



市區重建局

URBAN RENEWAL
AUTHORITY

Hung Fook Street / Kai Ming Street *Development Project (KC-011)*



Stage 2 Social Impact Assessment

July 2016

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Appendix 1: Ground Floor (G/F) Shops within the Project Area

1. INTRODUCTION

- 1.1 The new Urban Renewal Strategy (URS) issued by the Government in February 2011 states that the Urban Renewal Authority (URA) will carry out Social Impact Assessment (SIA) studies in the form of “a Stage 1 social impact assessment before the publication of any proposed redevelopment project in the Government Gazette”, and “a Stage 2 social impact assessment after the proposed project has been published in the Government Gazette”.
- 1.2 URA published in the Government Gazette the commencement of the Hung Fook Street / Kai Ming Street Development Project KC-011 (the Project) on 3 June 2016. On the same day the Stage 1 SIA was made available for public inspection. This Stage 2 SIA report is based on the factual data and opinions collected as part of the freezing survey for this Project conducted from 3 June 2016 to 5 June 2016, and from the follow-up survey visits by appointments conducted up to 4 July 2016.
- 1.3 This report covers the elements listed in paragraph 37 of the URS for the affected residents, families and businesses within the Project, including:
- (a) the population characteristics of the residents affected by the proposed project;
 - (b) the socio-economic characteristics of the affected residents;
 - (c) the rehousing needs of the affected tenants;
 - (d) the relocation needs of the affected shop operators;
 - (e) the housing preferences of the affected owners and tenants;
 - (f) the employment status of the affected owners and tenants;
 - (g) the place of work of the affected owners and tenants;
 - (h) the social networks of the affected owners and tenants;
 - (i) the educational needs of children of the affected families;
 - (j) the special needs of the elderly;
 - (k) the special needs of the disabled;
 - (l) the special needs of single-parent families, particularly those with small children;
 - (m) a detailed assessment of the potential social impact of the proposed project; and
 - (n) a detailed assessment of the mitigation measures required.
- 1.4 The Christian Family Service Centre (CFSC) has been commissioned by the Urban Renewal Fund to act as the Social Service Team (SST) for this Project. They are tasked to provide assistance and advice to residents and operators affected by the

Project. Cases requesting assistance and those identified in the course of the SIA analysis as requiring assistance have been referred to the SST for their follow-up action.

2. BACKGROUND

- 2.1 The proposed development project (the Project) comprises buildings at Nos. 16-46 Hung Fook Street (even nos. only), Nos. 21-39 Kai Ming Street (odd nos. only), and Nos. 35-37 Wing Kwong Street (odd nos. only), To Kwa Wan, Kowloon City (**Figure 2.1**).
- 2.2 The Project is bounded by Hung Fook Street to the north, Wing Kwong Street and URA project DL-8:KC to the east, and Kai Ming Street to the south. It covers an area of about 2,635m², including portion of surrounding public pavement where some of the affected buildings overhang, and a Government back lane.
- 2.3 The net site area used to calculate the development potential of the Project which has included the area of all the private lots and the government lane within the Project is about 2,440m². This net site area excludes the pavement of which the buildings overhang. The existing heights of the buildings within the project area range from 7 to 8 storeys high.
- 2.4 The Project falls within one of the "Proposed Redevelopment Priority Areas" in the KC DURF's Urban Renewal Plan. The KC DURF's Urban Renewal Plan recommended that in the "Proposed Redevelopment Priority Area", *"redevelopment should be given priority as the urban renewal approach for the area"*. The DURF SIA, in particular the community profile compiled for this Priority Area, will be taken into consideration in this report.
- 2.5 There are a number of URA projects in the proximity to the Project. In order to realise the community benefits under a local community planning approach, on 3 June 2016, URA also self-initiated Hung Fook Street/ Ngan Hon Street (KC-010) under Section 25 of the URAO located to the north of KC-011, and Wing Kwong Street (KC-012) under Section 26 of the URAO located to the southwest of KC-011. **Figure 2.2** refers. The Bailey Street/Wing Kwong Street Development Project (KC-009) commenced on 4 March 2016 and is located further south of the Project.
- 2.6 To improve traffic accessibility and enhance pedestrian connectivity in the area, it is intended to provide a through road extending from Wan On Street via URA Projects KC-009, KC-010, KC-011 and KC-012 to Ngan Hon Street. An underground car park will be provided at KC-010 accommodating car parking spaces and loading/unloading bays to serve the area bounded by Ngan Hon Street, To Kwa Wan Road, Wing Kwong Street and Sung On Street, as well as coach parking spaces. Such arrangement can

maintain street fronts of the area by discouraging necessities of open up run in and out in individual developments.

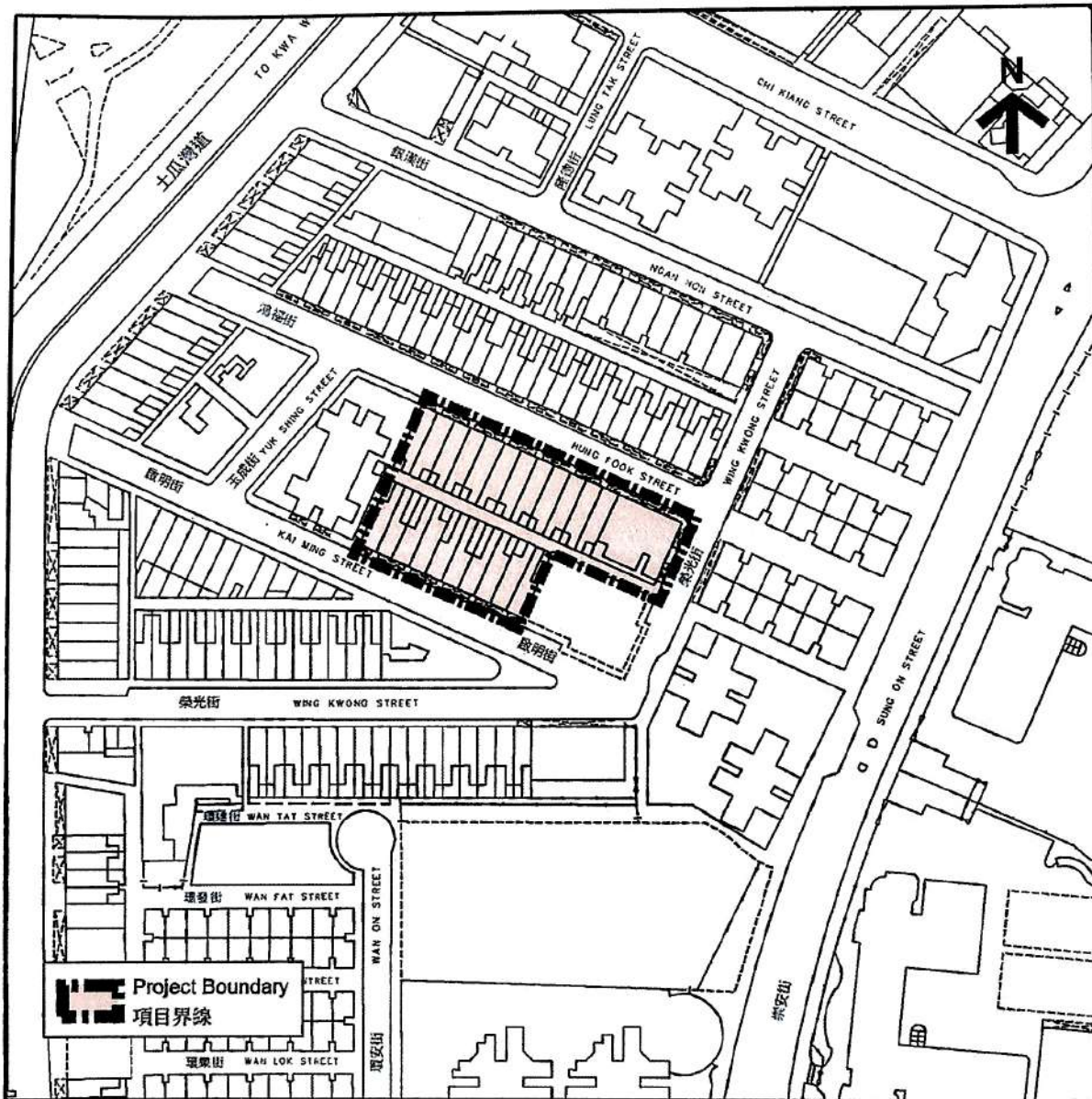


Figure 2.1 Location Plan

- 2.7 To the immediate east of the Project is the Kai Ming Street Demand-Led Development Project (DL-8:KC, 41-51 Kai Ming Street, odd nos. only), which was commenced in response to the dangerous building condition found at Nos. 45, 47, 49 and 51 Kai Ming Street, where Buildings Department applied for a closure order issued on 30 August 2013 and demolition orders issued on 19 December 2013.
- 2.8 Further south of the KC-009 Project is the URA Ma Tau Wai Road / Chun Tin Street Development Project (TKW/1/002) which commenced in response to the tragic collapse of No. 45J Ma Tau Wai Road on 29 January 2010, which caused loss of lives and seriously affected the structural integrity of adjacent buildings along Ma Tau Wai

Road.

2.9 East of TKW/1/002 project is another URA project - URA Chun Tin Street / Sung Chi Street Development Scheme (KC-008A) commenced on 6 May 2016. **Figure 2.2** shows the location of URA projects in the vicinity.

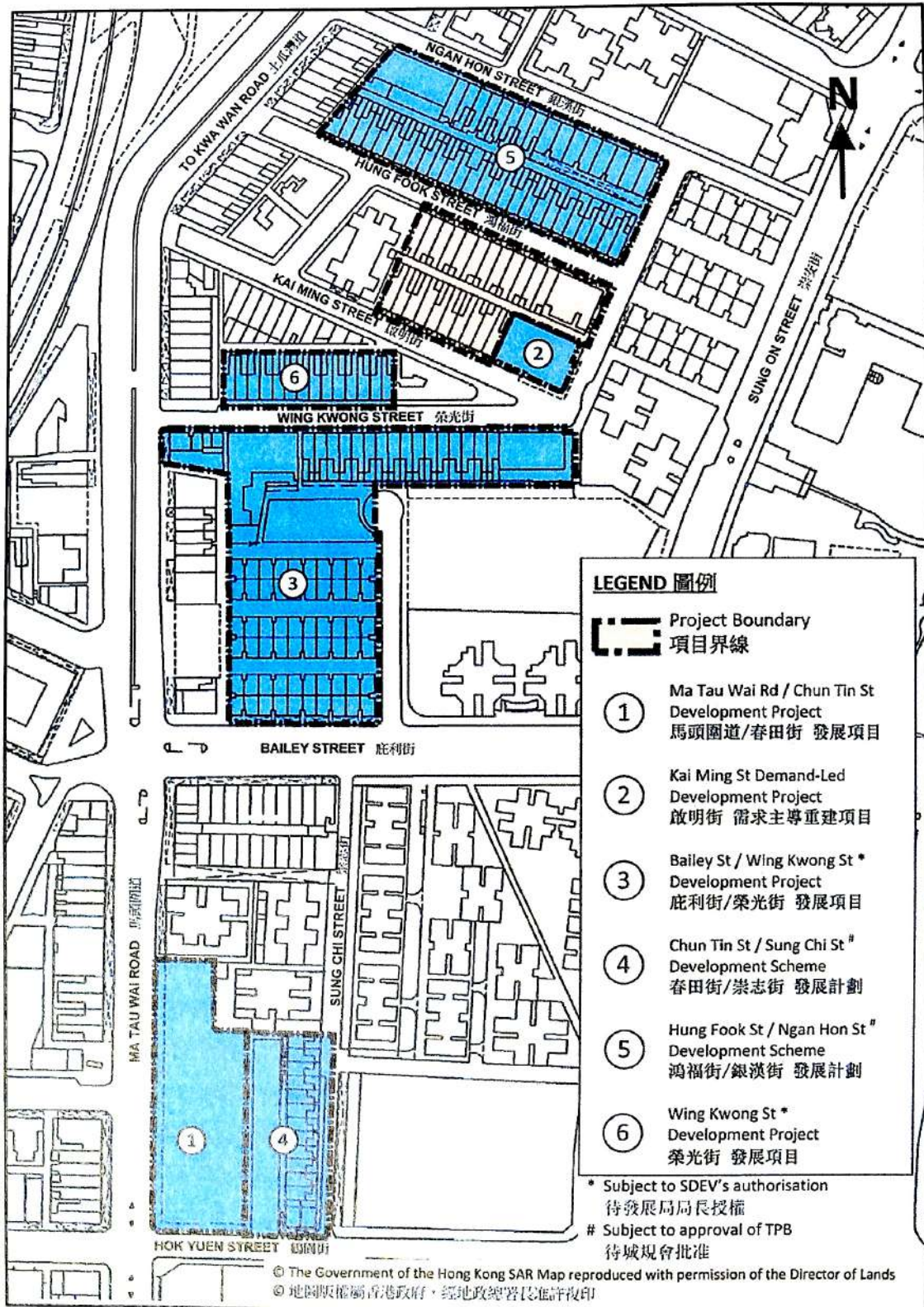


Figure 2.2 URA projects in the vicinity

Distribution of Units and Households

2.10 According to the approved General Building Plans (“GBPs”) and Occupation Permits (“OPs”) for the buildings within the Project, there are 186 units for domestic uses and 28 units on the ground floor are designated as “Shop” uses. A total of 186 domestic units and 28 non-domestic units will be adopted for this SIA report. The results of the Freezing Survey (“FS”) will also reflect the existing occupancy situation and uses.

2.11 Some 364 units (including self-contained sub-divided units and roof structures) were found, of which some 315 units (about 87%) were found to be inhabited and successfully surveyed; this includes 105 units; 163 subdivided self-contained units, 22 partitioned rooms; 25 rooftop structures; and 3 confirmed vacant units; no survey has been conducted for the remaining 46 units since the residents of these units could not be contacted or refused to respond (up to 4 July 2016). One domestic household was found to reside in the cockloft of a non-domestic premise on G/F. The number of domestic units found in the Project is higher than the total 186 original units shown in the approved GBPs for the buildings within the boundary of the Project, mainly because about 39% of units (72 units) have been sub-divided or partitioned, and also the addition of roof structures.

Successfully Conducted Freezing Survey (“Successfully surveyed”)	Living Units	Households
Successfully surveyed (for domestic uses)	315	319
Vacant units	3	3
No contact/ Refused to respond	46	N/A
Total	364	322

Table 2.1 Number of living units and households found within Project boundary

2.12 A total of 319 households were surveyed in the Project and the owners of 3 vacant units have submitted FS and/or SIA forms, so the following assessment will be based on 322 surveyed FS questionnaires (including the 319 households and 3 households of vacant units), of which 296 (about 92%) have responded to both the FS survey and SIA survey. Twenty-six (26) (about 8%) only answered the FS forms and refused to answer the SIA questions. The following assessment related to SIA will be based on the 296 surveyed SIA forms. Those who refused to answer particular questions of the SIA questionnaires, or had chosen “no response” in particular questions in the SIA questionnaires, will be categorized as “Nil Response” in this report.

Total No. of Households	319
Vacant Units	3
Successfully responded to both FS (successfully surveyed) and SIA questionnaire (successfully interviewed).	296
Only responded to FS (successfully surveyed) but refused to do SIA questionnaire (Refused to do the SIA).	26

Table 2.2 Results of FS and SIA surveys within the Project

- 2.13 Regarding non-domestic uses, the original 28 GBP non-domestic units are converted into 30 premises. In addition, 3 staircase premises were found. Thirty (30) business operators were surveyed out of 33 premises, of which 25 operators answered both the FS and SIA surveys. Five (5) operators only responded to the FS survey, and did not respond to the SIA questionnaire. Details are elaborated in Section 11 (Business Impact) of this report.

Physical condition and living environment

- 2.14 For the domestic households, among those 296 interviewed who have completed both the FS and the SIA form, 58% of the interviewed households indicated that their units occasionally or frequently suffered from water seepage and about 61% indicated the same frequency of problem with concrete spalling. Around 27% of households indicated that their units occasionally or frequently suffered from problems of no flushing water supply. Regarding the living environment within the units, 65%, 67% and 76% of the respondents indicated that they occasionally or frequently suffered from problems of noise nuisance, poor indoor and outdoor air quality respectively. It indicates almost two-third of the households considered their living environment to be unsatisfactory. **Figure 2.3** shows the opinions of the interviewed households on the physical condition and the living environment within their units.

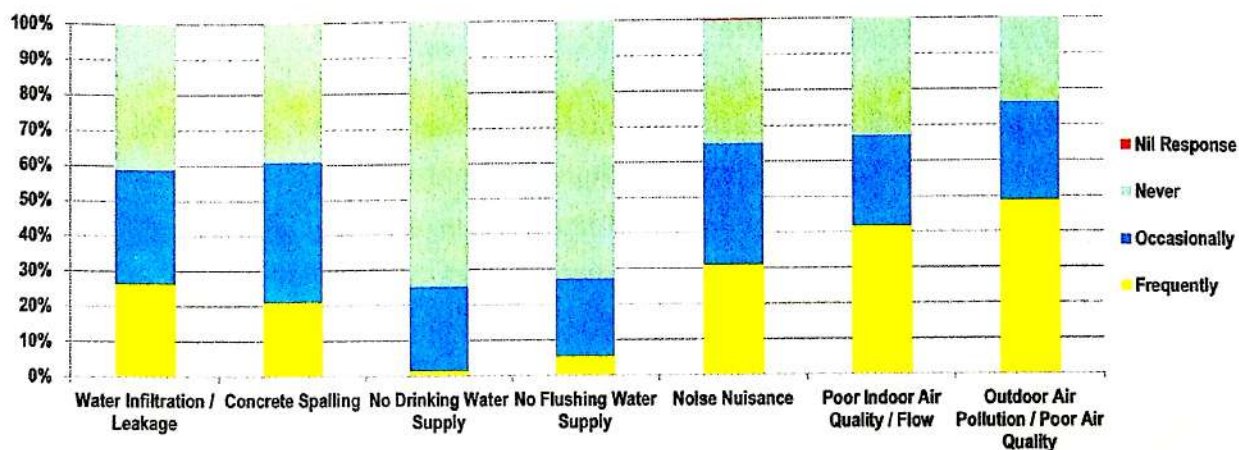


Figure 2.3 Opinions on the Physical Conditions and Living Environment of their Units

2.15 On the question of fire safety and hygiene concerns, about 61% of the interviewed households commented that they occasionally or frequently suffered from problem of obstruction of staircases / corridors. About 75% of households responded that they suffered of poor hygiene condition of common areas (e.g. in yards, staircases, corridors, etc). On security matters, about 54% and 31% of interviewed households expressed that they experienced occasionally or frequently loitering of strangers, and crime events, e.g. burglary, robbery, drug abuse, respectively. **Figure 2.4** shows the opinions of the interviewed households on the living environment of their units in terms of fire safety, hygiene and security issues.

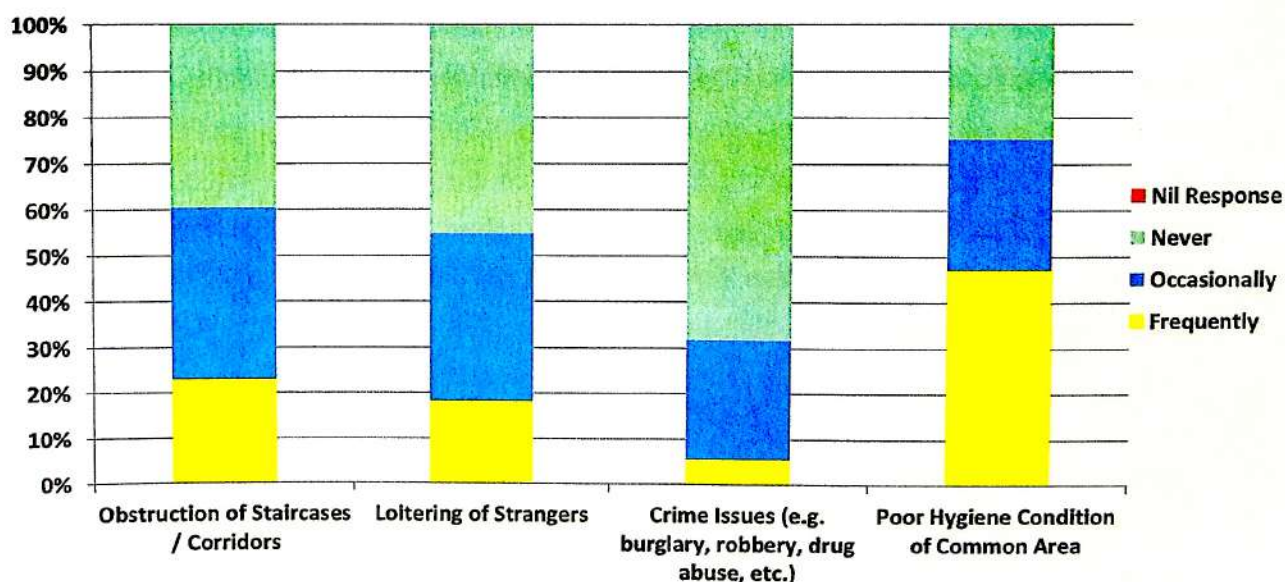


Figure 2.4 Opinions on the Living Environment of their Units

Views on redevelopment

- 2.16 Of the 296 households interviewed who responded to the both the FS and the SIA questionnaire, 231 households (about 78%) of respondents support or strongly support the development project. Fifty (50) households (about 17%) had no comment, and only 11 households (around 4%) did not support the redevelopment and 4 households (about 1%) were strongly against it.

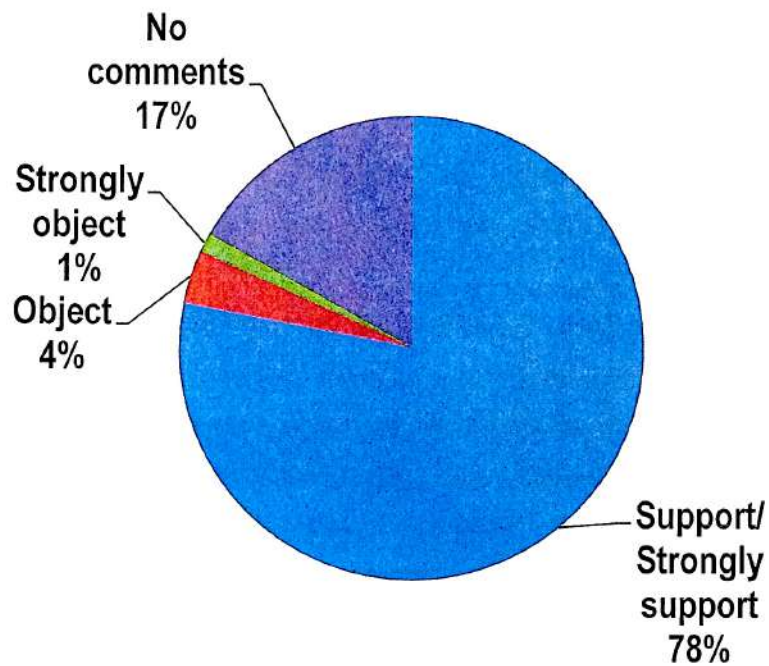


Figure 2.5 Domestic Households' Views on Redevelopment

3. POPULATION & HOUSEHOLD CHARACTERISTICS

- 3.1 Except stated otherwise, the territorial average numbers used for comparison in this report is based on 2011 Population Census results published by the Census and Statistics Department in March 2012.
- 3.2 The total number of households and population within the Project is 319 and 821 respectively. It results in an average household size of 2.57 persons. It reflects a lower average household size in the Project area as compared to the territorial average of 2.9 persons per household. This lower average household size may be due to the presence of some subdivided units within the Project.
- 3.3 Based on the number of surveyed resident households (319) and the successfully surveyed living units (315) within the Project, the degree of sharing (or the “average number of domestic households per unit of quarters”) in the Project is 1.01 (319 households/ 315 surveyed units), which is similar as the territory-wide average of 1.0 for private permanent housing in the 2011 Census. However, this figure does not truly reflect the overcrowded situation within the Project. If the original number of domestic units in approved GBPs is adopted as the basis, the degree of sharing will be about 1.71 (319 households / 186 original units).
- 3.4 The degree of sharing is much higher within those sub-divided units. Of the 186 original upper floor residential units indicated in the approved GBPs, 72 units (39%) were found to be sub-divided or partitioned into rooms. 188 households were surveyed in the 163 subdivided units and 22 partitioned rooms. If the 188 households living in sub-divided units are considered as “sharing” of units and the original number of domestic units is adopted as the basis, the degree of sharing is at about 2.61 (188 households / 72 original units). Of the 186 original residential units indicated on the approved GBPs, only the conversion of 11 number of original units into 25 number of property interests have been registered in the Land Registry.
- 3.5 In addition to the sub-division of the original domestic units, there are 25 rooftop structures being used for domestic purposes within the Project. **Table 3.1** shows the sub-division of domestic units. **Figure 3.1** shows the percentage of sub-division of approved GBP units of the Project.
- 3.6 There are three vacant units within the Project. Since the owners of these 3 units (4 persons) have also responded to the FS and/or SIA forms, their views will be included in the assessment of owner occupiers in Sections 4 to 10, where applicable.

		GBP	Living Units	Households
Non-subdivided	<i>Surveyed units</i>	105	105	105
Subdivided	<i>Surveyed units (self-contained)</i>	66	163	163
	<i>Surveyed units (partitioned rooms)</i>	6	22*	25*
	<i>Surveyed Roof structures</i>	N/A	25	25
	<i>Surveyed Non-dom unit for mixed use</i>	N/A	N/A	1 [#]
Sub-total Surveyed Inhabited Units		177	315	319
Vacant Units (completed FS/SIA)		2**	3**	3**
Total Surveyed Units		179	318	322
Unsurveyed/refused to be surveyed units		7	46	N/A
Grand Total		186	364	322

* Four households were found within one unit with partitioned rooms.

** 2 vacant units were found within 2 non-subdivided units and 1 vacant unit was found within a subdivided unit.

One household was found to reside within a cockloft of a ground floor non-domestic premise.

Table 3.1 Sub-division of domestic units

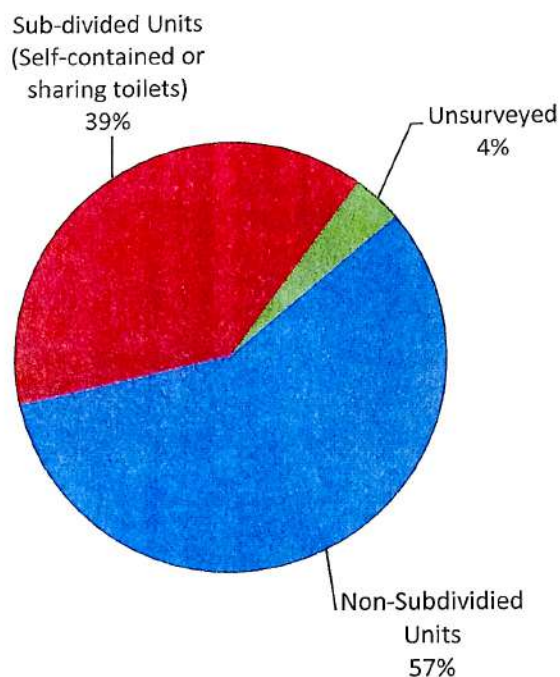


Figure 3.1 Percentage of Sub-division of Approved General Building Plans (GBP) units

- 3.7 Of the total 821 residents were recorded in the FS, 428 were male, 390 were female. Three (3) persons did not fill in this part of the questionnaire. The distribution gives a ratio of 110 male residents to every 100 female residents.
- 3.8 Among the 798 residents who disclosed their age information, the economically active age group of 25 to 64 accounts for about 62.3% of the total population. The number of residents in this age group is similar to the corresponding territory-wide level of 62.7%, while the youth age group of 15-24 (about 10%) is lower than the territory-wide level of 12.4%. The 0-14 age group, representing about 17% of the population in the Project, is higher than the corresponding territory-wide level (11.6%). The elderly group (65 and above), representing about 10.5% of the total population in the Project, is lower than the corresponding territory-wide level of 13.3%. Twenty-three (23) people (3% of the total population) did not respond to this part of the questionnaire. The findings of the survey show that the percentage share of the number of elderly in the total population of the Project is not particularly high. It is anticipated that the assistance required to support this more vulnerable group should be manageable. **Figure 3.2** showed the age structure of the Project.

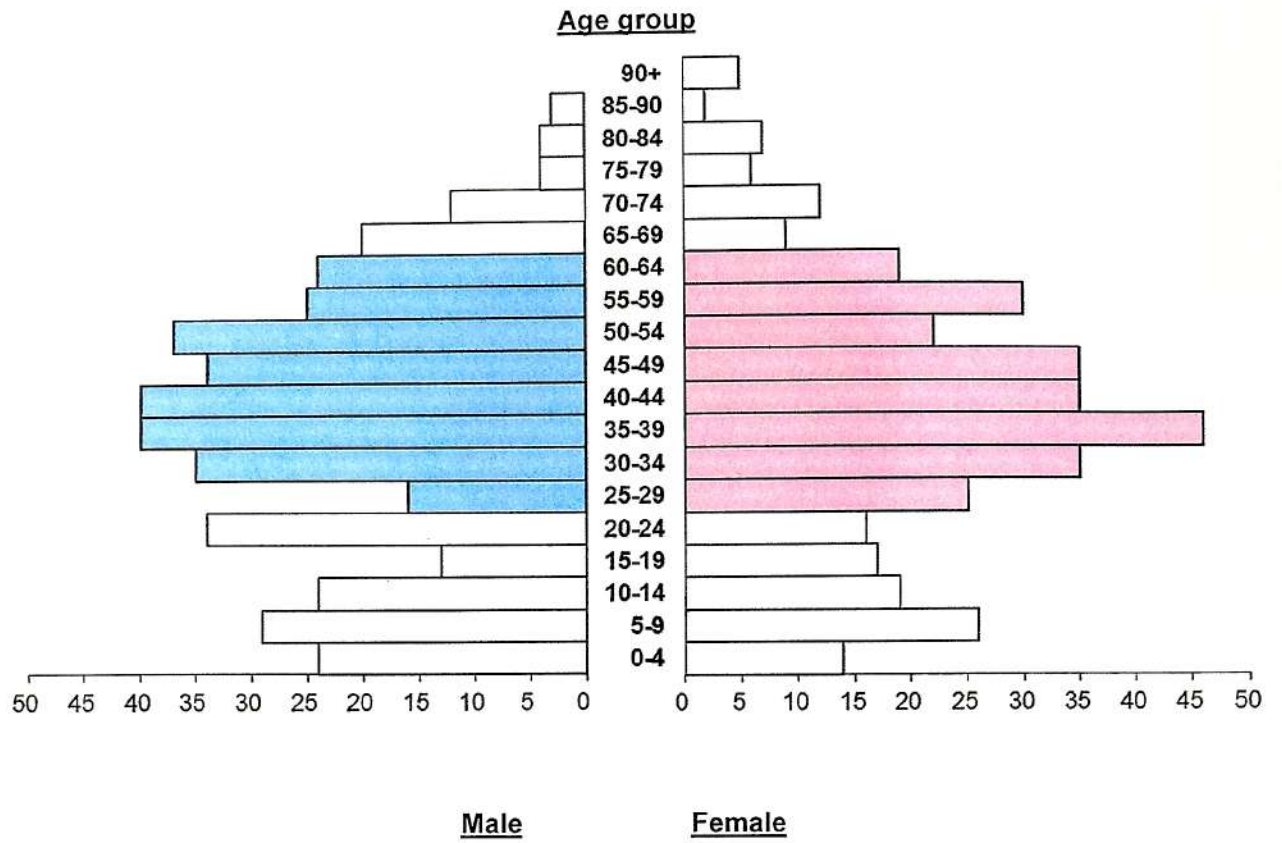


Figure 3.2 Age Structure

4. SOCIO-ECONOMIC CHARACTERISTICS

Income Level

- 4.1 The monthly income of 296 households are recorded and analyzed. Sixty-five (65) households (about 22%) did not respond to this part of the questionnaire, and hence are not included for the assessment of income level. As shown in **Figure 4.1**, approximately 28% of the households have monthly income less than HK\$10,000 per month, which is higher than the territory-wide average of 24%. For households receiving less than HK\$4,000 per month, the proportion was about 11% which is higher than the territory-wide average of 9% as reported in the 2011 Census. A high proportion of interviewed households (47%) have monthly income of more than HK\$15,000 per month, in which 21% of them are in the range of HK\$15,000–HK\$19,000. Based on those who responded, the percentage of low-income household living within the Project appears to be high.

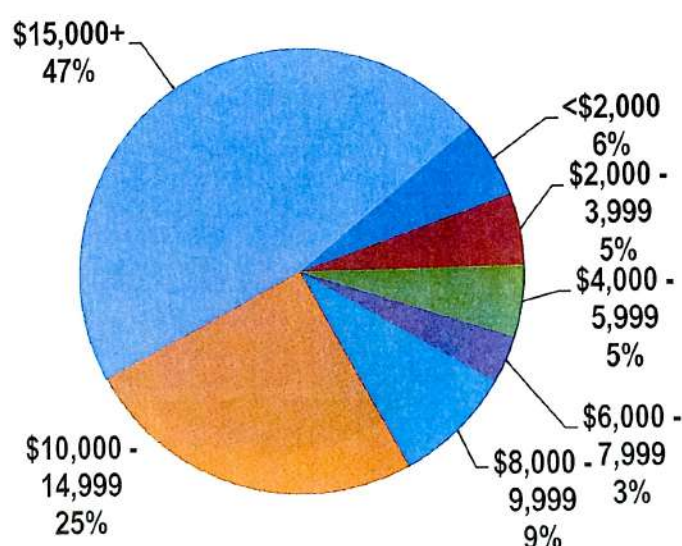


Figure 4.1 Household Income (HK\$ per month)

- 4.2 Out of the 296 households, only 26 household (i.e. around 8.7% of the total households) was recorded as currently receiving Comprehensive Social Security Assistance (CSSA). The percentage share of the population in the Project receiving CSSA (8.5%) is higher than the territorial level of 5.3% as at end 2014¹. The URA and the SST would pay particular attention and to offer assistance to those in need of help and refer them to relevant services and practical assistance from various Government Departments and services providers.

¹. *Statistics on Comprehensive Social Security Assistance Scheme, 2004 to 2014, Feature Article of Hong Kong Monthly Digest of Statistics*, September 2015. Census and Statistic Department

Residence

- 4.3 Forty-nine (49) out of 825 residents interviewed in the FS (about 6%) replied that they were subject to conditional stay, as shown in **Figure 4.2**. All the residents in this group could not meet the eligibility criteria for public rental housing as applied by the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS). Subject to the merits of individual cases, some may be considered under special circumstances by the SST and the URA and rehousing may be offered on genuine compassionate grounds. Assistance will also be provided, if requested, in finding potential suitable premises at affordable rent in the private market.

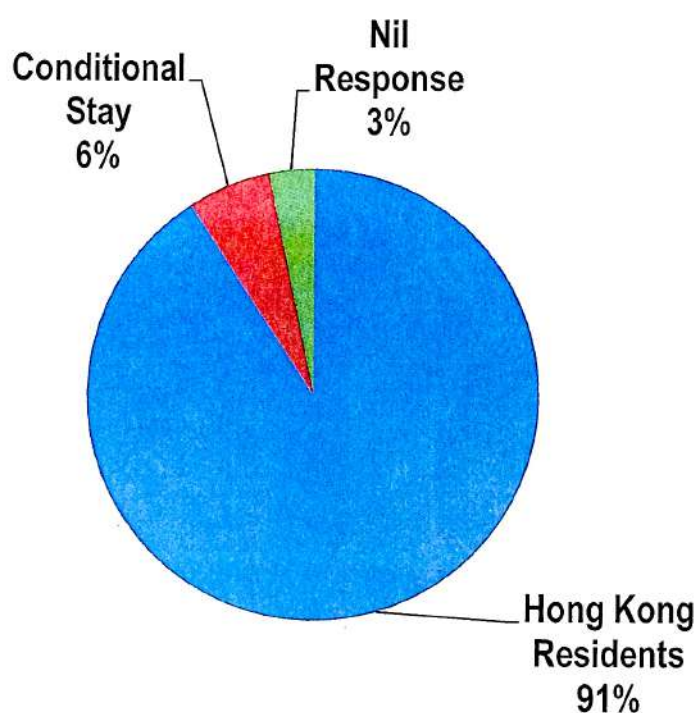


Figure 4.2 HKSAR Resident Status

- 4.4 **Figure 4.3** indicates the length of time the affected households have resided in their current abode. Out of 322 households, over half of the surveyed households (some 55%) have lived in the Project for less than 5 year, of which 10%, less than a year. Seventy (70) households (about 22%) have lived within the Project for over 20 years. Of this group of households living over 20 years, 51 had elderly family members. This elderly group might find it more difficult to adjust to a new living environment. The assistance of the SST in providing orientation services and holding community gatherings will be important in helping these residents adapt to their new environment.

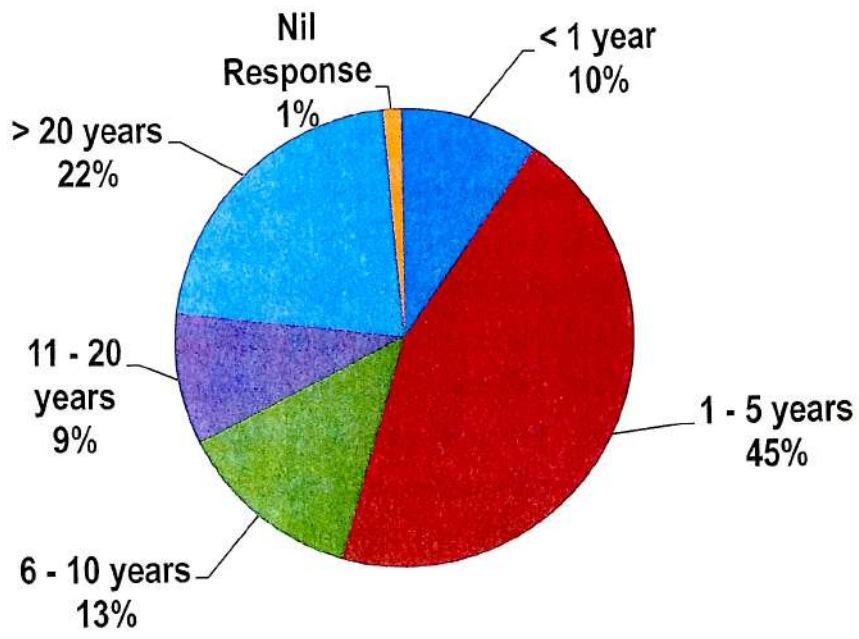


Figure 4.3 Period of Residence at Current Premises

5. HOUSING

Re-housing Needs and Location Preference

5.1 Owner-occupiers accounted for about 36% (117 households)² of households (which includes the owners of the 3 vacant units) in the Freezing survey. This rate of owner occupancy is lower than the territory-wide average of 52% and is not surprising given a number of units were sub-divided within the Project which appear to be for rent. Tenants (including principle tenants, sub-tenants, licensees, occupiers (status unknown) and others such as staying at relatives' or friends' units) accounted for about 64% of households surveyed (205 households). Sub-tenants, licensees and occupiers accounted for about 9% of households surveyed (19 out of 205 households). For analyses purposes, 186 tenant households and 19 sub-tenants, licensees/occupiers will all be summarised as 205 tenant households in this report. The occupancy status³ of the surveyed households is shown in **Figure 5.1**. The high proportion of tenants in the Project may result in a higher demand for rehousing services should the Project be authorized to be implemented and subject to their eligibility for rehousing. There are 25 households living in the rooftop structures. Since the roof of all the buildings in the Project are not approved domestic units according to the approved GBPs and OPs, all the rooftop structures are considered to be unauthorised structures. For rooftop structure occupiers, apart from meeting the eligibility criteria adopted by the HKHA in rehousing, there are other specific criteria⁴ that the rooftop structure occupiers have to satisfy in order to be eligible for public rental housings. For rooftop households which are not eligible for rehousing but with genuine needs, they may be considered as special cases and rehousing may be offered on genuine compassionate grounds.

² *The owner-occupier status has not been confirmed yet. All responses related to owner-occupiers are based on the questionnaire surveys only.*

³ *The occupancy status of the surveyed households has yet to be ascertained.*

⁴ *The relevant specific criteria are listed in the URA website "Re-housing Eligibility of Illegal Rooftop Structure Occupiers":*

<http://www.ura.org.hk/en/schemes-and-policies/redevelopment/ura-implemented-projects/ex-gratia/urao/urao-rehousing.aspx>

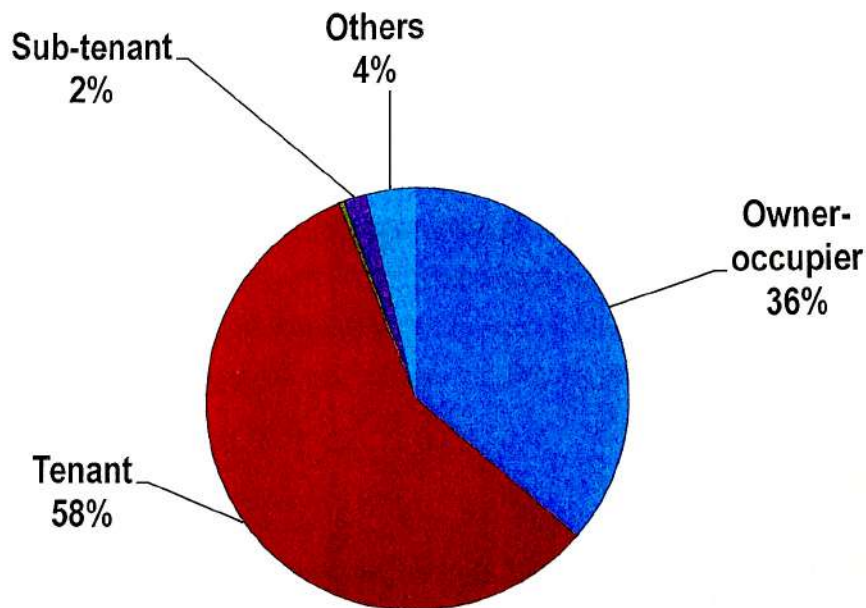


Figure 5.1 Occupancy Status of Households (322 surveyed households)

Affected Owners

- 5.2 Among the 117 surveyed owner-occupier households, 58 (about 50%) indicated their preference of finding alternative accommodations in the same district as where they are living, i.e. Kowloon City District. Seven (7) owner-occupiers responded that he/she would look for alternative accommodation in other districts, whilst two (2) owner occupiers said they will relocate within Kowloon. Thirty-nine (39) owner-occupiers responded that they had yet to decide and eleven (11) owner-occupiers did not respond to the question.
- 5.3 When looking for new accommodation, 49 owner-occupier households (about 42%) indicated that they would prefer to look for flats with similar size, 31 owner-occupiers (about 27%) preferred bigger flats, and 16 owner-occupiers (about 14%) preferred smaller flats. Eight (8) owner-occupiers (about 7%) had not yet decided. Twelve (12) (about 10%) did not respond to the question.
- 5.4 Among the 117 surveyed owner-occupiers, four (4) owner-occupier households (3%) expressed that he would like to move to a flat with comparable building age as the existing one. The majority (76 or about 65%) preferred newer flats and 11 (about 9%) preferred first-hand new flats. Thirteen (13) (about 11%) had yet to decide, and 13

(about 11%) did not respond to the question.

- 5.5 About 65% of the surveyed owner-occupiers wanted their alternative accommodation to be newer than the current abode. Subject to the authorization by the Secretary for Development to implement the Project, URA will offer an owner-occupier of domestic property the market value, plus an ex-gratia allowance (namely home purchase allowance). It is believed that the affected owner-occupiers will be able to buy a newer flat of similar size in the same district. URA will also offer in-situ FFF option for those eligible domestic owner-occupiers to choose to buy the newly redeveloped flats in the Project, or in the same district, as an additional option to cash compensation.

Affected Tenants

- 5.6 147 tenant households (about 72%) expressed their preference for moving into public rental housing, of which 62% preferred East Kowloon, 11% preferred location in West Kowloon, 1% preferred East or West Kowloon, 2% preferred HK Island, 2% prefer Shatin/ Ma On Shan, and 20% did not respond to this question. The majority preference for East Kowloon is understandable. However, as stated in paragraphs 4.3 and 5.1 above, those residents who are subject to conditional stay and some of those who lived in rooftop structures may not be eligible for public rental housing. Rehousing may only be considered for very special circumstances and on compassionate grounds.
- 5.7 The URA has made special arrangements with the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS) to provide flats within their estates for rehousing eligible households. According to information from the HKHA and HKHS websites, there are 7 HKHA public rental housing estates/Tenant Purchase Schemes Estates and 3 HKHS subsidised rental housing estates in Kowloon City district. In addition, there are 22 HKHA in the neighbouring districts of Wong Tai Sin whilst 1 HKHA and 1 HKHS public rental housing estates in Yau Tsim Mong districts. The URA will liaise with HKHA and HKHS to reserve flats in available estates to cater for the potential demand and accord priority to vulnerable groups. Subject to the availability of rehousing flats, the URA will endeavour to arrange rehousing for the eligible tenants in the same, adjacent districts or other urban areas as far as practicable.

Affected Rooftop Residents

- 5.8 The 25 surveyed rooftop households should follow the eligibility criteria for public rental

housing adopted by the HKHA for illegal rooftop structure occupiers and the specific criteria as stated in paragraph 5.1 above should they be eligible for rehousing under current prevailing policies.

6. EMPLOYMENT STATUS AND PLACE OF WORK

6.1 This section will be based on the 319 households (with a population of 821) and will exclude the 3 vacant units. Around 46% of the population (374 residents out of a total of 821 residents) within the Project was employed. Unemployed persons accounted for about 9.5%. The employment status of the affected owners and tenants are analyzed in paragraphs 6.2 to 6.7 below.

Affected Owners

6.2 A total of 311 residents from the 117 owner-occupier households were recorded in the survey. About 46% of this type of residents was employed, whereas only about 5% were unemployed. **Figure 6.1** shows details of employment status of the family members of owner-occupier households.

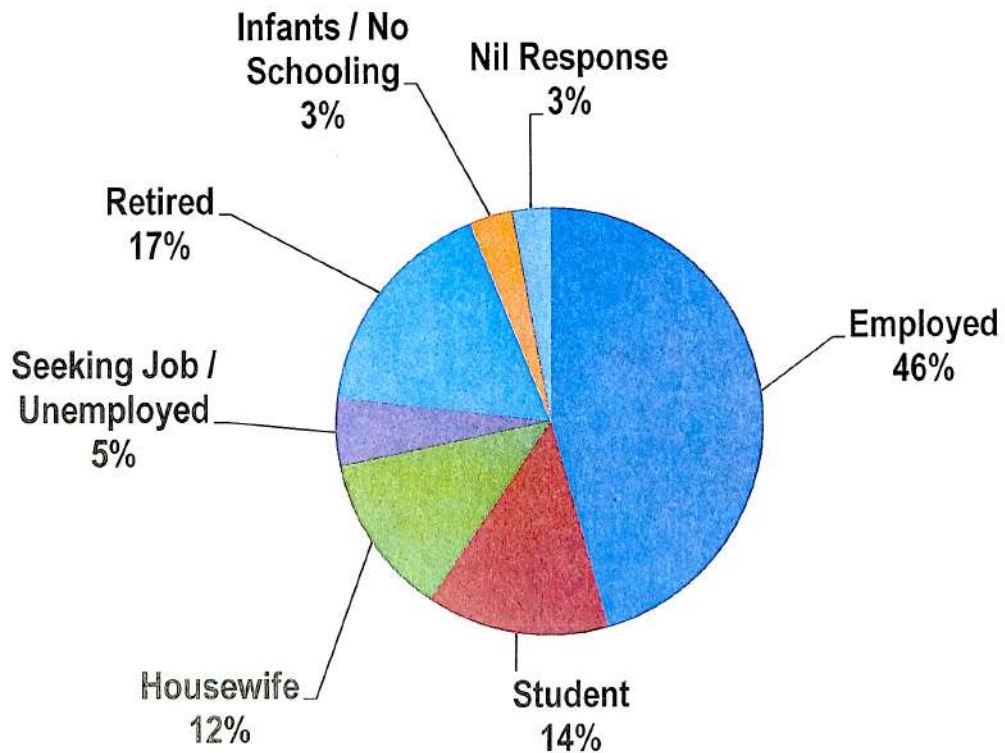


Figure 6.1 Employment Status of Affected Owners' Family Members

6.3 About 25% of the employed residents in the owner-occupier households were working in Kowloon City, and around 11% in Yau Tsim Mong. About 18% did not have a fixed working district. Other employed residents worked in different districts including HK

Island, other parts of Kowloon, the New Territories and outside Hong Kong. **Figure 6.2** shows the percentage share of different places of work of the employed persons of the owner-occupier households. As mentioned in paragraph 5.2 above, about half of owner-occupiers (about 50%) indicated their preference of finding alternative accommodation in Kowloon City District; this generally coincides with the survey result of their work places in Kowloon City.

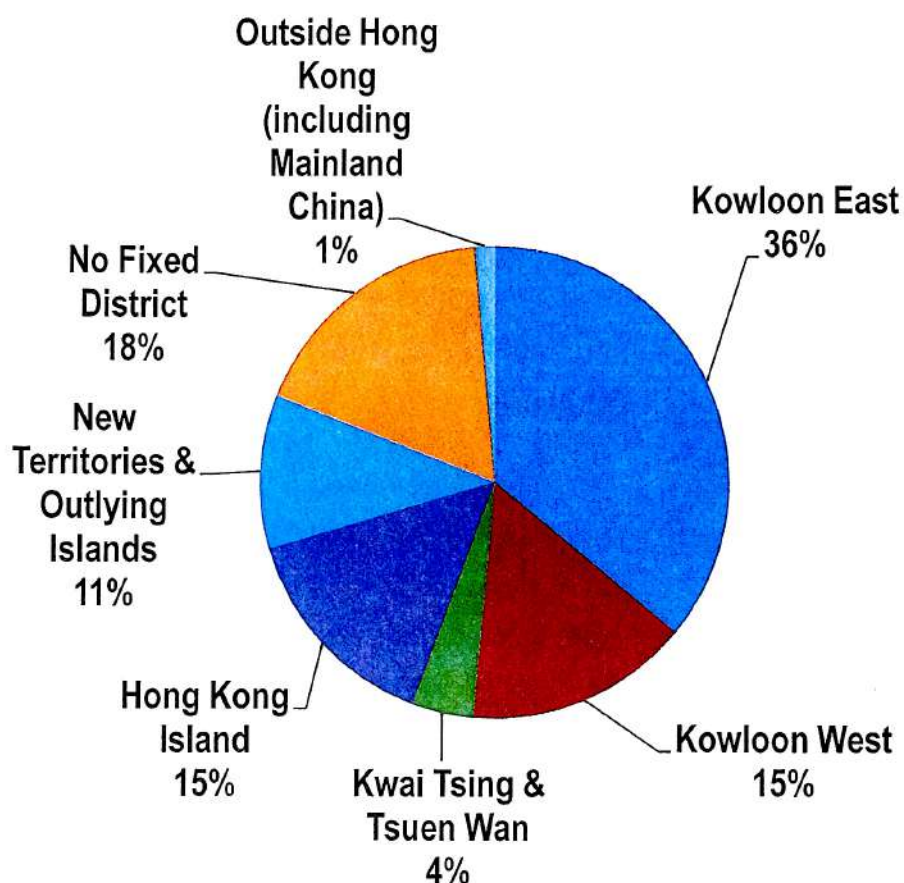


Figure 6.2 Place of Work of Affected Owners' Family Members

Affected Tenants

6.4 Among the 205 affected tenant households comprising 510 persons, about 46% had employment, whilst about 12% were unemployed (**Figure 6.3**).

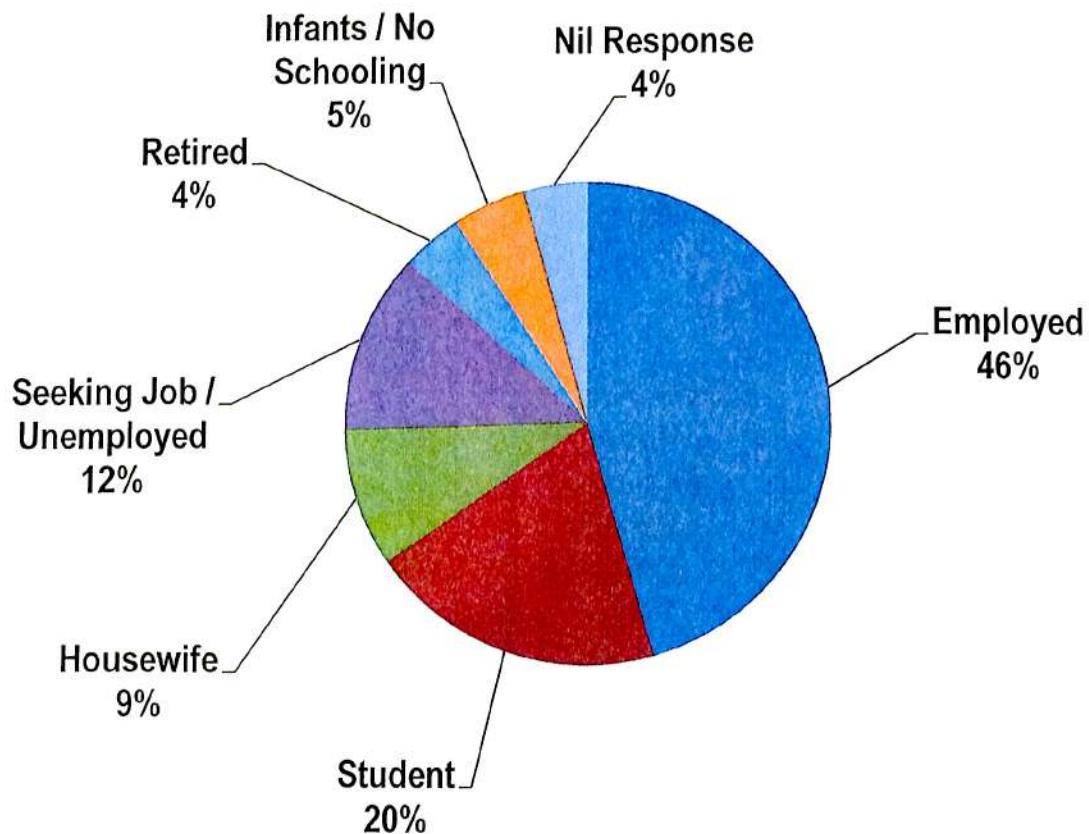


Figure 6.3 Employment Status of Affected Tenants

- 6.5 Among the 232 tenanted residents who were employed, about 26% were working in Kowloon City. About 19% and 6% were working in the districts of Yau Tsim Mong and Kwun Tong districts respectively. Around 6% are working in New Territories and Islands or outside HK (including mainland China). About 24% of residents had no fixed location of work, whilst 5 residents did not respond to this question. As mentioned in paragraph 5.6 above, a large number of affected tenants, who preferred to move to public rental housings, hoped to be relocated in East Kowloon; this generally coincides with the survey result of their work places (i.e. about 33% working in Kowloon City and Kwun Tong districts). **Figure 6.4** shows the places of work of the tenant residents.

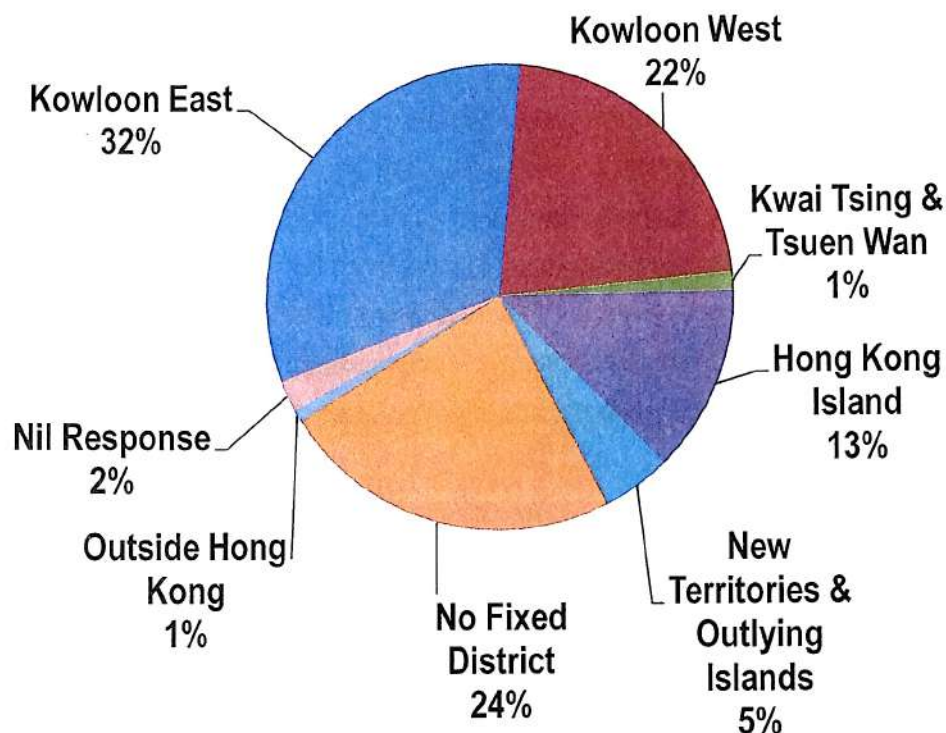


Figure 6.4 Place of Work of Affected Tenants

- 6.6 For those employee tenants who were working in Kowloon or Hong Kong Island, there would be economic concerns arising from higher transportation cost if they were to be relocated to the New Territories. The URA will endeavor to meet the locational preferences of residents for public rental housing from the HKHA and the HKHS subject to their eligibilities and the availability of flats at that time. Priority will be given to households of the most vulnerable groups (e.g. disabled persons). The SST will investigate the needy cases as identified and depending on justifications, may make recommendations for rehousing on compassionate grounds.
- 6.7 The findings of the survey show that the unemployment rate of the family members of the owner-occupier households (5%) and the tenant households (12%) which are much higher than the territory-wide figure [The territory-wide figure is 3.4% for a period of March 2016 – May 2016⁵]. There may be a financial difficulty for this group of unemployed residents in the Project. If the project is to be implemented, the eligible tenanted households will be subject to the URA's prevailing compensation policies.

⁵ Information from website of Census and Statistic Department as of 14 July 2016.

7. ECONOMIC AND EMPLOYMENT IMPACTS

Affected Owners

- 7.1 The following Sections 7 to 10 will be based on 105 owner-occupier households whom have completed the SIA. This includes the two owners of the vacant units whom have completed the SIA and hence their views will also be included in the following Sections 7 to 10. **Figure 7.1** summarizes the impact of the redevelopment on employment condition as anticipated by the interviewed domestic owner-occupier households. The majority of owner-occupiers (66 households or 63%) considered that it would have no impacts. Only 8 households (about 7%) considered there would be negative impacts. Twenty-nine (29) households did not respond to this question (28%).

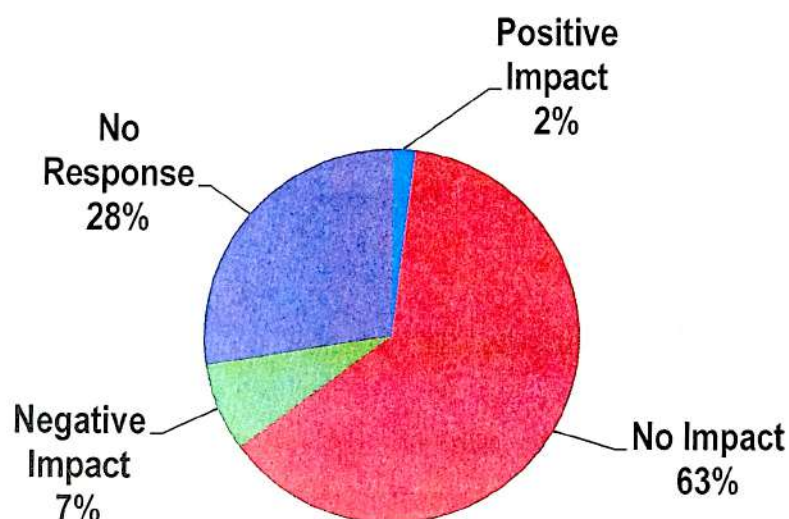


Figure 7.1 Impact on Employment to Affected Owners

- 7.2 The expected impact on family finances of the interviewed owner-occupiers is summarized in **Figure 7.2**. Seventeen (17) households (about 16%) considered that there would be positive impacts on their financial condition, 32 households (about 30%) considered that there would not be any impacts, and 26 households (about 25%) expected negative impacts. The remaining 30 owner occupier households (about 29%) gave no response to this question.

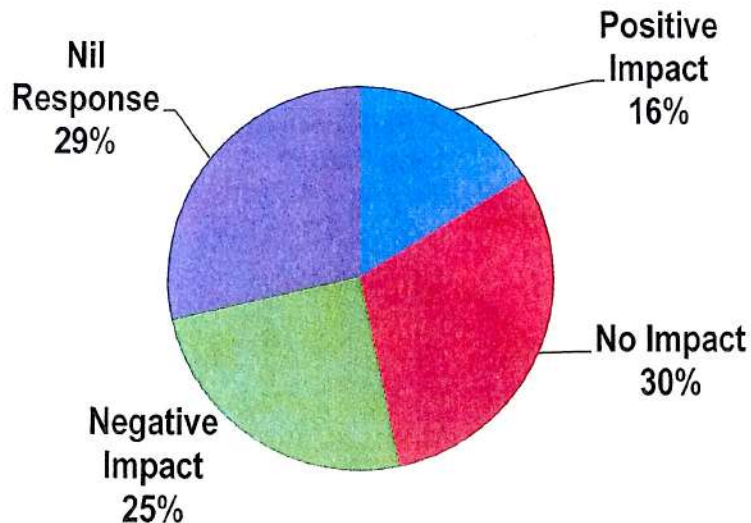


Figure 7.2 Impact on Economic Condition to Affected Owners

- 7.3 Thirteen (13) domestic owner households expecting positive impact cited both more saving and reduce expenditure are the two major advantages. Among the 26 owner households who considered having negative impact, most of them cited more expenditure, less savings and reduced cash flow as their main concerns resulting from the proposed project.

Affected Tenants

- 7.4 The expected impact on employment condition as reflected by the 191 interviewed tenant households is summarized in **Figure 7.3**. Only 4 households (about 2%) considered there would be positive impacts to their employment whilst the majority of the tenant households (127 households, about 67%) considered there would not be any impact. Thirty-five (35) households (18%) expected negative impacts. Another 25 households (about 13%) gave no response to this question.

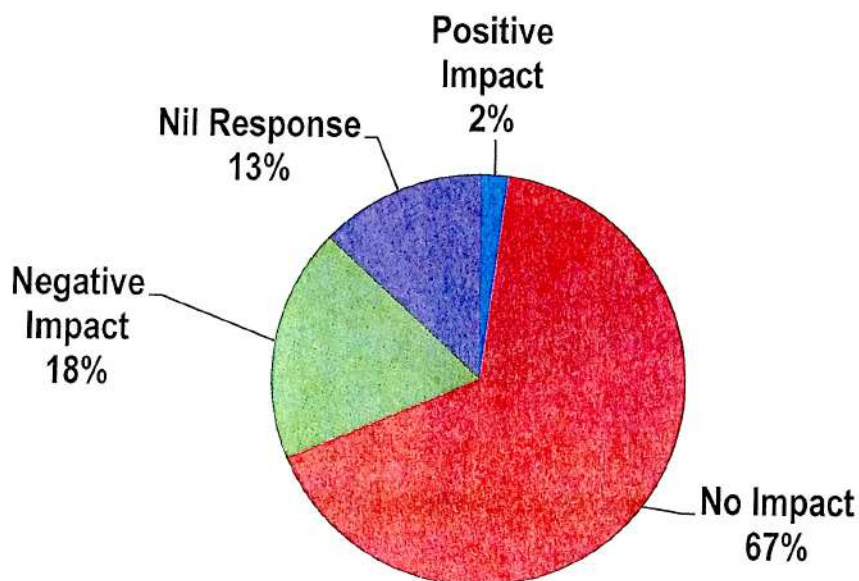


Figure 7.3 Impact on Employment to Affected Tenants

- 7.5 The expected impact on family finance as reflected by interviewed tenants is summarized in **Figure 7.4**. Thirty-three (33) (about 17%) tenant households considered there would be positive impact to their finance condition due to the Project. Sixty-four (64) households (about 34%) considered there would not be any impacts, whilst 65 households (about 34%) expected negative financial impacts and 29 households (about 15%) gave no response to this question.

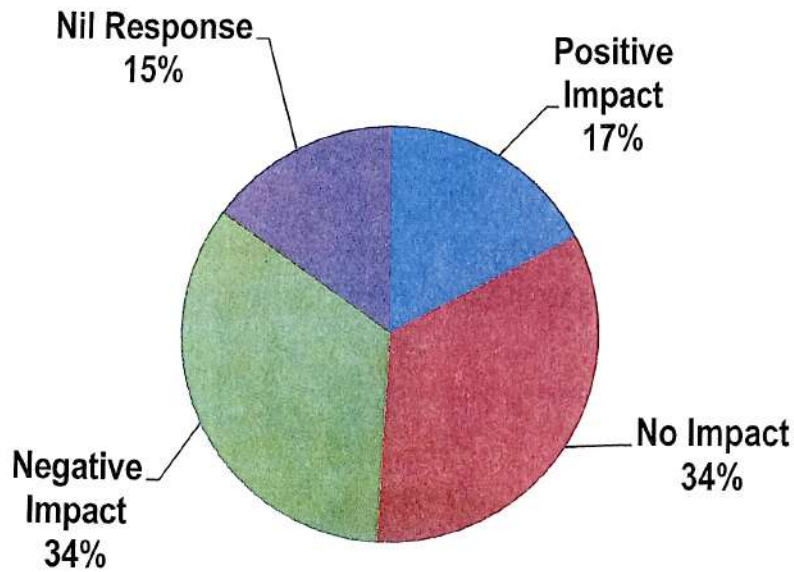


Figure 7.4 Impact on Economic Condition to Affected Tenants

- 7.6 For those 65 interviewed tenant households which considered the proposed redevelopment project would have negative financial impact, 64 households provide further information. Forty-seven (47) anticipated that their living expenditure would increase due to the Project. Twelve (12) tenant households anticipated that they would have less saving and 10 tenant households anticipated that they would have less cash flow, and 5 households considered that the Project may lead to greater debt burden (each household can express more than one concern).
- 7.7 After the Freezing Survey, URA organised public briefing sessions to the affected owners and tenants to explain the prevailing policies on compensation and rehousing to alleviate their concerns. If the project is to be implemented, the eligible tenant households will be subject to the URA's prevailing compensation policies.

8. SOCIAL NETWORK

Affected Owners

- 8.1 When asked about the likely impact of the proposed redevelopment on their social network, 37 (about 35%) of the 105 interviewed owner-occupier households answered that their current social network would be affected, whilst the majority, 54 households or about 52%, considered that their network would not be affected; 14 households (13%) gave no response to this question. The distribution pattern is shown in **Figure 8.1**.

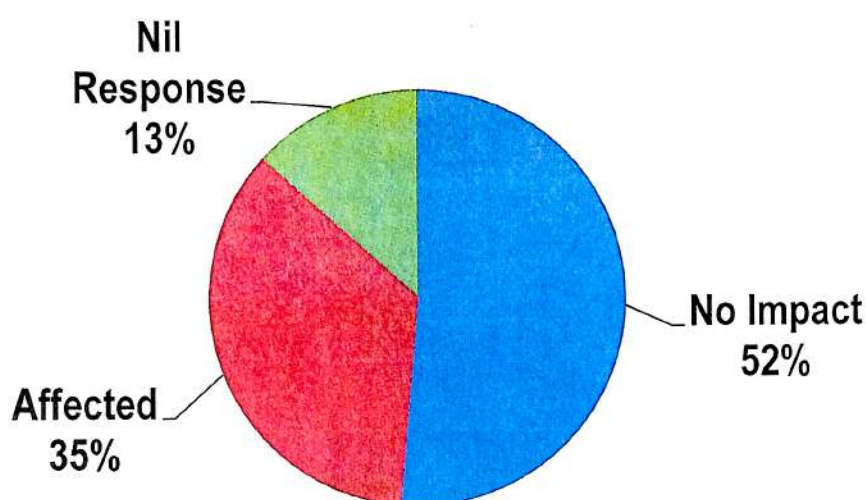


Figure 8.1 Redevelopment Effect on Social Network to Affected Owners

- 8.2 Of those respondents who were concerned about the possible adverse effects of the Project on their social network (about 35% of the owner-occupiers), the perceived impact on network related to neighbours and friends (24 households or 26%), medical support (17 households or 19%), children and relatives (11 households or 12%) and social services by the local NGO's (11 households or 12%) were cited as their four major concerns (each respondent can provide more than one concern). The distribution pattern is shown in **Figure 8.2**.

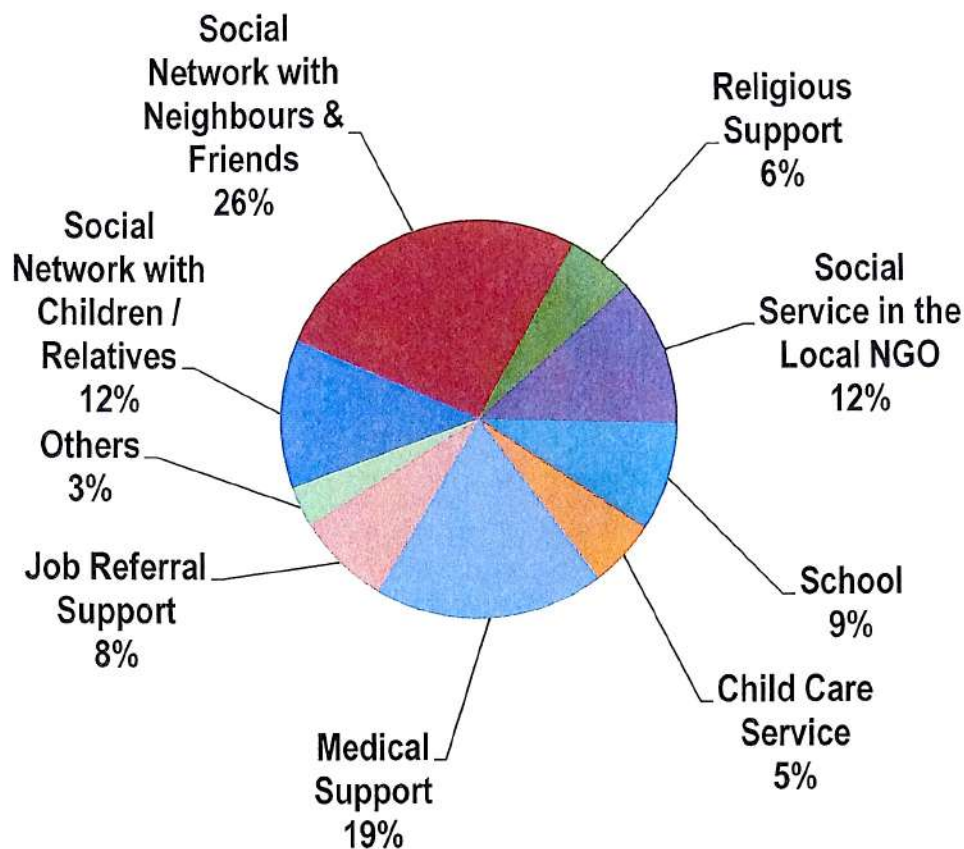


Figure 8.2 Nature of effect on Social Network to Affected Owners

Affected Tenants

8.3 When asked about the likely impact of the proposed redevelopment on their social network, 60 or about 32% of the 191 interviewed tenant households answered that their current social network would be affected. 116 households (or about 61%) responded that their network would not be affected. 14 households (or 7%) gave no response to this question (Figure 8.3).

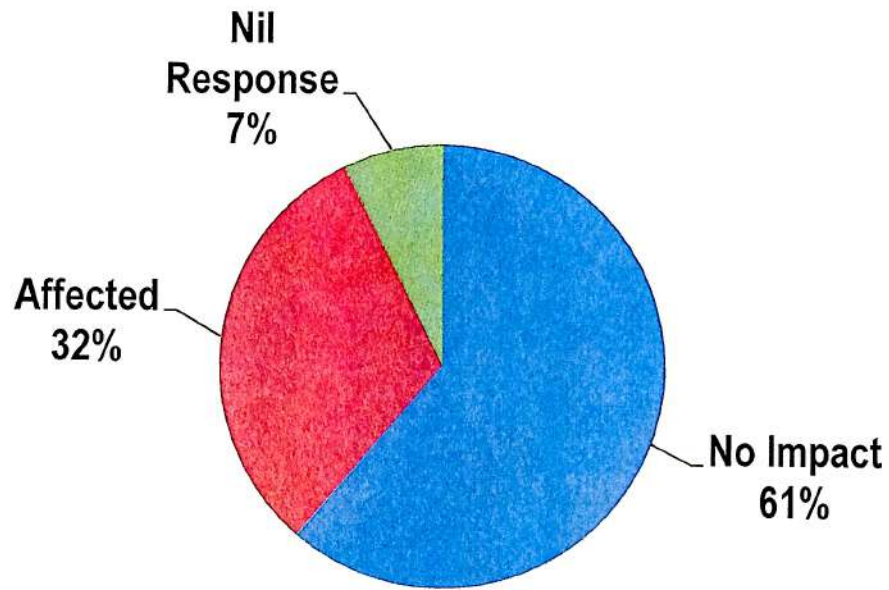


Figure 8.3 Redevelopment Effect on Social Network to Affected Tenants

- 8.4 Of those tenant households who were concerned about the possible adverse effects of the Project on their social network (about 21% of the tenant households), the perceived impact on network related to neighbours and friends (24%), children / relatives (21%), school (about 15%), and medical support (about 12%) as their major concerns (respondent could provide more than one concern). The distribution pattern is shown in **Figure 8.4**.

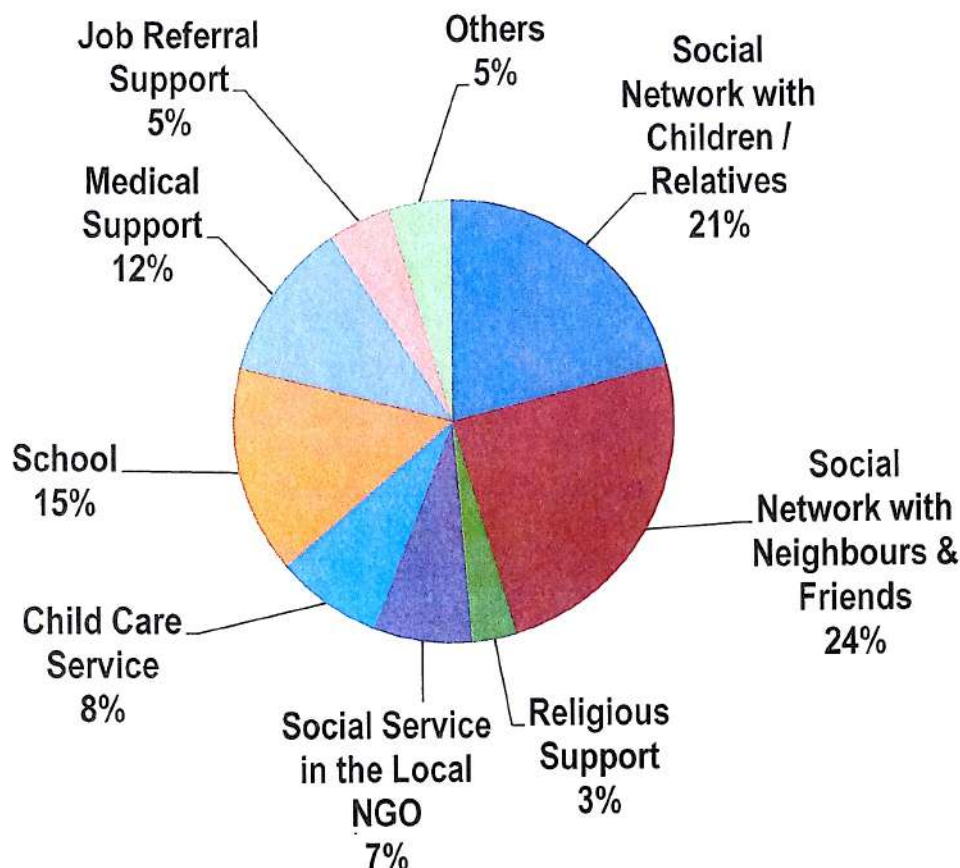


Figure 8.4 Nature of effect on Social Network to Affected Owners

8.5 More than half of both interviewed owner-occupiers and tenants (51% and 61% respectively) who responded that they did not expect impact on their social network would arise is not surprising given that around 55% of total households (see paragraph 4.4) have only lived in the Project for 5 years or less.

8.6 The SST will provide orientation sessions before and after rehousing to help the affected residents adapt to their new homes and introduce various community resources available in the area, including medical support, NGO services and community facilities. It will help them to identify suitable medical/ social service providers and religious institutions in the new residence setting. However, the social support from children/ relatives may take longer to establish/ re-establish in a new environment. If such residents prefer to live close to their relatives to retain social support, the URA will endeavour to arrange rehousing, subject to the availability of public rental flats, and their eligibility for rehousing based on their locational preference as far as practicable. URA will also offer in-situ FFF option for those eligible domestic owner-occupiers to choose to buy the newly

redeveloped flats in the Project, or in the same district (subject to any changes in the relevant legislations), so that they can move back to the same area and retain the social networks upon completion of the redevelopment.

9. EDUCATION NEEDS OF CHILDREN

9.1 The survey identified 144 students residing within the Project. Among these students, 82 (57%) were primary or kindergarten students, 38 (26%) were secondary students and 21 students (about 15%) were Tertiary or above levels. 3 students (2%) did not respond. There were 92 students (about 64%) studying in schools in Kowloon City. Six (6) students (4%) studying in Hong Kong Island. Thirty-two (32) students (22%) studied elsewhere in Kowloon. Six (6) students (4%) studied in the New Territories. Four (4) students (3%) studied in mainland China/ Macau or overseas. Four (4) students did not respond to this question. **Figure 9.1** shows the type of schools attended by the students residing in the Project.

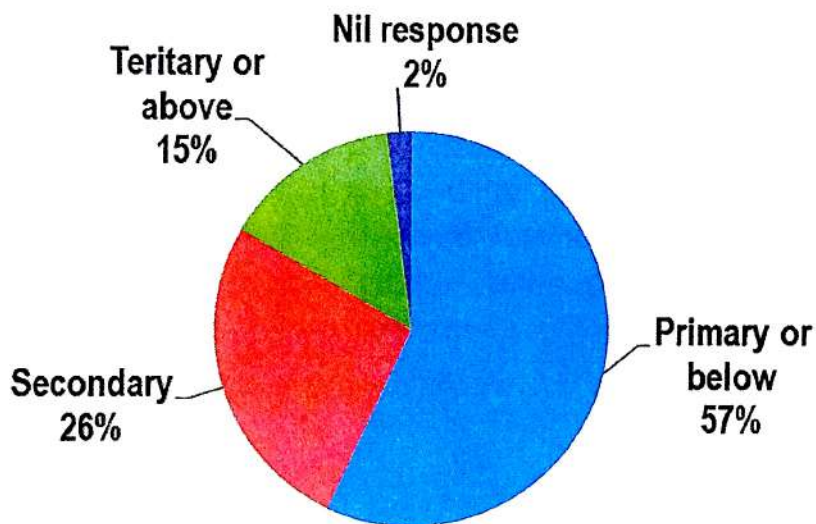


Figure 9.1 Educational Level of Student

9.2 Given the preponderance of students studying locally, it is not surprising that 58 students (about 40%) did not need to pay for transport to school. 49 students (about 34%) spent HK\$10 or less per trip travelling to school and 20 student (about 14%) incurred relatively higher travelling costs of over HK\$10 per trip. Three (3) students have no fixed traveling costs whilst 7 students stated others (eg. school bus). Seven did not respond to this question. **Figure 9.2** shows the transport costs of the students in the interviewed households.

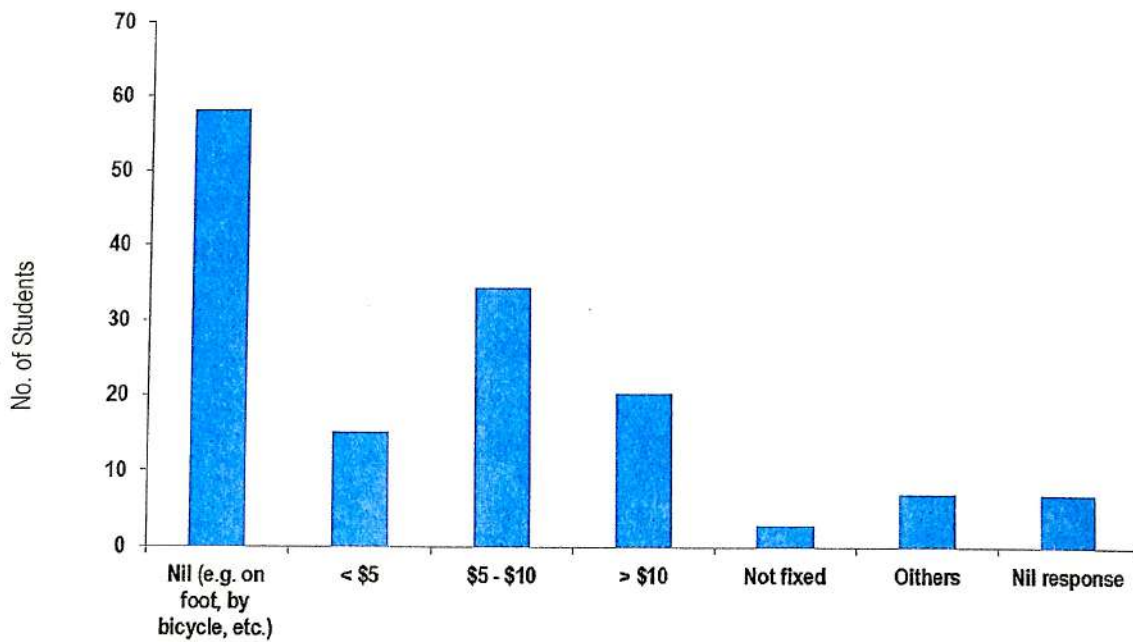


Figure 9.2 Travelling Cost to School – Single Trip

9.3 **Figure 9.3** shows the students’ travelling time to school. 58 students (40%) spent 20 minutes or less travelling to their schools. Sixty-one (61) students (42%) students spent 20 to 60 minutes. 17 students (12%) spent over 60 minutes travelling to school. Two students (1%) has no fixed traveling time whilst 6 students (4%) did not respond to this question.

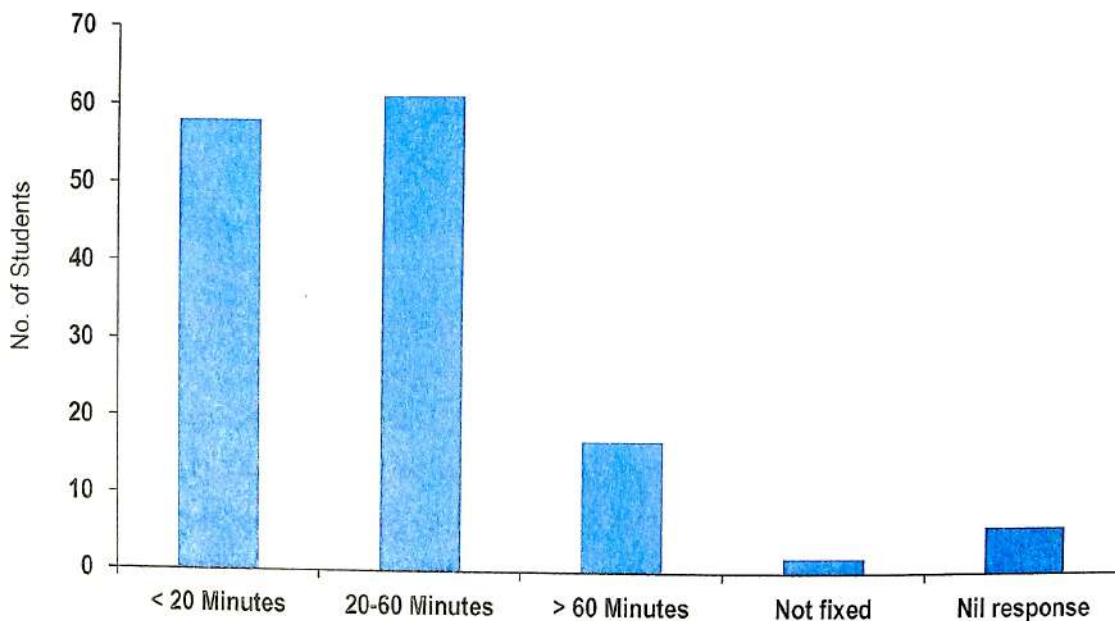


Figure 9.3 Travelling Time to School – Single Trip

9.4 The 144 students come from 102 households of which 99 students (about 69%) were

from tenant households. 59 of these 99 students in tenant households were studying in primary school or kindergarten. Impact of the Project on this group of students may be greater as these students may need to change to another school if their families chose to move to public rental housing estates in other areas. It is understandable that parents generally wish their children to continue in their present schools. Relocation away from this area may cause inconvenience especially for primary and kindergarten students. The URA with the assistance of the SST, will assist the affected families during the acquisition and rehousing stages to meet the educational needs of their children as much as possible. If necessary, appropriate assistance, resources and services from relevant Government departments will be sought.

10. GROUPS WITH SPECIAL NEEDS

10.1 An assessment has been made on the special needs of the elderly, persons with disability, single-parent families and ethnic minority identified in the survey.

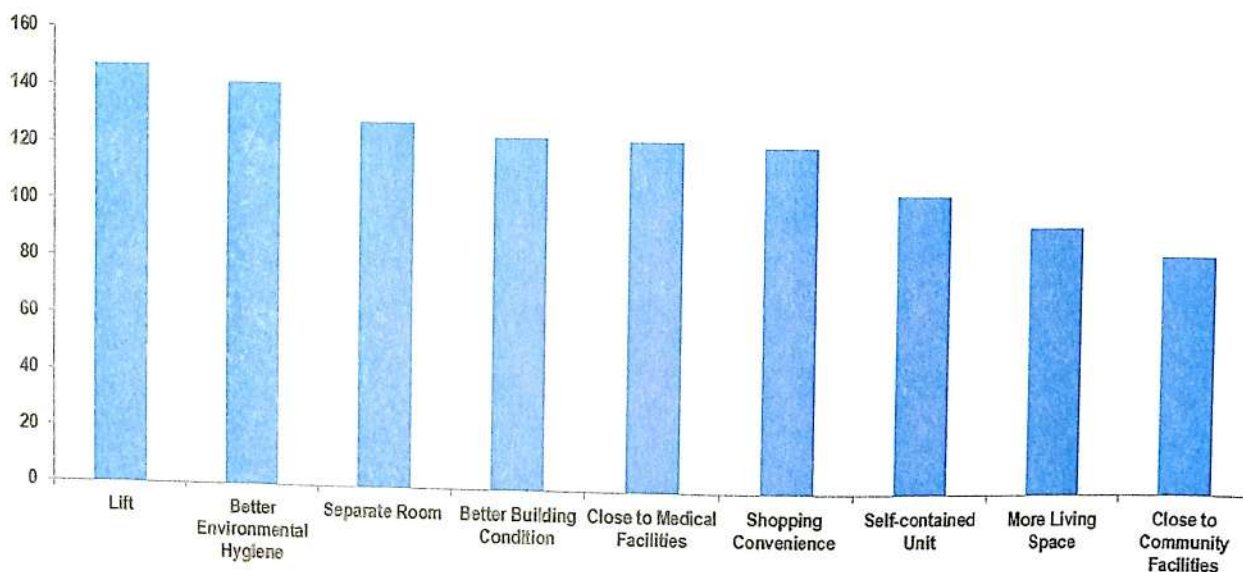
Elderly Persons (65 years and above)

10.2 A total of 84 elderly residents in 70 households in the Project were recorded during the freezing survey. Of these, only 20 elderlies were singleton whilst 8 elderly residents comprised 4 doubleton households. The remaining 56 elderly residents were from 46 households. 47 households with elderly residents lived in self-owned units whilst 23 tenanted households lived in tenanted units .

10.3 The presence of elderly population within the Project has implications on types of re-housing and other age-related concerns such as accessibility to medical facilities. It is generally understood that elderly persons, particularly singletons, may have more difficulty adapting to their new environment once rehoused. The URA and the SST will make effort to alleviate their anxiety by providing information on the arrangement of rehousing and the new environment surrounding the estate.

10.4 **Figure 10.1** shows the aspirations of the elderly when questioned about the improvements they would like to see in their new home.

Figure 10.1 Elderly Concerns on Living Environment (based on the first three priorities chosen)

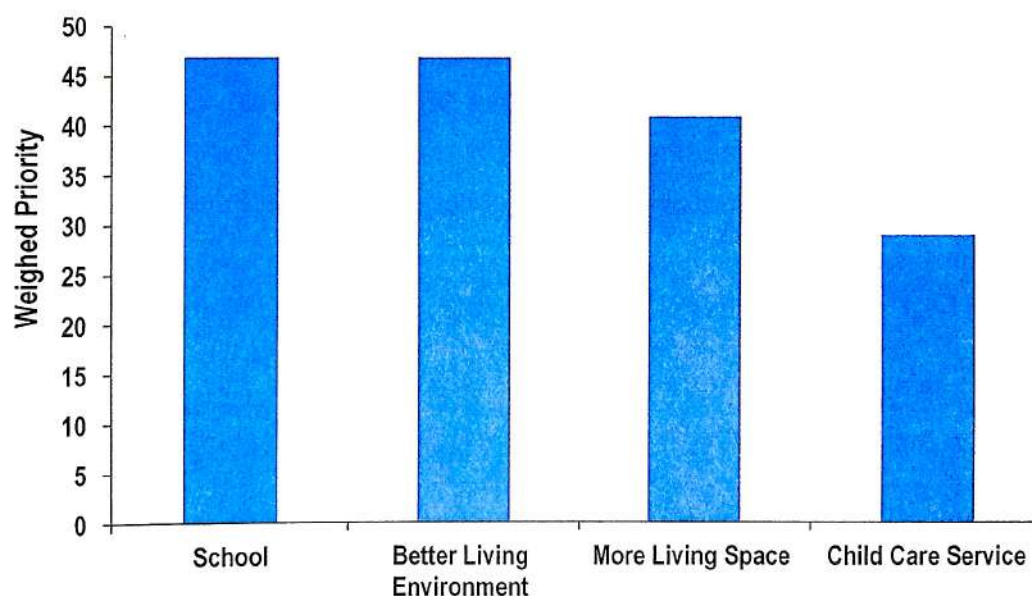


Persons with Disability

- 10.5 26 residents with disabilities (about 3%) were recorded in the survey. Of these, 2 residents require wheelchair access, 2 residents are mentally handicapped, 4 residents have visual impairment, 3 residents has hearing impairment, 9 residents have mental health problems, whilst 6 residents had other types of disabilities. 13 residents with disabilities considered medical support as their primary concern, whilst 6 considered disabled access as another concern. Rehousing for disabilities may be considered on compassionate grounds if they are not eligible under the normal eligibilities.

Single-parent Families

- 10.6 20 single-parent families with 31 children were identified. These families were particularly concerned with the schooling needs for their children, better living environment, more living space and child care service provision. The concerns are showed in **Figure 10.2**.



**Figure 10.2 Major Needs of Single-parent Families
(based on the first four priorities chosen)**

Ethnic Minority Group

- 10.7 According to the FS, among the 296 households who answered both the FS and SIA forms, 70 residents from 28 households claimed to be non-ethnic Chinese. However, 4 households did not respond to the SIA question on their country of origin. 6 households are Thailand, 1 household from the Philippines, and 1 household from Philippines and Pakistan, 1 household from Vietnam, 1 household from Korea, 5 households are from Pakistan, 3 households are from India, 1 household is from Sri Lanka, 1 household from Nepal, 2 households from Bangladesh and 2 households from West Africa. Among these 70 non-ethnic Chinese residents, 19 residents are under conditional stay.
- 10.8 27 out of 28 households who claimed to be non-ethnic Chinese were tenant households. Only one household is an owner-occupier. 18 out of the 24 households (75%) who answered the SIA questionnaire expressed strongly support or support to the proposed Project. 4 households (16%) had no comments and only 2 households (8%) objected to the proposed Project. The majority (17 out of 24 households or 71%) who responded considered there would be no impacts of the Project on their social network. The 4 households who considered there would be impacts include medical support and social network with children and relatives. 12 households (50%) had expressed willingness to meet the SST. The SST will provide assistance to the families to mitigate the adverse impacts. The URA will endeavor to arrange rehousing to tenant households, subject to the availability of public rental flats and their eligibilities.

11. BUSINESS IMPACT

- 11.1 According to the approved GBPs and OPs of all buildings in the Project, 28 ground floor premises are used for “non-domestic uses” in the Project. They were converted into 30 non-domestic premises. In addition, there are 3 staircase premises for non-domestic use. Among these 33 non-domestic premises, one was unable to be contacted and hence was not entered.
- 11.2 Among the identified 33 non-domestic premises, 31 premises were successfully surveyed. Thirty (30) business operators were identified in the 31 premises.
- 11.3 Among the 30 business operators, 25 operators answered both FS and SIA forms. Therefore, this section’s analysis in regard to the size of premises, reason for operating in current premises, length and performance of business and etc. are based upon the answers of the 25 business operators who completed the SIA forms. However, some operators may answer few but not all the answers in the SIA forms. They are categorized as “no response” in this SIA. **Table 11.1** shows the number of non-domestic premises and business operators identified in the Project.

	Non-domestic premises	Business operators
Successfully responded to both FS (successfully surveyed) and SIA (successfully interviewed)	26	25
Responded to FS forms only (successfully surveyed), but refused to do SIA.	5	5
No contact/ Unsurveyed/ Others	2	N/A
Total	33	30

Table 11.1 Number of non-domestic premises and business operators identified in the Project

- 11.4 Of those 30 operators who answered FS questions regarding their occupancy status, 6 were owner operators, 23 were tenant operators (including 2 sub-tenants), and 1 was a licensee. (**Figure 11.1**).

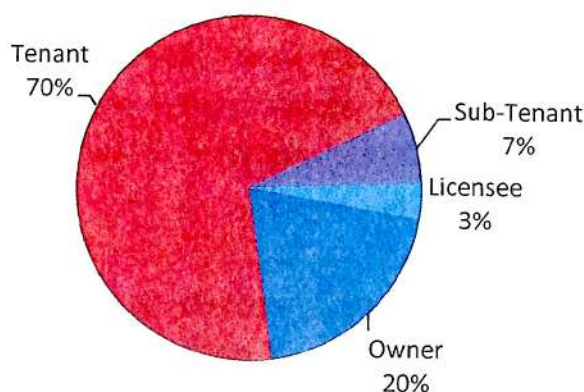


Figure 11.1 Occupancy Status of Business Operators

- 11.5 The nature of existing businesses of the 31 non-domestic premises is shown in **Figure 11.2**. Fourteen (14) premises (about 45%) were used for car repair and car beauty services. Seven (7) premises (about 23%) were used as workshops including metal hardware, engineering, marketing and renovation services. Two premises were used as trading companies and two for storage uses. One premise was used by an NGO and another by a video games centre. The remaining 4 premises are used for retail services eg. convenience store, grocery stores and dry cleaner. Most of these business activities are typical of shops and services found in many parts of Kowloon City District.
- 11.6 For the workshop operators (including the metal hardware shops and the car repair workshops), they will need to find alternative shop premises which can satisfy their various operational requirements and where the respective uses are permissible in both the lease and planning terms, and in compliance with the Deed of Mutual Covenant (DMC) of the buildings. If those operators cannot find suitable premises meeting above criteria for relocation, there is a possibility that they might have to close down their businesses but they will be compensated with relevant ex-gratia allowance (if eligible) according to the Authority's prevailing policy.

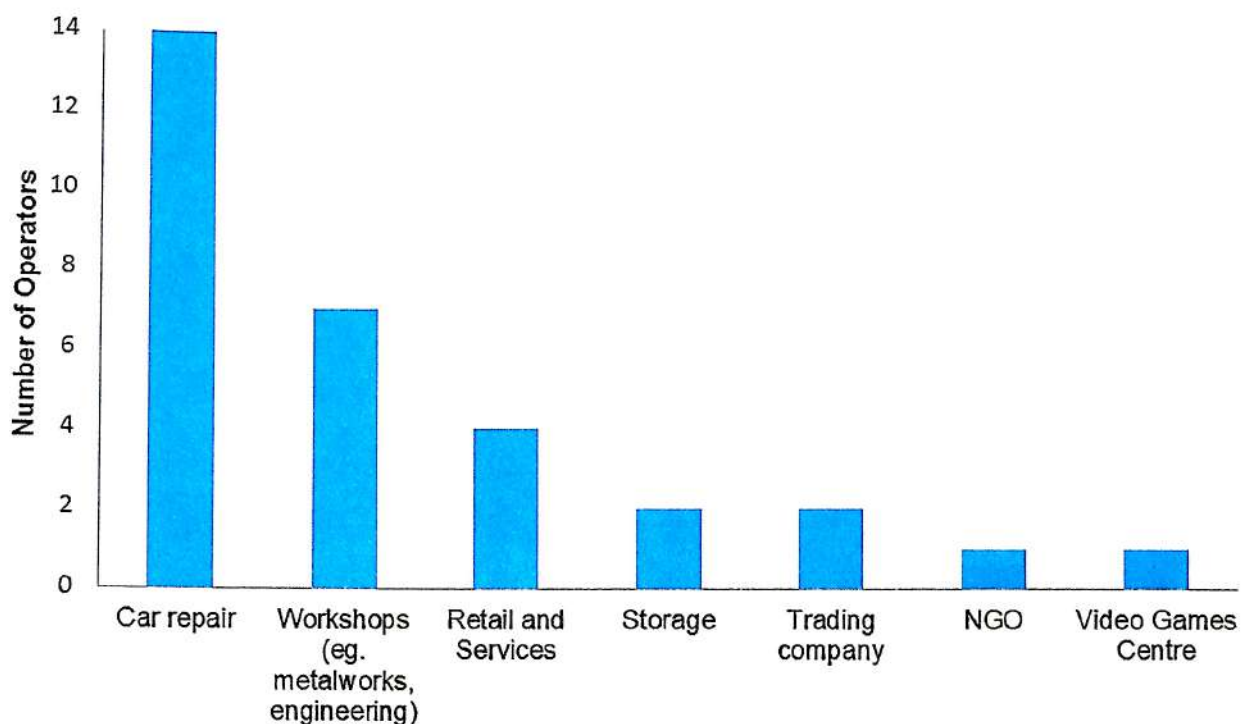


Figure 11.2 Classification of Non-domestic Uses

- 11.7 Among those 25 interviewed operators who answered both FS and SIA, 4 indicated that it was a chain store or had a branch elsewhere.
- 11.8 As for the size of the non-domestic premises, of those 25 interviewed operators who responded to the SIA questions and according to their responses, 1 premise (about 4%) was less than 50 square feet and three premises (12%) were 101-500 square feet. Most of the premises (18 units or about 72%) were between 500sq.ft. and 1,000sq.ft. Three (3) premises (about 12%) were 1,000-1,500 square feet. The size distribution of the non-domestic premises are shown in **Figure 11.3**. [NB: The exact size of the premises can only be confirmed subject to detailed survey after SDEV authorization of the Project].

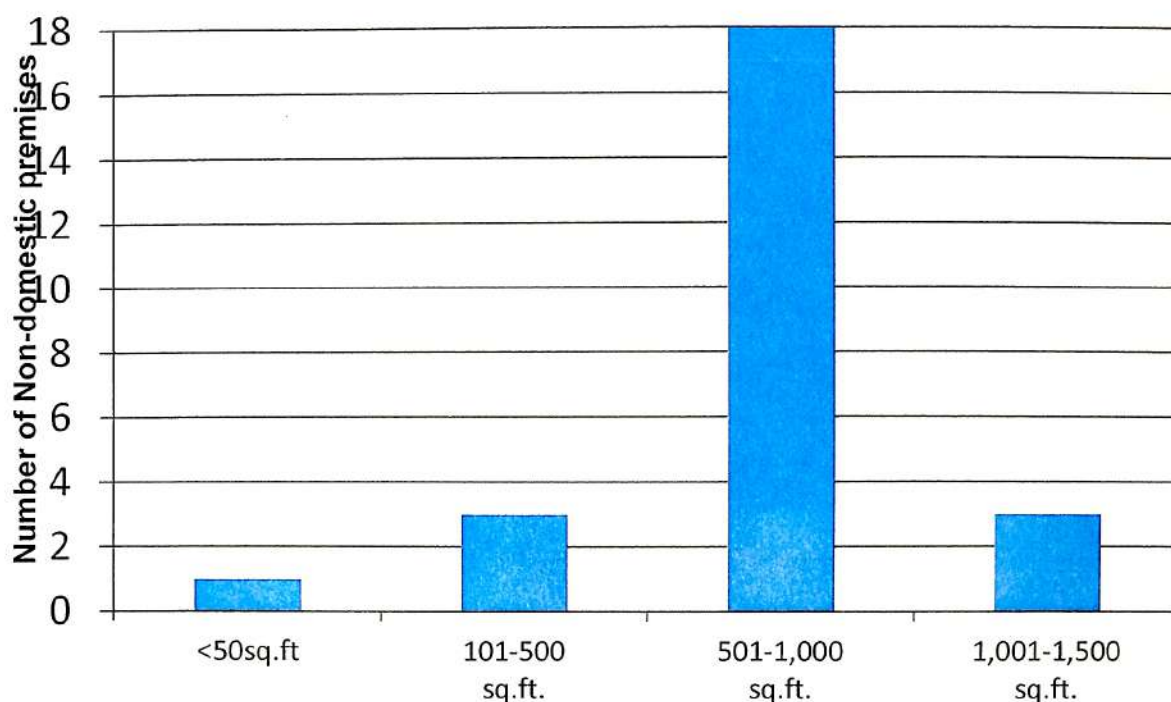


Figure 11.3 Size of Non-domestic Premises as claimed by operators

11.9 Among the 25 interviewed business operators, 14 operators (about 56%) either strongly supported or supported the proposed redevelopment. Five (5) operators (about 20%) was neutral, and 6 operators (about 24%) either did not support or strongly against the proposed development (**Figure 11.4**). Those who supported the Project mainly considered that the building condition was poor and that the buildings should be demolished for redevelopment, which could improve the local environment. If the Project proceeds, 7 operators would consider relocating their businesses. Those not supporting the Project responded that the Project would affect their business operations, 3 operators considered the Project would destroy the social network and 1 operator worry about the inadequacy of compensation. **Figure 11.4** shows the views of the business operators to the proposed redevelopment.

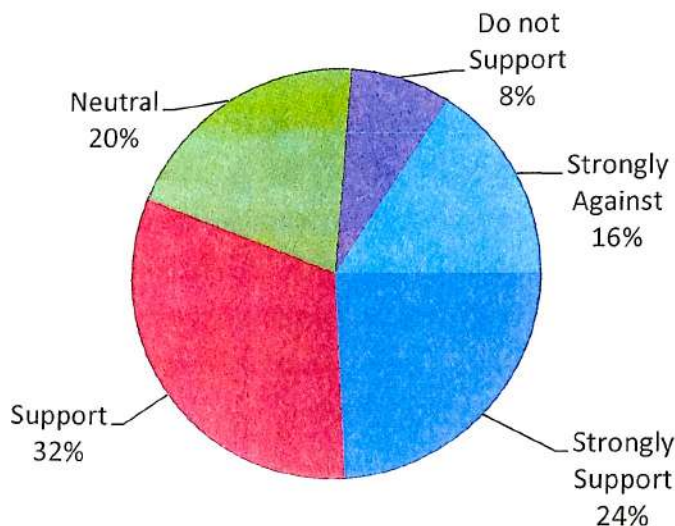


Figure 11.4 View of Business Operators to the Proposed Redevelopment

11.10 Sixteen (16) operators (64%) out of the 25 interviewed business operators mentioned that they had operated their businesses in Kowloon City district before moving to the current premises. Ten (10) operators (40%) out of the 25 interviewed business operators mentioned that they had operated their businesses in other districts before moving to the current premises. It is anticipated that these operators may find it easier to relocate to other premises given their experiences operating in other districts.

11.11 In terms of year of business operation of their existing businesses, among the 25 interviewed operators, 7 operators (28%) had been operating in the current premises for less than 5 years, 6 operators (24%) between 5 and 10 years, 4 operators (16%) between 11 and 20 years, 3 operators (12%) between 21 and 30 years and 5 operators (20%) has been operating in the current premises for over 30 years. (Figure 11.5).

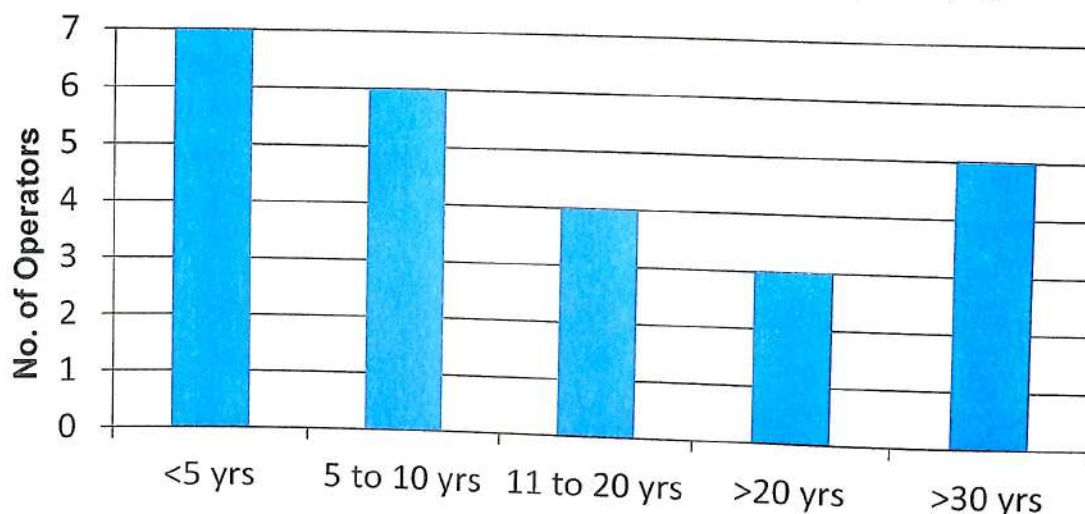


Figure 11.5 Year of Business Operation in the Current Premises

11.12 **Figure 11.6** shows the reasons of 25 interviewed operators for operating their businesses at the existing premises. The reason for operating in existing premises given by 25 operators was good neighbourhood relationship (13), followed by convenient parking and loading/unloading (11) and low rent (11). Eight (8) considered long history of business in the area; 7 considered convenient for supplier; and 7 wide customer base as their reasons. 5 operators considered owning the existing property as the reason. Four operators selected having agglomeration effect and 2 operators cited physical attributes of the premises (with high headroom) as their reasons. (Some operators selected more than one concern).

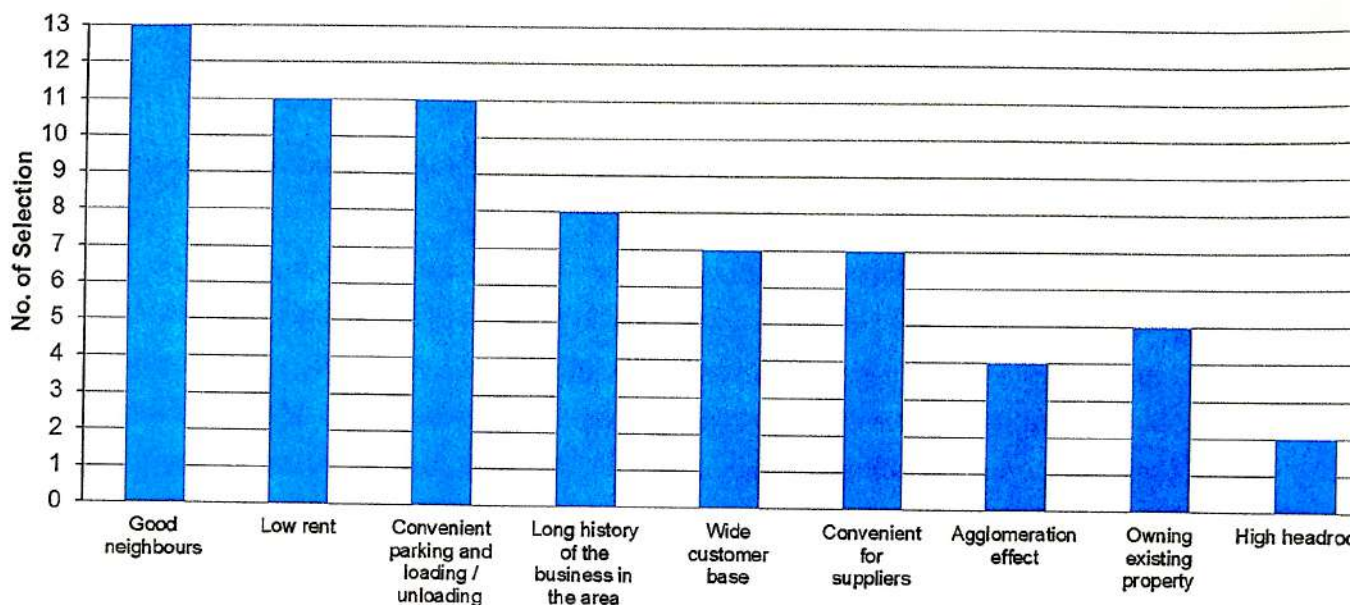


Figure 11.6 Reasons for Businesses Operating in the Current Premises

11.13 In terms of the satisfaction level of their business/ business performance of the 25 interviewed operators, 16 operators (64%) responded that they were satisfied; 2 (8%) were very satisfied and 6 (24%) indicated they were neither satisfied nor dissatisfied on the performance (**Figure 11.7**). One operator had just recently closed their business. In summary, most of the operators (72%) were satisfied with their current business performance.

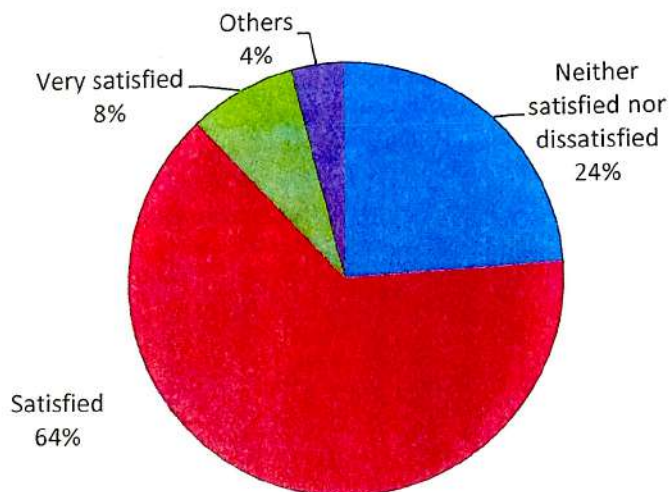


Figure 11.7 Satisfaction of Business Performance in Existing Premises

11.14 On the opinion of interpersonal relationship built from the existing business of the 25 operators, 16 (64%) operators were satisfied and 7 (28%) operators were very satisfied. Two (2) (8%) were neither satisfied nor dissatisfied. It can be observed that most of the operators considered themselves as having good interpersonal network in the area. (Figure 11.8).

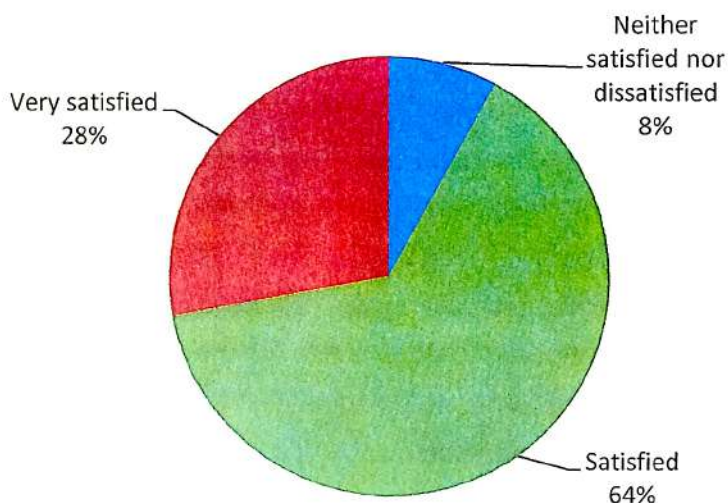


Figure 11.8 Satisfaction of Interpersonal Relation in Existing Premises

11.15 On the opinion of business network established from the existing shops, e.g. customer base, number of suppliers and etc. Among the 25 interviewed operators, 18 operators (72%) were satisfied while 4 operators (16%) were very satisfied. Two (2) operators (8%) responded they are neither satisfied nor dissatisfied. One operator was an NGO and a non profit making business. (Figure 11.9).

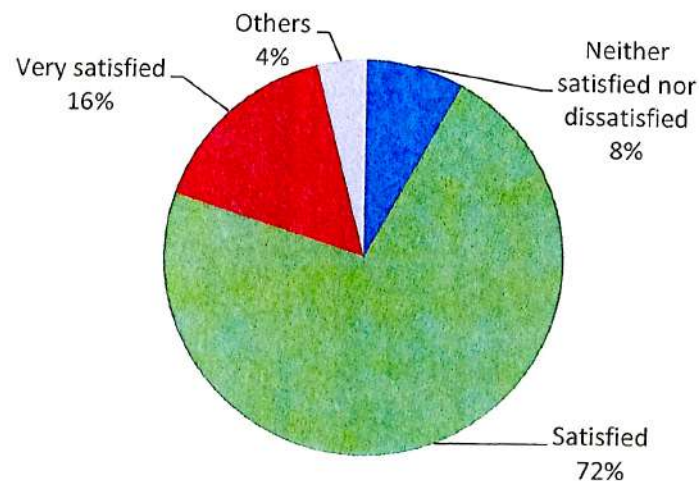


Figure 11.9 Business Network Built up by Operators in Existing Premises

- 11.16 On the future intention of the operators if the proposed Project is implemented, among the 25 interviewed operators, 11 (44%) operators responded that they would like to continue their businesses nearby. Only 4 operators (16%) considered relocation anywhere suitable and preferably the New Territories, or in Kwun Tong district. 7 operators (28%) replied that they had not decided yet. The remaining operators did not respond to the question.
- 11.17 Among the 25 interviewed operators who had responded on their major concerns on looking for alternative accommodation for continuing their businesses, 18 operators (72%) responded that they were concerned with the possibility of higher rental cost after relocation. Eleven (11) operators (44%) were concerned that relocation would result in loss of existing customer base. Seven (7) operators concerned about the the loss of good neighbours, while 5 were worried about the loss of agglomeration advantage. (Some operators selected more than one concern). **Figure 11.10** shows the major concerns on relocation.

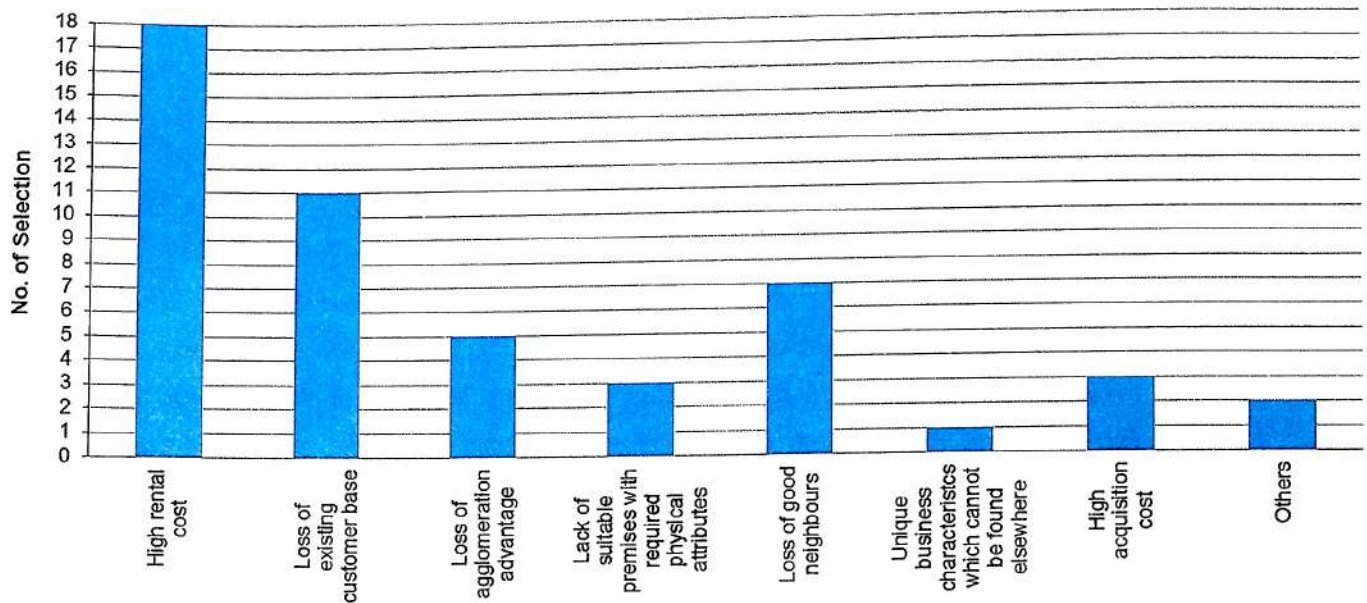


Figure 11.10 Major Concerns on Relocating to New Premises

11.18 Among the 25 interviewed operators, 15 operators (60%) indicated they would like the URA to assist them in finding new premises to continue their businesses. Eight operators (32%) indicated that they did not need any support. Two (2) did not responded to the question.

11.19 Among the 25 interviewed operators, 4 operators (16%) expressed their willingness to meet the URA and the SST whilst 17 operators (68%) did not want any assistance. Four operators have chosen “no response” in this question.

11.20 Twenty-four interviewed business operators had expressed that their employees had no major concern on the Project. Only 1 operator provided information on one employee who expressed her concerns on the impact on local social network and local economy.

12. MITIGATION MEASURES REQUIRED

Social Service Team

- 12.1 In accordance with the new URS, the URF has been set up to, inter alia, fund the SST who provides assistance to residents and operators affected by URA-implemented redevelopment projects. The SST reports directly to the Board of the URF. The SST is expected to play a co-ordinating role in assisting the residents to access the services they need from relevant Government departments and/ or other service providers. For instance, the help of the HKHA and the HKHS will be sought in the rehousing process, the Education Bureau in providing school places for children affected by home removal, the Social Welfare Department and various social organisations for counseling services, the Hospital Authority and Department of Health in medical assistance, etc. As at 15 July, 2016, the SST has successfully contacted 191 households and 32 business operators. A breakdown of the cases (contacts) by client groups is listed in **Table 12.1**.

<u>Client Group</u>	<u>No. of Households/ Shops</u>	<u>Percentage</u>
Domestic Tenants	150	67.2%
Domestic Owners	41	18.4%
Business Operators	32	14.4%
Total	223	100%

Table 12.1 Breakdown of SST Cases (Contacts) by Client Groups

12.2 The nature of the problems identified is summarized as follows:

Problem or Enquiry Nature (Each case may have more than one enquiry)	No. of Households/ Shops	Percentage
Domestic Tenants (150 households)		
a) Unclear on compensation and rehousing policies	About 135	90%
b) Evicted by owners / outrageous rent rise	8	5.3%
c) Worry about eviction, termination of tenancy or outrageous rent rise in future	About 120	80%
Domestic Owners (41 households)		
a) Unclear on compensation policies	About 37	90%
b) Worry about compensation not enough to purchase another flat in the same district	About 37	90%
Business Operators (32 shops)		
a) Unclear on compensation policies	32	100%
b) Worry about compensation not enough to resume their businesses in the same district	About 30	90%

Table 12.2 Nature of Problems Identified Among the Cases (Contacts)

12.3 The SST is expected to adopt a proactive approach to identify individuals at risk early through home and shop visits and to deliver prompt assistance to the residents and operators in need. For residents with no imminent needs, such a proactive approach can also enable the SST to establish a rapport with the clients and facilitate cooperation or engagement in future.

Public Briefing

12.4 The URA has arranged four public briefings on 7th and 8th June 2016 to inform all the stakeholders, including owners, tenants and business operators affected, the details of the Project, and to obtain public views on the Project. The total attendance of the public briefings were about 390 persons (for both KC-011 and KC-012 Projects). Questions on Freezing Survey, planning, acquisition and compensation and rehousing issues were addressed at the meeting. Those present were also informed that owners would not get more compensation by evicting tenants identified in the Freezing

Survey.

Enquiries and Hotline Services

- 12.5 The URA also answers enquiries and provides hotline services to residents within the redevelopment area. Some 55 enquiries had been received between 3 June 2016 and 12 July 2016. The subject matters of the enquiries are summarised in **Table 12.3**.

<u>Subject Matters of Enquiries</u>	<u>Number of Enquiries</u>	<u>Percentage</u>
Project information, progress, timetable and procedures of urban renewal	6	7.5%
Acquisition Compensation and rehousing policies	13	36.5%
Household Survey (e.g. registration arrangement)	29	42%
Others (e.g. residents briefing session information)	7	14%
Total	55	100%

Table 12.3 Nature of Enquiries

- 12.6 Based on past experience with implementation of redevelopment projects, the URA is confident that the prevailing compensation and rehousing policies and arrangements, with the services offered by the SST and the URA will be sufficient to reasonably mitigate the impact on the majority of the residents / business operators arising from the proposed redevelopment. In summary, the principal mitigation measures being pursued include:-

- (i) outreach activities by the SST to ensure that all affected persons potentially in need are identified on top of those who were already identified in the SIA survey;
- (ii) assistance in finding public rental rehousing for eligible persons in need;
- (iii) conducting initial assessment of the elderly with low incomes or disability and other vulnerable groups for eligibility for compassionate housing;
- (iv) providing orientation assistance for those in need after moving home such as familiarisation with new neighbourhood, accommodation and local facilities; and
- (v) providing assistance to identify suitable replacement premises for affected

businesses.

- 12.7 As revealed by the survey, 78% of the interviewed households either supported or strongly supported the Project as some of them considered that they would have more savings and less expenditure through the URA's prevailing compensation and rehousing policies. In addition, 17% of the households had no comment on the Project. Only around 5% of the interviewed households did not support or was strongly against the Project. (Paragraph 2.16 refers). Those households who did not support the Project considered that the redevelopment would have negative impacts on the social network and their family finance. With regard to the view of business operators, 56% of the interviewed operators indicated support or strongly support for the Project. The operators supporting the Project considered that the building condition was poor and the building should be redeveloped to bring better local environment. About 24% of operators indicated not support or strongly against to the proposed redevelopment. They considered that the Project would affect their business operations and destroy the social network. The remaining 20% of operators had no opinion (Paragraph 11.9 refers).
- 12.8 The URA will assist displaced elderly owner-occupiers to find replacement flats within urban Kowloon. Redevelopment will inevitably affect the existing social network of some residents in the Project. The SST will follow up their cases for 6 months after their relocation to a new accommodation. In helping "the affected residents in maintaining and rebuilding social support network", the team will also conduct below activities:-
- (i) the displaced residents have contacted at least once their old acquaintance in Kowloon City after resettlement, e.g. through organizing a re-union gathering for displaced residents;
 - (ii) the displaced residents have established connections in their new neighbourhood, e.g. programs on getting to know the local facilities in new community and visitation to the social service providers in the new neighbourhood.
- 12.9 The URA together with the SST will ensure that the requisite services and practical assistance by relevant Government Departments and/or service providers are made available to the community in need, and that social and livelihood problems relating to the Project are resolved in a timely manner.

Prevailing Acquisition, Compensation and Relocation Policy

- 12.10 At the public meetings held between 7-8 June 2016, compensation, rehousing or ex-gratia payment based on the URA's prevailing policy for the affected owners and tenants were fully explained.

Domestic Properties

- 12.11 The URA will offer an owner-occupier of domestic property the market value (valued on vacant possession basis) of his property plus an ex-gratia allowance, namely Home Purchase Allowance (HPA), for purchase of the property. The assessment of HPA is based on the value of a notional replacement flat of similar size, which is defined as a seven-year-old flat in a building of comparable quality, situated in a similar locality in terms of characteristics and accessibility, and located at the middle floor with average orientation. The HPA is the difference between the value of the notional replacement flat and the market value of the property being acquired. The URA will offer an owner of tenanted or vacant domestic property the market value (valued on vacant possession basis) of his property plus a Supplementary Allowance (SA), where applicable, up to 50% of the HPA above mentioned. In addition to HPA or SA, URA will offer an incidental cost allowance to owners of domestic properties to assist payment of removal expenses and expenditure relating to the purchase of a replacement property.
- 12.12 According to the new URS, and as far as relevant legislation allows, the URA will offer FFF arrangement to eligible owner-occupiers of domestic properties. Under such arrangement, new flats will be made available in the new development in-situ or in other nearby URA projects as an additional option to cash compensation to such owner-occupiers. As this is an additional option, the amount of cash compensation offered to an owner-occupier will not be affected by his/her choice of joining the FFF Scheme.
- 12.13 Affected eligible domestic tenants will be re-housed in units provided by the HKHA or the HKHS. Tenants who are re-housed will be offered an ex-gratia removal allowance. The allowance is in line with the HKHA's rates. The amount receivable will be according to the size of the household and the rates prevailing at the time.
- 12.14 Tenants who are not allocated re-housing due to various reasons or who decline re-housing, may receive ex-gratia payments. The amount of ex-gratia payment will be dependent on, amongst other things, whether the tenancies commenced before the

date of the Freezing Survey and continued, or commenced on or after the freezing survey. Details of the ex-gratia payments for domestic tenants can be obtained from www.ura.org.hk.

- 12.15 According to the new URS, the URA will offer an ex-gratia allowance to eligible elderly owners of tenanted domestic units on compassionate ground in exceptional circumstances such as elderly owners who rely on the rental income from their properties for a living.
- 12.16 In case where tenants were threatened not to have their tenancies renewed, URA will explain to the owners that they would not get more compensation by evicting the tenants. The URA has also introduced the "Domestic Tenants Compassionate Assistance Programme" to take care of those domestic tenants whose tenancies commenced before the Freezing Survey of this Project and moved out from the properties because they have been required to move out from their properties by their landlords upon expiry or termination of their tenancies and before URA purchases the properties. In general, eligible domestic tenants who meet the criteria under this programme will be offered, after acquisition or resumption of the properties concerned, special ex-gratia payment of 3 times the ratable value of their properties subject to a minimum of HK\$70,000 (for a 1 person household) and HK\$80,000 (for a 2 persons plus household). Under very special circumstances, the URA will provide special arrangements for eligible tenants in special hardship on compassionate grounds.

Non-domestic Properties

- 12.17 For owner-occupied non-domestic premises, the market value of the affected property (valued on vacant possession basis) plus an ex-gratia allowance of 4 times the ratable value or 35% of the market value of the affected property, whichever is the higher, will be offered. Owner-occupiers of non-domestic premises may choose to claim for business loss as an alternative to both ex-gratia allowance mentioned above and Ex-gratia Business Allowance (EGBA) mentioned in Paragraph 12.18 below. For owners of tenanted or vacant non-domestic properties, the market value (valued on vacant possession basis) of the affected property plus an ex-gratia allowance of 1 time the ratable value or 10% of the market value of the affected property, whichever is the higher, will be offered.
- 12.18 For non-domestic tenants of non-domestic premises, an ex-gratia allowance of 3 times the ratable value of the affected premises will be offered. An additional payment of EGBA is also payable to tenants and owner-occupiers who commenced occupying the

premises for business before the date of freezing survey. The amount is calculated at a rate of 0.1 times the ratable value for each year that the affected premises has been in operation up to a maximum of 30 years, and subject to a maximum amount of HK\$500,000 and a minimum amount of HK\$70,000. Non-domestic tenants may lodge a claim for business loss in lieu of the above two allowances.

- 12.19 According to the new URS, if requested, the URA will help identify suitable premises in the district of the redevelopment project to enable the affected shop operators to relocate and continue operation in the same district as far as practicable.
- 12.20 Details of the current acquisition and compensation policies are published on the URA's website and will be communicated to affected persons when acquisition of property interests for this Project commences. Prevailing policies relating to property acquisition, rehousing and ex-gratia allowances will be reviewed by the URA from time to time.

URBAN RENEWAL AUTHORITY

July 2016

Ground Floor (G/F) Shops within the Project Area



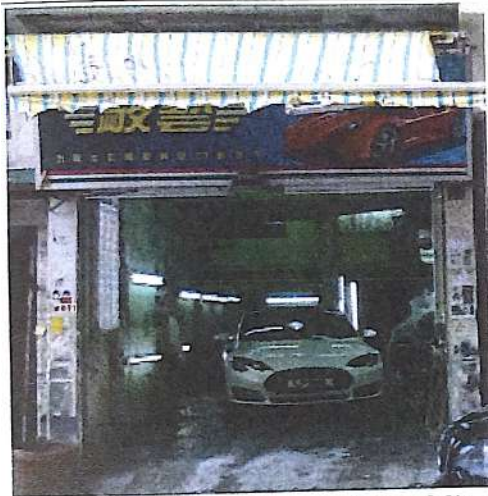
G/F & staircase shop, 21 Kai Ming Street



G/F, 23 Kai Ming Street



G/F, 25 Kai Ming Street



G/F Front portion, 27 Kai Ming Street



G/F Rear portion, 27 Kai Ming Street



G/F, 29 Kai Ming Street



G/F staircase shop, 29 Kai Ming Street



G/F, 31 Kai Ming Street



G/F, 33 Kai Ming Street



G/F staircase, 33 Kai Ming Street



G/F, 35 Kai Ming Street



G/F 37 Kai Ming Street



G/F staircase, 37 Kai Ming Street



G/F, 39 Kai Ming Street



G/F, 34 Hung Fook Street



G/F, 36 Hung Fook Street



G/F, 38 Hung Fook Street



G/F, 40 Hung Fook Street



G/F, Front portion, 42 Hung Fook Street



G/F, Rear portion, 42 Hung Fook Street



G/F, 44 Hung Fook Street



Shop A, G/F, 46 Hung Fook Street



G/F, 16 Hung Fook Street



G/F, 18 Hung Fook Street



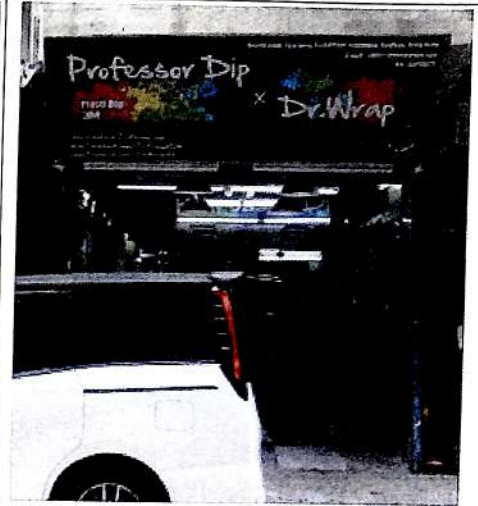
G/F, 20 Hung Fook Street



G/F, 22 Hung Fook Street



G/F, 24 Hung Fook Street



G/F, 26 Hung Fook Street



G/F, 28 Hung Fook Street



G/F, 30 Hung Fook Street



G/F, 32 Hung Fook Street



G/F, 35 Wing Kwong Street



G/F, 44 & 46 Hung Fook Street