Hang Tung Estate (part) and Shek Kip Mei Estate (part) where, upon the request from the affected tenants, the evacuation dates were deferred to meet their aspirations for local housing; and
- in strict monetary terms, the HA would often save considerable costs if there are delays in the CRP, as new rental projects would give rise to larger deficits and increased subsidies to tenants.

Response from the Chairman, HA

5.3 In response to the report, the **Chairman, HA** has said that he is grateful to Audit for the report. He has also said that:

- the Director of Housing has already described both the objectives of the CRP and the care taken to minimise disruption to residents' lives. He wishes to underline this point. Few, other than those involved in the CRP, can grasp the magnitude of the undertaking. It is only when one sees the stark figures set out in paragraph 5.2 above that it really hits home. There will always be a balance to be struck between pushing the redevelopment programmes through as cost effectively as possible and dealing compassionately with individual family concerns. He believes that, overall, the HA has got the balance right; and

- redevelopment is not about making more intensive use of land resources, but about improving the overall standard of living. The HA does not decide on densities, that is the responsibility of the Planning Department. In most cases, the redevelopment of older estates results in a lower density, but to a higher quality of life. Delay per se does not necessarily create an economic cost. Indeed, any accurate measurement of economic cost must go beyond the simple higher maintenance cost of older estates and examine the life-time subsidy cost involved in providing modern public rental housing.

Appendix A
(paragraph 1.4 refers)

Housing Authority's criteria for redevelopment

- (a) ***Structural condition.*** Blocks which have relatively less satisfactory structural condition and have high maintenance costs should be demolished and redeveloped as soon as possible;
- (b) ***Non-self-contained flats.*** In general, non-self-contained flats should be demolished and redeveloped prior to redeveloping self-contained flats;
- (c) ***Availability of suitable reception flats.*** Of necessity, the programming of the CRP depends on the availability of suitable reception flats;
- (d) ***Continuity of services.*** Clearance has to be planned to ensure continuity of commercial, community, education and welfare facilities as far as possible;
- (e) ***After-use considerations.*** The progression of the CRP relies on flat production from the sites cleared in the early phases. Therefore, blocks with better "build-back" potential should be programmed for redevelopment earlier; and
- (f) ***Configuration of blocks.*** In some cases, it may be necessary to clear several blocks at one time, so that the sites released are of a size and shape that can accommodate the foot-print of standard blocks. The redevelopment of blocks which would otherwise have lower priority may have to be advanced for this reason.

Source: HD's records

Appendix B
(paragraphs 2.5 and 3.2 refer)

22 CRP projects
(re-housing operation completed after January 1997)

CRP projects	Target evacuation date	Actual evacuation date	Delay
(a)	(b)	(c)	(d) = (c) – (b) (months)
(1) Sau Mau Ping Estate Phase 7	31.3.1996	26.2.1997	11
(2) Chai Wan Estate Phase 2	31.1.1997	31.1.1997	None
(3) Kwai Fong Estate Phases 6 and 7	31.1.1997	11.7.1997	5
(4) Lam Tin Estate Phase 5	31.3.1997	31.7.1997	4
(5) Lei Yue Mun Road Estate	31.3.1997	31.10.1997	7
(6) Yau Tong Estate Phases 2 and 3	31.3.1997	31.10.1997	7
(7) Sau Mau Ping Estate Phase 8	31.5.1997	9.9.1997	3
(8) Tsz Man Estate Phase 2	31.5.1997	26.9.1997	4
(9) Sau Mau Ping Estate Phase 9	31.5.1997	28.10.1997	5
(10) Shek Lei Estate Phase 9	31.7.1997	28.5.1998	10
(11) Pak Tin Estate Phase 3	31.8.1997	16.3.1999	19
(12) Lam Tin Estate Phase 6	30.11.1997	30.11.1997	None
(13) Upper Ngau Tau Kok Estate Phase 1	30.11.1997	31.5.1998	6
(14) Shek Pai Wan Estate Phase 2	28.2.1998	30.6.1998	4
(15) Lam Tin Estate Phase 7	30.4.1998	29.12.1998	8
(16) Kwai Chung Estate Phases 2 and 4	30.9.1998	30.3.1999	6
(17) Valley Road Estate Phase 1	30.11.1998	28.9.1999	10
(18) Tai Wo Hau Estate Phase 6	30.6.1999	30.6.1999	None
(19) Hung Hom Estate Phase 2	31.7.1999	23.2.2000	7
(20) Chai Wan Estate Phase 3	31.10.1999	31.3.2000	5
(21) Un Chau Street Estate Phase 2	29.2.2000	26.5.2000	3
(22) Lei Muk Shue Estate Phase 3	31.3.2000	31.3.2000	None
		Total	<u><u>124</u></u> (Note)

Average delay of the delayed projects: $124 \text{ months} \div 18 = \underline{\underline{6.9 \text{ months}}}$
(say 7 months)

Source: HD's records

Note: The delays of many projects were caused by construction-related problems of the reception estates.

Appendix C
(paragraph 2.13 refers)

Six CRP projects delayed by long evacuation process

CRP projects (Note 1)	Completion date of the last reception estate	Actual evacuation date	Time used for the evacuation process	Delay
(a)	(b)	(c)	(d) = (c) – (b)	(e) = (d) less the HD's target of 5 months (Note 2)
			(months)	(months)
(1) Kwai Fong Estate Phases 6 and 7	16.1.1997	11.7.1997	6	1
(2) Lam Tin Estate Phase 5	10.12.1996	31.7.1997	7½	2½
(3) Sau Mau Ping Estate Phase 9	10.4.1997	28.10.1997	7	2
(4) Kwai Chung Estate Phases 2 and 4	14.8.1998	30.3.1999	7½	2½
(5) Valley Road Estate Phase 1	31.3.1999	28.9.1999	6	1
(6) Hung Hom Estate Phase 2	31.8.1999	23.2.2000	6	1

Source: HD's records

Note 1: After taking into account the late completion of reception estates, there are nine delayed projects in Appendix H. Audit did not include the following three projects in the above analysis because the delays were not caused by the long evacuation process but were due to other isolated reasons:

- (i) Sau Mau Ping Estate Phase 7 (Case No. 1 in Appendix H);*
- (ii) Sau Mau Ping Estate Phase 8 (Case No. 7 in Appendix H); and*
- (iii) Un Chau Street Estate Phase 2 (Case No. 21 in Appendix H).*

Note 2: See paragraph 2.11 and Figure 1 in paragraph 2.12 above.

Appendix D
(paragraph 2.23 refers)

Details of the 17 appeals from the 22 completed CRP projects

	Affected CRP project	NTQ issue date	Appeal determination date	Time taken to determine appeal
	(a)	(b)	(c)	(d) = (c) - (b) (months)
(1)	Tsz Man Estate Phase 2	26.3.1997	26.6.1997	3
(2)	Lam Tin Estate Phase 5	21.3.1997	14.5.1997	2
(3)	— ditto —	21.4.1997	26.6.1997	2
(4)	Lam Tin Estate Phase 6	30.4.1997	25.6.1997	2
(5)	— ditto —	30.4.1997	25.6.1997	2
(6)	— ditto —	30.4.1997	25.6.1997	2
(7)	— ditto —	30.4.1997	27.8.1997	4
(8)	Lam Tin Estate Phase 7	28.8.1998	19.11.1998	3
(9)	— ditto —	30.9.1998	26.11.1998	2
(10)	— ditto —	30.9.1998	26.11.1998	2
(11)	— ditto —	30.9.1998	26.11.1998	2
(12)	— ditto —	31.10.1998	21.12.1998	2
(13)	— ditto —	31.10.1998	18.12.1998	2
(14)	Valley Road Estate Phase 1	31.7.1999	17.8.1999	1
(15)	— ditto —	31.7.1999	17.8.1999	1
(16)	— ditto —	31.7.1999	17.8.1999	1
(17)	Chai Wan Estate Phase 3	31.1.2000	28.3.2000	2

Source: HD's records

Appendix E
(paragraphs 3.4, 3.6
and 3.9 refer)

**Audit's estimate of rental income forgone
arising from the vacancy of new reception flats**

CRP project (a)	Reception estate (b)	Number of flats designated for CRP (c)	Completion date of reception estate (d)	Allocation date of flats in reception estate (e)	Vacant period of flats in reception estate (Note 1) (f) (months)	Rental income forgone (Note 2) (g) (\$'000)
Shek Lei Estate Phase 9	Shek Yam East Estate Phase 1	522	Jan 96	Mar 97	13	8,700
	Kwai Fong Estate Phase 4	81	Jan 97	Mar 97	N/A	N/A
	Shek Lei Estate Phase 4	666	Apr 97	Mar 97	N/A	N/A
	Kwai Shing East Estate Phase 3	60	Jan 98	Mar 97	N/A	N/A
Yau Tong Estate Phases 2 and 3	Tsui Ping Estate Phase 6	101	Mar 96	Mar 97	11	1,424
	Kai Tin Estate	1,012	Mar 97	Mar 97	N/A	N/A
Lei Yue Mun Road Estate	Tsui Ping Estate Phase 6	20	Mar 96	Mar 97	11	282
	Kai Tin Estate	499	Mar 97	Mar 97	N/A	N/A
Sau Mau Ping Estate Phase 8	Sau Mau Ping Estate Phase 3	71	Mar 96	Feb 97	10	910
	Tsui Ping Estate Phase 6	78	Mar 96	Feb 97	10	1,000
	Tsz Lok Estate	241	Apr 97	Feb 97	N/A	N/A
Sau Mau Ping Estate Phase 9	Sau Mau Ping Estate Phase 3	288	Mar 96	Mar 97	11	4,061
	Tsui Ping Estate Phase 6	168	Mar 96	Mar 97	11	2,369
	Tsz Lok Estate	840	Apr 97	Mar 97	N/A	N/A
Total					18,746	(say \$19 million)

Source: HD's records

Note 1: The vacant period is the period between the dates in column (d) and column (e), less three weeks. (The deduction of a three-week period is to take into account the time required by the Management Branch to complete its inspection of the entire block.)

Note 2: The rental income forgone is calculated by the following formula: $\$1,282 \times (c) \times (f)$. (\$1,282 is the average monthly rent received by the HA for new Harmony flats.)

Appendix F
(paragraph 3.12 refers)

Vacant flats frozen from re-letting as at 31 December 1999

CRP projects	Target evacuation date	Number of vacant flats frozen from re-letting as at 31.12.1999
Hung Hom Estate Phase 2	February 2000	621
Lei Muk Shue Estate Phase 3	March 2000	626
Chai Wan Estate Phase 3	March 2000	155
Un Chau Street Estate Phase 2	April 2000	902
Kwai Chung Estate Phases 5 and 6	May 2000	2,286
Homantin Estate Phases 2, 3 and 4	August 2000	940
Valley Road Estate Phase 2	August 2000	878
Shek Kip Mei Estate Phases 1, 2 and 4	September 2000	466
Tai Hang Tung Estate Phase 2	September 2000	137
Shek Yam Estate Phase 4	January 2001	49
Cheung Sha Wan Estate Phases 1 and 2	January 2001	232
Yuen Long Estate	March 2001	769
San Fat Estate	March 2001	394
Sau Mau Ping Estate Phases 11 and 12	March 2001	326
Shatin Pass Estate	April 2001	127
Lam Tin Estate Phase 8	April 2001	392
Upper Wong Tai Sin Estate Phases 2 and 3	May 2001	422
Tung Tau Estate Phase 9	May 2001	249
Chai Wan Estate Phase 4	June 2001	644
Shek Lei Estate Phases 10 and 11	July 2001	287
Sau Mau Ping Estate Phase 13	October 2001	191
Upper Ngau Tau Kok Estate Phases 2 and 3	October 2002	83
Lower Ngau Tau Kok Estate Phases 2 and 3	February 2003	133
	Total	11,309
		(say 11,300)

Source: HD's records

Appendix G
(paragraph 3.13 refers)

**Ageing analysis of the 11,300 vacant CRP flats
frozen from re-letting as at 31 December 1999**

		Frozen period				Total
		Less than 1 year	1 to < 2 years	2 to < 3 years	3 to 4 years	
		(a)	(b)	(c)	(d)	(e)
(i)	No. of vacant flats	4,300	4,200	2,100	700	11,300
(ii)	Average vacant period (months)	6	18	30	42	
<hr/>						
(iii)	Vacant flat-month (i) × (ii)	<u>25,800</u>	<u>75,600</u>	<u>63,000</u>	<u>29,400</u>	<u>193,800</u>

Weighted average:

$$(193,800 \div 11,300) \text{ months} = \underline{\underline{17.2 \text{ months}}}$$

(say 17 months)

Source: HD's records

Appendix H
(paragraph 5.2 refers)

Housing Department's calculation of CRP delays

CRP projects	Original target evacuation date	Revised target evacuation date (Note 1)	Actual evacuation date	Delay
	(a)	(b)	(c)	(d) = (c) - (a) or (b) (months)
(1) Sau Mau Ping Estate Phase 7	March 1996	—	February 1997	11
(2) Chai Wan Estate Phase 2	January 1997	—	January 1997	None
(3) Kwai Fong Estate Phases 6 and 7	January 1997	June 1997	July 1997	1
(4) Lam Tin Estate Phase 5	March 1997	May 1997	July 1997	2
(5) Lei Yue Mun Road Estate	March 1997	October 1997	October 1997	None
(6) Yau Tong Estate Phases 2 and 3	March 1997	October 1997	October 1997	None
(7) Sau Mau Ping Estate Phase 8	May 1997	August 1997	September 1997	1
(8) Tsz Man Estate Phase 2	May 1997	September 1997	September 1997	None
(9) Sau Mau Ping Estate Phase 9	May 1997	August 1997	October 1997	2
(10) Shek Lei Estate Phase 9	July 1997	June 1998	May 1998	-1
(11) Pak Tin Estate Phase 3	August 1997	April 1999	March 1999	-1
(12) Lam Tin Estate Phase 6	November 1997	—	November 1997	None
(13) Upper Ngau Tau Kok Estate Phase 1	November 1997	July 1998	May 1998	-2
(14) Shek Pai Wan Estate Phase 2	February 1998	August 1998	June 1998	-2
(15) Lam Tin Estate Phase 7	April 1998	December 1998	December 1998	None
(16) Kwai Chung Estate Phases 2 and 4	September 1998	January 1999	March 1999	2
(17) Valley Road Estate Phase 1	November 1998	August 1999	September 1999	1
(18) Tai Wo Hau Estate Phase 6	June 1999	—	June 1999	None
(19) Hung Hom Estate Phase 2	July 1999	January 2000	February 2000	1
(20) Chai Wan Estate Phase 3	October 1999	April 2000	March 2000	-1
(21) Un Chau Street Estate Phase 2	February 2000	December 2000	May 2000	5
(22) Lei Muk Shue Estate Phase 3	March 2000	—	March 2000	None
Net total delay				19

Average delay of all 22 projects: 19 months ÷ 22 = **0.86 month** (Note 2)

Source: HD's records

Note 1: In these cases, the original target evacuation dates were revised because of the late completion of reception estates.

Note 2: In arriving at the average project delay of 0.86 month, the HD has used savings in time (i.e. -7 months) in five projects (i.e. projects (10), (11), (13), (14) and (20) above) to offset delays (i.e. +26 months) in the nine delayed projects (projects shaded above).

Appendix I

Acronyms and abbreviations

AAS	Advance Allocation Scheme
CRP	Comprehensive Redevelopment Programme
FGLCH	Former Government Low Cost Housing
HA	Housing Authority
HD	Housing Department
ISHM	Integrated System for Housing Management
LTHS	Long Term Housing Strategy
NTQ	Notice to Quit