

Shantung Street / Thistle Street Development Scheme (YTM-012)



Stage 2 Social Impact Assessment

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Appendix 1 : Non-domestic G/F Premises within the Scheme 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 The URA published in the Government Gazette the commencement of the Shantung Street/ Thistle Street Development Scheme YTM-012 (the Scheme) by way of development scheme under section 25 of the Urban Renewal Authority Ordinance on 16 October 2020. The Stage 1 SIA was made available for public inspection on 23 October 2020. This Stage 2 SIA report is based on the factual data and opinions collected as part of the freezing survey for this Scheme conducted from 16 October 2020 to 18 October 2020, and the follow-up survey visits by appointments conducted up to 6 November 2020.
- 1.3 This report covers the elements listed in paragraph 37 of the URS for the affected residents, families and businesses within the Scheme, 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 Salvation Army has been commissioned by the Urban Renewal Fund (URF) to act as the Social Service Team (SST) for this Scheme. They are tasked to provide assistance and advice to residents and business operators affected by the Scheme. 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 actions.

2. BACKGROUND

2.1 The Shantung Street/ Thistle Street Development Scheme (the Scheme) is located in Mong Kok District, which is in “L-shape” broadly bounded by Thistle Street to the east, Shantung Street to the south, part of Ferry Street to the west and part of Nelson Street to the north (**Figure 2.1**). It covers a gross site area of about 2,796sq.m., includes buildings at 1-27 Shantung Street (odd nos.), 1-23 Thistle Street (odd nos.) and 2L-2M Nelson Street, part of the Leisure and Cultural Services Department (LCSD)’s Thistle Street Rest Garden, a government lane as well as the surrounding public pavement. Subject to site survey and detailed design, the net site area used to calculate the development potential of the Scheme is about 1,660 sq.m., involving only the private lots and the government lane within the Scheme.

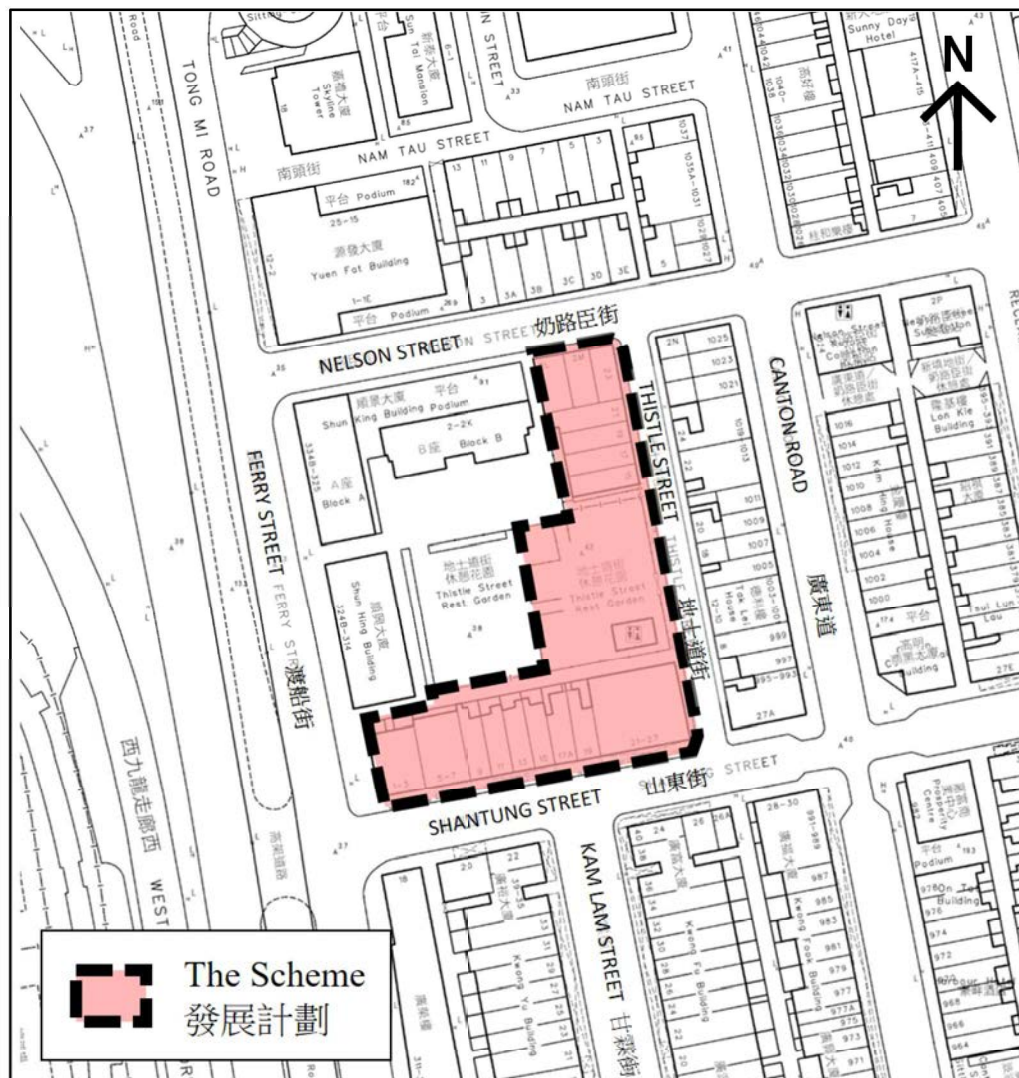


Figure 2.1 Location Plan

Distribution of Units and Households

- 2.2 The Freezing Survey (FS) successfully surveyed 233 domestic households (up to 6 November 2020). The detailed breakdowns of surveyed and the unsurveyed units will be illustrated in Section 3. **Table 2.1** shows the results of FS and SIA surveys within the Scheme. For those who refused to do the SIA questionnaires and those who refused to answer particular questions in the SIA questionnaire, will be categorized as “Nil Response” in the report.

Table 2.1 Results of FS and SIA surveys within the Scheme

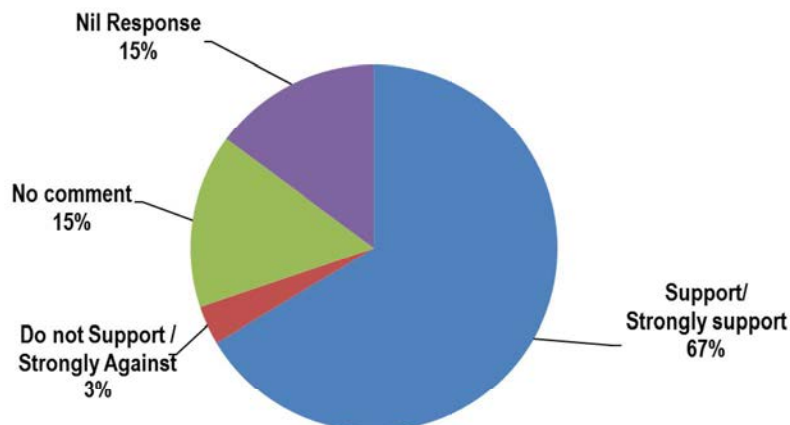
| | No. of Households |
|---|-------------------|
| Total No. of surveyed households | 233 |
| Successfully responded to both FS and SIA questionnaire. | 212 |
| Only responded to FS but refused to do SIA questionnaire. | 21 |

Business Operators and Non-domestic Premises

- 2.3 Regarding non-domestic uses, the FS successfully surveyed 23 business operators (up to 6 November 2020). The details will be illustrated in Section 11.

Views on redevelopment

- 2.4 Among the total 233 surveyed households, 156 households (about 67%) indicated that they either strongly supported or supported the proposed Scheme, while 8 households (3%) indicated that they either strongly against/do not support the proposed Scheme. The remaining 69 households (30%) had no comment or nil responses to the question. These views collected from FS indicate the initial views of those respondents towards the proposed redevelopment and did not constitute any indication of owner to sell/not to sell their properties.



Opinions on physical condition and living environment

- 2.5 About 60% of the surveyed households indicated that the problem of noise nuisance and outdoor air pollution/poor air quality happened or occasionally happened to their accommodations. Meanwhile, in terms of living environment, 50-60% of the surveyed households indicated the problem of obstruction of staircase, loitering of strangers and poor hygiene condition of common area happened or occasionally happened to their accommodations.

3. POPULATION & HOUSEHOLD CHARACTERISTICS

- 3.1 Except stated otherwise, the territorial average numbers used for comparison in this report are based on the 2016 Population By-census, and the assessments will be based on the latest available information for comparison where appropriate.
- 3.2 The total number of domestic units according to the approved GBP is 143. The population and household characteristics in the Scheme is listed in **Table 3.1** below and the status of surveyed units is shown in **Table 3.2** below.

**Table 3.1 Population and Household Characteristics in the Scheme
(as of 6 November 2020)**

| | |
|---|---|
| Actual Successfully Surveyed Units/ Cubicles | 236 units (refer to Table 3.2 below) |
| Total Number of Households | 233 households |
| Total Population | 569 persons |
| Average Household Size | About 2.4 persons per household; lower than the territorial average of 2.8 persons per household. |
| Degree of Sharing | About 1.0 (233 households/236 surveyed units/ cubicles); similar to the territorial average of 1.0 for private permanent housing. |

- 3.3 However, among the total of 233 households, 143 households were living in sub-divided units and 6 households were living in cubicles. If these 149 households are considered as “sharing” of these original 50 GBP units, the degree of sharing is about 2.98 (149 households/50 original surveyed GBP units) (Refer to **Figure 3.1** and **Table 3.2**).

Figure 3.1 Percentage of Sub-divided Units in 129 Surveyed Units (Approved GBP Units)

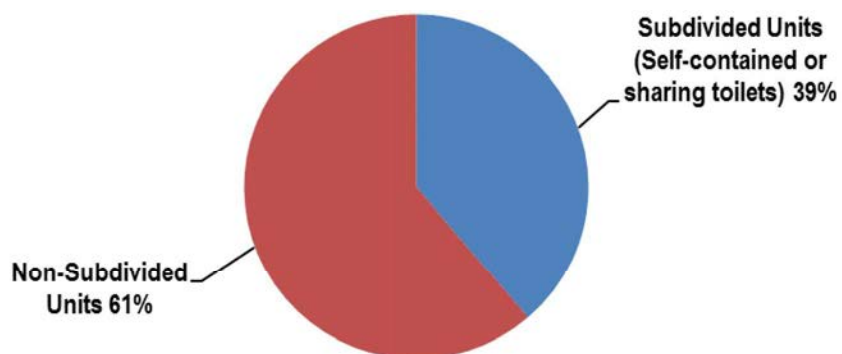


Table 3.2 Sub-Division of Domestic Units (as of 6 November 2020)

| | | According to Original GBP | Units or Cubicles Actual Found | Number of Households | | |
|-----------------|---|---|--|----------------------|----------------------|-----------------------|
| Surveyed | Non-subdivided domestic units | | 78 | 78 | 77 ^{Note 1} | |
| | Sub-divided domestic units | <i>Surveyed units for domestic use (cubicle)</i> | 50 | 3 | 6 cubicles | 6 |
| | | <i>Surveyed units for domestic use (self-contained units with independent facilities)</i> | | 47 | 143 subdivided units | 142 ^{Note 2} |
| | Sub-total | | 128 | 227 | 225 | |
| | Domestic unit (according to GBP) used for non-domestic use | | 1 | 1 | N/A | |
| | Non-domestic unit (according to GBP) used for domestic use | | (2) | 2 | 2 | |
| | Sub-divided non-domestic units for domestic use | | (2) | 6 sub-divided units | 6 | |
| | Sub-total | | Domestic: 129 Non-domestic: 4 | 236 | 233 | |
| | Un-surveyed Domestic Unit | | 14 | N/A | N/A | |
| | Total No. of Domestic Units according to GBP | | 143 | N/A | N/A | |

Remarks:

Results are as of 6 Nov 2020

Note 1: 78 domestic units (according to GBP use) in which 1 household occupied 2 domestic units (according to GBP).

Note 2: 47 domestic units (according to GBP use) are subdivided into 143 subdivided units (SDUs). Within the 143 SDUs, 1 household occupied 2 SDUs. Besides, 2 of the 143 SDUs are used for both domestic and non-domestic use (mixed use), in which both households/operators have completed FS and SIA Forms for both domestic and non-domestic use.

- 3.4 A total of 569 residents were recorded in the Freezing Survey, 250 were male, 275 were female, and 44 residents did not provide any information. The distribution gives a ratio of about 91 male residents to every 100 female residents. **Figure 3.2** and **Table 3.3** shows the age structure of the surveyed population. Among the total 569 residents, 5 residents in 5 vacant households have completed/partially completed FS

and SIA Forms for domestic use. The following analysis is based on a total of 233 surveyed households and 569 residents.

Figure 3.2 Age Structure

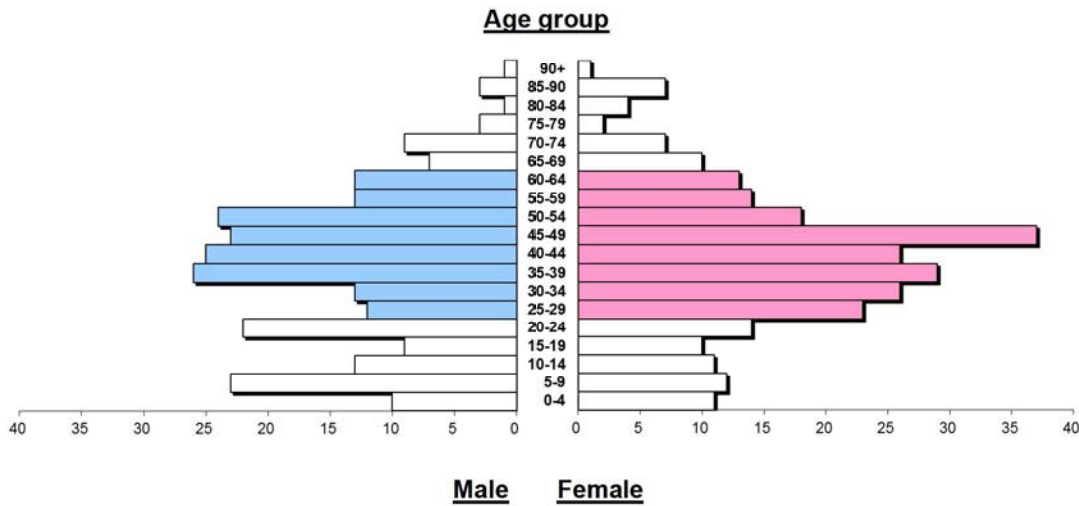


Table 3.3 Age Structure of the Population (as of 6 November 2020)

| Age Group | Within the Scheme | Territory wide level | Comparison |
|--|-------------------|----------------------|-----------------|
| 0-14 (Children) | 14% | 11% | Slightly higher |
| 15-24 (Youth) | 10% | 11% | Similar |
| 25-64 (economically active age group) | 59% | 62% | Slightly lower |
| 65+ (Elderlies) | 10% | 16% | Lower |
| No age information provided | 7% | / | / |
| Total | 100% | 100% | |

3.5 The distribution of surveyed household sizes is shown in **Table 3.4**. The percentage of 1 person household within the Scheme is much higher than the territory-wide level; while other household sizes within the Scheme are similar or lower than the territory-wide level. The special housing needs of these households will be discussed in Sections 5 and 12.

Table 3.4 Distribution of household size (as of 6 November 2020)

| Household Size (Persons) | Surveyed in the Scheme | Territory-wide level (para. 3.1 refers) | Comparison |
|---------------------------------|-------------------------------|--|-------------------|
| 0 (vacant) | 2% | N/A | N/A |
| 1 | 31% | 18% | Higher |
| 2 | 27% | 27% | Same |
| 3 | 17% | 24% | Lower |
| 4 | 11% | 20% | Lower |
| 5 | 9% | 8% | Similar |
| 6 or above | 3% | 3% | Same |
| Total | 100% | 100% | / |

4. SOCIO-ECONOMIC CHARACTERISTICS

Income Level

4.1 The distribution of household income is shown in **Figure 4.1** and **Table 4.1** below.

Figure 4.1 Household Income (HK\$ per month) (233 surveyed households as of 6 November 2020)

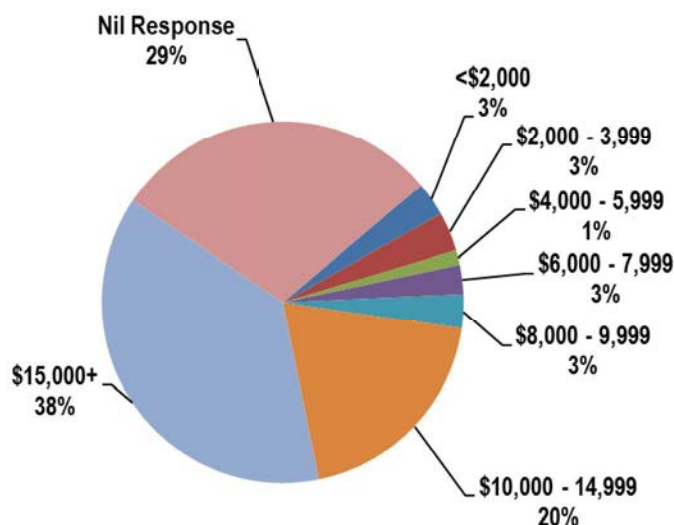


Table 4.1 Distribution of Household Income (as of 6 November 2020)

| | Within the Scheme | Territory-wide level | Comparison |
|--|-----------------------|--|------------|
| Monthly income less than HK\$10,000 per month | 13% | 19% | Lower |
| Monthly income less than HK\$4,000 per month | 6% | 6% | Same |
| Comprehensive Social Security Assistance (CSSA) Recipients | 5% (12 households) | About 4% as at October 2020 ¹ | Similar |

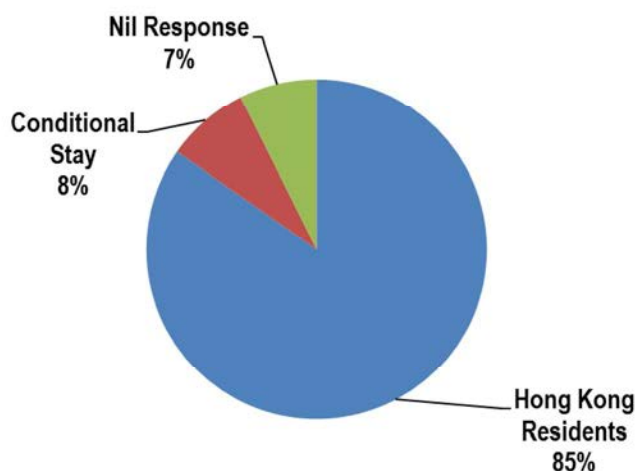
4.2 The URA and the SST will pay particular attention and to offer assistance to those in need of help and refer them to relevant services and practical assistance from various Government Departments and services providers. Since the Scheme commencement, the URA has set up hotlines for the residents aiming to collect and offer direct assistance to those seeking help. For details, please refer to para. 12.7.

¹ *CSSA caseload for October 2020, 17 November 2020, Press Release The Government of the Hong Kong Special Administrative Region.*

Residence

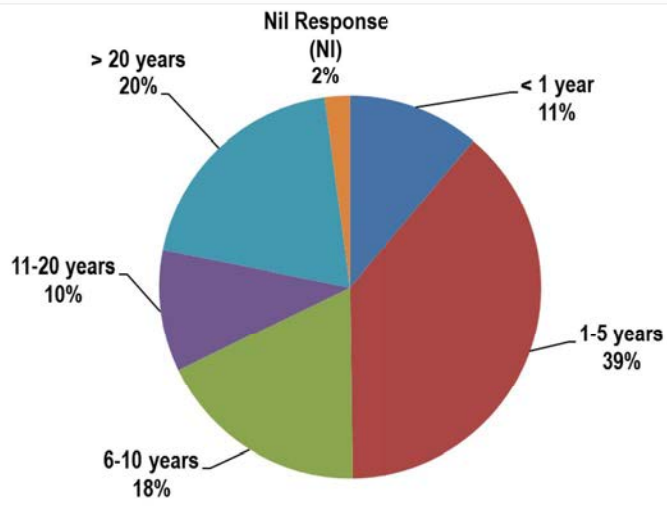
- 4.3 Forty-five (45) residents (about 8%) were subject to conditions of stay in Hong Kong, as shown in **Figure 4.2**. This group of people may not be able to meet the eligibility criteria for public rental housing under the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS). 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 (Total 569 residents in 233 surveyed households as of 6 November 2020)



- 4.4 The number of years of residency is shown in **Figure 4.3**. A total of 46 households (20%) have lived within the Scheme continuously for over 20 years. This group might find it more difficult to adjust to a new living environment. The assistance from the SST in providing orientation services and holding community gatherings will be important in helping these residents adapt to their new living environment. The long residence may have generated high dependency on the social network, existing educational, medical and community facilities in the district. Possible mitigation measures on these issues through offering rehousing options in the same district will be discussed in Section 5 and 12.

Figure 4.3 Period of Residence at Current Premises (Total 233 Households as of 6 November 2020)

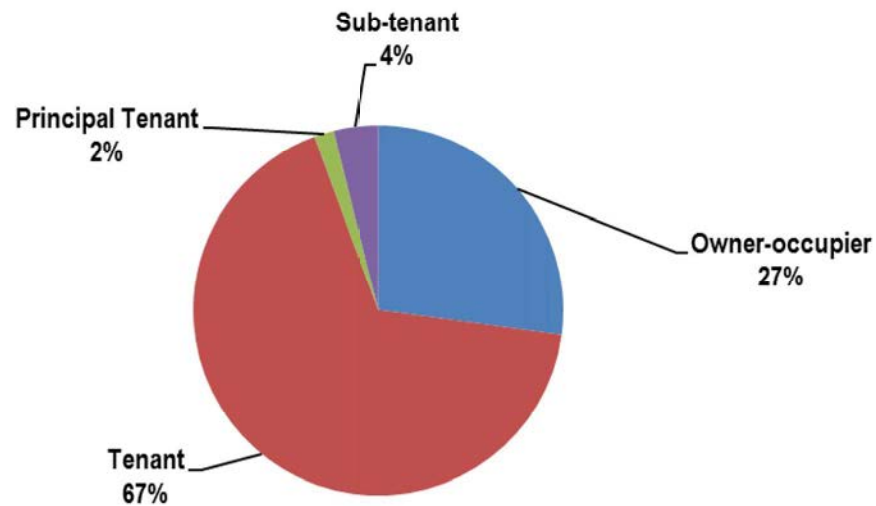


5. HOUSING

Re-housing Needs and Location Preference

5.1 **Figure 5.1** shows the occupancy status of households. There are 63 Owner-occupier households² (27%) and 170 tenant households (73%) (all tenants, principal tenants, sub-tenants and others are classified as tenant households for analysis purpose). The tenants in the Scheme may generate a demand for rehousing services should the Scheme be approved by CE in C for implementation and subject to their eligibility for rehousing.

Figure 5.1 Occupancy Status of Households (Total 233 Surveyed Households as of 6 November 2020)

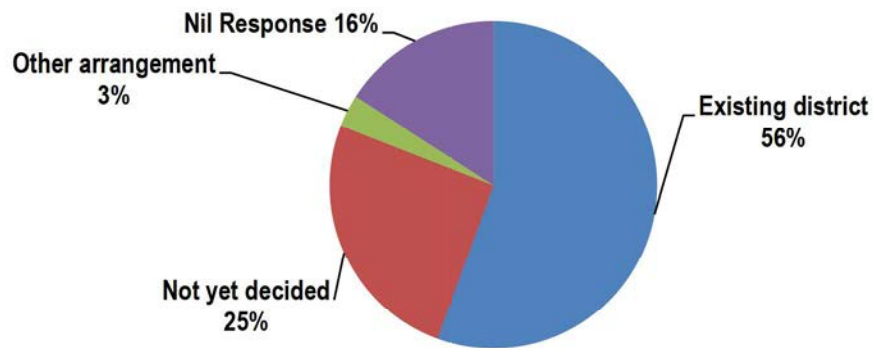


Affected Owner-occupiers (63 Households as of 6 November 2020)

5.2 **Figure 5.2** shows the 63 surveyed owner-occupiers' preference of finding alternative accommodations. About 56% of surveyed owner-occupiers preferred to find alternative accommodations in the existing district (i.e. Yau Tsim Mong).

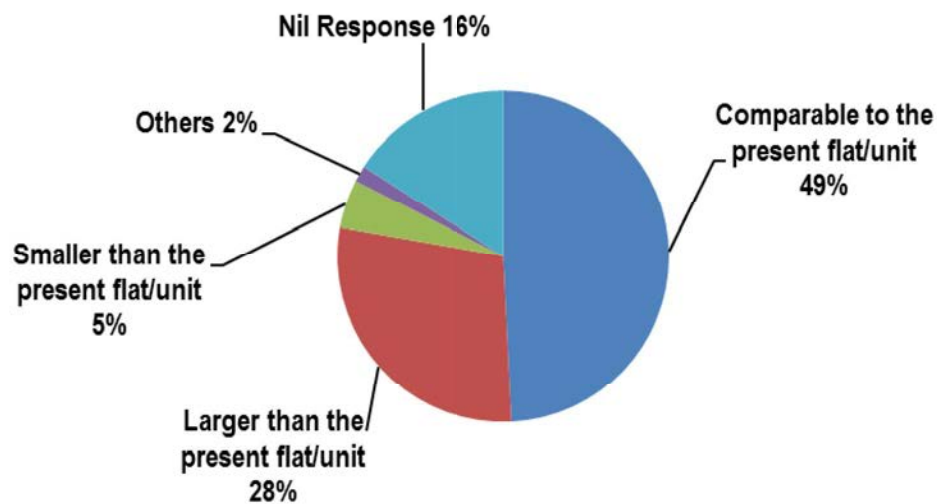
² The owner-occupier status has yet to be verified and ascertained. All responses related to owner-occupiers are based on the questionnaire surveys only.

**Figure 5.2 Preference of Alternative Accommodation Location
(63 Households as of 6 November 2020)**



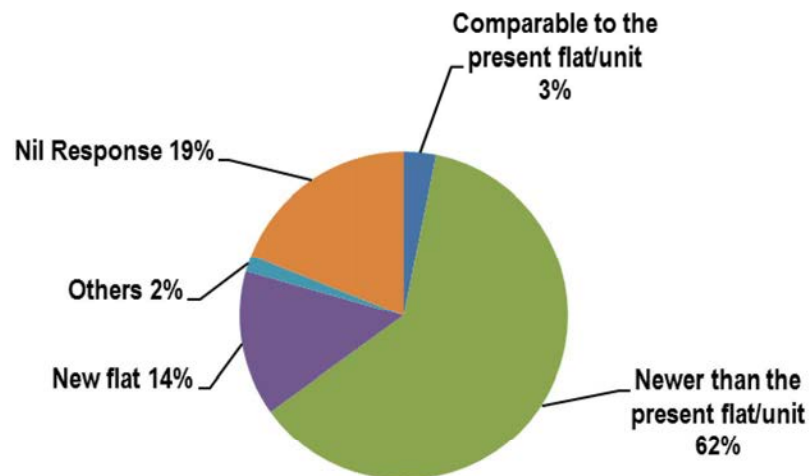
5.3 **Figure 5.3** shows the owner-occupier households' preference on flat size for the new accommodation.

Figure 5.3 Preference of Flat Size (63 Households as of 6 November 2020)



- 5.4 **Figure 5.4** shows the owner-occupier households' preference on building age for the new accommodation.

Figure 5.4 Preference of Building Age (63 Households as of 6 November 2020)

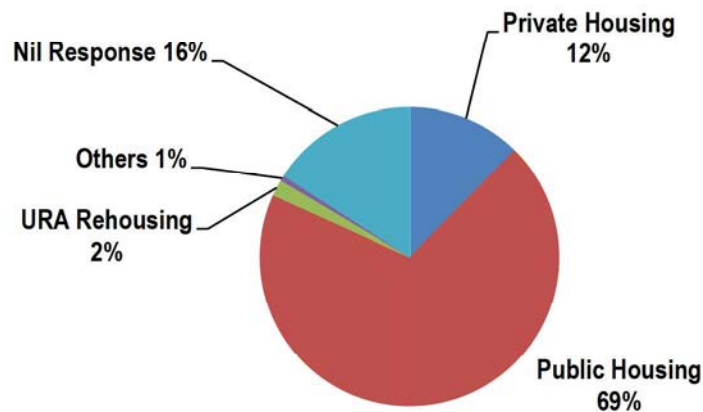


- 5.5 Subject to the approval by the CE in C to implement the Scheme, the URA will offer an owner-occupier of domestic property the market value, plus an ex-gratia allowance (namely home purchase allowance). It is believed that the affected owner-occupiers will be able to buy a newer flat of similar size in the same district. For those affected owner occupiers expressing their desire to move to a new flat, URA will offer 'Flat-for-Flat' (FFF) option for them (subject to their eligibilities) to choose to buy a new flat in-situ or in the same district or at available site(s), as an additional option to cash compensation. For details, please refer to para. 12.12 and 12.13.

Affected Tenants (170 Households as of 6 November)

- 5.6 **Figure 5.5** shows the tenant households' preference. However, as stated in paragraph 4.3 above, those residents who are subject to conditional stay in Hong Kong may not be eligible for public rental housing. Rehousing may only be considered in very special circumstances and on compassionate grounds.

Figure 5.5 Tenant households' Preference on New Accommodation (170 Households as of 6 November 2020)



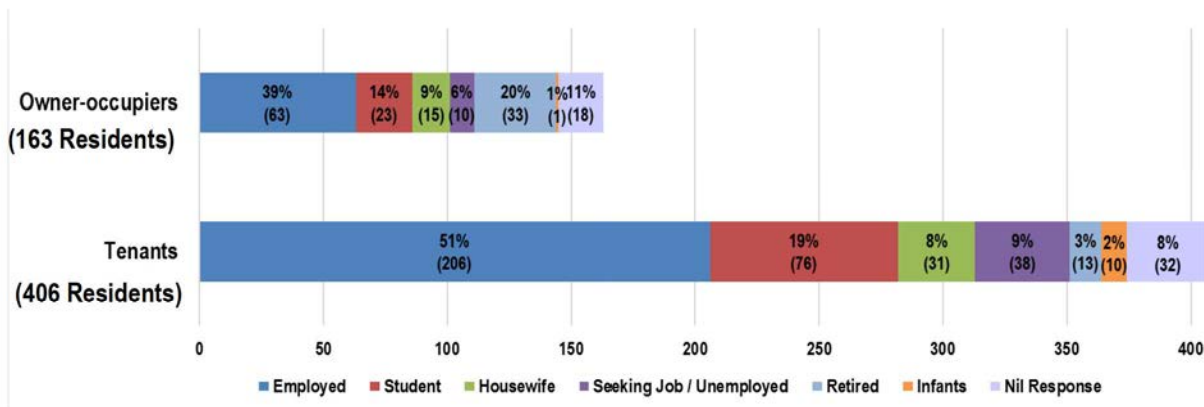
- 5.7 According to the agreement made between the URA and the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS), the HKHA and HKHS will provide flats within their estates for rehousing eligible tenants. The URA will liaise with HKHA and HKHS to reserve flats in available estates to cater for the potential demand. Subject to the availability of rehousing flats, the URA will endeavor to arrange allocation of rehousing flats for the eligible tenants in Yau Tsim Mong District or adjacent districts as far as practicable.

6. EMPLOYMENT STATUS AND PLACE OF WORK

6.1 The employment status of 569 surveyed residents (including 163 residents in owner-occupiers households and 406 residents in tenants households) is analyzed in paragraphs 6.2 to 6.5 below.

6.2 **Figure 6.1** shows details of employment status of the affected residents of owner-occupier households and tenant households respectively.

Figure 6.1 Employment Status of Affected Residents of Owner-occupier households and Tenant households (Total 569 residents in 233 surveyed households as of 6 November 2020)



6.3 The findings of the survey show that the unemployment rate of the residents of tenant households (9%) is higher than the territory-wide unemployment rate of 6.4% (seasonally adjusted, for the period from August 2020 to October 2020³). There may be financial difficulty for this group of unemployed residents in the Scheme. If the Scheme is to be implemented, the eligible households will be subject to the URA's prevailing compensation policies.

6.4 **Table 6.1** shows the percentage share of different places of work of the employed persons within owner-occupier and tenant households.

³ Information from website of Census and Statistic Department as at 17 November 2020

Table 6.1 Percentage share of different places of work of the employed persons within owner-occupier and tenant households (as of 6 November 2020)

| | Employed persons in Owner-occupier Households (63 Residents) | Employed persons in Tenant Households (206 Residents) |
|---|---|--|
| Kowloon City | 5% | 2% |
| Wong Tai Sin & Kwun Tong | 3% | 5% |
| Yau Tsim Mong | 22% | 42% |
| Sham Shui Po | 2% | 3% |
| Kwai Tsing & Tsuen Wan | 6% | 3% |
| Hong Kong Island | 24% | 15% |
| New Territories & Outlying Islands | 8% | 6% |
| Outside Hong Kong (including Mainland China) | 3% | 0% |
| No Fixed District | 16% | 23% |
| Nil Response | 11% | 1% |

- 6.5 For those employed tenants who are working in Yau Tsim Mong district, there may be economic concerns arising from higher transportation costs if they were to be rehoused/relocated to other districts. 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. The SST will investigate the needy cases as identified and depending on justifications, may make recommendations for rehousing on compassionate grounds.

7. EMPLOYMENT AND ECONOMIC IMPACTS

- 7.1 **Table 7.1** summarizes the impacts of the proposed redevelopment on employment and economic condition as anticipated by the 63 surveyed domestic owner-occupier households and 170 tenant households.
- 7.2 For impact on employment, majority of the respondents (49% and 43% respectively) said there would be no impact. For those expressing negative impacts (8% and 31% respectively), they were concerned about the increase in transport expenditure and longer travelling time to workplace, etc. For those concerned tenant households, 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. The SST will investigate the needy cases as identified and depending on justifications, may make recommendations for rehousing on compassionate grounds.
- 7.3 For those expressing negative impacts on economic condition (27% and 40% respectively), they were concerned about the less savings, less cash flow, additional expenditure and more debt resulting from the proposed Scheme. The URA with the support of SST shall offer timely assistance to those residents if there is financial difficulty.

Table 7.1: Anticipated Impacts on Employment and Economic Conditions (as of 6 November 2020)

| ANTICIPATED IMPACTS | | Affected Owner-occupiers (63 Households) | Affected Tenants (170 Households) |
|----------------------|-----------------|---|--------------------------------------|
| Employment Condition | Positive Impact | 0% | 3% |
| | No Impact | 49% | 43% |
| | Negative Impact | 8% | 31% |
| | No Response | 43% | 24% |
| Economic Condition | Positive Impact | 14% | 15% |
| | No Impact | 22% | 23% |
| | Negative Impact | 27% | 40% |
| | No Response | 37% | 22% |

- 7.4 After commencement of the Freezing Survey, the URA has organized six public briefings on 20 October 2020, 22 October 2020 and 23 October 2020 to affected owners and tenants and the concerned public to explain about the Scheme and the prevailing policies on compensation and rehousing to alleviate their concerns. If the Scheme is to be implemented, the eligible households will be subject to the URA's prevailing compensation policies.

8. SOCIAL NETWORK

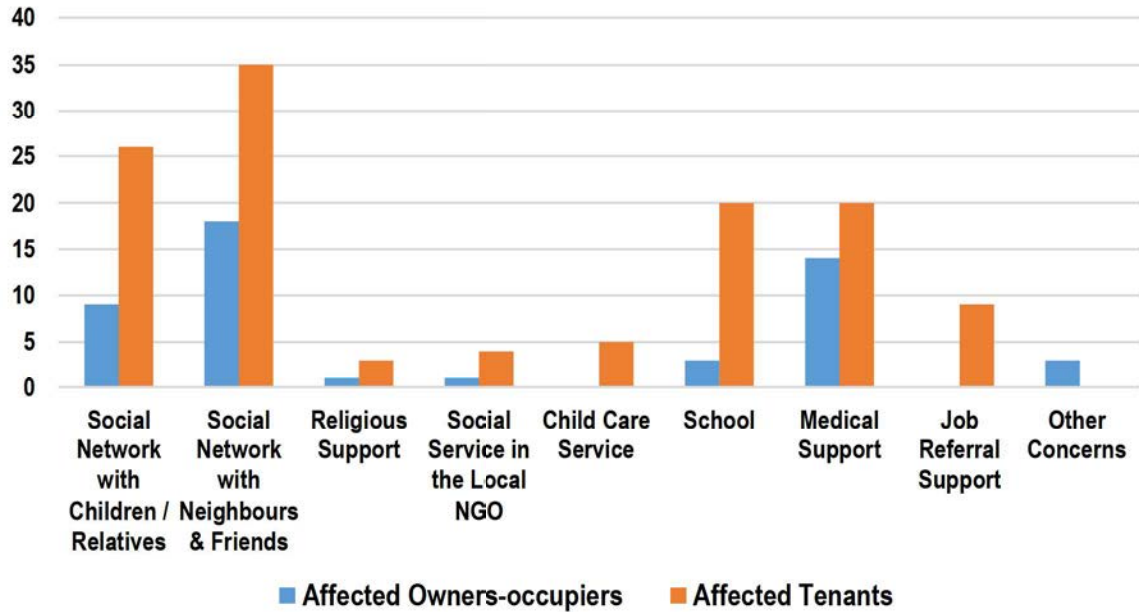
8.1 The likely impacts of the proposed redevelopment on owner-occupiers' and tenants' social network is shown in **Table 8.1**. The percentage of households replied that the social network affected by redevelopment (about 38% and 40%) is similar to the URA's past experience in the same district.

Table 8.1 Effects of Redevelopment on Social Network (as of 6 November 2020)

| | Affected Owners-occupiers (63 Households) | Affected Tenants (170 Households) |
|-------------|--|--|
| No Impact | 43% | 45% |
| Affected | 38% | 40% |
| No Response | 19% | 15% |

8.2 The possible effects of the Scheme on the affected households' social network (each household can choose more than one concern) is shown in **Figure 8.1**.

Figure 8.1 Nature of Effects on Social Network to Affected Households (as of 6 November 2020)



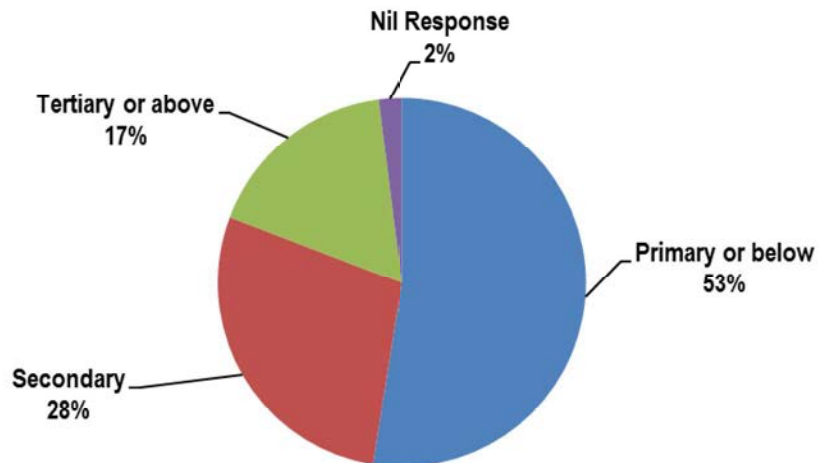
8.3 The SST will provide orientation sessions before and after rehousing to help the affected residents adapt to their new homes and introduce various community resources available in the area, including medical support, NGO services and community facilities. It will help them to identify suitable medical/ social service providers and religious institutions in the new residence setting. However, the social support with children/ relatives and neighbours/friends may take longer to establish/ re-establish in a new environment. If those tenanted households prefer to live close to their relatives to retain social support, the URA will endeavor 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. The URA will also offer FFF option (in-situ or in the same district or at available site(s)) for those eligible domestic owner-occupiers to minimize the effect on their intrinsic social networks.

9. EDUCATION NEEDS OF CHILDREN

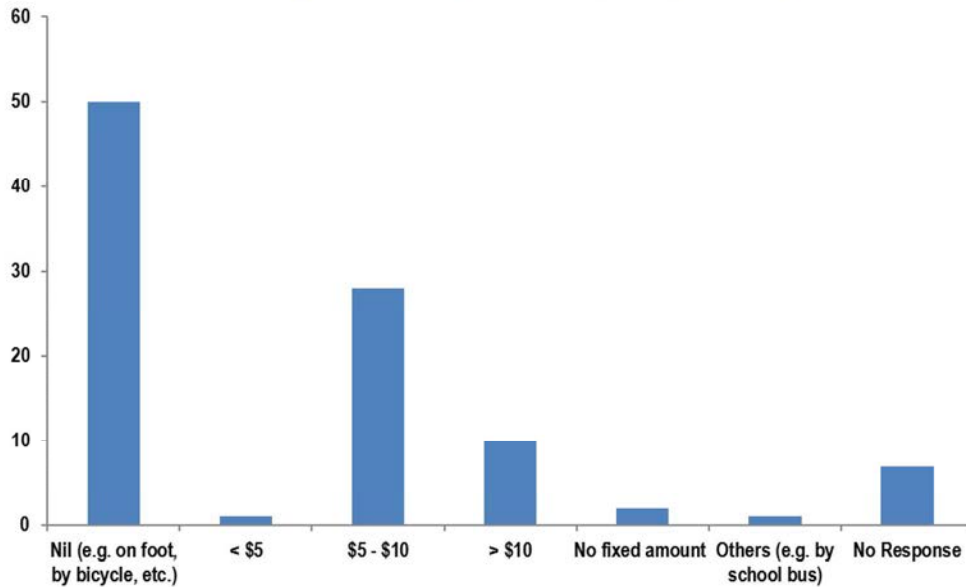
9.1 The survey identified 99 students residing in 60 households within the Scheme. Of this, 23 students (23%) were from owner-occupier households and 76 students (77%) were from tenant households. **Figure 9.1** shows the type of schools attended by the students residing in the Scheme.

Figure 9.1 Educational Level of Students (99 Students in surveyed households as of 6 November 2020)

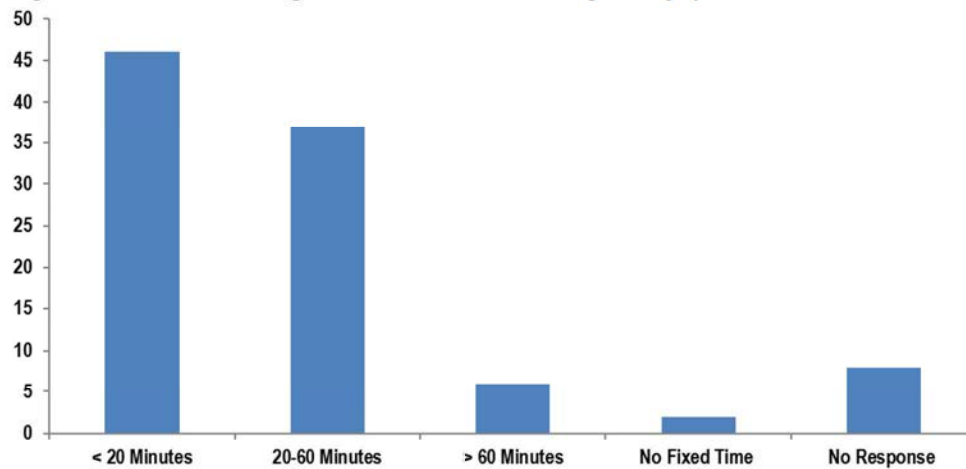


9.2 The majority of the students (60 students or about 61%) are studying in schools in Yau Tsim Mong and the neighbouring Sham Shui Po District.

9.3 **Figure 9.2** shows the transport costs of the students in the interviewed households. Since 61% of students within the Scheme were studying locally (in Yau Tsim Mong and Sham Shui Po Districts), it is not surprising that 50 students (about 51%) did not need to pay for transport to school.

Figure 9.2 Travelling Cost to School – Single Trip (as of 6 November 2020)

9.4 **Figure 9.3** shows the students' travelling time to school.

Figure 9.3 Travelling Time to School – Single Trip (as of 6 November 2020)

9.5 Of the 99 students, 52 (53%) were studying in primary school or kindergarten. Impact of the Scheme 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 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 minorities identified in the FS questionnaire and SIA survey.

Elderly Persons (Age 65 and above)

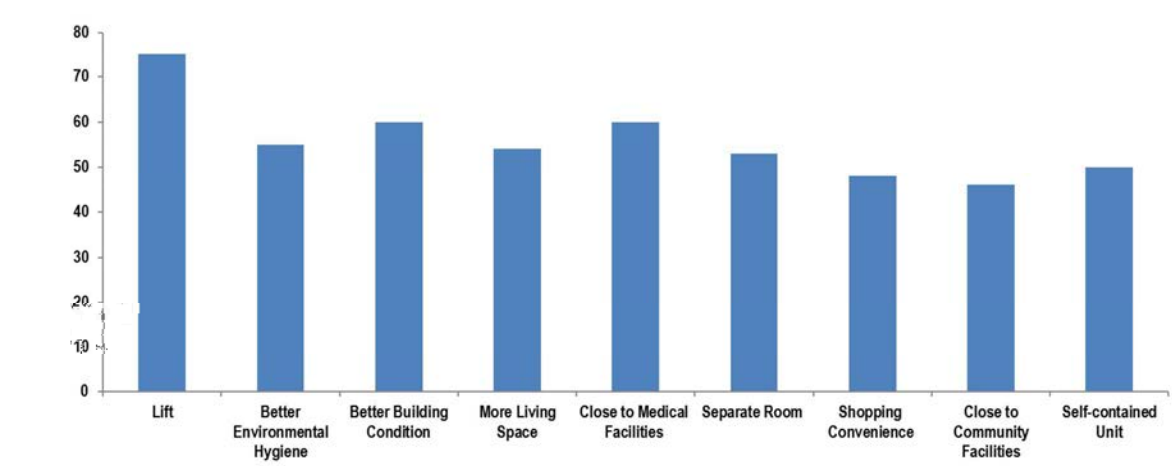
- 10.2 **Table 10.1** shows the distribution of elderly persons in the Scheme.

Table 10.1 Distribution of Elderly Persons in the Scheme (as of 6 November 2020)

| Total No. of Elderly and Households | |
|--|--------------------------------------|
| Total No. of Elderly Residents | 55 Elderly residents |
| Total No. of Households with Elderlies | 43 Households |
| Household Sizes | |
| Singleton Households | 10 Households (10 Elderly Residents) |
| Doubleton Households | 4 Households (8 Elderly Residents) |
| Others | 29 Households (37 Elderly Residents) |
| Type of Tenure | |
| Owner-occupiers | 29 Households (67%) |
| Tenants | 14 Households (33%) |

- 10.3 The presence of elderly population within the Scheme has implications on the 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 an effort to alleviate their anxiety by providing information on the arrangement of rehousing and the new environment surrounding the estate. The URA "Project Engagement" team and the SST will pay special attention to the singleton and doubleton elderly households and adopt a proactive approach to deliver prompt assistance to the elderly through home visits.
- 10.4 **Figure 10.1** shows the weighted priority of aspirations of the elderly when questioned about the improvements they would like to see in their new home. The major concerns of elderly on living environment are the presence of lift, better building condition and better environmental hygiene, which can be improved by moving to the rehousing units with better modern days facilities for better safety and health standard.

Figure 10.1 Elderly Concerns on Living Environment (based on the first three priorities chosen, can choose more than one answer; weighting of 3-most important, 2-important and 1-less important) (as of 6 November 2020)



Persons with Disability

- 10.5 Eleven (11) residents with disabilities (about 1.9% of total number of 569 residents) were recorded in the survey. Their disabilities mainly relate to wheelchair access, mental health, or have some kinds of disease. Most residents with disabilities considered medical support, disability access/facilities, and counselling support as their primary concerns. Rehousing for disabilities may be considered on compassionate grounds if they are not eligible under the normal eligibility requirement.

Single-parent Families

- 10.6 Among the 233 surveyed households, 10 single-parent families with 15 children were identified in the survey. Their major concerns are more living space, better living environment, school and child care service.

Ethnic Minority Groups

- 10.7 Among the 233 surveyed households, 12 households (5%) were recorded to be ethnic minority groups, which is lower than the distribution in Yau Tsim Mong district (9.1%) and territory level (8%). The surveyed households include 3 households from Philippines, 2 households from Vietnam, 2 households from Thailand, 3 households from Nepal, 1 household from Pakistan and 1 household from West Africa.
- 10.8 There were 11 tenant households and 1 owner-occupier households in these ethnic minority households. Two-third of the affected ethnic minority households responded there would not have impact on their families in terms of employment, economic, and social network.

- 10.9 After commencement of the Freezing Survey, the URA has organized six public briefings on 20 October 2020, 22 October 2020 and 23 October 2020 for affected residents and the public with English interpreters. The SST and the URA will also continue to provide assistance to the ethnic households to answer their queries and mitigate any adverse impacts. URA has also prepared a simple and easy-to-understand leaflet on the prevailing acquisition and compensation policies in ten different languages on the URA website to facilitate the ethnic minorities to understand the policies, their interests and to alleviate their concerns.

11. BUSINESS IMPACT

11.1 According to the FS, there are 23 business operators. The details are shown in **Table 11.1**.

Table 11.1 Number of Business Operators identified in the Scheme (as of 6 November 2020)

| | | Business Operators |
|--|--|----------------------------|
| GBP units for non-domestic use | <i>Surveyed units for non-domestic use</i> | 16 |
| GBP units for domestic use | <i>Surveyed units for non-domestic use</i> | 1 |
| | <i>Surveyed units for mixed use</i> | 2 |
| Lane structures/ staircase shop surveyed for non-domestic use | | 4 ^{Note 1} |
| Total Surveyed Operators | | 23 |

Remarks:

Results are as of 6 November 2020

Note 1 3 lane structures and 1 staircase shop found.

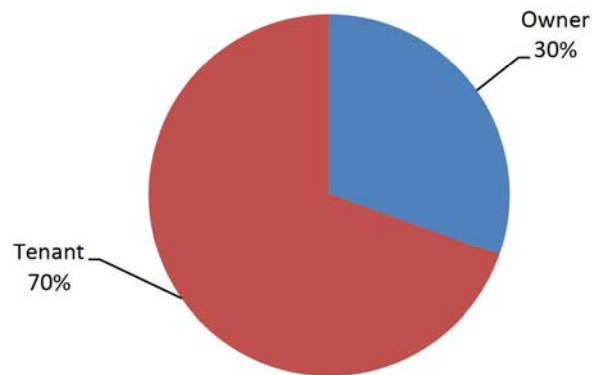
11.2 Of the 23 business operators, 20 operators chose to fill in both the FS and SIA forms for every unit they occupied, while 3 operators only responded to FS. Thus, a total of 23 FS forms and 20 SIA forms were recorded. Those who refused to do the SIA or did not answer particular SIA question will be analyzed as "No Response/ Refuse to Answer" in the following analysis. **Table 11.2** shows the breakdowns of all these 23 records from the business operators.

Table 11.2 Number of FS and SIA Forms from Business Operators (as of 6 November 2020)

| | Nos. |
|--|-----------|
| Successfully responded to both FS and SIA | 20 |
| Only responded to FS but refused to do SIA questionnaire | 3 |
| Total | 23 |

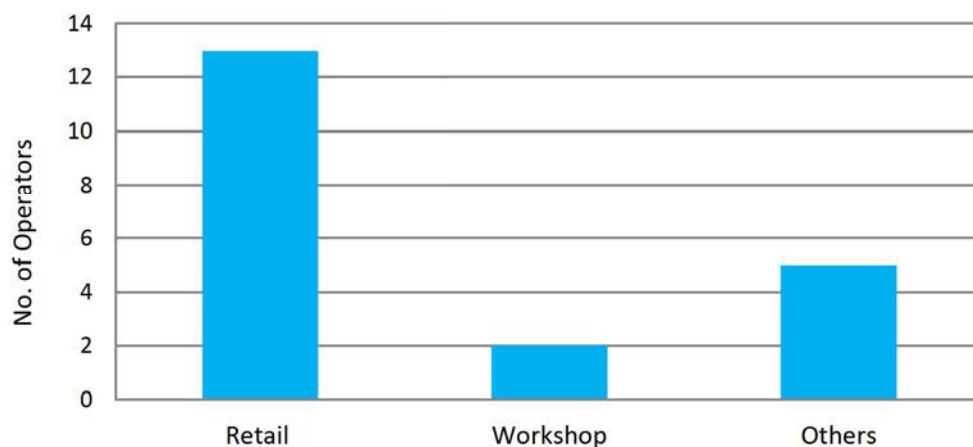
- 11.3 Out of the 23 survey records regarding the occupancy status of business operators, 7 (about 30%) were owner operators and 16 (about 70%) were tenant operators (Figure 11.1).

Figure 11.1 Occupancy Status of Business Operators (as of 6 November 2020)



- 11.4 **Figure 11.2** shows the nature of existing businesses of the interviewed operators. The types of business identified in the Scheme are commonly found in some ground floor premises in the district, e.g. Yau Tsim Mong. It is possible for most of these operators, particularly shops selling hardware/small electronic parts to find a suitable premises in Yau Tsim Mong district to continue their businesses, such as Kam Lam Street and Kam Fong Street, which appears to be a concentration of this type of business in the area. No social enterprises/charitable institution/non-governmental organization are found in the scheme.

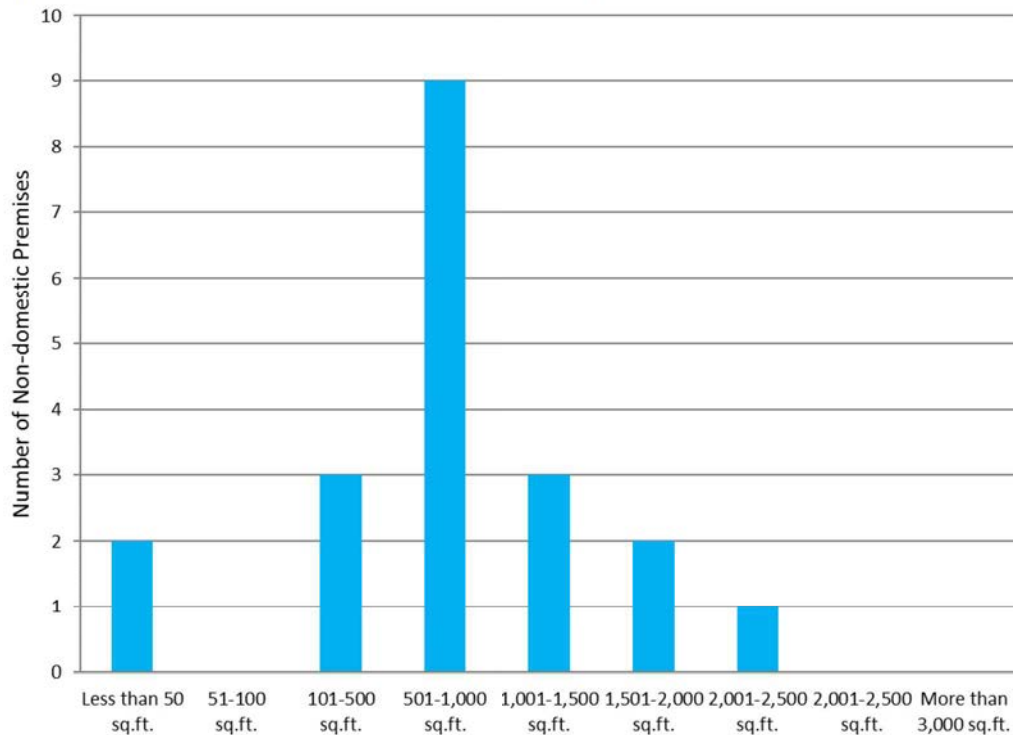
Figure 11.2 Nature of Existing Businesses (as of 6 November 2020)



Note: No response in this question in 3 records.

- 11.5 According to the Freezing Survey, 2 ground floor premises were occupied by workshops. These operators may need to find alternative non-domestic premises, which can satisfy its various operational requirements and the respective uses are permissible in both the lease and planning terms, in compliance with the Deed of Mutual Covenant (DMC) of the buildings. Upon request from these operators, the URA can assist to identify suitable premises to enable them to relocate and continue operation in the same district as far as practicable.
- 11.6 Among the 23 survey records, 5 interviewed business operators indicated that their shops are chain stores or have other branches.
- 11.7 The size of premises for operators are shown in **Figure 11.3** (The exact size of the premises can only be confirmed subject to detailed survey after CE-in-C approval of the Scheme).

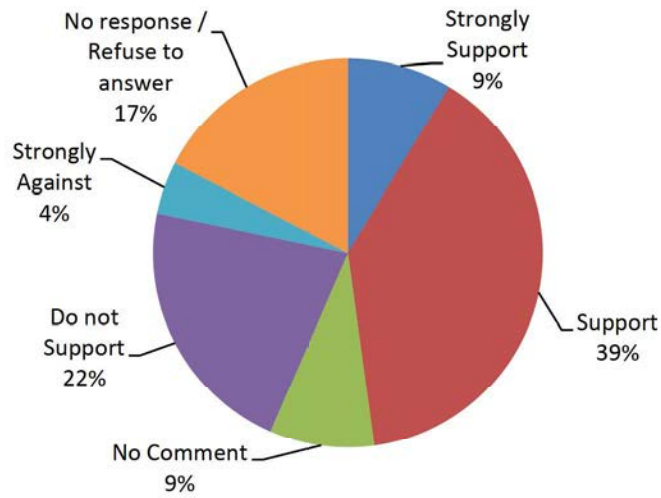
Figure 11.3 Size of Premises as Claimed by Operators (as of 6 November 2020)



Note: No response in this question in 3 records.

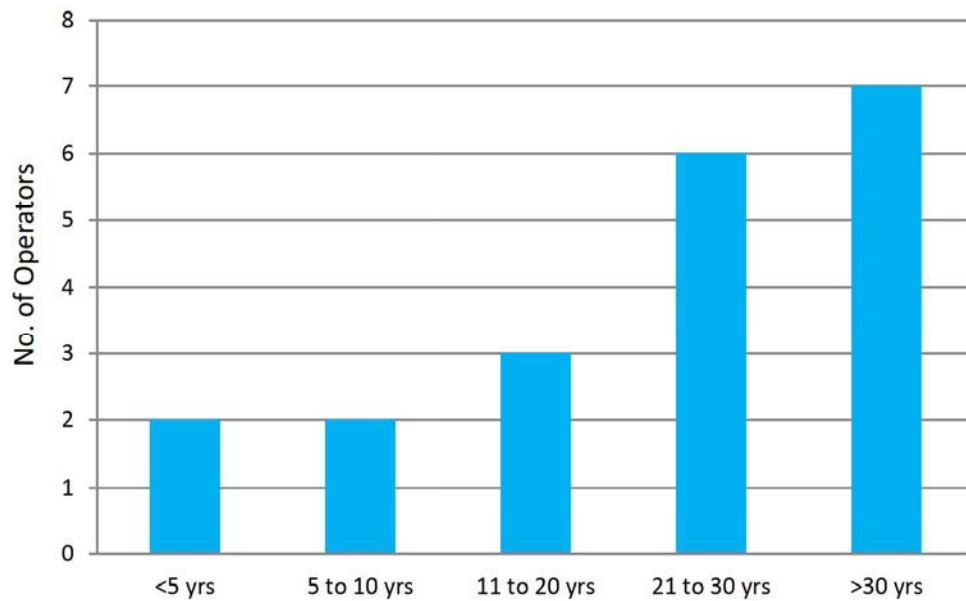
- 11.8 **Figure 11.4** shows the business operators' views on the proposed redevelopment. Among the 23 survey records, 11 interviewed business operators (about 48%) strongly supported or supported the proposed redevelopment, while 6 interviewed business operators (about 26%) did not support. Majority of those supported the Scheme considered that the building condition was poor and the building should be redeveloped to bring better local environment. Majority of those not supporting the Scheme responded that the Scheme would affect their business operations.

Figure 11.4 Business Operators' Views on the Proposed Redevelopment (as of 6 November 2020)



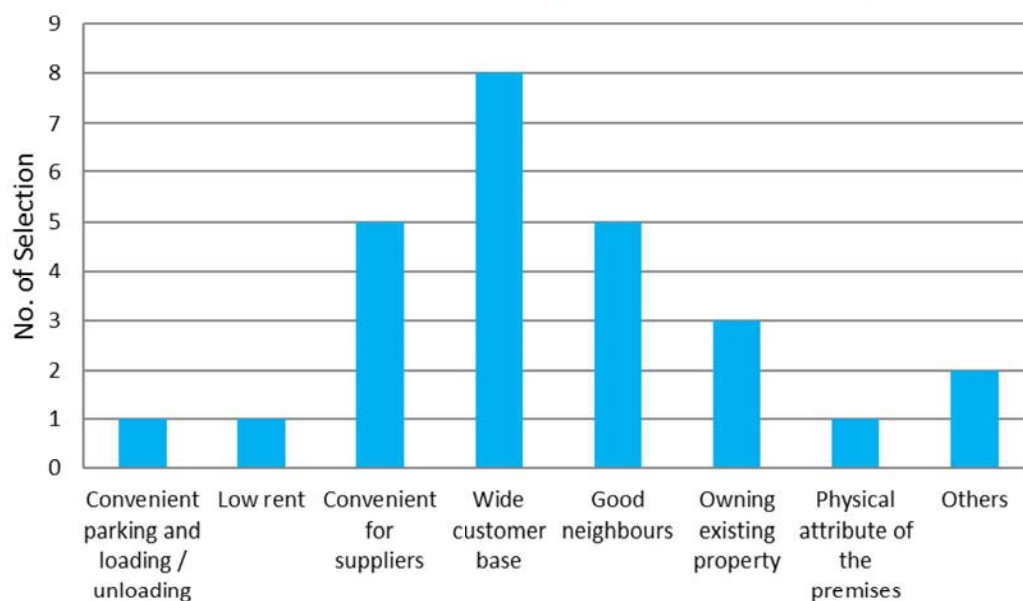
11.9 **Figure 11.5** shows the years of operation of their existing businesses. **Figure 11.6** shows the business operator's main reasons for operating at the existing premises.

Figure 11.5 Years of Business Operation (as of 6 November 2020)



Note: No response in this question in 3 records.

Figure 11.6 Main Reasons for Operating at the Existing Premises (Respondents can choose more than 1 reason) (as of 6 November 2020)



11.10 **Table 11.3** summarizes the satisfaction level of their business/ business performance, the opinion of interpersonal relationship and business network established from the existing business.

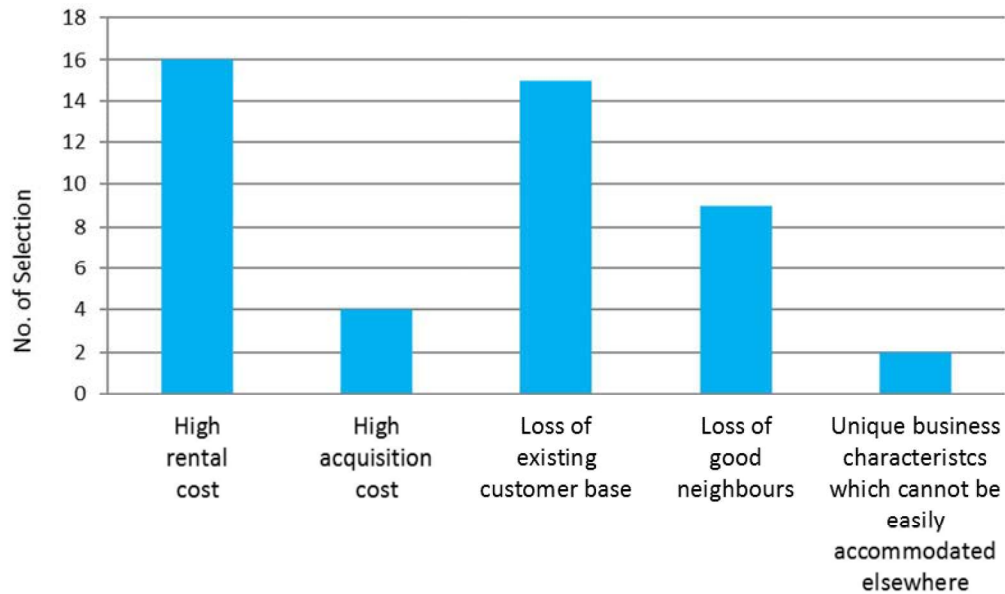
Table 11.3 Satisfaction Level of Operators' Business Performance and Opinion of Interpersonal Relationship and Business Network Established from the Existing Business (as of 6 November 2020)

| | | Business Operators |
|--|------------------------------------|--------------------|
| Satisfaction Level of Business Performance | Very Satisfied | 22% |
| | Satisfied | 30% |
| | Neither Satisfied nor Dissatisfied | 13% |
| | Dissatisfied | 9% |
| | Very Dissatisfied | 0% |
| | No Response | 26% |
| Opinion of Interpersonal Relationship | Very Satisfied | 35% |
| | Satisfied | 26% |
| | Neither Satisfied nor Dissatisfied | 13% |
| | Dissatisfied | 0% |
| | Very Dissatisfied | 0% |
| | No Response | 26% |
| Opinion of Business Network | Very Satisfied | 39% |
| | Satisfied | 26% |
| | Neither Satisfied nor Dissatisfied | 4% |
| | Dissatisfied | 5% |
| | Very Dissatisfied | 0% |
| | No Response | 26% |

11.11 On the future intention of the operators if the proposed Scheme is implemented, 12 interviewed business operators (about 60%) responded that they would like to continue their businesses nearby.

11.12 **Figure 11.7** shows the interviewed business operators' major concerns on relocation. Among which, high rental cost and loss of existing customer base are the major concerns to the surveyed operators.

Figure 11.7 Main Concerns on Relocation (Respondents can choose more than 1 reason) (as of 6 November 2020)



11.13 Four (4) interviewed business operators (about 20%) expressed that they wanted to meet URA staff and SST for assistance. Nine (9) interviewed business operators (about 45%) indicated that they would like the URA to assist them in finding new premises to continue their businesses. Upon request from these operators, the URA will assist to identify suitable premises nearby to the Scheme to enable them to relocate and continue operation in the same district as far as practicable. Five (5) interviewed business operators (about 25%) had expressed that their employees had major concern on the proposed redevelopment, of which they were worry about unemployment and less convenient to come to work after relocation of the business.

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, the minor ethnics groups' request for translation services, etc. As at 6 November 2020, the SST has successfully contacted 145 households and 17 business operators. A breakdown of the contacts is listed in **Table 12.1**.

Table 12.1 Breakdown of SST Contacts by Client Groups

| Client Group | No. of Contacts |
|-----------------------|-----------------|
| Domestic Tenants | 87 |
| Domestic Owners | 55 |
| Business Operators | 17 |
| Undisclosed Occupiers | 3 |

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

Table 12.2 Nature of Problems Identified Among the Contacts

| Problem or Enquiry Nature | No. of Enquires from Households / Shop Operators* |
|--|---|
| Domestic Tenants | |
| a) Unclear on compensation and rehousing policies | 80 |
| b) Evicted by owners / outrageous rent rise | 2 |
| c) Worry about eviction, termination of tenancy or outrageous rent rise in future | 8 |
| Domestic Owners | |
| a) Unclear on compensation policies | 15 |
| b) Worry about compensation not enough to purchase another flat in the same district | 14 |
| Business Operators | |
| a) Unclear on compensation policies | 12 |
| b) Worry about compensation not enough to resume their businesses in the same district | 5 |

* Each household / shop operator may lodge more than 1 enquiry

- 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 six public briefings on 20 October 2020, 22 October 2020 and 23 October 2020 to inform all the stakeholders, including owners, tenants and business operators affected, the details of the Scheme, and to obtain public views on the Scheme. The total attendance of the six public briefings was about 294 persons. 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.

Project Engagement Programme

- 12.5 From a URA's project/scheme commencement to commencing acquisition and rehousing arrangement after DEVB's authorization or CE in C's approval of Scheme will usually take a long time. With the understanding that the affected residents and operators are likely to experience doubts and worries during the long waiting period, the URA has implemented a "Project Engagement" Programme since October 2016 to provide direct contact services.
- 12.6 A special team of about 15 URA staff members has taken the initiative to visit every household and business operator affected by the URA projects to explain to them the policies in details, helping them understand the latest progress, compensation and rehousing arrangements, and timeline of the projects. The team also made follow-up visits to the households with special needs, and referred them to SST or the relevant departments for assistance as needed. URA has also prepared a simple and easy-to-understand leaflet on the prevailing acquisition and compensation policies in ten different languages on the URA website to facilitate the ethnic minorities to understand the policies, their interests and to alleviate their concerns.

Enquiries and Hotline Services

- 12.7 The URA also answers enquiries and provides hotline services to residents within the redevelopment area. About 59 enquiries had been received between 16 October 2020 and 6 November 2020. The subject matters of the enquiries are summarised in **Table 12.3**.

Table 12.3 Nature of Enquiries

| Subject Matters of Enquiries | Percentage |
|--|-------------------|
| Scheme information, progress, timetable and planning procedures of urban renewal | 7% |
| Acquisition Compensation and rehousing policies | 36% |
| Household Survey (e.g. registration arrangement, briefing arrangement) | 56% |
| Others | 1% |
| Total enquiries: 59 | 100% |

12.8 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.

12.9 The URA will assist displaced elderly owner-occupiers to find replacement flats within Kowloon as far as practicable. Redevelopment will inevitably affect the existing social network of some residents in the Scheme. 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) After resettlement, the displaced residents have contacted at least once after their old acquaintance in Yau Tsim Mong District, 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.

- 12.10 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 Scheme are resolved in a timely manner.

Prevailing Acquisition, Compensation and Rehousing Policy

- 12.11 At the public briefings held 20 October 2020, 22 October 2020 and 23 October 2020, compensation, rehousing or ex-gratia payment based on the URA's prevailing policy were fully explained.

Domestic Properties

- 12.12 The URA will offer an owner-occupier of domestic property the market value (valued on vacant possession basis) of his/ her property plus an ex-gratia allowance, namely Home Purchase Allowance (HPA), for purchase of the property. The assessment of HPA is based on the unit rate of a notional replacement flat, which is defined as a hypothetical 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/ her 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.
- 12.13 According to the new URS, and as far as relevant legislation allows, the URA will offer "flat-for-flat" (FFF) arrangement to eligible owner-occupiers of domestic properties. Under such arrangement, new flats will be made available in a URA new development in-situ or in the same district or at available site(s) (subject to changes in the relevant legislation and regulations) (as URA may select for the purpose provided that necessary approval/ authorization has been obtained at the time of FFF offer), as an additional option to cash compensation to such owner-occupiers. The amount of cash compensation and ex-gratia payment offered to an owner-occupier will not be changed by his/ her choice of using that amount, or part of it, to join the flat-for-flat arrangement or otherwise.
- 12.14 Affected eligible domestic tenants will be re-housed in units provided by the HKHA or the HKHS or the URA. Tenants who are re-housed will be offered an ex-gratia removal allowance. The amount receivable is equivalent to the prevailing ex-gratia allowance offered by the Lands Department on resumption by the Government or the prevailing rates of the Ex-gratia Domestic Removal Allowance of HKHA, whichever

is higher.

- 12.15 Tenants who are not allocated re-housing due to various reasons or who decline re-housing, may receive ex-gratia allowances. Details of the ex-gratia allowances for domestic tenants can be obtained from <https://www.ura.org.hk/en/redevelopment/tenants-corner/rehousing-and-ex-gratia-allowance-policies>.
- 12.16 According to the new URS, the URA will adopt a compassionate approach in assessing the eligibility of owners of tenanted domestic units for ex-gratia allowance in exceptional circumstances such as elderly owners who rely on the rental income from their properties for a living.
- 12.17 In case where tenants were notified that their tenancies would not be renewed, the URA will explain to their owners that they would not get more compensation by evicting the tenants. The URA has also introduced the “Domestic Tenants Compassionate Assistance Programme” (“DTCAP”) to take care of those domestic tenants whose tenancies commenced before the Freezing Survey of this Scheme 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 Government resumption of the properties concerned, special ex-gratia allowance based on the rateable value of the properties concerned, the ex-gratia allowance is calculated according to the method as listed in **Table 12.4** below subject to a minimum amount of HK\$180,000 (for an one-person household) and HK\$200,000 (for a two-person or larger household) (“Minimum EGA”). The Minimum EGA will be reviewed annually in accordance with the Annual Rental Index for Class A Domestic Properties publicized by the Rating and Valuation Department (“RVD”) in April each year. Domestic tenants, who undergo the same situation as mentioned above and are not eligible for DTCAP, can apply for the URA’s Relocation Assistance.

Table 12.4 Calculation of Special Ex-gratia Allowance for “Domestic Tenants Compassionate Assistance Programme”

| Rateable Value (RV) | Special Ex-gratia Allowance |
|--------------------------------------|-----------------------------|
| 1 st HK\$10,000 | 9 times RV |
| 2 nd HK\$10,000 | 8 times RV |
| 3 rd HK\$10,000 | 7 times RV |
| 4 th HK\$10,000 | 6 times RV |
| 5 th HK\$10,000 | 5 times RV |
| 6 th HK\$10,000 | 4 times RV |
| 7 th HK\$10,000 | 3 times RV |
| 8 th HK\$10,000 | 2 times RV |
| 9 th HK\$10,000 and above | 1 time RV |

Non-domestic Properties

- 12.18 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 rateable value or 35% of the market value of the affected property, whichever is the higher, will be offered. Owner-occupiers may lodge a claim for business loss in lieu of both the ex-gratia allowance mentioned above and Ex-gratia Business Allowance (EGBA) mentioned in **para. 12.19** 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 rateable value or 10% of the market value of the affected property, whichever is the higher, will be offered.
- 12.19 For non-domestic tenants of non-domestic premises, an ex-gratia allowance of 3 times the rateable 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. In calculating the number of years of continuous operation, the expiry date of continuous operation is 2 years from the date which URA issues initial acquisition offer to property owners. The amount is calculated at a rate of 0.1 times the rateable value for each year that the affected premises has been in operation up to a maximum of 30 years. For an incomplete year, the amount of EGBA is calculated on a pro-rata basis to the nearest month. The amount of EGBA is subject to a maximum amount of HK\$700,000 and a minimum amount as described in **Table 12.5** below.

Table 12.5 Calculation of EGBA

| Years of Continuous Operation | Minimum EGBA |
|---|--|
| 10 years or less | HK\$110,000 (Amount will be reviewed annually in accordance with the Annual Rental Index for Retail Properties publicized by the RVD in April each year) |
| More than 10 years (maximum of 30 years) | Additional HK\$10,000 for each completed year |

- 12.20 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.
- 12.21 The acquisition, compensation and rehousing policies are subject to prevailing policies at the time of issuing acquisition policies. The policies are published on the URA's website and will be communicated to affected persons when acquisition of property interests for this Scheme 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

December 2020

Appendix 1: Non-domestic G/F Premises within the Scheme Area

| | |
|---|--|
|  |  |
| <p>G/F, 1 Shantung Street</p> | <p>G/F, 3 Shantung Street</p> |
|  |  |
| <p>G/F, 5 Shantung Street</p> | <p>G/F, 7 Shantung Street</p> |
|  |  |
| <p>G/F, 9 Shantung Street</p> | <p>G/F, 11 Shantung Street</p> |



G/F, 13 Shantung Street



G/F, 15 Shantung Street



G/F, 17 Shantung Street



G/F, 19 Shantung Street



G/F, 21 Shantung Street



G/F, 23 Shantung Street



G/F, 25 Shantung Street



G/F, 27 Shantung Street



G/F, 1 Thistle Street



G/F, Shop 3-7, 2L-2M Nelson Street and 15-23 Thistle Street



G/F, Shop 2A, 2L-2M Nelson Street and 15-23 Thistle Street



G/F, Shop 1A, 2L-2M Nelson Street and 15-23 Thistle Street