

Executive Summary

Direct Investigation Report

Housing Department's Arrangements for Housing for Senior Citizens and Converted One-person Units

Introduction

In the 1980s, the Housing Department (“HD”) introduced the Housing for Senior Citizens (“HSC”) scheme to provide hostel-type public rental housing (“PRH”) for elderly tenants aged 60 or above. With 24-hour welfare worker (or warden) service, HSC has three types according to the design of units, namely Type 1 (“HS1”), Type 2 (“HS2”) and Type 3 (“HS3”). Tenants have to share the kitchen, living room and/or bathroom facilities. Converted one-person (“C1P”) units of a similar design as HS1 were also provided in response to the society’s demand for one-person PRH units at that time.

2. Nevertheless, with the change of times, public expectations for living condition and privacy are no longer the same. These units, with shared kitchen and bathroom facilities, have become outdated and unpopular. To reduce their vacancy rates, the Hong Kong Housing Authority (“HKHA”) has taken multiple measures over the years, such as lifting the age limit for HSC, ceasing the allocation of HS1 and C1P units and providing tenants with transfer incentives with a view to recovering and converting these units into ordinary PRH flats. After a lapse of nearly two decades, HD has yet to recover all HS1 and C1P units which are no longer available for allocation. As at the end of March 2023, around 60% of the partitioned rooms in these units were vacant; the vacancy rates of HS2 and HS3, which are still available for allocation, were also high at around 15% and 10% respectively.

3. Given the problem of short-term shortage of public housing in Hong Kong, it is incumbent upon HD to review the effectiveness of existing measures related to HSC and C1P units and make corresponding adjustments. While showing compassion and sympathy for the elderly tenants affected, HD should also ensure more effective deployment of relevant PRH resources to meet the strong demand for public housing.

Our Findings

4. This Office has the following observations and comments regarding HD's arrangements for HSC and C1P units.

(I) Too Many PRH Applicants Refused Allocation of HS2/HS3 Units

5. HD allocates HS2/HS3 units to general PRH applicants in order to reduce the vacancy rates of those units. This Office, however, notes that most members of the public would not regard HSC with shared kitchen and bathroom facilities as ordinary PRH flats. HD has lifted the age limit for HSC years ago and has continued to allocate these units, but in each of the past five years more than 1,000 PRH applicants refused the offers of HSC units. In 2021/22, only 3% of PRH applicants who had not joined the Express Flat Allocation Scheme ("EFAS") accepted the offers of HSC units, indicating that these units were highly unpopular. This Office considers HD's practice obsolete to regard and allocate HSC with shared kitchen and bathroom facilities as ordinary PRH flats.

6. Currently, the vacancy rates of HS2 and HS3 are 15% and 9% respectively, higher than the overall target of below 1.3% under the key performance indicators set by HKHA for PRH vacancy rate, and also far higher than the vacancy rates of ordinary PRH flats. Given the short-term shortage of public housing, this office considers that the vacancy rate at above 10% is undesirable and the use of PRH resources has not been optimised.

7. Moreover, some PRH applicants alleged that they were allocated units with shared kitchen and/or bathroom facilities despite not having applied for the EFAS or HSC. These applicants felt aggrieved at HD's arrangements that refusing the offer would be counted as forfeiting one chance of flat allocation. Although the PRH application form specified that HSC might be allocated to non-elderly applicants whose household size is one or two persons, HD did not explicitly explain that tenants in these units would have to share the kitchen and/or bathroom facilities with others.

(II) Too Few HS1 and C1P Tenants Applied for Voluntary Transfer

8. Cessation of the allocation of HS1 and C1P units would facilitate HD's recovery and conversion of these units into ordinary PRH flats, yet the progress depended on whether elderly tenants were willing to transfer. Despite HD's

incentives, the elderly tenants of HS1 and C1P units were not keen about voluntary transfer. In the past five financial years (from 2017/18 to 2021/22), voluntary transfer was not the major reason for elderly tenants to move out of their HS1 or C1P units.

9. Since HD has to wait for all the tenants to move out from a unit before converting it into an ordinary PRH flat, the vacancy periods of partitioned rooms in these units are often long. Around 80% of HS1 units and nearly 90% of C1P units had partitioned rooms left vacant for ten years or longer (involving a total of 498 partitioned rooms). Moreover, as at the end of March 2023, 96% of HS1 units and 100% of C1P units were let to just one household (involving a total of 370 units). In other words, almost all these units are being occupied by only one household. Consequently, the progress of unit conversion is extremely slow, and the vacancy rates of these two types of units are persistently high.

(III) Welfare Worker Service of HSC Deviated from Original Purposes

Role of Welfare Workers in HS2/HS3 Altered

10. HKSA lifted the age limit for HSC so that single non-elderly tenants are allowed to live in HSC units. With those non-elderly or even young tenants, the role of welfare workers in HSC, whose task was looking after the daily needs of the elderly in the past, has also changed. In addition to caring for the elderly HSC tenants and performing general duties of building management, welfare workers are also expected to harmonise the relations between two generations of tenants. It calls into question whether they have enough time to understand and care for every elderly tenant.

Welfare Worker Service for HS1 Ceased

11. The Government's original intent to introduce hostel-type HSC with 24-hour welfare worker service was to provide better care for elderly tenants. Welfare workers would help the elderly to overcome adaptation difficulties, and foster harmonious relations among tenants. However, the welfare worker service for HS1 ceased in November 2022.

12. Currently, all HS1 units are occupied by singleton elderly tenants. After the cessation of welfare worker service, these units are equipped with emergency alarm system, but the effect is entirely different from the regular care provided by welfare workers to the elderly tenants in the past. The living conditions of these HSC units

become the same as that of ordinary PRH flats. The original intent of providing hostel type accommodation for better caring of the elderly has gradually been defeated.

(IV) Failing to Explore Breakthrough Measures

Targeting HS2/HS3 Units Still Available for Allocation

Launching New Allocation Scheme

13. This Office notes that nearly 90% of the applicants joining EFAS (who knew that they might be allocated or even select by themselves an HSC unit) accepted the offers of HSC units, reflecting that HSC units are more acceptable to applicants when they could make an informed choice.

14. While HD considered the existing EFAS conducive to the letting of HS2/HS3 units through the mode of self-selection by applicants, the effect is not entirely satisfactory, given the high vacancy rates and number of refused offers of these units. In our view, if the situation persists without significant improvement, HD should seriously consider tailoring a specific allocation scheme for better utilisation of PRH resources, thereby optimising the use of available resources to benefit people in need.

Letting to PRH Applicants as Transitional/Interim Housing

15. HD opined that the letting of HS2/HS3 units with higher vacancy rates than ordinary PRH flats to PRH applicants as transitional housing is not feasible. Given that transitional and public housing are subject to different policies and modes of operation and management, handing over a small portion of vacant units to non-governmental organisations for refurbishment and operation as transitional housing might cause confusion and would not be economically efficient.

16. This Office recognises HD's concerns and worries, but the concept of using these units as transitional/interim housing is worth further exploring. If HD is concerned about the possible impact caused to PRH applicants on the waiting list, it can consider selecting one of the HSC blocks on a trial basis and letting some of the prolonged vacant units to applicants who have been waiting for PRH for years and living in substandard homes, thereby providing short-term accommodation for people with urgent housing needs.

Changing the Use

17. Currently, HKHA has no plan to convert or change the use of HS2/HS3 units. These units are allocated to PRH applicants on an ongoing basis. If existing arrangements remain unchanged, the occupancy rates of these units will hardly improve significantly. In the long run, HD should more proactively examine the needs for changing the use of HSC, or even conduct an assessment on specific HS2 units located in the ancillary facilities blocks of PRH estates (mostly above the commercial podium or carpark), and consider including those HS2 units in redevelopment plans so as to address the root of this issue.

Targeting HS1 and C1P Units No Longer Available for Allocation

Promoting and Introducing More Transfer Incentives

18. Information showed that between 2016 and 2021, 306 HS1 units (or 61%) and 67 C1P units (or 29%) recovered were converted into flats suitable for six persons or more. Evidently, recovering these units can release more sizable flats for larger families and benefit more PRH applicants. This Office notes that HD launched the Phasing-out Programme 20 years ago to encourage and facilitate the transfer of HS1 and C1P tenants to other PRH flats. Although the Programme had certain effect initially, the progress of recovering these units has slowed down subsequently.

19. Meanwhile, for HS1 with the welfare worker service already ceased and C1P units without ancillary service all along, HD's home visit team should continue to attend to the needs of elderly tenants therein. In addition, HD should approach and collaborate with the Social Welfare Department ("SWD") or welfare agencies to provide suitable support to the elderly tenants of HS1 and C1P units according to their individual circumstances and welfare needs, and proactively lobby and encourage them to transfer.

20. HD has introduced the Full Rent Exemption Scheme for Elderly Households, under which elderly tenants of HS1 and C1P units aged 70 or above will be granted a one-off domestic removal allowance upon moving to a PRH flat of suitable size and full rent exemption for life thereafter. However, the response to the scheme has been lukewarm. This Office urges HD to review the effectiveness of existing schemes from time to time. To this end, HD's home visit team can sound out the elderly tenants to understand their views about the scheme and other incentives during home visits, thereby evaluating the effectiveness of various schemes and formulating

more attractive solutions to encourage voluntary transfer of elderly tenants of HS1 and C1P units.

Following up the Transfer of Non-elderly Tenants

21. HD information showed that as at the end of May 2023, there are still seven households solely consisted of non-elderly members in C1P units. While HD has encouraged them to take up the entire unit through Automatic Offer scheme, no tenants vacated their units under the scheme in the past five financial years (from 2017/18 to 2021/22), reflecting that it is not effective. HD should continue to follow up their cases vigorously and speed up recovering these units.

Recommendations

22. In the light of the above, The Ombudsman makes eight recommendations to HD:

Targeting HS2/HS3 Units Still Available for Allocation

- (1) review whether HS2/HS3 units should still be classified as ordinary PRH flats, and consider ceasing to allocate these units to general PRH applicants;
- (2) seriously consider tailoring a specific allocation scheme for HS2/HS3 if the vacancy rates of these units and the number of refused offers remain high without significant improvement;
- (3) in case of unsatisfactory results of the measures aforesaid, draw on the concept of transitional housing and consider selecting one of the HS2/HS3 blocks on a trial basis and allocating some of the prolonged vacant units as short-term accommodation for people with urgent housing needs;
- (4) review the effectiveness of the existing measures, and in case of unsatisfactory results of the measures aforesaid, consider in the long run the needs for changing the use of HS2/HS3, or even conduct an assessment on specific HS2 units, and consider including those HS2 units in redevelopment plans;

- (5) before implementation of the measures aforesaid, continue to step up publicity and disseminate information about HS2/HS3 to enhance the understanding of PRH applicants;

Targeting HS1 and C1P Units No Longer Available for Allocation

- (6) promote and introduce more transfer incentives, approach and collaborate with SWD or welfare agencies to proactively lobby and encourage the elderly tenants of HS1 and C1P units to transfer, such as rehousing in the same district;
- (7) consider instructing its home visit team to sound out the HSC and C1P tenants to understand their views about the Full Rent Exemption Scheme for Elderly Households and other incentives during home visits, thereby evaluating the effectiveness of various schemes and formulating more attractive solutions; and
- (8) continue to follow up the cases of C1P households solely consisting of non-elderly members and speed up recovering these units.

**Office of The Ombudsman
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