

**Memorandum for the Subsidised Housing Committee of  
the Hong Kong Housing Authority**

**Estimated Public Rental Housing Allocation for 2023-24**

**PURPOSE**

This paper informs Members of the actual allocation of public rental housing (PRH) flats in 2022-23 and seeks Members' approval of the estimated PRH allocation for 2023-24.

**RECOMMENDATIONS**

2. Members are recommended to approve –
  - (a) the estimated PRH Allocation for 2023-24 (paragraph 30); and
  - (b) the declassification of this paper (paragraph 32).

**BACKGROUND**

3. The Hong Kong Housing Authority (HA) allocates new and recovered PRH flats to meet the demands of different categories of applicants based on the established allocation policies and programmes. In line with the existing practice, we also make projections of the supply of PRH flats that can be allocated in the coming year and how such flats may be allocated to the different categories of demands.

4. A general overview of estimated PRH allocation is provided below for Members' reference –
  - (a) Most of the estimations of flat allocation are **not numerical limits** but are estimated figures to facilitate planning. For example, flats will be allocated to all cases recommended by the Social Welfare

Department (SWD) under the category of Compassionate Rehousing (CR). Allocation under the Quota and Points System (QPS)<sup>Note 1</sup> is one of those few examples of categories with a built-in numerical limit.

- (b) The actual allocation for a financial year refers to the number of flats intake made on or before 31 March of the financial year. In other words, if an offer has been made but flat intake cannot be completed on or before 31 March, the case will not be counted towards the allocation of that year. Estimated allocation will usually be different from the actual situation at the end of the year. The main reasons for such a difference include: (a) for some estimations used for designated purposes such as CR, there is no limit to the allocation of flats and the actual allocation is subject to the actual demand of relevant rehousing category; (b) PRH applicants are currently entitled to three PRH offers, some PRH flats, particularly recovered flats, may only be accepted by applicants following repeated offers; and (c) even if an applicant has accepted an advance offer, he may change his mind before flat intake and reject the offer. If the flat cannot be offered expeditiously to another applicant and taken up on or before 31 March, the case will not be counted into the allocation in the year.

## ACTUAL ALLOCATION IN 2022-23

5. The actual allocation in 2022-23 is summarised at **Annex**. We originally estimated that **27 600** flats could be allocated in 2022-23. The actual allocation turned out to be **30 888** flats, representing an increase of 11.9% on the original estimate. This was mainly because the flat selection procedure and intake formalities of most of the flats (870 flats in total) under the Territory-wide Overcrowding Relief Exercise (TWOR) and Living Space Improvement Transfer Scheme (LSITS)<sup>Note 2</sup> (hereinafter referred to as “the Transfer Scheme for

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Note 1 On 14 October 2014, Members decided to increase the annual allocation quota for QPS from 8% to 10% of the number of flats to be allocated to PRH applicants, subject to a cap to be increased from 2 000 to 2 200 units (Paper No. SHC 58/2014 refers).

Note 2 Members endorsed on 31 October 2016 the merging of TWOR and LSITS from 2017-18 onwards. PRH tenants with an internal floor area below seven square metres per person may apply for transfer through the schemes to improve their living environment (Paper No. SHC 53/2016 refers).

Improving the Living Environment”) in 2021-22 were postponed to 2022-23. Some of the new flats in 2021-22, such as those in Blocks 2 to 6 of Queens Hill Estate (about 1 200 flats in total), were not taken up before the end of March 2022 and the allocation figures were reflected in 2022-23. In addition, the number of recovered flats in 2022-23 was higher than the estimate of about 1 200, coming mainly from flats voluntarily surrendered by sitting tenants; termination of tenancy and surrendering of PRH flats by tenants upon purchase of flats under Subsidised Sale Flats Schemes (SSFS). For other categories where the actual allocation is less than the originally estimated allocation, we have flexibly allocated flats to PRH applicants in accordance with the actual demands of different categories of applicants. Details of the allocation for each category of applicants are set out in paragraphs 6 to 17 below.

**(a) PRH Applicants**

6. In 2022-23, there were **24 619** flats accepted and taken up by PRH applicants (including the supply of about 1 200 flats in Queens Hill Estate not ready for taken up in 2021-22 and about 1 200 recovered flats mentioned in paragraph 5 above), representing an increase of 21.9% on the original estimate and comprising **22 627** flats for general applicants (i.e. family and elderly one-person applicants) and **1 992** flats for non-elderly one-person applicants under QPS. Besides, we have allocated the surplus quota of other allocation categories to PRH applicants in 2022-23 according to the actual demands of different categories of applicants, resulting in a higher actual allocation than the estimated 20 200.

**(b) Clearance Rehousing**

7. In 2022-23, a total of **199** flats were allocated under the category of Clearance Rehousing, which were less than the original estimation of 470 flats. A breakdown of the clearance projects is as follows –

**(i) Government Clearance Projects**

8. Of the flats reserved for Government clearance projects, **143** were allocated, which were less than the estimation of 350 flats. This was because some clearerees did not meet the PRH eligibility criteria. Hence, the number of clearerees eligible for PRH allocation was less than the estimated figure.

***(ii) Clearance Projects by the Urban Renewal Authority***

9. In 2022-23, 120 flats were reserved for rehousing the clearerees of the Urban Renewal Authority (URA) <sup>Note 3</sup> and eventually **56** flats, i.e. 46.7% of the figure originally estimated, were allocated. The difference was due to the impact caused by the fifth wave of the COVID-19 epidemic on the acquisition, resumption and clearance progress of URA's redevelopment projects.

**(c) HA's Estate Clearance and Major Repairs**

10. In 2022-23, a total of **17** flats were allocated to Shek Lei Interim Housing for rehousing purposes under the category of estate clearance, which was similar to the estimation of 20 flats.

**(d) Compassionate Rehousing**

11. In 2022-23, **490** flats were allocated to CR cases upon recommendation by SWD, which were less than the estimation of 1 500 flats. The number of flats allocated reflected the number of cases recommended by SWD. We have **not rejected any such cases**.

**(e) Transfers**

12. In 2022-23, a total of **4 503** flats were allocated for various transfers, which were more than the original estimation of 4 410 flats. This was mainly because the flat selection procedure under the Transfer Scheme for Improving the Living Environment in 2021-22 did not proceed as scheduled within the year due to the epidemic situation, and the number of flats intake was reflected in the allocation of 2022- 23. The breakdown of transfers by category is as follows –

***(i) Transfer of under-occupation PRH households***

13. To ensure the rational use of PRH resources, we arranged transfer of under-occupation PRH households to flats of appropriate sizes. In 2022-23, the total actual allocation figure was **1 000**, which was less than the quota of 1 100 flats. This was mainly because the applicants did not accept the allocation having regard to their actual needs and personal preference.

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Note 3 Under the Memorandum of Understanding entered between HA and URA in June 2002 and revised in July 2022, URA shall pay HA reservation fees equivalent to the amount of monthly rent payable for the reserved flats.

**(ii) Transfer Scheme for Improving the Living Environment**

14. In 2022-23, a total of **1 616** households were transferred to larger flats under the Transfer Scheme for Improving the Living Environment (1 571 households) and through the arrangements of estate offices (45 overcrowded households). The number of flats allocated was more than the quota of 1 000 flats mainly because the flat selection procedures under the Transfer Scheme for Improving the Living Environment in 2021-22 did not proceed as scheduled within the year due to the epidemic situation. Therefore, the number of flats intake was reflected in the allocation of 2022-23.

**(iii) Other transfer cases**

15. The number of allocation for other transfers was **1 887** flats, which was less than the original estimation of 2 310 flats. This was mainly because some applicants had not completed the intake procedures before the close of the year due to the epidemic situation. The allocation comprised 1 510 flats allocated through Special Transfer <sup>Note 4</sup>, 283 flats allocated under the Harmonious Families Transfer Scheme (HFTS) <sup>Note 5</sup>, 91 flats allocated for transfer under the Full Rent Exemption for Elderly Under-occupation Households and three flats allocated through Management Transfer <sup>Note 6</sup>.

**(f) Emergency Rehousing**

16. There was no application for emergency rehousing in 2022-23 and hence no allocation was made under this category.

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Note 4 Special Transfer is an arrangement for sitting PRH tenants to transfer within the estate or to another estate due to medical and/or social grounds.

Note 5 HFTS provides opportunities for PRH tenants to apply for transfer to the same estate in which their elderly parents or young generations are currently living in for mutual care.

Note 6 Management Transfer aims at recovering particular flats to meet special management needs, such as arranging transfer of “C1P units” or “Housing for Senior Citizens” to facilitate conversion of the recovered flats into normal PRH flats.

**(g) Junior Civil Servants and Pensioners**

17. Allocation of flats under the Civil Service Public Housing Quota (CSPHQ) Scheme is made in accordance with the procedures and guidelines stipulated by the Civil Service Bureau. Each year, HA will set aside flats for the CSPHQ Scheme subject to the availability of resources and demands from various categories of PRH applicants. The quota under this category for 2022-23 was 1 000 flats and the actual allocation in the year was **1 060** flats. The difference existed mainly because the allocation and intake procedures for some cases under the CSPHQ Scheme for 2021-22 were only completed in 2022-23, resulting in a slight increase in the number of flats allocated.

**ESTIMATED ALLOCATION FOR 2023-24**

18. The number of flats available for allocation includes newly completed flats and refurbished recovered flats. It is estimated that a total of about **24 100** flats (comprising about 8 500 new flats and about 15 600 recovered flats) will be available for allocation in 2023-24. The final number of flats allocated depends on whether the new flats can be completed and ready for intake as scheduled, while the actual number of recovered flats is subject to whether the scheduled refurbishment works of the flats recovered from tenants can be completed on time. Details of the estimated allocation are set out in the ensuing paragraphs and at Annex.

**New Flats Available for Allocation (8 500 flats)**

19. It takes time for the issuance of an occupation permit after the completion of a PRH project and arrangements have to be made for applicants who have accepted the housing offers to complete the intake formalities by batches. Therefore, in line with the established practice, the estimated number of new flats available for allocation in 2023-24 only includes the flats completed between January and December 2023.

20. According to HA's Housing Construction Programme (HCP)<sup>Note 7</sup> as at 31 March 2023, about **8 500** flats tabulated below are estimated to be completed between January and December 2023 and available for allocation –

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Note 7 HA's HCP shows the estimated public housing production in each financial year (i.e. from April each year to March of the following year).

<b>Project</b>	<b>Estimated Date of Completion</b>	<b>Number of Flats</b>
(a) Lai Cho Road, Block 1 (Lai Yiu Estate)	June 2023	819
(b) Tai Po Area 9, Blocks 2 to 9 (Fu Tip Estate)	December 2023	6 776
(c) Pak Tin Redevelopment Phase 10, Block 5 (Pak Tin Estate)	December 2023	924
<b>Total</b>		<b>8 519</b> <b>(about 8 500)</b>

### **Recovered Flats Available for Allocation (15 600 flats)**

21. The sources of supply of recovered flats mainly come from voluntary surrender by sitting tenants; pass away of tenants; termination of tenancy; tenants transferring to other flats; and surrender by tenants upon purchase of flats under SSFS. With reference to the number of flats surrendered by PRH households in the past due to various reasons, we estimate that there will be about **15 600** recovered flats available for allocation in 2023-24.

### **ESTIMATED ALLOCATION FOR DIFFERENT CATEGORIES OF APPLICANTS**

#### **(a) PRH Applicants (18 000 flats)**

22. As always, we propose to allocate the largest portion of flats to PRH applicants in the year. In 2023-24, we estimate that a total of **18 000** flats will be allocated to PRH applicants, including general applicants and non-elderly one-person applicants under QPS. This amounts to 74.7% of the overall estimated allocation for the year, which is higher than that of 73.2% in 2022-23. This estimation is not an upper limit. We will closely monitor the actual allocation figures of other categories to ensure any surplus of demanded flats could be allocated to PRH applicants before the end of the year.

23. As stated in paragraph 4(a) above, the annual allocation quota for non-elderly one-person applicants under QPS is set at 10% of the total number of flats to be allocated to PRH applicants with an upper limit of 2 200 flats, and therefore the allocation quota for QPS applicants in 2023-24 is **1 800** flats. If the actual supply of flats turns out to be less than our estimate, we will keep the number of flats for allocation to QPS applicants to not more than 10% of the total number of flats to be allocated to PRH applicants.

24. We will continue to launch the Express Flat Allocation Scheme in 2023-24 to provide PRH applicants with an extra opportunity to gain earlier access to PRH.

**(b) Clearance Rehousing (500 flats)**

25. In view of the take-up rate of clearance rehousing in 2022-23, and upon discussions with the departments and organisations concerned, we estimate that the number of flats to be allocated under this category is **500** in total, of which –

- (i) **300** flats <sup>Note 8</sup> will be set aside for rehousing residents affected by clearance projects planned by different departments, including the Kwu Tung North/Fanling North New Development Areas Project, Hung Shui Kiu Development Area Project, Cha Kwo Ling Development Area Project, as well as other Government's squatter clearances, emergency clearances, unauthorised rooftop structure clearances and so forth; and
- (ii) **200** flats will be set aside for rehousing residents affected by URA's redevelopment projects scheduled for 2023-24.

**(c) HA's Estate Clearance and Major Repairs (0 flat)**

26. As estate clearance projects have yet to commence, it is not necessary to reserve any flats under this category in 2023-24.

**(d) Compassionate Rehousing (900 flats)**

27. With reference to the actual allocation figures in the past, we propose to reserve **900** flats under this category in 2023-24. This figure is not an upper limit. We will follow the established policy to handle all the demands for CR as recommended by SWD. Any unused quota under the category of CR will be allocated to PRH applicants.

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Note 8 In deriving the number of flats required, we have taken into consideration the demand for PRH resources that may arise from the ex-gratia compensation and rehousing arrangements for the Government's development clearance exercises announced by the Development Bureau on 10 May 2018.

**(e) Transfers (3 700 flats)**

28. We estimate that **3 700** flats will be used for various transfer purposes in 2023-24, among which **1 100** flats will be used for the Transfer of Under-occupation Households so that more large flats can be recovered for easing the pressing demand of applicants with four or more household members. Besides, as with last year, we suggest reserving around **1 000** flats for applicants under the Transfer Scheme for Improving the Living Environment <sup>Note 2</sup> in 2023-24. The remaining **1 600** flats will be flexibly deployed for other transfer purposes (including Special Transfer, HFTS, Full Rent Exemption for Elderly Under-occupation Transfer, Management Transfer, etc.).

**(f) Junior Civil Servants and Pensioners (1 000 flats)**

29. We will reserve **1 000** flats under this category in 2023-24 as in 2022-23.

30. On the whole, the estimated PRH allocation for 2023-24 is summarised at Annex and tabulated as follows –

Allocation Categories	Estimated Allocation for 2023-24	
	Number of Flats	%
1. PRH APPLICANTS	18 000	74.7
(a) General Applicants	16 200	67.2
(b) Non-elderly One-person Applicants under the QPS	1 800	7.5
2. CLEARANCE REHOUSING	500	2.1*
(a) Clearance Projects	300	1.2
(b) Urban Renewal Authority	200	0.8
3. ESTATE CLEARANCE AND MAJOR REPAIRS	0	0
4. COMPASSIONATE REHOUSING	900	3.7
5. TRANSFERS	3 700	15.4
6. JUNIOR CIVIL SERVANTS AND PENSIONERS	1 000	4.1
<b>Total</b>	<b>24 100</b>	<b>100</b>

\* Figures may not add up to the total due to rounding.

## **PUBLICITY**

31. We will closely monitor any changes in circumstances and will maintain flexibility in allocation to ensure optimisation of resources. The estimated PRH allocation for 2023-24 and the actual allocation in 2022-23 will be announced via a press release.

## **DECLASSIFICATION**

32. We will declassify the paper, which will be made available to the public on the HA homepage, at the Department's library and through the Departmental Access to Information Officer.

## **FOR DISCUSSION**

33. At the meeting of the Subsidised Housing Committee to be held on 16 June 2023, Members will be invited to approve the recommendations in paragraph 2 above.

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## Estimated and Actual Allocation in 2022-23 and Estimated Allocation for 2023-24

Allocation Categories		Estimated Allocation for 2022-23		Actual Allocation in 2022-23				Estimated Allocation for 2023-24		
		No. of Flats (a)	Quota Distribution %	Total No. of Flats (b)	No. of New Flats	No. of Recovered Flats	Quota Distribution %	Rate of Original Estimates % (b)/(a)	No. of Flats	Quota Distribution %
1.	PRH APPLICANTS	20 200	73.2	24 619	13 262	11 357	79.7	121.9	18 000	74.7
	(a) General Applicants	18 180	65.9	22 627	12 786	9 841	73.3	124.5	16 200	67.2
	(b) Non-elderly One-person Applicants under the QPS	2 020	7.3	1 992	476	1 516	6.4	98.6	1 800	7.5
2.	CLEARANCE REHOUSING	470	1.7	199	91	108	0.6*	42.3	500	2.1*
	(a) Government Clearance Projects	350	1.3	143	39	104	0.5	40.9	300	1.2
	(b) Urban Renewal Authority	120	0.4	56	52	4	0.2	46.7	200	0.8
3.	ESTATE CLEARANCE AND MAJOR REPAIRS	20	0.1	17	2	15	0.1	85.0	0	0
4.	COMPASSIONATE REHOUSING	1 500	5.4	490	0	490	1.6	32.7	900	3.7
5.	TRANSFERS	4 410	16.0	4 503	641	3 862	14.6	102.1	3 700	15.4
6.	EMERGENCY REHOUSING	0	0	0	0	0	0	0	0	0
7.	JUNIOR CIVIL SERVANTS AND PENSIONERS	1 000	3.6	1 060	323	737	3.4	106.0	1 000	4.1
	<b>Total</b>	<b>27 600</b>	<b>100</b>	<b>30 888</b>	<b>14 319</b>	<b>16 569</b>	<b>100</b>	<b>111.9</b>	<b>24 100</b>	<b>100</b>

\* Figures may not add up to the total due to rounding.