

**LegCo Panel on Housing
Meeting on 3 April 2000**

Redevelopment of North Point Estate

PURPOSE

This Paper informs Members of the arrangements for the redevelopment of North Point Estate.

BACKGROUND

2. On 2 March 2000, the Housing Authority announced the redevelopment of North Point Estate by February 2002. Upon completion of rehousing, the site will be redeveloped after a comprehensive planning. This is in line with the Long Term Housing Strategy (LTHS) published in 1998 on the redevelopment of older housing estates on a need basis. Under the Authority's Comprehensive Redevelopment Programme (CRP), 566 housing blocks in 57 estates will be redeveloped by 2005. At the moment, we already demolished over 400 buildings to improve the living conditions of the residents.

3. North Point Estate was completed in 1957. It comprises seven 11-storey blocks with a total of 1,956 flats accommodating about 1,750 households (6,250 persons). Facilities in these 43-year old buildings require considerable upgrading, e.g. electricity supply, security, building structure, etc.

4. Although structurally safe, the estate requires extensive strengthening works as well as some major buildings services maintenance works in order to

bring it up to its required standard, with an estimated cost of \$25M. Incurring such high maintenance costs is not cost-effective and will also affect the estate environment at the time carrying out the major repair works.

5. A large number of tenants in North Point Estate have already moved out in recent years with a view to improving their living conditions. There are at the moment some 200 vacant flats on the estate. The only primary school on the estate will also be relocated to Aldrich Bay Reclamation Area in September 2000.

REHOUSING ARRANGEMENTS

Local Rehousing

6. Affected tenants will be offered local rehousing to Oi Tung Estate in Aldrich Bay and Hing Wah Estate Phase 1 in Chai Wan. They are the only rental reception resources available in Hong Kong East in the coming years and no vacant residential site in the proximity of North Point Estate could be identified for reception purpose. There will be a total of 3,600 domestic flats, sufficient to meet the rehousing needs for the 3,300 households involved in redevelopment of North Point Estate and Chai Wan Estate.

7. According to a recent survey conducted by a local group after our formal announcement of the redevelopment plan, some 80% of the respondents indicated that they are willing to move to the reception estates. The remaining households choose to buy Home Ownership Scheme (HOS) flats or secure interest-free loans under the Home Purchase Loan Scheme (HPLS) to purchase

private sector flats. Tenants' response to visit the sample flats is most encouraging. Tenants have shown great interest on various rehousing options.

Purchase of HOS Flats and Private Sector Participation Scheme (PSPS) Flats

8. Tenants of North Point Estate will be given top priority over and above other CRP tenants in purchasing the Aldrich Bay PSPS flats (Aldrich Garden, completion in December 2000) in the next HOS sale phase (HOS Phase 22A), the application of which will be invited in April 2000. Like other CRP tenants, they will be accorded first priority Green Form status in purchasing other HOS/PSPS flats. In addition, they may enjoy a mortgage subsidy of \$162,000, payable to them in 6 years.

Home Purchase Loan Scheme

9. The scheme aims at providing interest-free loans to North Point Estate tenants to purchase private sector flats or flats under HOS Secondary Market Scheme. Tenants may opt for an interest-free loan of \$800,000 repayable over 13 years, or \$600,000 repayable over 20 years. Alternatively, they may also opt for a monthly mortgage subsidy of \$5,100 for 48 months, which needs not be repaid.

ARRANGEMENTS FOR COMMERCIAL TENANTS

10. The redevelopment package under CRP will be applicable to the commercial tenants of North Point Estate. It includes an ex-gratia allowance equivalent to 15 times the net rent (exclusive of rates) plus the right of restricted tender for shopstall premises or a lump sum of \$73,000 in lieu.

IMPROVEMENTS ON HOUSING, COMMUNITY, TRANSPORT AND COMMERCIAL FACILITIES UPON REDEVELOPMENT

11. Housing Department is considering the following two options regarding the after use of the site -

(a) Estate Redevelopment Option

This option will adopt the traditional CRP approach, whereby the Housing Authority will redevelop the site within its existing boundary. No rezoning is required. The estimated flat production is about 2,600 basing on the maximum permitted plot ratio 10 for Residential (Group A) site. This represents a 33% increase in flat production.

(b) Wider Redevelopment Option

This option is to cover North Point Estate and the adjacent Government land, such as the bus terminus, the two passenger ferry piers, the queuing area to the vehicular ferry pier and its adjacent local open spaces. It would facilitate restructuring of the

area. Comparing with option (a) above, such an approach has the potential for a much greater community gain in terms not only of additional housing units, but also more efficient use of land, better integration of transport and commercial facilities, and the provision of new district facilities. This wider approach has the in-principle support of other Government bureaux and departments.

12. In the meantime, Housing Department will explore the feasibility of redeveloping the estate under the Wider Redevelopment Option with concerned bureaux and departments. In the event that the Wider Redevelopment Option is found not feasible, Housing Authority will proceed to redevelop its own site in the normal manner, with demolition tentatively scheduled for early 2002, and construction commencing in early 2003.

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Housing Department

March 2000