

Kai Tak Road / Sai Po Road *Development Scheme (KC-015)*



Stage 2 Social Impact Assessment

CONTENTS

	<i>Page</i>
1. INTRODUCTION.....	1
2. BACKGROUND.....	2
3. POPULATION & HOUSEHOLD CHARACTERISTICS.....	4
4. SOCIO-ECONOMIC CHARACTERISTICS	7
5. HOUSING	10
6. EMPLOYMENT STATUS AND PLACE OF WORK.....	14
7. EMPLOYMENT AND ECONOMIC IMPACTS.....	16
8. SOCIAL NETWORK.....	17
9. EDUCATION NEEDS OF CHILDREN.....	19
10. GROUPS WITH SPECIAL NEEDS	21
11. BUSINESS IMPACT	24
12. MITIGATION MEASURES REQUIRED.....	31

Appendix 1 : Non-domestic G/F Premises and Site 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 URA published in the Government Gazette the commencement of the Kai Tak Road/ Sa Po Road Development Scheme KC-015 (the Scheme) by way of development scheme under section 25 of the Urban Renewal Authority Ordinance on 22 February 2019. 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 Scheme conducted from 22 February 2019 to 24 February 2019, and from the follow-up survey visits by appointments conducted up to 15 March 2019.
- 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 St. James' Settlement 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 Kai Tak Road/ Sa Po Road Development Scheme (the Scheme) is located in Kowloon City District, which is bounded by Sa Po Road to the east, Prince Edward Road East to the south, Kai Tak Road to the west and Carpenter Road to the north (**Figure 2.1**). It covers a gross site area of about 6,106 sq.m., involving two rows of buildings and land: 31-49 & 55-73 Sa Po Road (odd nos.) and 24-82 Kai Tak Road (even nos.), two pieces of government land in the southern part of the Scheme, a portion of Sa Po Road, a back lane, and portion of the surrounding public pavement. Apart from the residential buildings, there is one commercial building and one private vacant site (currently used as open carpark) within the Site. Two relatively young buildings at No.51 Sa Po Road and No.33 Carpenter Road built in 2006 and 2014 respectively are excluded. Subject to detailed design, the net site area used to calculate the development potential of the Scheme is about 5,352 sq.m..

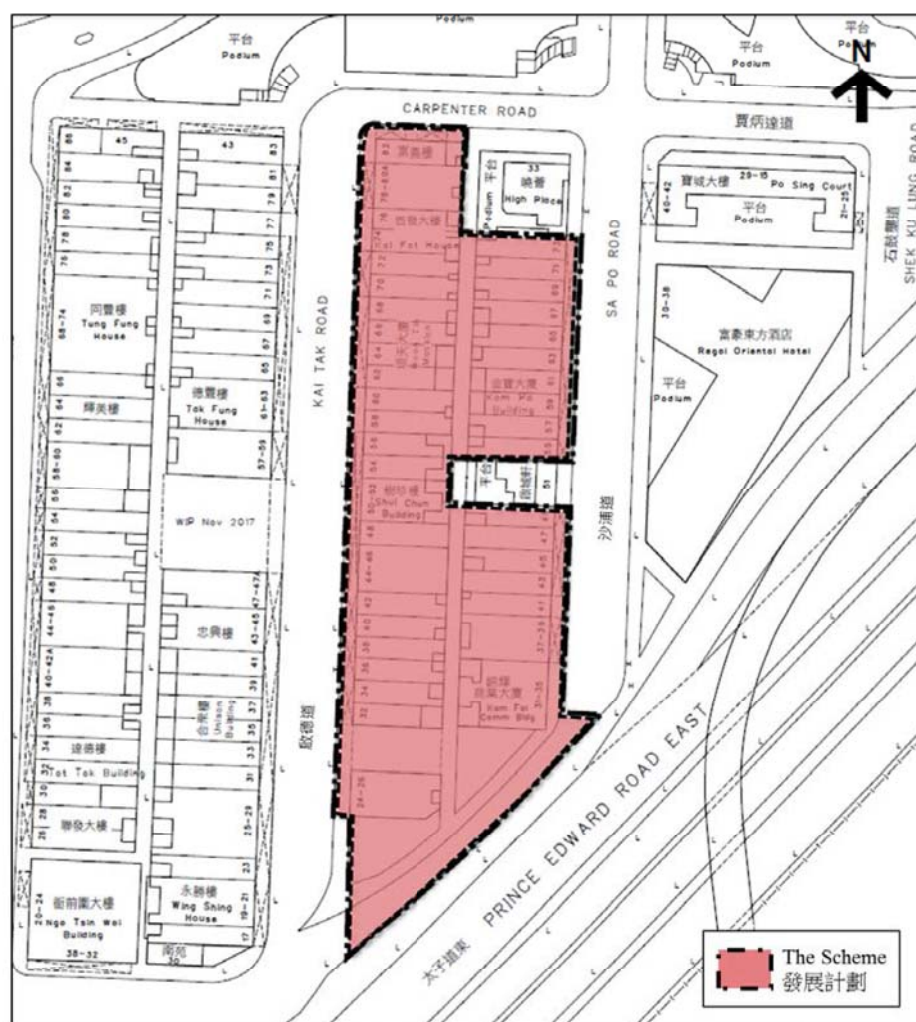


Figure 2.1 Location Plan

Distribution of Units and Households

- 2.2 The Freezing Survey (FS) successfully surveyed 371 domestic households (up to 15 March 2019). 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	371
Successfully responded to both FS and SIA questionnaire.	340
Only responded to FS but refused to do SIA questionnaire.	31

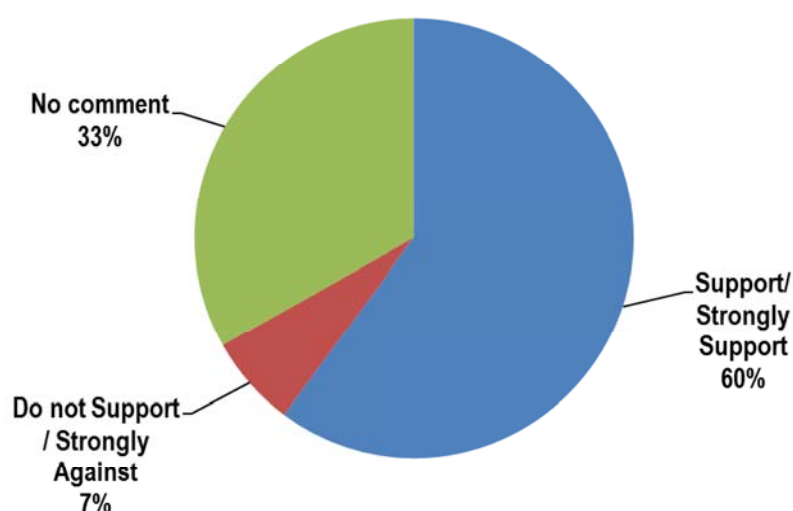
Business Operators and Non-domestic Premises

- 2.3 Regarding non-domestic uses, the FS successfully surveyed 63 business operators (up to 15 March 2019), occupying 84 premises and 1 vacant site. The details will be illustrated in Section 11.

Views on redevelopment

- 2.4 **Figure 2.2** shows that out of the total 371 surveyed households, 223 households (about 60%) indicated that they either strongly supported or supported the proposed Scheme.

Figure 2.2 Domestic Households' Views on Redevelopment (371 Households)



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 population and household characteristics in the Scheme is listed in **Table 3.1** below.

Table 3.1 Population and Household Characteristics in the Scheme

Total Number of Households	371 households
Total Population	961 persons
Average Household Size	About 2.6 persons per household; lower than the territorial average of 2.8 persons per household.
Actual Successfully Surveyed Units/ Cubicles	373 units (refer to Table 3.2 below)
Degree of Sharing	1.0 (371 households/373 surveyed units/ cubicles); similar to the territorial average of 1.0 for private permanent housing.

- 3.3 However, if the 105 households living in the sub-divided units and 14 households living in the cubicles are considered as “sharing” of these original 47 units, the degree of sharing is about 2.5 (119 households /47 original surveyed GBP units) (Refer to **Figure 3.1** and **Table 3.2**).

Figure 3.1 Percentage of Sub-divided Units in 335 Approved GBP Units

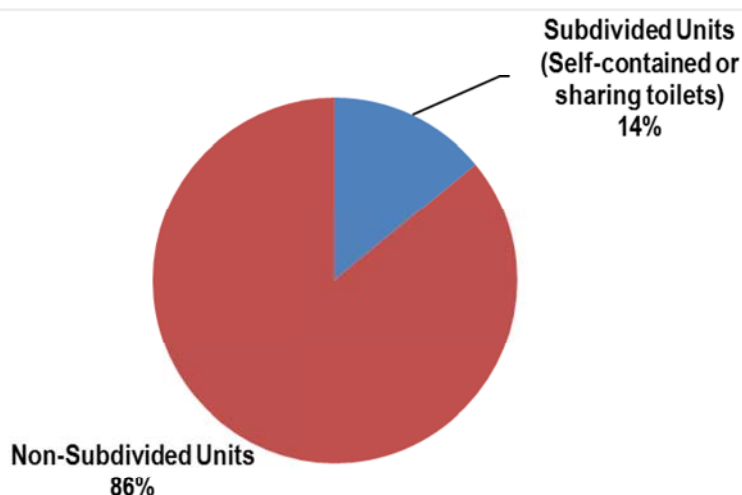


Table 3.2 Sub-Division of Domestic Units

			According to Original GBP		Units or Cubicles Actual Found	Number of Households
Surveyed	Non-subdivided domestic units		233		233	233
	Sub-divided domestic units (self-contained with independent facilities)	<i>Surveyed units for domestic use (cubicle)</i>	47	5	14 cubicles	14
		<i>Surveyed units for domestic use (self-contained units with independent facilities)</i>		42 ^{Note 1}	105 subdivided units ^{Note 1}	105 ^{Note 1}
	Sub-total		280		352	352
	Domestic unit (according to GBP) used for both domestic and non-domestic use (mixed uses)		4		4	2 ^{Note 2}
	Domestic unit (according to GBP) used for non-domestic use		4		N/A	N/A
	Non-domestic unit (according to GBP) used for both domestic and/or non-domestic use		N/A		13	13
	Rooftop (not shown in GBP)		N/A		4	4
	Sub-total		288		373	371
	Unsurveyed Domestic Unit		47		N/A	N/A
	Total No. of Units for Domestic Use found in the Scheme		335		373	371

Remarks:

Results are as of 15 March 2019

Note 1 42 domestic units (according to GBP use) are subdivided into 106 subdivided units, which 1 of the 106 subdivided units is used for non-domestic use (refer to Table 11.1 Note 3).

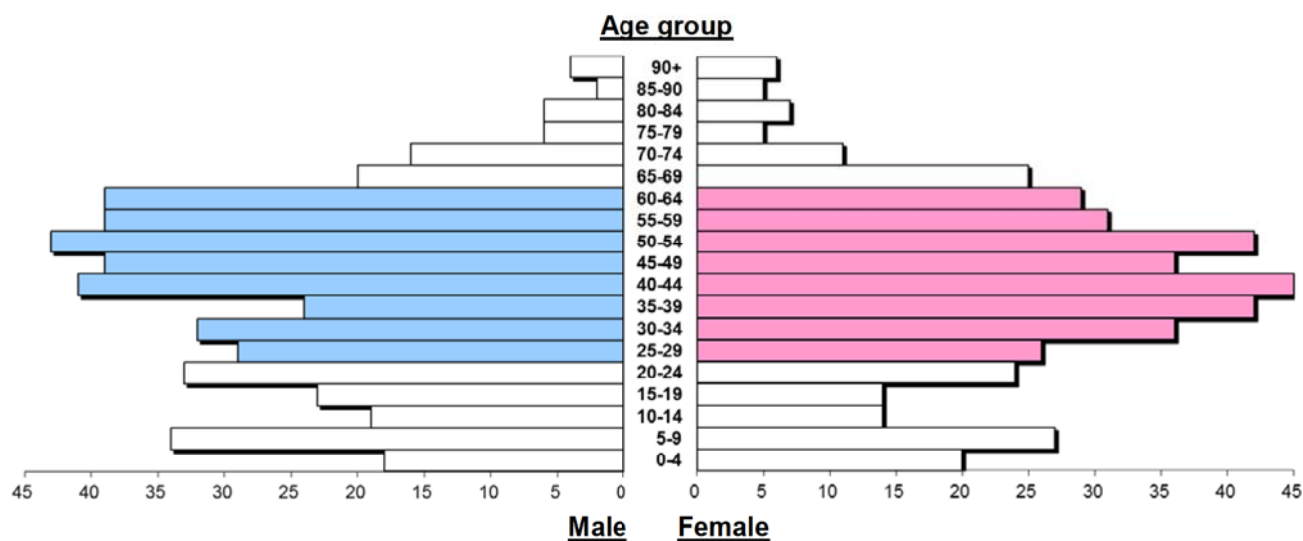
Note 2 There are 2 households/operators occupied 4 domestic units (according to GBP) and used for both domestic and non-domestic use (mixed use), in which 1 household/operator occupied 3 domestic units (according to GBP). The 2 households/operators have completed FS and SIA Forms for both domestic and non-domestic use (refer to Table 11.1 note 4).

- 3.4 A total of 961 residents were recorded in the Freezing Survey, 490 were male, 461 were female, and 10 residents did not provide any information. The distribution gives a ratio of about 106 male residents to every 100 female residents. **Figure 3.2** and **Table 3.3** shows the age structure of the surveyed population.

Table 3.3 Age Structure of the Population

Age Group	Within the Scheme	Territory wide level	Comparison
0-14 (Children)	15%	11%	Slightly higher
15-24 (Youth)	10%	11%	Similar
25-64 (economically active age group)	63%	62%	Similar
65+ (Elderlies)	12%	16%	Slightly lower
Total	100%	100%	

Figure 3.2 Age Structure



4. SOCIO-ECONOMIC CHARACTERISTICS

Income Level

- 4.1 This section will be based on the 371 surveyed households and 961 residents' surveyed up to 15 March 2019. The distribution of household income is shown in **Figure 4.1** and **Table 4.1** below.

Figure 4.1 Household Income (HK\$ per month)

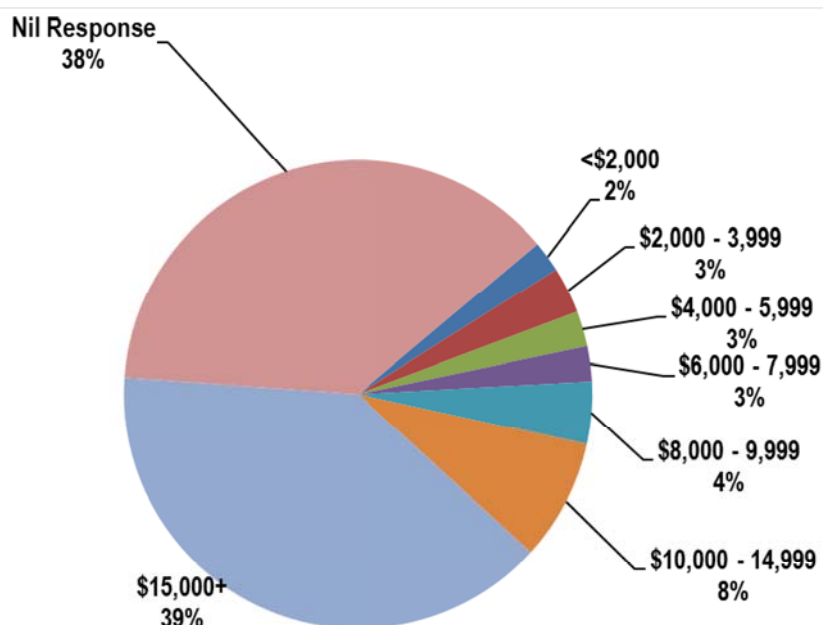


Table 4.1 Distribution of Household Income

	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	5%	6%	similar
Comprehensive Social Security Assistance (CSSA) Recipients	6% (23 households)	About 4% as at February 2019 ¹	higher

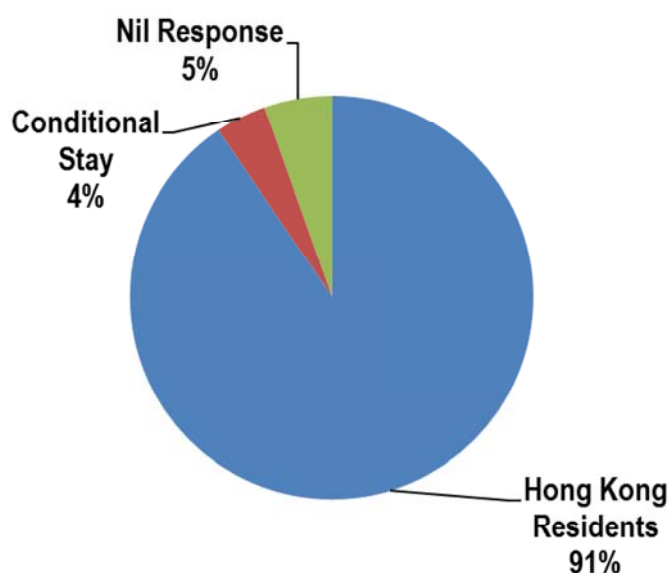
- 4.2 The URA and the SST will pay particular attention and to offer assistance to those in need of help and refer them to relevant services and practical assistance from various Government Departments and services providers.

¹ 'CSSA caseload for February 2019, 20 March 2019, Press Release The Government of the Hong Kong Special Administrative Region.

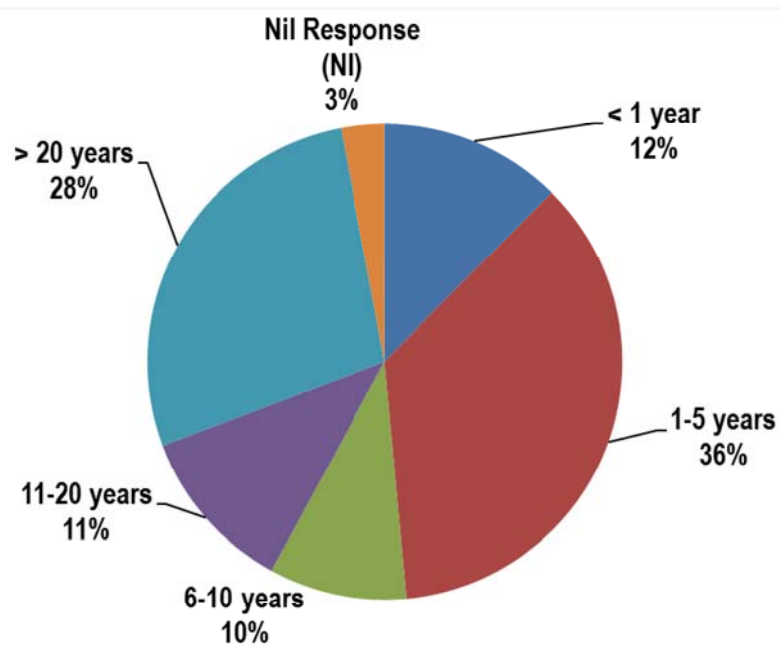
Residence

- 4.3 Thirty-nine (39) residents (about 4%) were subject to conditions of stay in Hong Kong, as shown in **Figure 4.2**. This group of people will 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 961 residents)



- 4.4 The number of years of residency is shown in **Figure 4.3**. A total of 103 households (28%) 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.

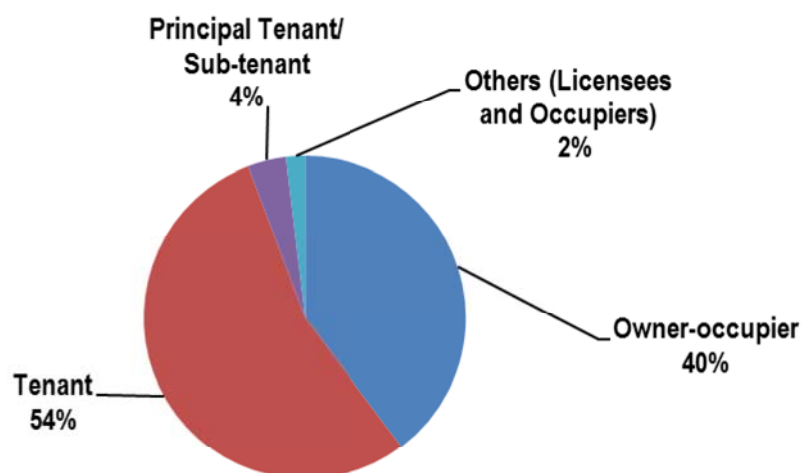
Figure 4.3 Period of Residence at Current Premises (Total 371 Households)

5. HOUSING

Re-housing Needs and Location Preference

- 5.1 **Figure 5.1** shows the occupancy status of households. There are 145 Owner-occupier households (39%) and 226 tenant households (61%) (all tenant, 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.
- 5.2 Four rooftop structures were found within the Scheme. According to the approved GBPs, the roof of all the buildings in the Scheme should be open roofs without approved domestic units. All the rooftop structures are suspected to be unauthorised structures. For rooftop structure occupiers, apart from meeting the eligibility criteria adopted by the HKHA in rehousing, there are other specific criteria² 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.

Figure 5.1 Occupancy Status of Households (371 Surveyed Households)

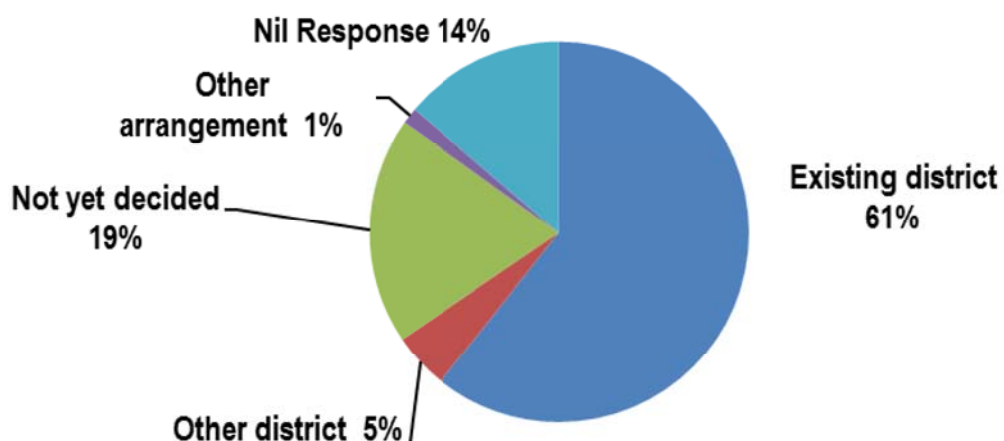


² The relevant specific criteria are listed in the URA website:
<https://www.ura.org.hk/en/redevelopment/tenants-corner/rehousing-and-ex-gratia-allowance-policies>

Affected Owner-occupiers (145 Households)

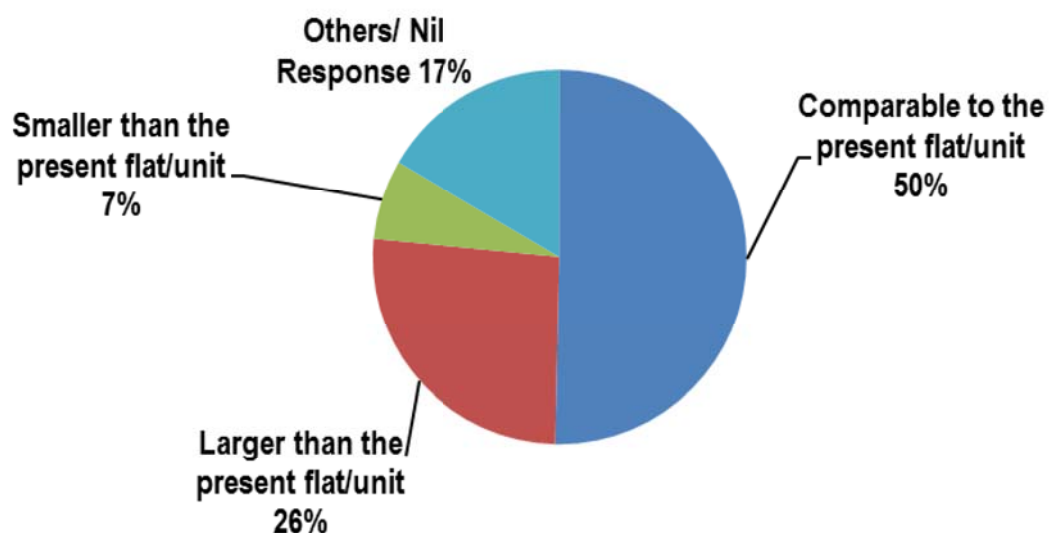
- 5.3 **Figure 5.2** shows the 145 surveyed owner-occupiers' preference of finding alternative accommodations in the existing district (i.e. Kowloon City) or in other districts.

Figure 5.2 Preference of Alternative Accommodation Location (145 Households)



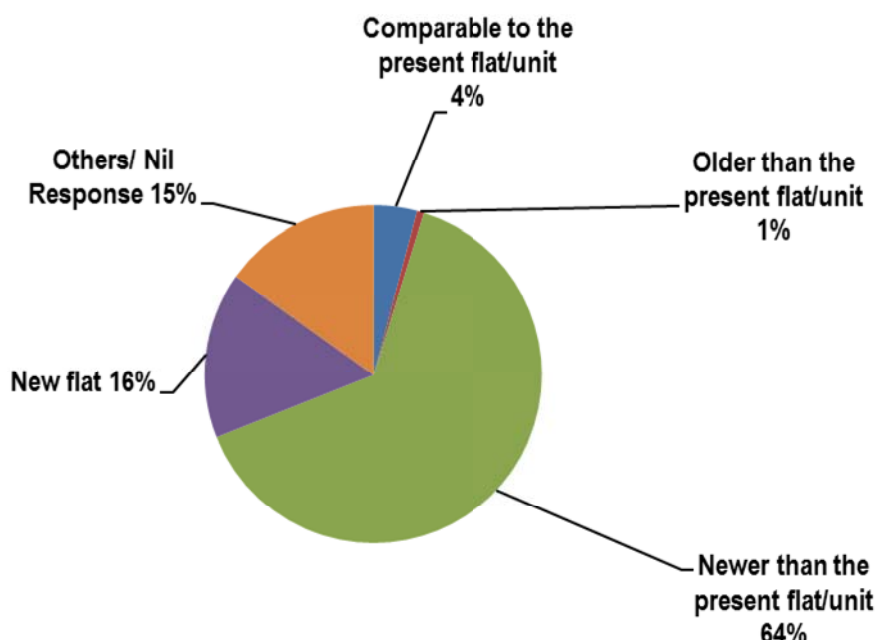
- 5.4 **Figure 5.3** shows the owner-occupier households' preference on flat size for the new accommodation.

Figure 5.3 Preference of Flat Size (145 Households)



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

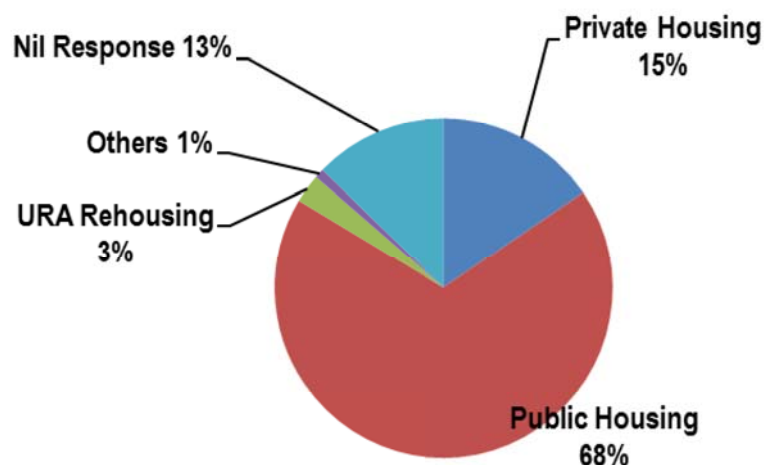
Figure 5.4 Preference of Building Age (145 Households)



- 5.6 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.

Affected Tenants (226 Households)

- 5.7 **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 (226 Households)

- 5.8 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 endeavour to arrange allocation of rehousing flats for the eligible tenants in the same district (e.g. Kowloon City) or in Kowloon as far as practicable.

Affected Rooftop Residents

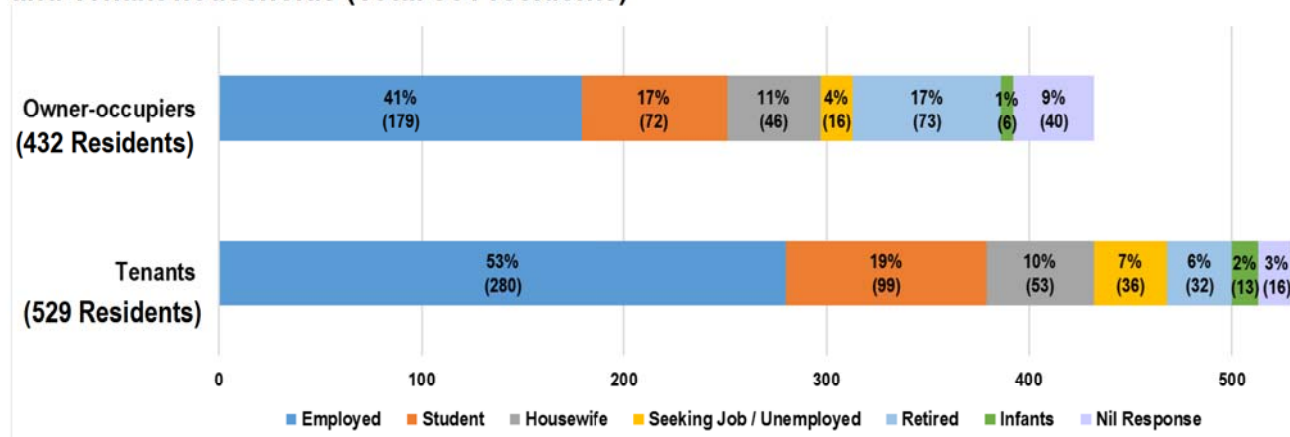
- 5.9 The surveyed rooftop households should follow the eligibility criteria for public rental housing adopted by the HKHA for illegal rooftop structure occupiers and the specific criteria as stated in paragraph 5.2 above should they be eligible for rehousing under current prevailing policies.

6. EMPLOYMENT STATUS AND PLACE OF WORK

6.1 Out of 961 residents (including 432 owner-occupiers and 529 tenants), 950 residents indicated their employment status and they are 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 961 residents)



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

Table 6.1 Percentage share of different places of work of the employed persons within owner-occupier and tenant households

	Employed persons in Owner-occupier Households (179 Residents)	Employed persons in Tenant Households (280 Residents)
Kowloon City	21%	17%
Wong Tai Sin & Kwun Tong	10%	16%
Yau Tsim Mong	13%	16%
Sham Shui Po	3%	2%
Kwai Tsing & Tsuen Wan	5%	3%
Hong Kong Island	16%	15%
New Territories & Outlying Islands	17%	8%
Outside Hong Kong (including Mainland China)	1%	0%
No Fixed District	13%	18%
Nil Response	1%	5%

- 6.4 For those employed tenants who are working in Kowloon City, 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.
- 6.5 The findings of the survey show that the unemployment rate of the residents of owner-occupier households and tenant households (4% and 7% respectively), are both higher than the territory-wide unemployment rate of 2.8% (seasonally adjusted, for the period from November 2018 to January 2019³). 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.

³ Information from website of Census and Statistic Department as at 20 March 2019

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 145 surveyed domestic owner-occupier households and 226 tenant households. For impact on employment, majority (52% and 53% respectively) said there would be no impact. For those expressing negative impacts (20% and 21% respectively), they were concerned about the increase in transport expenditure, longer travelling time to workplace, and difficulties in finding employment, etc. For those expressing negative impacts on economic condition (37% and 42% respectively), they were concerned about the less savings and additional expenditure resulting from the proposed Scheme.

Table 7.1: Anticipated Impacts on Employment and Economic Conditions

ANTICIPATED IMPACTS		Affected Owner- occupiers (145 Households)	Affected Tenants (226 Households)
Employment Condition	Positive Impact	1%	2%
	No Impact	52%	53%
	Negative Impact	20%	21%
	No Response	27%	24%
Economic Condition	Positive Impact	10%	11%
	No Impact	23%	24%
	Negative Impact	37%	42%
	No Response	30%	23%

7.2 After commencement of the Freezing Survey, the URA has organized two public briefings on 27 February 2019 to all affected owners and tenants; and one briefing session for Thai residents on 18 March 2019 to explain 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

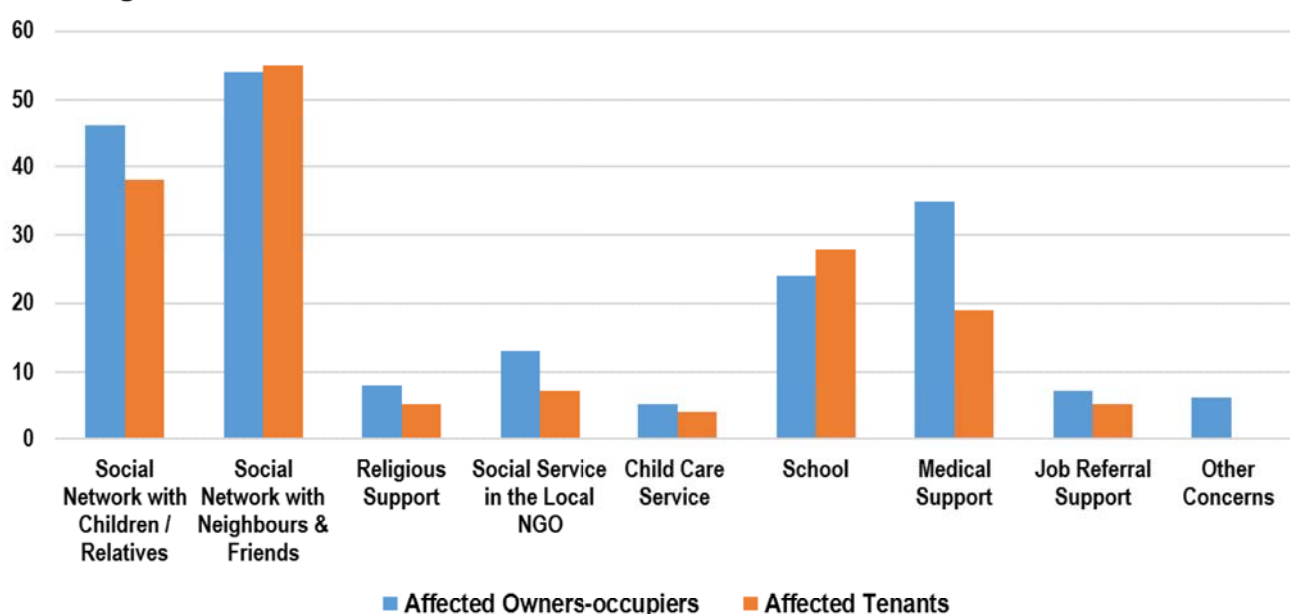
- 8.1 The likely impacts of the proposed redevelopment on owner-occupiers' and tenants' social network is shown in **Table 8.1**.

Table 8.1 Effects of Redevelopment on Social Network

	Affected Owners- occupiers (145 Households)	Affected Tenants (226 Households)
No Impact	34%	43%
Affected	52%	43%
No Response	14%	14%

- 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



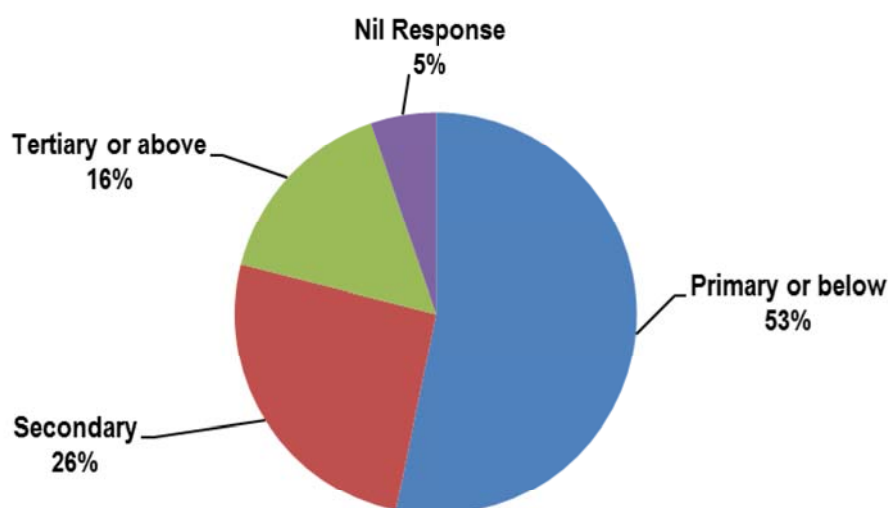
- 8.3 The SST will provide orientation sessions before and after rehousing to help the affected residents adapt to their new homes and introduce various community resources available in the area, including medical support, NGO services and community facilities. It will help them to identify suitable 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 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. The URA will also offer FFF option (in-situ, in the same district or at available site(s)) for those eligible domestic owner-occupiers to minimize the effect on their intrinsic social networks.

- 8.4 The URA's Community Service Partnership Scheme has organized "The URA's oUR Amazing Kid Band" in To Kwa Wan District where there is a cluster of URA renewal projects. The Kid Band is targeted at underprivileged children in the District, aiming to provide an opportunity to children in learning musical instruments, and to retain and strengthen community network in the neighbourhood via music performance. Subject to the view of local residents, similar arrangement in this District can be considered.

9. EDUCATION NEEDS OF CHILDREN

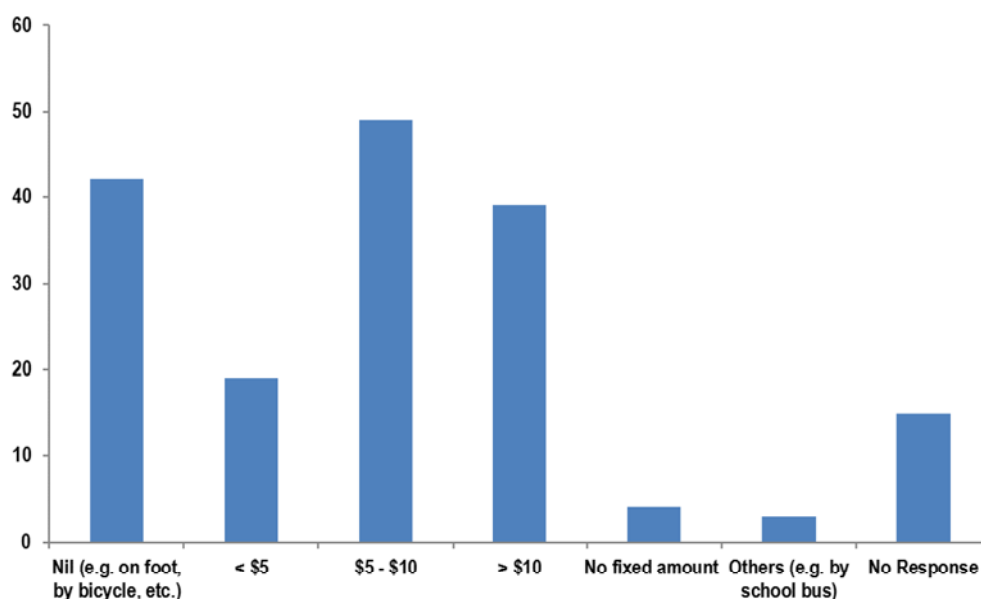
- 9.1 The survey identified 171 students residing in 116 households within the Scheme. Of this, 72 students (42%) were from owner-occupier households and 99 students (58%) were from tenant households. **Figure 9.1** shows the type of schools attended by the students residing in the Scheme.

Figure 9.1 Educational Level of Students (171 Students)

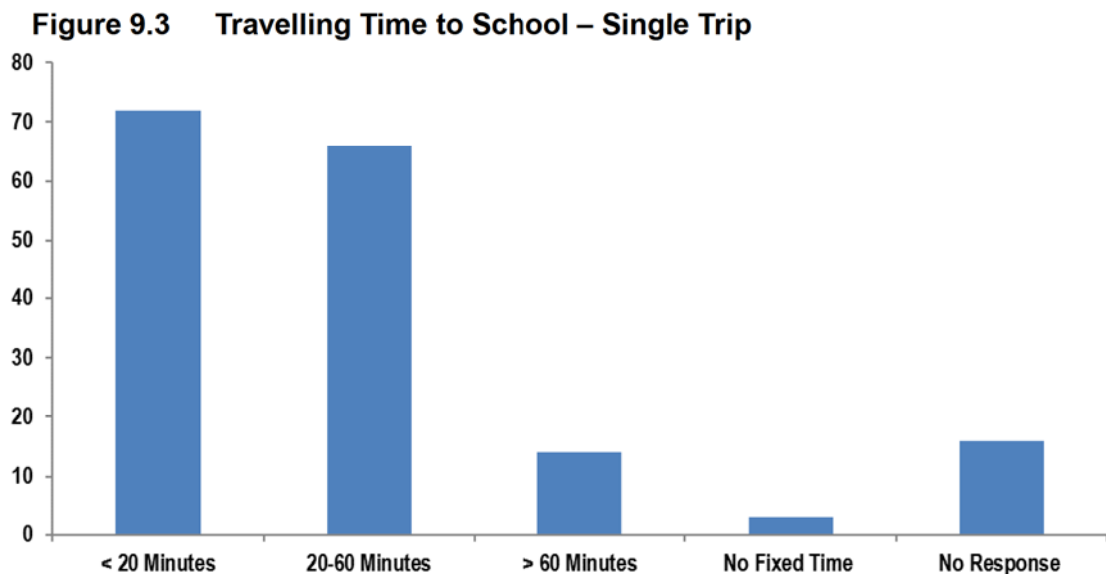


- 9.2 The majority of the students (113 students or about 66%) are studying in schools in Kowloon City and the neighbouring Wong Tai Sin District.
- 9.3 **Figure 9.2** shows the transport costs of the students in the interviewed households. Since 66% of students within the Scheme were studying locally (in Kowloon City and Wong Tai Sin Districts), it is not surprising that 42 students (about 25%) did not need to pay for transport to school.

Figure 9.2 Travelling Cost to School – Single Trip



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



9.5 Of the 171 students, 91 (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.

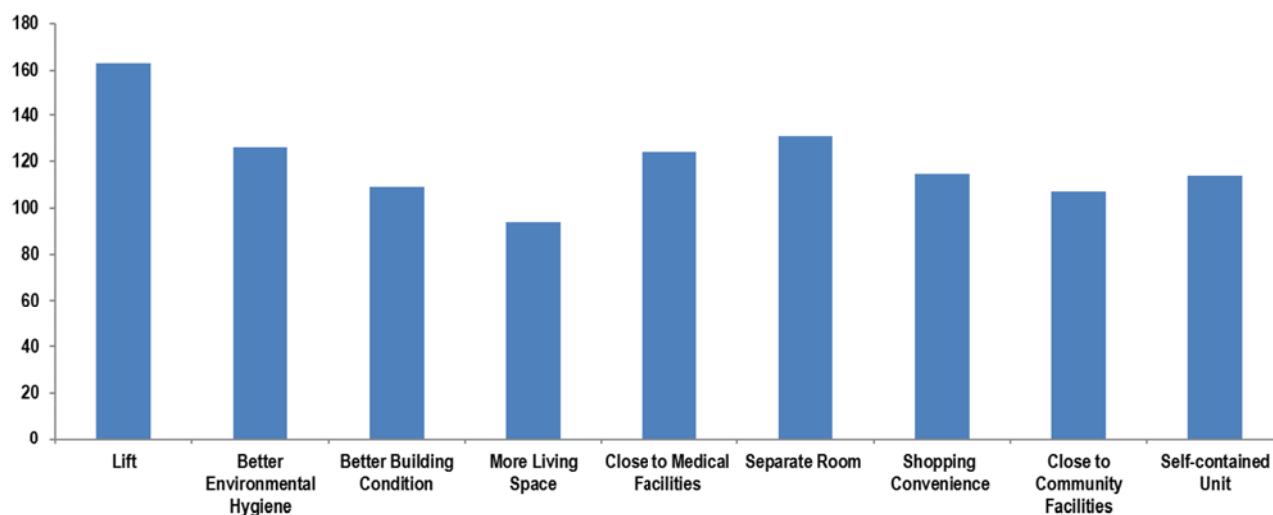
Table 10.1 Distribution of Elderly Persons in the Scheme

<u>Total No. of Elderly and Households</u>	
Total No. of Elderly Residents	109 Elderly residents
Total No. of Households with Elderlies	85 Households
<u>Household Sizes</u>	
Singleton Households	15 Households (15 Elderly Residents)
Doubleton Households	9 Households (18 Elderly Residents)
Others	61 Households (76 Elderly Residents)
<u>Type of Tenure</u>	
Owner-occupiers	55 Households (65%)
Tenants	30 Households (35%)

- 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.

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, can choose more than one answer)



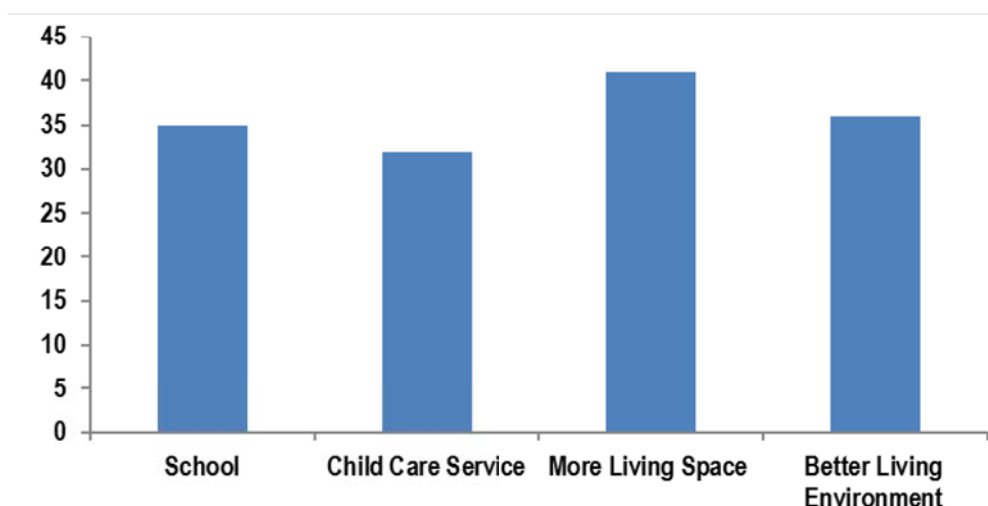
Persons with Disability

10.5 37 residents with disabilities (about 4% of total number of 961 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 special schools 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 371 surveyed households, 20 single-parent families with 30 children were identified in the survey. Their major concerns are shown in **Figure 10.2**.

Figure 10.2 Major Needs of Single-parent Families (based on the first three priorities chosen, can choose more than one answer)



Ethnic Minority Groups

- 10.7 Among the 371 surveyed households, 23 households were recorded to be ethnic minority groups, including 16 households from Thailand, 3 households from Pakistan, 1 household from Indonesia and 3 households from other places.
- 10.8 There were 20 tenant households and 3 owner-occupier households in these ethnic minority households. Over half 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 two public briefings on 27 February 2019 to the affected residents with English and Thai interpreters. In addition, a separate briefing with an interpreter for Thai residents on 18 March 2019 to explain the prevailing policies on compensation and rehousing to alleviate their concerns. The SST and the URA will also continue to provide assistance to the ethnic households to answer their queries and mitigate any adverse impacts.

11. BUSINESS IMPACT

11.1 According to the FS, there are 63 business operators using 85 premises/site. The details are shown in **Table 11.1**.

Table 11.1 Number of Non-domestic Units and Business Operators identified in the Scheme

			According to Original GBP	Units/ Sub-divided Units Actual Found	Business Operators
GBP Units for non-domestic use	Non-subdivided	Surveyed units for non-domestic use	52	51	38 ^{Note 1}
		Surveyed units for domestic use		1	N/A
		Un-surveyed units	16	16	N/A
	Sub-divided	Surveyed units for non-domestic use	15	24 sub-divided units ^{Note 2}	17 ^{Note 3}
		Surveyed units for domestic use		12 sub-divided units	N/A
		Un-surveyed units		6 sub-divided units	N/A
	Sub-total		83	110	55
GBP Units for domestic use	Domestic unit (according to GBP) used for non-domestic use		5	4	4
				1 sub-divided unit ^{Note 4}	1
	Domestic unit (according to GBP) used for both domestic and non-domestic use (mixed use)		4	4	2 ^{Note 5}
Vacant site for non-domestic use			N/A	1	1
Sub-total		92	120	63	
Total Surveyed Units/Site for Non-domestic Use and Total Surveyed Operators			85 ^{Note 6}		63

Remarks:

Results are as of 15 March 2019.

^{Note 1} There are a total of 38 records of operators in which 29 operators occupied 29 units, and 9 particular operators occupied a total of 22 units.

^{Note 2} There are a total of 24 sub-divided units and 19 records of operators, in which 16 operators occupied 16 sub-divided units and 3 particular operators occupied a total of 8 sub-divided units.

Note 3 2 operators in 19 records (refer to Note 2) are repeated in Note 1 (i.e. same operator as in non-subdivided non-domestic units). Hence, to avoid double counting of the number of operators, there are 17 operators in this field.

Note 4 1 of the 106 sub-divided domestic units is used for non-domestic use. The remaining 105 sub-divided units are used for domestic use (refer to Table 3.2 Note 1).

Note 5 There are 2 households/operators occupied 4 domestic units (according to GBP) and used for both domestic and non-domestic use (mixed use), in which 1 household/operator occupied 3 domestic units (according to GBP). The 2 households/operators have completed FS and SIA Forms for both domestic and non-domestic use (refer to Table 3.2 Note 2).

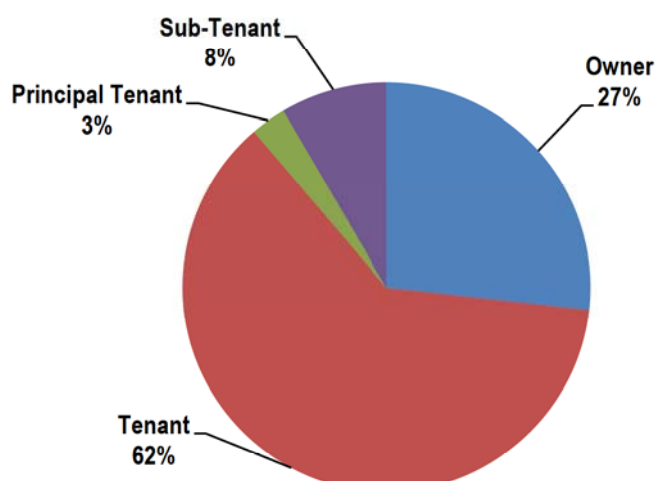
Note 6 A total of 85 surveyed units/site for non-domestic use include 51 non-subdivided non-domestic units, 24 sub-divided non-domestic units, 4 non-subdivided domestic units for non-domestic use, 1 sub-divided domestic unit for non-domestic use, 4 non-subdivided domestic units for mixed use, and 1 vacant site for car park use.

11.2 Of the 63 business operators, 6 operators occupied a total of 14 non-domestic units/sub-divided units, and they chose to fill in the FS and/ or SIA forms for every unit they occupied. Thus, a total of 71 FS forms and 64 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 71 records from the business operators.

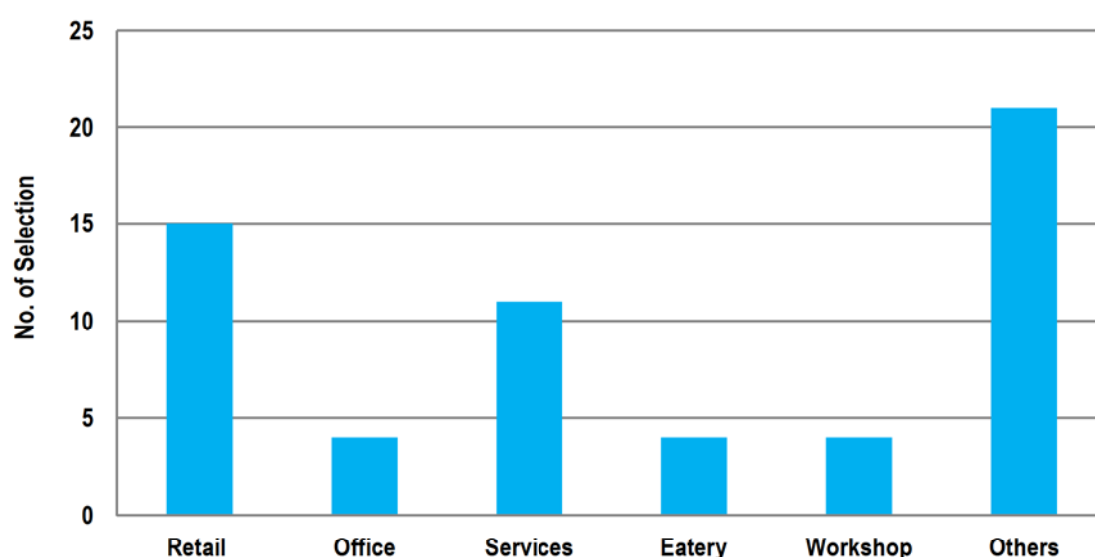
Table 11.2 Number of FS and SIA Forms from Business Operators

	Nos.
Successfully responded to both FS and SIA	64
Only responded to FS but refused to do SIA questionnaire	7
Total	71

11.3 Out of the 71 survey records regarding the occupancy status of business operators, 19 (about 27%) were owner operators and 52 (about 73%) were tenant operators (including tenants, principal tenants and sub-tenants) (**Figure 11.1**).

Figure 11.1 Occupancy Status of Business Operators

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. Kowloon City. It is possible for those operators to find a suitable premises in or outside Kowloon City to continue their businesses.

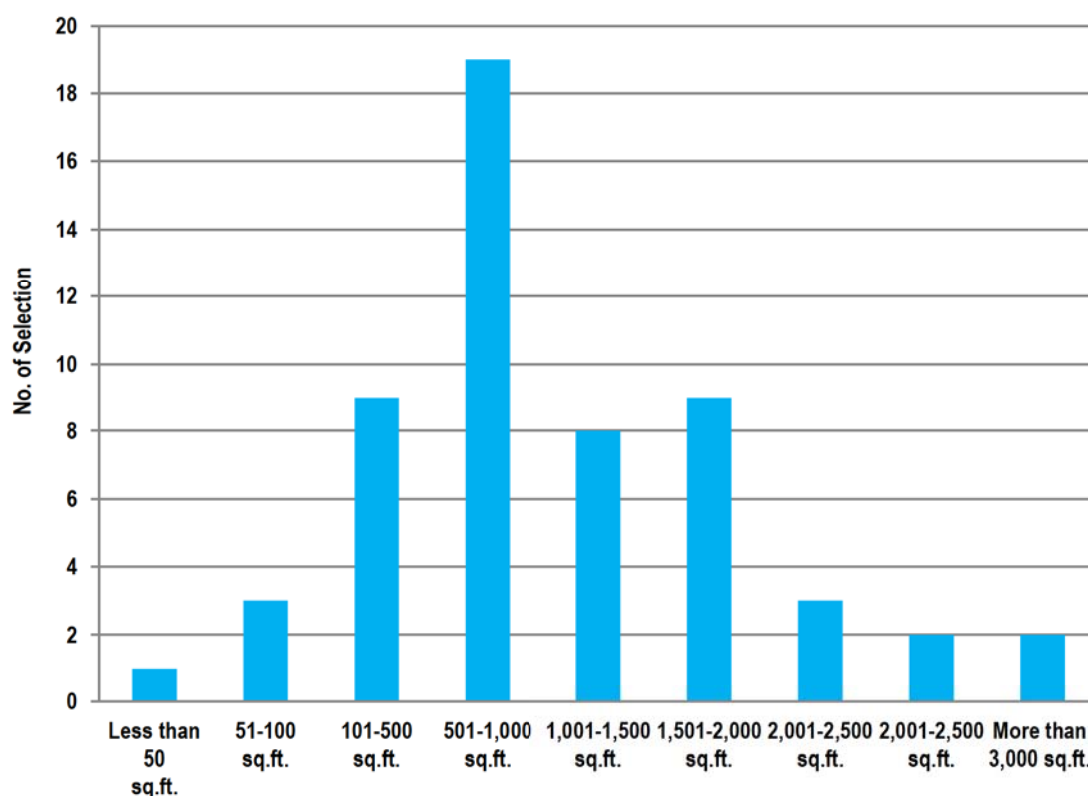
Figure 11.2 Nature of Existing Businesses

Note: No response in this question in 12 records.

11.5 According to the Freezing Survey, 9 ground floor premises were occupied by car repair services and 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.

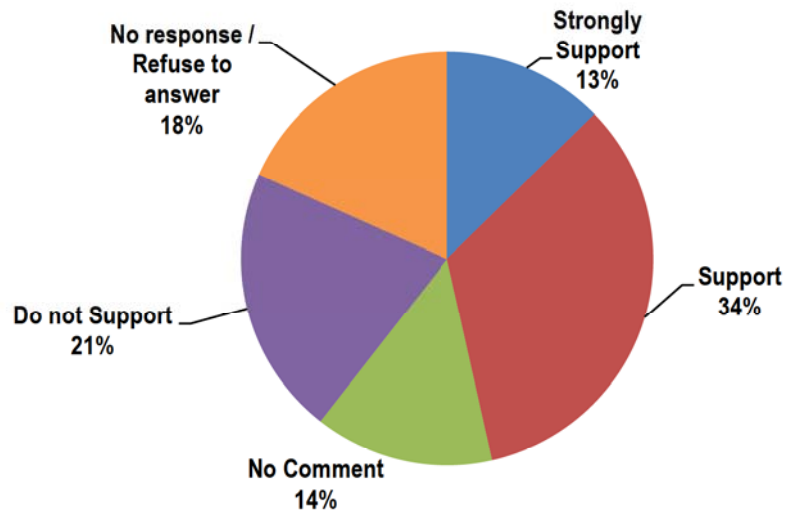
- 11.6 Among the 71 survey records, 11 interviewed business operators indicated that their shops are chain stores or have other branches.
- 11.7 The size of premises for operators are shown in **Figure 11.3** (The exact size of the premises can only be confirmed subject to detailed survey after CE-in-C approval of the Scheme).

Figure 11.3 Size of Premises as Claimed by Operators

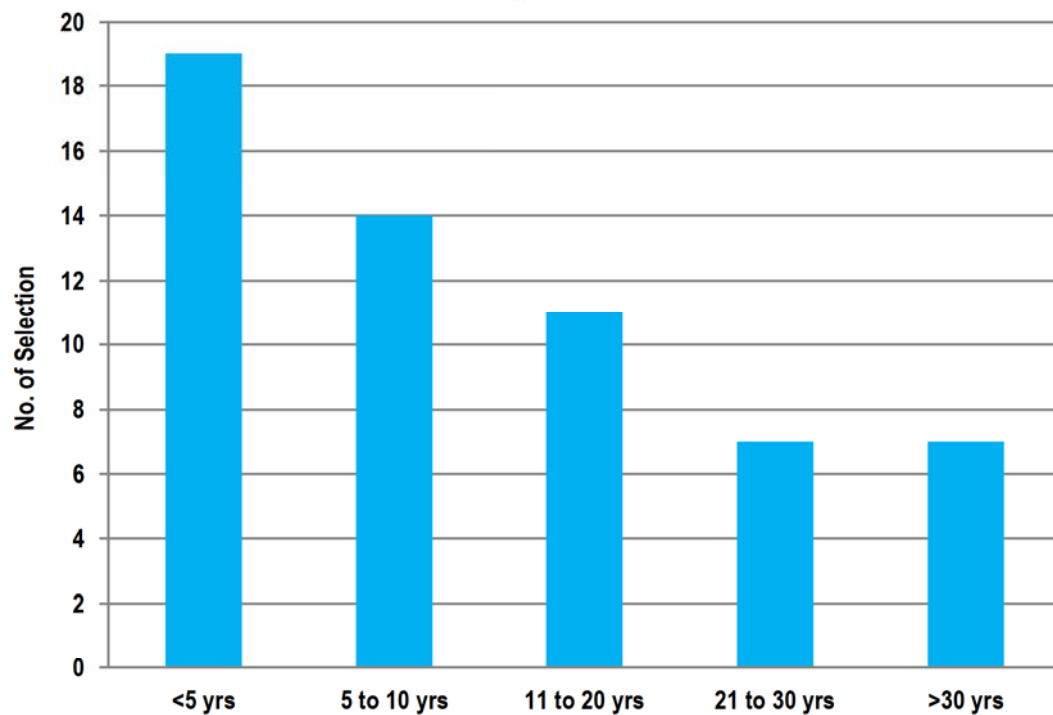


Note: No response in this question in 15 records.

- 11.8 **Figure 11.4** shows the business operators' views on the proposed redevelopment. Among the 71 survey records, 33 interviewed business operators (about 47%) strongly supported or supported the proposed redevelopment, while 15 interviewed business operators (about 21%) did not support. Majority of those supported the Scheme considered that the building condition was poor; the building should be redeveloped to bring better local environment; the compensation policy is considered reasonable; the relocation would enable shop refurbishment and improvement in business operation. Those not supporting the Scheme responded that the Scheme would affect their business operations and destroy the social network. Some of them would worry about in finding new premises to continue their businesses and the inadequacy of compensation.

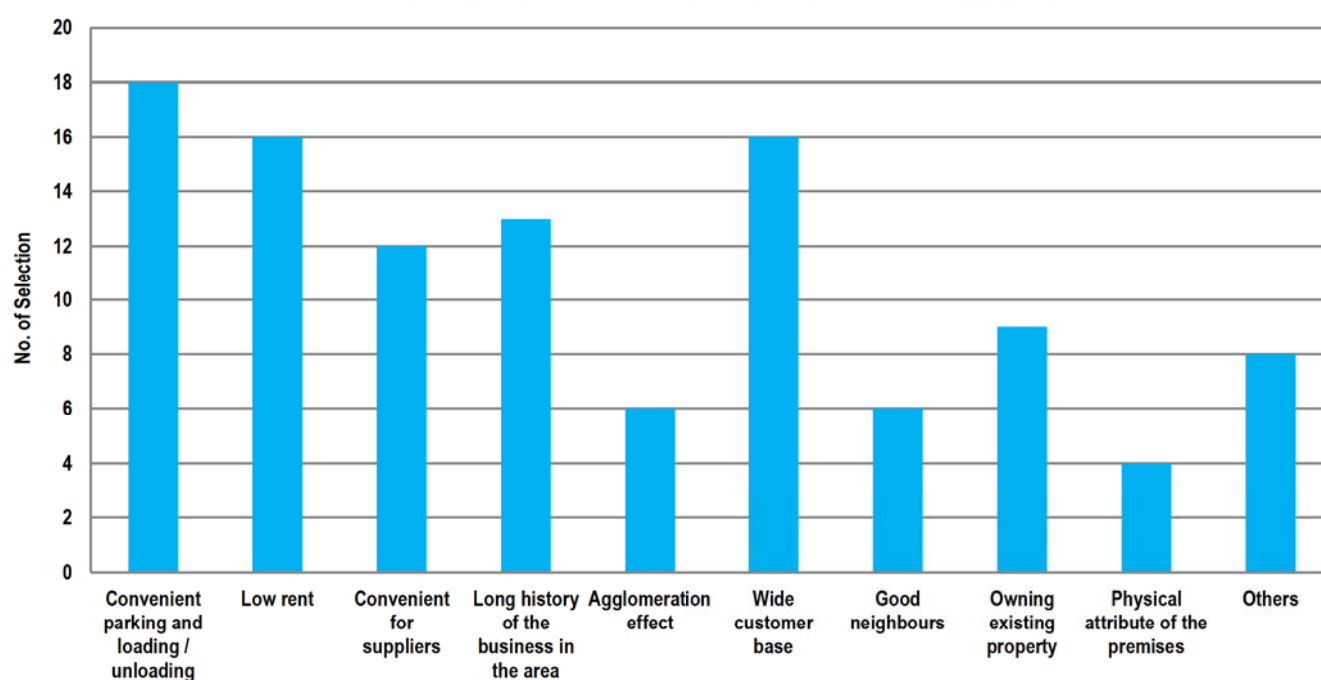
Figure 11.4 Business Operators' Views on the Proposed Redevelopment

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

Note: No response in this question in 13 records.

Figure 11.6 Main Reasons for Operating at the Existing Premises
(Respondents can choose more than 1 reason)



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.

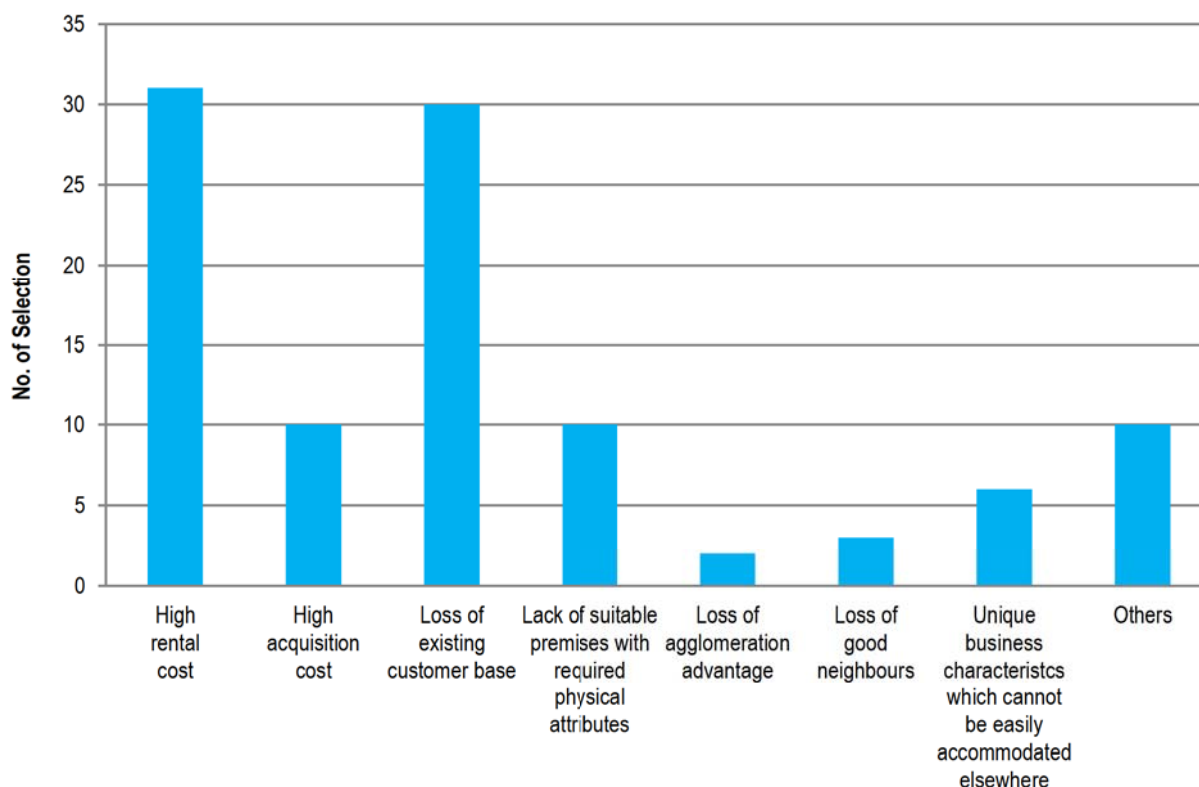
Table 11.3 Satisfaction Level of Operators' Business Performance and Opinion of Interpersonal Relationship and Business Network Established from the Existing Business

		Business Operators
Satisfaction Level of Business Performance	Very Satisfied	17%
	Satisfied	40%
	Neither Satisfied nor Dissatisfied	13%
	Dissatisfied	1%
	Very Dissatisfied	1%
	No Response	28%
Opinion of Interpersonal Relationship	Very Satisfied	21%
	Satisfied	45%
	Neither Satisfied nor Dissatisfied	9%
	No Response	25%
Opinion of Business Network	Very Satisfied	18%
	Satisfied	41%
	Neither Satisfied nor Dissatisfied	10%
	Very Dissatisfied	1%
	No Response	30%

11.11 On the future intention of the operators if the proposed Scheme is implemented, 33 interviewed business operators (about 46%) 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)



11.13 Thirty-four (34) interviewed business operators (about 48%) indicated that they would like the URA to assist them in finding new premises to continue their businesses.

11.14 Nine (9) interviewed business operators (about 13%) expressed that they wanted to meet URA staff and SST for assistance in finding new premises for 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. Six (6) interviewed business operators (about 8%) 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 22 March 2019, the SST has successfully contacted different client groups. 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	123
Domestic Owners	120
Business Operators	10
Undisclosed Occupiers	40

- 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*
<i>Domestic Tenants</i>	
a) Unclear on compensation and rehousing policies	45
b) Evicted by owners / outrageous rent rise	4
c) Worry about eviction, termination of tenancy or outrageous rent rise in future	6
<i>Domestic Owners</i>	
a) Unclear on compensation policies	5
b) Worry about compensation not enough to purchase another flat in the same district	46
<i>Business Operators</i>	
a) Unclear on compensation policies	2
b) Worry about compensation not enough to resume their businesses in the same district	2

* 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 two public briefings on 27 February 2019 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. Besides, in view of the concentration of Thai residents in the Scheme, the URA has arranged a special briefing session for Thais, with an interpreter, on 18 March 2019 to brief them on the Scheme information and answer their enquiries. The total attendance of the three public briefings was about 650 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 60 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. Simple and easy-to-understand leaflets, in Chinese, English and other languages, if necessary and practicable, for the affected ethnic minorities, may be produced to explain the compensation and rehousing arrangements as well as help them understand their interests.

Enquiries and Hotline Services

- 12.7 The URA also answers enquiries and provides hotline services to residents within the redevelopment area. About 153 enquiries had been received between 22 February 2019 and 25 March 2019. 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	4%
Acquisition Compensation and rehousing policies	35%
Household Survey (e.g. registration arrangement, briefing arrangement)	56%
Others	5%
Total enquiries: 153	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 Kowloon City, 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 on 27 February 2019 and 18 March 2019, compensation, rehousing or ex-gratia payment based on the URA's prevailing policy for the affected owners and tenants were fully explained.

Domestic Properties

- 12.12 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 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.
- 12.15 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\$170,000 (for an one-person household) and HK\$190,000 (for a two-person or larger household) ("Minimum EGA"). The Minimum EGA for an one-person household and a two-person or larger household were increased from HK\$70,000 and HK\$80,000 to HK\$160,000 and HK\$180,000 in 2017 respectively, and adjusted to HK\$170,000 and HK\$190,000 in 2018 respectively. 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 (adjusted from HK\$500,000 in 2017) 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 (adjusted from HK\$70,000 in 2017, and 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. The URA Board has given special approval for a project at Sung Hing Lane / Kwai Heung Street, to assist operators selling the dried seafood businesses to continue their operation in the Central and Western District to preserve the local character. For the shops in this Scheme (KC-015), constitute a recognized local character, subject to the approval by the CE-in-C to implement the Scheme, understand the views of those operators and the approval of the URA Board, similar arrangements can be considered.

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

April 2019

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

	
The Remaining Portion Of New Kowloon Inland Lot No. 466	Shops A & B, 24 - 26 Kai Tak Road
	
32 Kai Tak Road	34 Kai Tak Road
	
36 Kai Tak Road	38 Kai Tak Road



40 Kai Tak Road



42 Kai Tak Road



44 Kai Tak Road



46 - 48 Kai Tak Road



Shop A, 50 & 52 Kai Tak Road



Shop B, 50 & 52 Kai Tak Road



Shop A, 54, 54A & 56 Kai Tak Road



Shop B, 54, 54A & 56 Kai Tak Road



58 Kai Tak Road



Shops 1 & 2, 60 Kai Tak Road



62 Kai Tak Road



64 Kai Tak Road



66 Kai Tak Road



68 Kai Tak Road



70 Kai Tak Road



72 - 78 Kai Tak Road



80 Kai Tak Road



82 Kai Tak Road



Side Shop, 82 Kai Tak Road



Shop A, 82A Kai Tak Road



Shop B, 82A Kai Tak Road



Shop A, 31 – 35 Sa Po Road



Shop B, 31 – 35 Sa Po Road



Shop C, 31 – 35 Sa Po Road



37 Sa Po Road



39 Sa Po Road



41 Sa Po Road



43 Sa Po Road



45 Sa Po Road



47 Sa Po Road



49 Sa Po Road



55 Sa Po Road



57 Sa Po Road



59 Sa Po Road



61 Sa Po Road



63 Sa Po Road



65 Sa Po Road



67 Sa Po Road



69 - 71 Sa Po Road



73 Sa Po Road