

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

2022 Rent Review of Public Rental Housing

PURPOSE

This paper seeks Members' endorsement of the outcome of the 2022 rent review for public rental housing (PRH) and the proposal for providing special relief measure to PRH tenants.

RECOMMENDATION

2. Members are recommended to –
 - (a) approve the outcome of the 2022 rent review conducted in accordance with section 16A(4) of the Housing Ordinance (paragraph 15 below); and
 - (b) endorse providing a special relief measure to PRH tenants by waiving the extra rent payable by the tenants each month due to the rent adjustment in the first 12 months following the rent adjustment (paragraph 21 below).

BACKGROUND

3. The existing PRH rent adjustment mechanism is stipulated under section 16A of the Housing Ordinance which came into effect on 1 January 2008. Section 16A provides that the Housing Authority (HA) shall conduct a rent review every two years ^{Note 1} in accordance with the mechanism stipulated therein and

Note 1 Section 16A(1)(b) of the Housing Ordinance stipulates that HA “shall review the relevant rent as soon as practicable after the second anniversary of the expiry date of the second period for the last review”.

vary the PRH rent according to the change in the income index between the first and second periods covered by the review. Specifically, section 16A(4) provides that HA –

- (a) if satisfied on a review of the relevant rent that the income index for the second period is higher than the income index for the first period by more than 0.1%, shall as soon as practicable after the review increase the relevant rent by the rate of the increase of the income index or 10%, whichever is less; and
- (b) if satisfied on a review of the relevant rent that the income index for the second period is lower than the income index for the first period by more than 0.1%, shall as soon as practicable after the review reduce the relevant rent by the rate of reduction of the income index.

Based on the above statutory provisions, HA is required to adjust the PRH rent in strict accordance with the stipulated mechanism. The methodology for data ----- collection and computation under the rent adjustment mechanism is at **Annex A**.

4. The existing rent adjustment mechanism is the outcome of extensive public discussions whereby HA conducted the Review on Domestic Rent Policy from 2001 to 2006, including a three-month public consultation. During the process, detailed consideration was given to various adjustment methods, and it was eventually considered that PRH rent adjustment based on tenants' household income could best reflect tenants' affordability. The Amendment Bill, which was passed by the Legislative Council in June 2007 and took effect on 1 January 2008, established the existing PRH rent adjustment mechanism based on PRH tenants' household income. To provide a starting point for the rent adjustment mechanism to operate effectively, HA further reduced the PRH rent by 11.6% in August 2007.

5. The existing rent adjustment mechanism has the following characteristics –

- (a) the mechanism provides an objective basis for PRH rent adjustment, which stipulates that HA shall adjust its PRH rent according to the change in PRH tenants' income over the past two years to ensure that the rate of rent adjustment can meet tenants' affordability; and
- (b) there is a 10% cap on the rate of rent increase, but no floor in case of rent reduction. Accordingly, the ratio of the average PRH rent to

the average PRH household income will only improve in the long run. Actual experience also shows that the current rent adjustment mechanism based on tenants' income has achieved the intended objective of the legislation when it was enacted in 2007, which can ensure PRH tenants' affordability more consistently and objectively when compared with other options.

6. The Housing Ordinance provides for power for HA to grant rent waiver to PRH tenants as necessary. According to section 17 of the Housing Ordinance, HA may remit in whole or in part rent of tenants for such period as it thinks fit. We consider that the relevant statutory provision has provided HA with sufficient flexibility to take into account various factors, including the prevailing socio-economic situation, and offer suitable assistance to PRH tenants as appropriate.

7. After section 16A of the Housing Ordinance was enacted in June 2007 and came into effect on 1 January 2008, HA conducts PRH rent review on a biennial basis since 2010 ^{Note 2}. In each review, the Subsidised Housing Committee (SHC) of HA considered the report of the Commissioner for Census and Statistics (C for C&S) ^{Note 3} and endorsed the outcome, and the rent adjustment came into effect on 1 September. The rent adjustments since the enactment of section 16A of the Housing Ordinance, and the rent waiver granted by HA are summarised below –

Note 2 Section 16A(1)(a) of the Housing Ordinance stipulates that HA shall “review the relevant rent as soon as practicable after 1 January 2010”. In relation to the first rent review to be conducted after 1 January 2010, section 16A(8) of the Housing Ordinance defines the first period as a period of 12 months expiring on 31 December 2007, and the second period as a period of 12 months expiring on 31 December 2009.

Note 3 Section 16A(7)(b) of the Housing Ordinance specifies that the Commissioner for Census and Statistics (C for C&S) shall, in relation to the compilation of the income index, compute the index. This includes the computation of the change in the income index between the first and second periods.

	Change in Income Index	Adjustment of PRH rent	Effective date of new rent	Rent waiver granted by HA
Enactment of section 16A of the Housing Ordinance	-	-11.6%	August 2007	-
2010 review	+4.68%	+4.68%	September 2010	1 month
2012 review	+16.24%	+10%	September 2012	1 month
2014 review	+19.27%	+10%	September 2014	-
2016 review	+16.11%	+10%	September 2016	-
2018 review	+11.59%	+10%	September 2018	-
2020 review	+9.66%	+9.66%	September 2020	2 months

OUTCOME OF THE 2022 RENT REVIEW

8. For the 2022 rent review, the first period for the purpose of computing the income index is the 12 months in 2019, while the second period is the 12 months in 2021. The Census and Statistics Department (C&SD) has confirmed that the data collected through the “Survey on Household Income of Public Rental Housing Tenants” (Income Survey) conducted by HA accurately reflected the household income of PRH tenants in both 2019 and 2021. The survey data have been used to compute the income index for PRH tenants accordingly. Distribution of survey data and details of households excluded from the computation of the mean monthly household income are set out in the ensuing paragraphs.

Sample distribution

9. Monthly sampling of 2 000 PRH households for the first and second periods was conducted in accordance with the actual distribution of household size each month as shown at **Annex B1** and **Annex B2** respectively. By design of the proportionate stratified systematic random sampling, the distribution of tenant household sample by PRH estate and by district corresponds to the actual

distribution of all PRH households. A comparison of the tenant household sample and actual distribution of households by district and by estate for the first and second periods is at **Annex C1** and **Annex C2** respectively.

10. A total of 24 000 PRH households were sampled in each of the first and second period. The response rates were 98.9% for 2019 and 98.6% for 2021. The remaining 1.1% and 1.4% involved 255 incomplete cases for 2019 and 343 incomplete cases for 2021. These tenants were unable to provide all the information requested in the declaration form, and all were verified by the Housing Department to have reasonable grounds (e.g. chronic illness, overseas employment or study, imprisonment, etc.) for not being able to provide the information required.

Exclusion of non-representative households

11. Income deviation are excluded to minimise distortion to the outcome of the computation. Households excluded from computation of the income index include –

- (a) **“Well-off tenants”** : tenants paying additional rent (commonly known as “well-off tenants ^{Note 4}”) are better off than other PRH households. Their inclusion in the coverage of the income index would raise the overall income level and hence cannot accurately reflect the affordability of PRH households in general;

Note 4 HA’s Housing Subsidy Policy (HSP) and the Policy on Safeguarding Rational Allocation of Public Housing Resources (SRA) are commonly referred to as the “Well-off Tenants Policies”. Under the “Well-off Tenants Policies”, households after living in PRH for ten years are required to declare their household income and assets, and thereafter biennially. Those with a household income exceeding two times and not more than three times the prevailing PRH income limits have to pay 1.5 times net rent plus rates. Those with household income exceeding three times and not more than five times the prevailing PRH income limits are required to pay double net rent plus rates. PRH households with total household income or net assets value exceeding the prescribed limits (i.e. five times and 100 times of the PRH income limits respectively), as well as those who have private domestic property ownership in Hong Kong are required to vacate their PRH flats.

Households who are required to vacate their PRH flats but have a temporary housing need may apply for a fixed-term licence to stay in the PRH for a period of not more than 12 months, during which time a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, is charged. “Well-off tenants” are PRH tenants who are paying additional rent (i.e. 1.5 times or double net rent plus rates, or market rent).

- (b) ***Other households with high “outlying” income*** ^{Note 5}: this refers to high-income households who are not “well-off tenants” paying additional rent; and
- (c) ***Comprehensive Social Security Assistance (CSSA) households***: the level of CSSA is set by the Government. It does not reflect the income level of representative PRH tenant households.

----- 12. As shown in **Annex D1**, in the 2019 Income Survey, 908 “well-off tenants”, 444 other households with income higher than the upper outlying levels, and 3 732 CSSA households were excluded from the computation of the income index, accounting for 3.8%, 1.9% and 15.8% of the completed samples respectively. Upon exclusion of these three categories of non-representative households, another 103 invalid sampling units (i.e. deceased tenants and tenants who had terminated their tenancies) and the 255 incomplete cases mentioned in paragraph 10 above, the sample size for computing the income index is 18 558 for 2019.

----- 13. As shown in **Annex D2**, in the 2021 Income Survey, 986 “well-off tenants”, 421 other households with income higher than the upper outlying levels, and 3 641 CSSA households were excluded from the computation of the income index, accounting for 4.2%, 1.8% and 15.5% of the completed sample respectively. Upon exclusion of these three categories of non-representative households, another 121 invalid sampling units and the 343 incomplete cases as mentioned in paragraph 10 above, the sample size for computing the income index is 18 488 for 2021. C&SD considered the resultant sample sizes for both the first and second periods form a sound basis for the compilation of the income index.

Computation of mean monthly household income

14. Based on the survey data, C&SD computed the overall mean monthly household income and hence the income index for the rent review. The mean monthly household income of PRH tenants in the first period (i.e. 2019) is \$24,194 and this index is set at 100. The adjusted mean monthly household income in the second period (i.e. 2021) is \$24,478. The index of the second

Note 5 To assess the proportion of households with high “outlying” income, the “John Tukey’s Outliers Filter Method”, a common statistical method, has been adopted to define the outliers of the income data in the Income Survey. PRH households with income higher than the upper outlying levels determined from the method are considered as outliers and excluded from computation of the income index.

period is therefore 101.17. C&SD has conducted various quality checks and computed the income index with reference to the income data for the first and second periods in its independent capacity, and confirmed that the survey findings are in order. Findings of the quality checks performed by C&SD and the computation of income index are appended at the C for C&S' report on the 2022 ----- rent review exercise at **Annex E**.

15. As mentioned in paragraph 3 above, section 16A(4)(a) of the Housing Ordinance stipulates that if the income index for the second period is higher than that for the first period by more than 0.1%, HA shall increase the PRH rent by the rate of increase of the income index or 10%, whichever is less. Since the income index for the second period is **higher** than that for the first period by **1.17%**, rent adjustment under the 2022 PRH rent review is **+1.17%**.

IMPACT OF RENT ADJUSTMENT ON TENANTS

16. A total of about 791 200 households were residing in PRH as at March 2022. Among them –

- (a) about 79% (about 627 500 households) were paying normal rent;
- (b) about 14% (about 109 100 households) were CSSA households whose rent was covered by the Government;
- (c) about 4% (about 29 600 households) were “well-off tenants” who were paying additional rent; and
- (d) about 3% (about 25 000 households) were receiving assistance under HA’s Rent Assistance Scheme (RAS).

17. The average monthly rent as at March 2022 was \$2,278, and the monthly rent ranged from \$485 to \$5,657. An adjustment of +1.17% means **an increase of about \$26 per PRH household per month on average, and the range of monthly adjustment is from \$5 to \$66**, as tabulated below –

Monthly rent increase ^{Note 6}	No. of households ^{Note 7*}	Percentage among all PRH households ^{Note 7**}
+\$5 to \$10	10 300	2%
+\$11 to \$20	186 900	27%
+\$21 to \$30	241 400	35%
+\$31 to \$40	161 700	24%
+\$41 to \$50	65 500	10%
+\$51 to \$60	12 300	2%
+\$61 to \$66	4 000	1%

Notes

* Figures rounded to the nearest hundred.

** The total may not add up to 100% due to rounding.

18. In considering the impact of the rent increase on PRH tenants, the following are relevant –

- (a) the upward adjustment of 1.17% in rent, with an average increase of \$26 per PRH household per month (ranging from \$5 to a maximum of \$66) over the two-year period, is mild;
- (b) 4% of our tenants are “well-off tenants” who should be able to afford the rent increase. Apart from the 14% CSSA households whose rent is covered by the Government, the monthly rent increase for more than 60% of the remaining PRH households will only be \$30 or less;
- (c) over the years, tenants’ household income has increased more than the rent. From 2007 to 2021, the cumulative increase in household income was 108.6%, whereas the cumulative increase in rent by adopting a 1.17% rent increase pursuant to the outcome of the current rent review was only 70%;

Note 6 The rent increase distribution range as shown is calculated on the basis of normal rent (i.e. rent inclusive of net rent and rates) payable by PRH tenants. For those additional rent paying households who are required to pay 1.5 or 2 times of the net rent, the distribution of the actual rent payable upon rent adjustment for them may be different.

Note 7 CSSA households are excluded, as their rent is covered by the Government.

- (d) as a crude comparison, the ratio of the average PRH rent to the average PRH household income has gradually decreased from 9.97% in 2007 to 9.56% after the rent increase in accordance with the current review^{Note 8}. Although these figures are not the actual rent-to-income ratio, they can provide an indicative reference on the PRH tenants' affordability;
- (e) the Government has announced, as a relief measure in the 2022-23 Budget, to waive the rates for all four quarters of 2022-23, subject to a ceiling of \$1,500 per quarter in the first two quarters and a ceiling of \$1,000 per quarter in the remaining two quarters for each rateable property. In line with the established practice, HA will pass on all the rates concessions to PRH tenants. The rates concession receivable by each PRH household ranges from about \$504 to \$5,000 in 2022-23, which roughly amounts to about a net saving of 0.4 months' rent over the two-year rent review cycle (i.e. from October 2022 to September 2024) for PRH tenants; and
- (f) PRH tenants with temporary financial difficulties may seek assistance under HA's RAS to pay their rent. Depending on the level of their income, eligible applicants will be granted either 25% or 50% rent reduction for a period of two years.

IMPLEMENTATION DATE

19. Section 16A(4) of the Housing Ordinance stipulates that HA shall adjust PRH rent as soon as practicable after the rent review. Section 16A(5)(b) provides that HA shall not vary the relevant rent before the second anniversary of

Note 8 The calculation is as below –

	2007	2021
Average PRH rent	\$1,319 (first period of the 2010 review)	\$2,278 × (1 + 1.17%) = \$2,304 (1.17% rent increase pursuant to the 2022 Rent Review outcome)
Average PRH household income	\$13,233 (calculated based on the actual household distribution in 2007)	\$24,094 (calculated based on the actual household distribution in 2021)
Average PRH rent/ Average PRH household income	\$1,319 / \$13,233 = 9.97%	\$2,304 / \$24,094 = 9.56%

the date of the last variation. Taking into account the need to notify all PRH tenants in writing one month before the implementation date of the new rent as required under tenancy agreements, subject to Members' endorsement of the outcome of the 2022 rent review, we **propose** the rent adjustment to **take effect from 1 October 2022**.

RELIEF MEASURES

20. HA is bound by law to review PRH rent every two years and to implement the new rent level in strict accordance with section 16A(4) as soon as practicable after the review. Hence, HA would not be acting in accordance with the Housing Ordinance if it does not adjust the rent in accordance with the mechanism stipulated therein. On the other hand, section 17 of the Housing Ordinance allows HA to "remit, in whole or in part and for such period as it thinks fit, the payment of any rent, premium or other consideration payable under any lease". HA therefore can consider whether to provide relief measures under the auspices of section 17 of the Housing Ordinance having regard to the economic challenges likely to be faced by its tenants, and if so, the extent.

21. For the 2022 rent review exercise, while the impact of the rent increase at an average of \$26 per month on PRH tenants should be mild as assessed in paragraph 17, we are mindful that the impact of the unprecedented COVID-19 pandemic may pose economic difficulties on PRH tenants. Given this special situation, we consider it not unreasonable to provide some form of relief measure to ameliorate possible economic burden on PRH tenants which may be brought by the rent increase. Having regard to the extent of the rent increase, impact on the PRH tenants, and the impact on HA's financial position, we **propose providing a special relief measure to PRH tenants by waiving the extra rent payable by the tenants each month due to the rent adjustment in the first 12 months following the rent adjustment**.

22. There may be suggestions that HA should freeze the rent or provide a more generous rent waiver. Both options are not recommended. As mentioned in paragraph 3 above, HA is legally obliged to vary the rent in accordance with the outcome of the biennial rent review. If HA does not adjust the rent pursuant to the mechanism stipulated in the Housing Ordinance, it will not be acting in accordance with section 16A of the Housing Ordinance. As for rent waiver, it should be noted that a one-month rent waiver will amount to \$1,696 million, which will result in a deficit of \$1,373 million in HA's PRH operating account in 2022-23. This option would be disproportionate to the

amount of rent increase and its impact on the PRH tenants, and would adversely affect the sustainability of HA's financial position. We consider that the proposed special relief measure at paragraph 21 above to be more reasonable and has struck a balance among various considerations.

FINANCIAL IMPLICATIONS

23. According to the budget endorsed by HA in January 2022, the rental housing operating account is estimated to have a surplus of about \$193 million in 2022-23 and a deficit of about \$592 million in 2023-24. A rent increase by 1.17% will generate an estimate additional revenue of \$262 million annually. Subject to Members' endorsement of the special rent relief measure in paragraph 21 above, the rental income forgone in 2022-23 and 2023-24 will be about \$262 million in total ^{Note 9}.

PUBLIC REACTION AND PUBLICITY

24. HA is required by law to increase the PRH rent by 1.17% based on the established mechanism as provided for in the Housing Ordinance. Despite the mild rent increase of 1.17% with an average increase of \$26 per PRH household per month over a two-year period, there may still be calls for HA to freeze or even reduce PRH rent; and/or to provide further special relief measures in view of the current global and local economic difficulties. We will respond to such request along the considerations and recommendation set out in paragraphs 18, 20 to 22 above.

25. A press release will be issued to set out SHC's decision on the level of rent adjustment. In accordance with past practice, PRH tenants will also be notified one month in advance of the new rent levels.

26. This paper is copied to members of HA and the Finance Committee concurrently for information.

Note 9 If the special relief measure under paragraph 21 above is adopted, the rental income forgone by HA in the 2022-23 and 2023-24 will be about \$130 million and \$132 million respectively.

BRIEFING FOR THE LEGISLATIVE COUNCIL'S PANEL ON HOUSING

27. We will brief the Legislative Council's Panel on Housing of the outcome of the 2022 rent review at its meeting on 8 August 2022. This paper is issued to the Panel on Housing in parallel to facilitate discussion at the Panel. We will make a further submission to SHC to sum up the views of Panel Members and other stakeholders for Members' consideration at the meeting on 15 August 2022.

DISCUSSION

28. At the SHC meeting to be held on 15 August 2022, Members will be invited to approve the outcome of the 2022 rent review in accordance with section 16A(4) of the Housing Ordinance (paragraph 15 above) and consider whether to endorse the recommendation under paragraph 21.

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Methodology of the Rent Adjustment Mechanism

Compilation of the income index involves data collection and data computation. The income data of Public Rental Housing (PRH) households collected through the Income Survey is used as the basis for compiling the income index.

2. To collect the income data, a sample of 2 000 PRH households is randomly selected by Housing Authority (HA) each month and each sampled household receives a notification letter together with an income declaration form. The income declaration forms are served under section 25(1) of the Housing Ordinance and declaration is mandatory. The declarable income includes remuneration from employment and self-employment, and other income (for example, interest and dividends). All sampled households are required by law to complete the forms. However, to mitigate the burden caused to the sampled households, no household is selected more than once within the two periods of January to December 2019 and January to December 2021.

3. For each sampled household, every family member listed in the tenancy records shall, in compliance with the relevant stipulations of the Ordinance, declare truthfully their monthly income. Explanatory notes are provided in the income declaration form to facilitate their provision of income data. The sampled households shall return the duly completed income declaration forms within the time specified. Information provided by tenants is treated in strict confidence and is solely used for compiling the income index. Households who knowingly make false statements of their particulars required in the income declaration forms, or refuse or fail to return the forms by the specified time, shall be guilty of an offence and will be liable to prosecution.

4. The compilation of the income index serves to assess the “pure income change” in the household income of PRH tenants during the rent review cycle, with a view to determining the extent of rent adjustment. To do this, the household size distribution of PRH tenants in the rent review cycle should remain unchanged, so that the impact on household income due to variations of household size distribution could be eliminated in computing the income index.

The role of HA

5. HA collects the income data from the sampled households. The sampling method and the data collection process were devised in consultation with the Census and Statistics Department (C&SD) to ensure the representativeness and accuracy of the Income Survey.

6. As far as sampling is concerned, a probability-based sampling method is adopted to randomly select 2 000 PRH tenants each month to participate in the Income Survey. PRH tenants are first categorised into five household size categories (i.e. five strata): 1-person households, 2-person households, 3-person households, 4-person households and households of 5 persons or above. Households are then drawn from each category according to the actual household size distribution of PRH tenants in a particular month. 2 000 households were sampled according to the actual household size distribution month by month. This method is known as **proportionate stratified systematic random sampling**. It provides more precise estimates than the simple random sampling.

7. In the course of data collection and processing, HA has adopted the following measures to safeguard the quality of data collected in the Income Survey –

- (a) HA responds to tenants' enquiries regarding any problems they encounter when completing the income declaration forms so as to minimise errors and omissions. Home visits are also conducted by HA staff upon request to assist physically challenged tenants and the elderly to complete the forms;
- (b) HA has carried out preliminary vetting of all the returned income declaration forms upon receipt from the sampled households. For those forms which were not duly completed or in need of further clarification, the households concerned were contacted by the staff of the Housing Department (HD), and may be asked to provide documentary proof of income and other related information for verification of the declared income data;
- (c) HA has adopted a double data entry approach, i.e. the same set of data is input into the computer by two staff members separately. The two sets of data are then compared and matched with each other for verification to avoid manual input errors; and
- (d) HA has conducted computerised validation check on the input data of the Income Survey. Any discrepancies identified were verified

with the sampled households concerned before providing the dataset to C&SD for computing the income index.

The role of C&SD

8. C&SD is responsible for conducting quality checks on the work of HA in the Income Survey; and computing the income index in its independent capacity in accordance with section 16A(7)(b) of the Housing Ordinance.

(a) Quality check on the work of HA in the Income Survey

9. C&SD has adopted various quality checks to ensure the impartiality, objectiveness and accuracy of HA's work in the Income Survey. These measures serve to monitor and assess in a comprehensive manner the representativeness of the sampled PRH households, the correctness of the declared income and the accuracy of the input data. The objective is to ensure that the data adopted for the computation of the income index could truly reflect the household income of PRH tenants. These measures include –

- (a) statistical testing is conducted by C&SD to evaluate if the distribution of the sampled households is in line with the actual distribution of PRH tenants in terms of household size and geographical distribution, so as to ensure the representativeness of the samples;
- (b) about 5% of the sampled households who have declared income are randomly selected by C&SD for HA to request them to submit income documentary proof to support that the information declared is true and correct. Some 1 200 households in each of the first and second periods are covered by this additional verification. Furthermore, C&SD conducts random check to confirm whether HA has vetted the income documentary proof properly;
- (c) about 2% of the completed income declaration forms are randomly selected by C&SD each month to check the accuracy of data input performed by HA; and
- (d) C&SD carries out another round of checking on HA's data validation work as mentioned in paragraph 7(d) above to ensure that all necessary steps have been taken.

(b) *Exclusion of non-representative households*

10. The income index seeks to reflect changes in the household income of PRH tenants over the first and second periods. In computing the income index, “non-representative” households with considerable income deviation are excluded, in accordance with the methodology noted by the Bills Committee scrutinising the Amendment Bill, to minimise distortion to the outcome of the computation. Households excluded from computation of the income index are –

- (a) **“Well-off tenants”**: Tenants paying additional rent (commonly known as “well-off tenants”) are better off than other PRH households. Their inclusion in the coverage of the income index would raise the overall income level and hence cannot accurately reflect the affordability of PRH households in general;
- (b) **Other households with high “outlying” income**: Referring to those high-income households who are not “well-off tenants” paying additional rent. To assess the proportion of these households, the “John Tukey’s Outliers Filter Method”, a common statistical method, has been adopted for the treatment of outliers’ data. Applying this method to define the outliers of the income data in the Income Survey has excluded PRH households with income higher than the upper outlying levels; and
- (c) **Comprehensive Social Security Assistance (CSSA) households**: The level of CSSA is set by the Government. It does not reflect the income level of representative PRH tenant households.

(c) *Computation of mean monthly household income*

11. With the exclusion of the three categories of non-representative PRH households and invalid sampling units, as well as the application of statistical method to gross up the survey data, C&SD computes the household size distribution of PRH tenants which forms a set of weights for computing the overall mean monthly household income and hence the income index for the rent review.

12. The distribution in the first period forms the set of weights which remains unchanged over the second period. In statistical term, the mean monthly household income of the second period is “adjusted” based on the household size distribution of the first period in order to discount the impact on household income due to variation in household size distribution in the rent review cycle.

Sample Distribution by Household Size in the First Period (2019)

Month of Declaration in 2019		Household Size					
		1P	2P	3P	4P	5P or above	Total
January	No. of Households	383	539	531	383	164	2 000
	%	(19.2)	(27.0)	(26.6)	(19.2)	(8.2)	(100.0)
February	No. of Households	384	540	531	382	163	2 000
	%	(19.2)	(27.0)	(26.6)	(19.1)	(8.2)	(100.0)
March	No. of Households	384	540	531	382	163	2 000
	%	(19.2)	(27.0)	(26.6)	(19.1)	(8.2)	(100.0)
April	No. of Households	385	540	531	381	163	2 000
	%	(19.3)	(27.0)	(26.6)	(19.1)	(8.2)	(100.0)
May	No. of Households	385	542	532	380	161	2 000
	%	(19.3)	(27.1)	(26.6)	(19.0)	(8.1)	(100.0)
June	No. of Households	386	543	532	379	160	2 000
	%	(19.3)	(27.2)	(26.6)	(19.0)	(8.0)	(100.0)
July	No. of Households	387	544	531	378	160	2 000
	%	(19.4)	(27.2)	(26.6)	(18.9)	(8.0)	(100.0)
August	No. of Households	388	544	531	378	159	2 000
	%	(19.4)	(27.2)	(26.6)	(18.9)	(8.0)	(100.0)
September	No. of Households	389	545	530	377	159	2 000
	%	(19.5)	(27.3)	(26.5)	(18.9)	(8.0)	(100.0)
October	No. of Households	389	545	530	377	159	2 000
	%	(19.5)	(27.3)	(26.5)	(18.9)	(8.0)	(100.0)
November	No. of Households	389	545	530	377	159	2 000
	%	(19.5)	(27.3)	(26.5)	(18.9)	(8.0)	(100.0)
December	No. of Households	390	545	529	377	159	2 000
	%	(19.5)	(27.3)	(26.5)	(18.9)	(8.0)	(100.0)
Overall	No. of Households	4 639	6 512	6 369	4 551	1 929	24 000
	%	(19.3)	(27.1)	(26.5)	(19.0)	(8.0)	(100.0)

Note:

Households were sampled according to the actual distribution of PRH households by household size, which varies from month to month. The percentages in brackets denote the distribution of sampled households in that month.

Sample Distribution by Household Size in the Second Period (2021)

Month of Declaration in 2021		Household Size					
		1P	2P	3P	4P	5P or above	Total
January	No. of Households	396	552	528	371	153	2 000
	%	(19.8)	(27.6)	(26.4)	(18.6)	(7.7)	(100.0)
February	No. of Households	396	553	527	371	153	2 000
	%	(19.8)	(27.7)	(26.4)	(18.6)	(7.7)	(100.0)
March	No. of Households	397	553	528	370	152	2 000
	%	(19.9)	(27.7)	(26.4)	(18.5)	(7.6)	(100.0)
April	No. of Households	397	554	528	369	152	2 000
	%	(19.9)	(27.7)	(26.4)	(18.5)	(7.6)	(100.0)
May	No. of Households	399	556	526	368	151	2 000
	%	(20.0)	(27.8)	(26.3)	(18.4)	(7.6)	(100.0)
June	No. of Households	399	558	526	367	150	2 000
	%	(20.0)	(27.9)	(26.3)	(18.4)	(7.5)	(100.0)
July	No. of Households	401	560	526	365	148	2 000
	%	(20.1)	(28.0)	(26.3)	(18.3)	(7.4)	(100.0)
August	No. of Households	401	560	526	365	148	2 000
	%	(20.1)	(28.0)	(26.3)	(18.3)	(7.4)	(100.0)
September	No. of Households	402	561	525	364	148	2 000
	%	(20.1)	(28.1)	(26.3)	(18.2)	(7.4)	(100.0)
October	No. of Households	402	561	525	364	148	2 000
	%	(20.1)	(28.1)	(26.3)	(18.2)	(7.4)	(100.0)
November	No. of Households	403	562	525	363	147	2 000
	%	(20.2)	(28.1)	(26.3)	(18.2)	(7.4)	(100.0)
December	No. of Households	403	563	525	362	147	2 000
	%	(20.2)	(28.2)	(26.3)	(18.1)	(7.4)	(100.0)
Overall	No. of Households	4 796	6 693	6 315	4 399	1 797	24 000
	%	(20.0)	(27.9)	(26.3)	(18.3)	(7.5)	(100.0)

Note:

Households were sampled according to the actual distribution of PRH households by household size, which varies from month to month. The percentages in brackets denote the distribution of sampled households in that month.

**Comparison of Distribution by District and Estate between
the Tenant Household Sample and the Actual Overall Distribution of Tenant
Households in the First Period (2019)**

	District *	Name of estate	Actual overall tenant households^		Tenant household sample	
			No	%	No.	%
1.	CENTRAL & WESTERN	Sai Wan Estate	627	0.1	24	0.1
2.	EASTERN	Chai Wan Estate	1 589	0.2	49	0.2
		Fung Wah Estate	324	0.0	10	0.0
		Hing Man Estate	1 946	0.3	64	0.3
		Hing Tung Estate	2 057	0.3	61	0.3
		Hing Wah (1) Estate	2 255	0.3	67	0.3
		Hing Wah (2) Estate	3 483	0.4	106	0.4
		Hong Tung Estate	460	0.1	19	0.1
		Lin Tsui Estate	278	0.0	6	0.0
		Model Housing Estate	659	0.1	20	0.1
		Oi Tung Estate	3 878	0.5	121	0.5
		Siu Sai Wan Estate	6 001	0.8	181	0.8
		Tsui Lok Estate	317	0.0	8	0.0
		Tsui Wan Estate	471	0.1	14	0.1
		Wah Ha Estate	185	0.0	5	0.0
		Wan Tsui Estate	3 604	0.5	112	0.5
		Yiu Tung Estate	5 093	0.7	158	0.7
		Yue Wan Estate	2 157	0.3	66	0.3
3.	SOUTHERN	Ap Lei Chau Estate	4 323	0.6	135	0.6
		Lei Tung Estate	1 677	0.2	49	0.2
		Ma Hang Estate	900	0.1	29	0.1
		Shek Pai Wan Estate	5 158	0.7	161	0.7
		Tin Wan Estate	3 075	0.4	97	0.4
		Wah Fu (1) Estate	4 761	0.6	145	0.6
		Wah Fu (2) Estate	4 302	0.6	133	0.6
		Wah Kwai Estate	915	0.1	29	0.1
4.	KOWLOON CITY	Ho Man Tin Estate	4 669	0.6	145	0.6
		Hung Hom Estate	2 747	0.4	86	0.4
		Kai Ching Estate	5 180	0.7	154	0.6**
		Ma Tau Wai Estate	2 046	0.3	62	0.3
		Oi Man Estate	6 228	0.8	191	0.8
		Sheung Lok Estate	340	0.0	11	0.0
		Tak Long Estate	8 119	1.0	255	1.1**
5.	KWUN TONG	Choi Fook Estate	3 421	0.4	108	0.5**
		Choi Ha Estate	431	0.1	15	0.1
		Choi Tak Estate	5 720	0.7	176	0.7
		Choi Ying Estate	3 970	0.5	124	0.5
		Hing Tin Estate	313	0.0	10	0.0
		Kai Tin Estate	2 224	0.3	71	0.3
		Kai Yip Estate	4 185	0.5	126	0.5
		Ko Cheung Court	1 794	0.2	60	0.3**
		Ko Yee Estate	1 181	0.2	41	0.2
		Kwong Tin Estate	2 264	0.3	70	0.3
		Lam Tin Estate	3 022	0.4	87	0.4
		Lei Yue Mun Estate	3 609	0.5	112	0.5
		Lok Wah North Estate	2 946	0.4	89	0.4
		Lok Wah South Estate	6 789	0.9	209	0.9

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Lower Ngau Tau Kok Estate	4 771	0.6	150	0.6
		On Tai Estate	8 370	1.1	268	1.1
		On Tat Estate	9 274	1.2	291	1.2
		On Tin Estate	719	0.1	18	0.1
		Ping Shek Estate	4 521	0.6	141	0.6
		Ping Tin Estate	5 478	0.7	168	0.7
		Po Tat Estate	7 373	1.0	228	1.0
		Sau Mau Ping Estate	12 003	1.5	375	1.6**
		Sau Mau Ping South Estate	3 970	0.5	121	0.5
		Shun Lee Estate	4 345	0.6	135	0.6
		Shun On Estate	2 926	0.4	89	0.4
		Shun Tin Estate	6 859	0.9	215	0.9
		Tak Tin Estate	1 747	0.2	53	0.2
		Tsui Ping North Estate	2 755	0.4	82	0.3**
		Tsui Ping South Estate	4 691	0.6	148	0.6
		Upper Ngau Tau Kok Estate	6 554	0.8	200	0.8
		Wan Hon Estate	973	0.1	27	0.1
		Wo Lok Estate	1 908	0.2	56	0.2
		Yau Lai Estate	8 846	1.1	271	1.1
		Yau Tong Estate	3 553	0.5	113	0.5
6.	SHAM SHUI PO	Chak On Estate	1 795	0.2	56	0.2
		Cheung Sha Wan Estate	1 379	0.2	44	0.2
		Fortune Estate	2 099	0.3	67	0.3
		Fu Cheong Estate	5 938	0.8	187	0.8
		Hoi Lai Estate	4 885	0.6	151	0.6
		Hoi Ying Estate	1 228	0.2	43	0.2
		Lai Kok Estate	2 835	0.4	90	0.4
		Lai On Estate	1 332	0.2	41	0.2
		Lai Tsui Court	226	0.0	7	0.0
		Lei Cheng Uk Estate	971	0.1	31	0.1
		Nam Cheong Estate	523	0.1	12	0.1
		Nam Shan Estate	2 662	0.3	84	0.4**
		Pak Tin Estate	7 163	0.9	218	0.9
		Shek Kip Mei Estate	9 220	1.2	281	1.2
		So Uk Estate	5 764	0.7	187	0.8**
		Tai Hang Tung Estate	1 997	0.3	58	0.2**
		Un Chau Estate	7 567	1.0	239	1.0
		Wing Cheong Estate	1 473	0.2	47	0.2
7.	WONG TAI SIN	Choi Fai Estate	1 310	0.2	36	0.2
		Choi Hung Estate	7 359	0.9	225	0.9
		Choi Wan (1) Estate	5 763	0.7	180	0.8**
		Choi Wan (2) Estate	2 906	0.4	89	0.4
		Chuk Yuen North Estate	1 017	0.1	34	0.1
		Chuk Yuen South Estate	5 962	0.8	180	0.8
		Fu Shan Estate	1 555	0.2	54	0.2
		Fung Tak Estate	1 007	0.1	30	0.1
		Lok Fu Estate	3 603	0.5	107	0.4**
		Lower Wong Tai Sin (1) Estate	1 279	0.2	36	0.2
		Lower Wong Tai Sin (2) Estate	6 552	0.8	207	0.9**
		Mei Tung Estate	2 378	0.3	76	0.3
		Shatin Pass Estate	1 272	0.2	38	0.2
		Tsz Ching Estate	7 972	1.0	256	1.1**
		Tsz Hong Estate	1 987	0.3	59	0.2**
		Tsz Lok Estate	6 099	0.8	187	0.8
		Tsz Man Estate	1 964	0.3	61	0.3
		Tung Tau (2) Estate	1 731	0.2	58	0.2

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Tung Wui Estate	1 303	0.2	44	0.2
		Upper Wong Tai Sin Estate	4 814	0.6	148	0.6
		Wang Tau Hom Estate	5 772	0.7	178	0.7
8.	YAU TSIM MONG	Hoi Fu Court	2 775	0.4	82	0.3**
9.	ISLANDS	Cheung Kwai Estate	455	0.1	9	0.0**
		Fu Tung Estate	1 652	0.2	53	0.2
		Kam Peng Estate	247	0.0	7	0.0
		Lung Tin Estate	430	0.1	16	0.1
		Mun Tung Estate	3 225	0.4	106	0.4
		Nga Ning Court	417	0.1	8	0.0**
		Ngan Wan Estate	426	0.1	18	0.1
		Yat Tung (1) Estate	5 546	0.7	170	0.7
		Yat Tung (2) Estate	6 293	0.8	195	0.8
		Ying Tung Estate	3 521	0.5	109	0.5
10.	KWAI TSING	Cheung Ching Estate	4 805	0.6	145	0.6
		Cheung Fat Estate	900	0.1	28	0.1
		Cheung Hang Estate	4 326	0.6	135	0.6
		Cheung Hong Estate	8 182	1.1	249	1.0**
		Cheung On Estate	949	0.1	32	0.1
		Cheung Wang Estate	4 244	0.5	135	0.6**
		Easeful Court	509	0.1	14	0.1
		High Prosperity Terrace	757	0.1	20	0.1
		Kwai Chung Estate	13 516	1.7	415	1.7
		Kwai Fong Estate	6 208	0.8	192	0.8
		Kwai Hing Estate	267	0.0	6	0.0
		Kwai Luen Estate	2 954	0.4	94	0.4
		Kwai Shing East Estate	6 201	0.8	185	0.8
		Kwai Shing West Estate	5 194	0.7	154	0.6**
		Kwai Tsui Estate	852	0.1	30	0.1
		Lai King Estate	4 155	0.5	126	0.5
		Lai Yiu Estate	2 754	0.4	85	0.4
		On Yam Estate	5 200	0.7	163	0.7
		Shek Lei (1) Estate	4 795	0.6	150	0.6
		Shek Lei (2) Estate	8 243	1.1	255	1.1
		Shek Yam East Estate	2 347	0.3	67	0.3
		Shek Yam Estate	2 624	0.3	84	0.4**
		Tai Wo Hau Estate	7 542	1.0	238	1.0
		Tsing Yi Estate	517	0.1	14	0.1
		Wah Lai Estate	1 423	0.2	42	0.2
11.	NORTH	Cheung Lung Wai Estate	1 354	0.2	47	0.2
		Cheung Wah Estate	1 336	0.2	35	0.1**
		Ching Ho Estate	7 116	0.9	220	0.9
		Choi Yuen Estate	4 996	0.6	158	0.7**
		Ka Fuk Estate	1 933	0.2	60	0.3**
		Po Shek Wu Estate	149	0.0	6	0.0
		Tai Ping Estate	165	0.0	1	0.0
		Tin Ping Estate	807	0.1	22	0.1
		Wah Ming Estate	1 117	0.1	31	0.1
		Wah Sum Estate	1 476	0.2	51	0.2
		Yung Shing Court	1 688	0.2	51	0.2
12.	SAI KUNG	Choi Ming Court	2 784	0.4	87	0.4
		Hau Tak Estate	4 139	0.5	131	0.5
		Kin Ming Estate	6 982	0.9	214	0.9
		King Lam Estate	1 258	0.2	45	0.2
		Ming Tak Estate	1 462	0.2	48	0.2
		Po Lam Estate	1 262	0.2	38	0.2

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Sheung Tak Estate	5 474	0.7	168	0.7
		Shin Ming Estate	1 958	0.3	56	0.2**
		Tsui Lam Estate	1 114	0.1	33	0.1
		Yee Ming Estate	2 042	0.3	66	0.3
13.	SHATIN	Chun Shek Estate	2 116	0.3	63	0.3
		Chung On Estate	2 726	0.4	84	0.4
		Fung Wo Estate	1 596	0.2	45	0.2
		Heng On Estate	563	0.1	17	0.1
		Hin Keng Estate	445	0.1	11	0.0**
		Hin Yiu Estate	794	0.1	25	0.1
		Kwong Yuen Estate	939	0.1	28	0.1
		Lee On Estate	3 606	0.5	114	0.5
		Lek Yuen Estate	3 195	0.4	100	0.4
		Lung Hang Estate	4 323	0.6	132	0.6
		Mei Lam Estate	4 076	0.5	122	0.5
		Mei Tin Estate	6 678	0.9	205	0.9
		Pok Hong Estate	911	0.1	24	0.1
		Sha Kok Estate	6 231	0.8	194	0.8
		Shek Mun Estate	4 111	0.5	130	0.5
		Shui Chuen O Estate	11 046	1.4	345	1.4
		Sun Chui Estate	6 570	0.8	201	0.8
		Sun Tin Wai Estate	3 371	0.4	103	0.4
		Wo Che Estate	6 210	0.8	195	0.8
		Yan On Estate	2 569	0.3	77	0.3
		Yiu On Estate	754	0.1	25	0.1
14.	TAI PO	Fu Heng Estate	1 342	0.2	37	0.2
		Fu Shin Estate	1 739	0.2	50	0.2
		Kwong Fuk Estate	6 144	0.8	189	0.8
		Po Heung Estate	476	0.1	17	0.1
		Tai Wo Estate	1 411	0.2	45	0.2
		Tai Yuen Estate	4 713	0.6	141	0.6
		Wan Tau Tong Estate	455	0.1	15	0.1
15.	TSUEN WAN	Cheung Shan Estate	1 590	0.2	49	0.2
		Fuk Loi Estate	3 099	0.4	94	0.4
		Lei Muk Shue (1) Estate	2 281	0.3	67	0.3
		Lei Muk Shue (2) Estate	4 242	0.5	134	0.6**
		Lei Muk Shue Estate	3 876	0.5	122	0.5
		Shek Wai Kok Estate	6 301	0.8	192	0.8
16.	TUEN MUN	Butterfly Estate	5 289	0.7	165	0.7
		Fu Tai Estate	5 017	0.6	157	0.7**
		Kin Sang Estate	423	0.1	18	0.1
		Leung King Estate	2 106	0.3	65	0.3
		Lung Yat Estate	984	0.1	33	0.1
		On Ting Estate	4 961	0.6	153	0.6
		Po Tin Estate	4 776	0.6	147	0.6
		Sam Shing Estate	1 787	0.2	59	0.2
		Shan King Estate	4 777	0.6	148	0.6
		Tai Hing Estate	8 351	1.1	262	1.1
		Tin King Estate	634	0.1	19	0.1
		Wu King Estate	4 309	0.6	137	0.6
		Yan Tin Estate	4 569	0.6	143	0.6
		Yau Oi Estate	9 061	1.2	282	1.2
17.	YUEN LONG	Grandeur Terrace	4 083	0.5	130	0.5
		Hung Fuk Estate	4 865	0.6	151	0.6
		Long Ching Estate	436	0.1	19	0.1
		Long Ping Estate	2 509	0.3	75	0.3
		Long Shin Estate	1 192	0.2	40	0.2
		Shui Pin Wai Estate	2 345	0.3	66	0.3

	District *	Name of estate	Actual overall tenant households [^]		Tenant household Sample	
			No.	%	No.	%
		Tin Chak Estate	3 968	0.5	124	0.5
		Tin Ching Estate	6 160	0.8	186	0.8
		Tin Heng Estate	5 736	0.7	179	0.7
		Tin Shui (1) Estate	4 579	0.6	141	0.6
		Tin Shui (2) Estate	3 152	0.4	95	0.4
		Tin Tsz Estate	3 257	0.4	94	0.4
		Tin Wah Estate	3 646	0.5	111	0.5
		Tin Yan Estate	5 494	0.7	172	0.7
		Tin Yat Estate	3 317	0.4	103	0.4
		Tin Yiu (1) Estate	4 594	0.6	139	0.6
		Tin Yiu (2) Estate	3 798	0.5	121	0.5
		Tin Yuet Estate	4 117	0.5	129	0.5
OVERALL			775 833	100.0	24 000	100.0

* The estates are grouped according to 17 districts for easy reference. There are no PRH estates in Wan Chai district.

** Chi-square tests were conducted to compare the actual overall distribution of the sample and that of the tenancy records by district and by estate. The results indicated that the differences between the actual and sampled distribution are insignificant.

[^] Refers to the average number of households for the 12 months in 2019.

Note:

Statistically, the sample distribution tallies with the actual distribution by design of the proportionate stratified systematic random sampling method. In other words, the sample effectively reflects the distribution of all PRH tenants by district and by estate.

**Comparison of Distribution by District and Estate between
the Tenant Household Sample and the Actual Overall Distribution of Tenant
Households in the Second Period (2021)**

	District *	Name of estate	Actual overall tenant households^		Tenant household sample	
			No	%	No.	%
1.	CENTRAL & WESTERN	Sai Wan Estate	628	0.1	18	0.1
2.	EASTERN	Chai Wan Estate	1 588	0.2	46	0.2
		Fung Wah Estate	295	0.0	7	0.0
		Hing Man Estate	1 933	0.2	58	0.2
		Hing Tung Estate	2 051	0.3	65	0.3
		Hing Wah (1) Estate	2 257	0.3	66	0.3
		Hing Wah (2) Estate	3 459	0.4	107	0.4
		Hong Tung Estate	453	0.1	15	0.1
		Lin Tsui Estate	286	0.0	10	0.0
		Model Housing Estate	650	0.1	17	0.1
		Oi Tung Estate	3 868	0.5	117	0.5
		Siu Sai Wan Estate	5 965	0.8	190	0.8
		Tsui Lok Estate	318	0.0	18	0.1**
		Tsui Wan Estate	404	0.1	12	0.1
		Wah Ha Estate	187	0.0	2	0.0
		Wan Tsui Estate	3 585	0.5	112	0.5
		Yiu Tung Estate	5 086	0.6	154	0.6
		Yue Wan Estate	2 870	0.4	85	0.4
3.	SOUTHERN	Ap Lei Chau Estate	4 314	0.5	130	0.5
		Lei Tung Estate	1 447	0.2	42	0.2
		Ma Hang Estate	894	0.1	27	0.1
		Shek Pai Wan Estate	5 146	0.7	151	0.6**
		Tin Wan Estate	3 070	0.4	93	0.4
		Wah Fu (1) Estate	4 734	0.6	150	0.6
		Wah Fu (2) Estate	4 274	0.5	133	0.6**
		Wah Kwai Estate	842	0.1	27	0.1
4.	KOWLOON CITY	Ho Man Tin Estate	4 673	0.6	141	0.6
		Hung Hom Estate	2 751	0.4	79	0.3**
		Kai Ching Estate	5 175	0.7	154	0.6**
		Ma Tau Wai Estate	2 041	0.3	72	0.3
		Oi Man Estate	6 182	0.8	189	0.8
		Sheung Lok Estate	341	0.0	11	0.0
		Tak Long Estate	8 115	1.0	244	1.0
5.	KWUN TONG	Choi Fook Estate	4 120	0.5	129	0.5
		Choi Ha Estate	376	0.0	8	0.0
		Choi Tak Estate	5 707	0.7	176	0.7
		Choi Ying Estate	3 972	0.5	125	0.5
		Hing Tin Estate	250	0.0	9	0.0
		Kai Tin Estate	2 222	0.3	71	0.3
		Kai Yip Estate	4 149	0.5	131	0.5
		Ko Cheung Court	1 793	0.2	51	0.2
		Ko Yee Estate	1 181	0.2	36	0.2
		Kwong Tin Estate	2 272	0.3	66	0.3
		Lam Tin Estate	3 017	0.4	90	0.4
		Lei Yue Mun Estate	3 607	0.5	113	0.5
		Lok Wah North Estate	2 945	0.4	91	0.4
		Lok Wah South Estate	6 735	0.9	204	0.9

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Lower Ngau Tau Kok Estate	4 771	0.6	140	0.6
		On Tai Estate	8 495	1.1	257	1.1
		On Tat Estate	9 257	1.2	281	1.2
		On Tin Estate	719	0.1	27	0.1
		Ping Shek Estate	4 524	0.6	133	0.6
		Ping Tin Estate	5 472	0.7	167	0.7
		Po Tat Estate	7 372	0.9	226	0.9
		Sau Mau Ping Estate	12 288	1.6	374	1.6
		Sau Mau Ping South Estate	3 956	0.5	122	0.5
		Shun Lee Estate	4 312	0.5	125	0.5
		Shun On Estate	2 899	0.4	87	0.4
		Shun Tin Estate	6 770	0.9	205	0.9
		Tak Tin Estate	1 584	0.2	47	0.2
		Tsui Ping North Estate	2 491	0.3	72	0.3
		Tsui Ping South Estate	4 696	0.6	147	0.6
		Upper Ngau Tau Kok Estate	6 562	0.8	202	0.8
		Wan Hon Estate	958	0.1	29	0.1
		Wo Lok Estate	1 895	0.2	59	0.2
		Yau Lai Estate	8 976	1.1	275	1.1
		Yau Tong Estate	3 556	0.5	109	0.5
6.	SHAM SHUI PO	Chak On Estate	1 766	0.2	60	0.3**
		Cheung Sha Wan Estate	1 378	0.2	45	0.2
		Fortune Estate	2 096	0.3	66	0.3
		Fu Cheong Estate	5 942	0.8	179	0.7**
		Hoi Lai Estate	4 881	0.6	151	0.6
		Hoi Tat Estate***	1 485	0.2	45	0.2
		Hoi Ying Estate	1 316	0.2	41	0.2
		Lai Kok Estate	2 832	0.4	88	0.4
		Lai On Estate	1 335	0.2	39	0.2
		Lai Tsui Court	1 311	0.2	41	0.2
		Lei Cheng Uk Estate	840	0.1	25	0.1
		Nam Cheong Estate	454	0.1	19	0.1
		Nam Shan Estate	2 656	0.3	77	0.3
		Pak Tin Estate	7 162	0.9	221	0.9
		Shek Kip Mei Estate	10 406	1.3	309	1.3
		So Uk Estate	6 883	0.9	210	0.9
		Tai Hang Tung Estate	1 997	0.3	64	0.3
		Un Chau Estate	7 557	1.0	226	0.9**
		Wing Cheong Estate	1 474	0.2	45	0.2
7.	WONG TAI SIN	Choi Fai Estate	1 313	0.2	39	0.2
		Choi Hung Estate	7 302	0.9	225	0.9
		Choi Wan (1) Estate	5 754	0.7	178	0.7
		Choi Wan (2) Estate	2 873	0.4	90	0.4
		Chuk Yuen North Estate	897	0.1	35	0.1
		Chuk Yuen South Estate	5 946	0.8	178	0.7**
		Fu Shan Estate	2 285	0.3	69	0.3
		Fung Tak Estate	900	0.1	30	0.1
		Kai Chuen Court***	72	0.0	3	0.0
		Lok Fu Estate	3 626	0.5	110	0.5
		Lower Wong Tai Sin (1) Estate	1 110	0.1	33	0.1
		Lower Wong Tai Sin (2) Estate	6 535	0.8	200	0.8
		Mei Tung Estate	1 775	0.2	45	0.2
		Shatin Pass Estate	1 268	0.2	40	0.2
		Tsz Ching Estate	7 958	1.0	245	1.0
		Tsz Hong Estate	1 987	0.3	61	0.3
		Tsz Lok Estate	6 098	0.8	189	0.8
		Tsz Man Estate	1 967	0.3	58	0.2**
		Tung Tau (2) Estate	1 513	0.2	50	0.2

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Tung Wui Estate	2 218	0.3	69	0.3
		Upper Wong Tai Sin Estate	4 821	0.6	143	0.6
		Wang Tau Hom Estate	5 784	0.7	176	0.7
8.	YAU TSIM MONG	Hoi Fu Court	2 773	0.4	82	0.3**
9.	ISLANDS	Cheung Kwai Estate	457	0.1	16	0.1
		Fu Tung Estate	1 652	0.2	51	0.2
		Kam Peng Estate	250	0.0	7	0.0
		Lung Tin Estate	445	0.1	13	0.1
		Mun Tung Estate	3 832	0.5	110	0.5
		Nga Ning Court	416	0.1	11	0.0**
		Ngan Wan Estate	432	0.1	15	0.1
		Yat Tung (1) Estate	5 554	0.7	171	0.7
		Yat Tung (2) Estate	6 322	0.8	195	0.8
		Ying Tung Estate	3 546	0.5	111	0.5
10.	KWAI TSING	Cheung Ching Estate	4 788	0.6	148	0.6
		Cheung Fat Estate	763	0.1	25	0.1
		Cheung Hang Estate	4 327	0.6	134	0.6
		Cheung Hong Estate	8 153	1.0	247	1.0
		Cheung On Estate	815	0.1	18	0.1
		Cheung Wang Estate	4 242	0.5	132	0.6**
		Easeful Court	508	0.1	16	0.1
		High Prosperity Terrace	758	0.1	23	0.1
		Kwai Chung Estate	13 534	1.7	407	1.7
		Kwai Fong Estate	6 198	0.8	196	0.8
		Kwai Hing Estate	227	0.0	6	0.0
		Kwai Luen Estate	2 956	0.4	87	0.4
		Kwai Shing East Estate	6 189	0.8	189	0.8
		Kwai Shing West Estate	5 141	0.7	156	0.7
		Kwai Tsui Estate	864	0.1	35	0.1
		Lai King Estate	4 145	0.5	124	0.5
		Lai Yiu Estate	2 756	0.4	89	0.4
		On Yam Estate	5 209	0.7	159	0.7
		Shek Lei (1) Estate	4 783	0.6	149	0.6
		Shek Lei (2) Estate	8 249	1.1	252	1.1
		Shek Yam East Estate	2 348	0.3	71	0.3
		Shek Yam Estate	2 620	0.3	80	0.3
		Tai Wo Hau Estate	7 557	1.0	230	1.0
		Tsing Yi Estate	447	0.1	13	0.1
		Wah Lai Estate	1 427	0.2	38	0.2
11.	NORTH	Cheung Lung Wai Estate	1 345	0.2	39	0.2
		Cheung Wah Estate	1 165	0.1	34	0.1
		Ching Ho Estate	7 071	0.9	217	0.9
		Choi Yuen Estate	4 972	0.6	143	0.6
		Fai Ming Estate***	878	0.1	29	0.1
		Ka Fuk Estate	1 932	0.2	61	0.3**
		Po Shek Wu Estate	885	0.1	28	0.1
		Tai Ping Estate	117	0.0	4	0.0
		Tin Ping Estate	672	0.1	19	0.1
		Wah Ming Estate	924	0.1	27	0.1
		Wah Sum Estate	1 468	0.2	44	0.2
		Yung Shing Court	1 704	0.2	53	0.2
12.	SAI KUNG	Choi Ming Court	2 781	0.4	83	0.3**
		Hau Tak Estate	4 139	0.5	126	0.5
		Kin Ming Estate	6 974	0.9	212	0.9
		King Lam Estate	1 130	0.1	34	0.1
		Ming Tak Estate	1 459	0.2	39	0.2
		Po Lam Estate	1 126	0.1	36	0.2**
		Sheung Tak Estate	5 478	0.7	166	0.7

	District *	Name of estate	Actual overall tenant households^		Tenant household Sample	
			No.	%	No.	%
		Shin Ming Estate	1 954	0.2	64	0.3**
		Tsui Lam Estate	937	0.1	22	0.1
		Yee Ming Estate	2 040	0.3	64	0.3
13. SHATIN		Chun Shek Estate	2 112	0.3	62	0.3
		Chun Yeung Estate***	4 340	0.6	138	0.6
		Chung On Estate	2 724	0.3	84	0.4**
		Fung Wo Estate	1 594	0.2	45	0.2
		Heng On Estate	480	0.1	16	0.1
		Hin Keng Estate	377	0.0	12	0.1**
		Hin Yiu Estate	793	0.1	25	0.1
		Kwong Yuen Estate	821	0.1	23	0.1
		Lee On Estate	3 594	0.5	109	0.5
		Lek Yuen Estate	3 188	0.4	98	0.4
		Lung Hang Estate	4 321	0.6	128	0.5**
		Mei Lam Estate	4 063	0.5	132	0.6**
		Mei Tin Estate	6 665	0.8	207	0.9**
		Pok Hong Estate	775	0.1	25	0.1
		Sha Kok Estate	6 249	0.8	193	0.8
		Shek Mun Estate	4 953	0.6	150	0.6
		Shui Chuen O Estate	11 031	1.4	341	1.4
		Sun Chui Estate	6 574	0.8	201	0.8
		Sun Tin Wai Estate	3 361	0.4	101	0.4
		Wo Che Estate	6 202	0.8	195	0.8
Yan On Estate	2 565	0.3	76	0.3		
Yiu On Estate	649	0.1	16	0.1		
14. TAI PO		Fu Heng Estate	1 173	0.1	36	0.2**
		Fu Shin Estate	1 523	0.2	45	0.2
		Fu Tip Estate***	37	0.0	1	0.0
		Kwong Fuk Estate	6 128	0.8	187	0.8
		Po Heung Estate	473	0.1	14	0.1
		Tai Wo Estate	1 235	0.2	33	0.1**
		Tai Yuen Estate	4 702	0.6	144	0.6
		Wan Tau Tong Estate	402	0.1	11	0.0**
15. TSUEN WAN		Cheung Shan Estate	1 575	0.2	47	0.2
		Fuk Loi Estate	3 085	0.4	96	0.4
		Lei Muk Shue (1) Estate	2 282	0.3	70	0.3
		Lei Muk Shue (2) Estate	4 230	0.5	130	0.5
		Lei Muk Shue Estate	3 870	0.5	120	0.5
		Shek Wai Kok Estate	6 291	0.8	195	0.8
16. TUEN MUN		Butterfly Estate	5 252	0.7	159	0.7
		Fu Tai Estate	5 027	0.6	155	0.6
		Kin Sang Estate	359	0.0	15	0.1**
		Leung King Estate	1 858	0.2	58	0.2
		Lung Yat Estate	983	0.1	36	0.2**
		On Ting Estate	4 963	0.6	152	0.6
		Po Tin Estate	4 552	0.6	144	0.6
		Sam Shing Estate	1 786	0.2	48	0.2
		Shan King Estate	4 337	0.6	138	0.6
		Tai Hing Estate	8 346	1.1	254	1.1
		Tin King Estate	524	0.1	13	0.1
		Wu King Estate	4 310	0.5	133	0.6**
		Yan Tin Estate	4 629	0.6	140	0.6
Yau Oi Estate	9 026	1.2	279	1.2		
17. YUEN LONG		Grandeur Terrace	4 084	0.5	130	0.5
		Hung Fuk Estate	4 871	0.6	153	0.6
		Long Ching Estate	436	0.1	17	0.1
		Long Ping Estate	2 099	0.3	67	0.3

	District *	Name of estate	Actual overall tenant households [^]		Tenant household Sample	
			No.	%	No.	%
		Long Shin Estate	1 187	0.2	33	0.1**
		Shui Pin Wai Estate	2 349	0.3	82	0.3
		Tin Chak Estate	3 971	0.5	121	0.5
		Tin Ching Estate	6 143	0.8	187	0.8
		Tin Heng Estate	5 743	0.7	172	0.7
		Tin Shui (1) Estate	4 587	0.6	141	0.6
		Tin Shui (2) Estate	3 158	0.4	94	0.4
		Tin Tsz Estate	3 269	0.4	101	0.4
		Tin Wah Estate	3 657	0.5	116	0.5
		Tin Yan Estate	5 461	0.7	168	0.7
		Tin Yat Estate	3 320	0.4	104	0.4
		Tin Yiu (1) Estate	4 596	0.6	143	0.6
		Tin Yiu (2) Estate	3 805	0.5	121	0.5
		Tin Yuet Estate	4 124	0.5	127	0.5
OVERALL			784 629	100.0	24 000	100.0

* The estates are grouped according to 17 districts for easy reference. There are no PRH estates in Wan Chai district.

** Chi-square tests were conducted to compare the actual overall distribution of the sample and that of the tenancy records by district and by estate. The results indicated that the differences between the actual and sampled distribution are insignificant.

*** Denotes new estates not included in Annex C1.

[^] Refers to the average number of households for the 12 months in 2021.

Note:

Statistically, the sample distribution tallies with the actual distribution by design of the proportionate stratified systematic random sampling method. In other words, the sample effectively reflects the distribution of all PRH tenants by district and by estate.

**Distribution of Households in relation to
the Computation of Income Index in the First Period (2019)**

Household size	No. of sampling units	Non-representative households			Sampling units for computation of the income index ⁽¹⁾	No. of households after grossing up ⁽²⁾	Weighting after grossing up
		“Well-off tenants”	Other households with high outlying income	CSSA households			
1P	4 639	65	224	1 575	2 782	88 549	14.579%
2P	6 512	199	109	1 083	5 049	164 588	27.098%
3P	6 369	295	66	551	5 359	175 696	28.927%
4P	4 551	253	32	323	3 827	126 735	20.866%
5P or above	1 929	96	13	200	1 541	51 817	8.531%
Overall	24 000	908	444	3 732	18 558	607 384	100%

- (1) Figures are calculated by excluding non-representative households (i.e. “well-off tenants”, other households with high outlying income and CSSA households), the 255 incomplete cases and the 103 invalid sampling units (see paragraphs 10 and 12 of the main paper).
- (2) A standard grossing up statistical method is applied to calculate the number of PRH households of different sizes. The proportion of PRH households of each size would be used as weights to compute the monthly average household income of PRH tenants as a whole.

**Distribution of Households in relation to
the Computation of Income Index in the Second Period (2021)**

Household size	No. of sampling units	Non-representative households			Sampling units for computation of the income index ⁽¹⁾	No. of households after grossing up ⁽²⁾	Weighting after grossing up
		“Well-off tenants”	Other households with high outlying income	CSSA households			
1P	4 796	68	215	1 600	2 894	93 482	15.219%
2P	6 693	221	112	1 022	5 212	173 052	28.173%
3P	6 315	344	50	533	5 272	175 306	28.540%
4P	4 399	274	30	303	3 682	123 236	20.063%
5P or above	1 797	79	14	183	1 428	49 177	8.006%
Overall	24 000	986	421	3 641	18 488	614 252	100%

- (1) Figures are calculated by excluding non-representative households (i.e. “well-off tenants”, other households with high outlying income and CSSA households), the 343 incomplete cases and the 121 invalid sampling units (see paragraphs 10 and 13 of the main paper).
- (2) A standard grossing up statistical method is applied to calculate the number of PRH households of different sizes. The proportion of PRH households of each size would be used as weights to compute the monthly average household income of PRH tenants as a whole.

As stipulated in section 16A(8) of the Housing Ordinance, “adjusted mean monthly household income” refers to the mean monthly income of tenants assessed on the basis of the distribution of the household size of those tenants over the first period. Hence for this rent review, the weighting in **Annex D1** will be used instead of the weighting in this Annex for computing the adjusted overall mean monthly household income (see Table 3 of **Annex E**). The weighting in this Annex will be used in the next rent review exercise.

Report on Quality Check on Survey Data and Computation of Income Index for the 2022 Rent Review Performed by the Census and Statistics Department

In accordance with section 16A(7)(b) of the Housing Ordinance, the Commissioner for Census and Statistics shall compute the income index for the purpose of the rent review. Data for computing the income index are obtained from the “Survey on Household Income of Public Rental Housing (PRH) Tenants” (the Income Survey) conducted by the Hong Kong Housing Authority (HA).

Quality checks on the income data

2. The Census and Statistics Department (C&SD) has implemented a host of quality check measures to ensure impartiality, objectiveness and accuracy during the data collection and data processing of the Income Survey. The purpose is to evaluate and confirm the data quality of the Income Survey including representativeness of the samples, correctness of the declared income data and accuracy of data input.

3. A summary of the quality checks on the income data performed by C&SD for the first period (i.e. 2019) and the second period (i.e. 2021) of the 2022 rent review is provided in **Table 1**.

4. Based on the evidence obtained in the quality checks, C&SD concludes that the survey data accurately reflect the household income of PRH tenants in both 2019 and 2021. The survey data can be used to compute the income index for PRH tenants for the 2022 rent review.

Computation of income index for the 2022 rent review

5. In accordance with section 16A(7)(b) of the Housing Ordinance, C&SD has computed for the 2022 rent review the mean monthly household income for the first period (i.e. 2019) and the mean monthly household income for the second period (i.e. 2021) with reference to the distribution of households by size in 2019, using the data of the Income Surveys for the respective years. The results are presented in **Table 2** and **Table 3** respectively. The income indices for PRH tenants in both 2019 and 2021 are also computed and presented in the tables. For ease of reference, the mean monthly household income for 2021 computed with reference to the distribution of households by size in 2019 will be referred to as the “adjusted mean monthly household income for 2021” in **Table 3**.

**Quality Checks on Income Data
Performed by Census and Statistics Department**

No.	Check	Description	Checking Results
(1)	Evaluation of the representativeness of the sample in terms of household size and geographical distribution	<ul style="list-style-type: none"> ● The samples of PRH households selected in 2019 and 2021 were studied and compared with the overall distribution of the tenancy records of the Housing Department (HD) of the respective years by household size and by district and estate. ● Statistical tests (Chi-square test) were conducted and the results showed that the distribution of the sample was basically the same as that of the tenancy records, and hence the samples of the Income Survey in both 2019 and 2021 were representative. 	<p>Conclusion: Checked in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> ● Distribution of the sample was statistically comparable to that of tenancy records.

Table 1 of Annex E
(Page 2 of 3)

No.	Check	Description	Checking Results
(2)	Correctness of declared income data against documentary proof	<ul style="list-style-type: none"> ● A 5% sample of households who had declared income were randomly selected by C&SD for the checking. ● HD then requested these households to submit income documentary proof to support that the information declared was true and correct. ● To verify whether the checking by HD was carried out properly, C&SD randomly selected those cases checked by HD to see if the checking was in order. 	<p>Conclusion: Checked in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> ● No tenants knowingly made false statements in the Income Survey. ● The differences between the declared income data and the data obtained from documentary proof, which had been suitably rectified for inclusion in the computation of income index, were of very small and similar magnitudes in 2019 and 2021, hence had virtually no impact on the computation of income index. ● No irregularities on the checking performed by HD had been found.

Table 1 of Annex E
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No.	Check	Description	Checking Results
(3)	Accuracy of data input by HD	<ul style="list-style-type: none"> ● A double data entry approach, i.e. the same set of data being input into the computer by two staff members independently, was implemented. These two sets of data were then compared and matched with each other for verification to avoid manual input errors. ● A 2% sample was randomly selected by C&SD for checking the accuracy of data input performed by HD. 	<p>Conclusion: Checked in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> ● No data input errors had been found.
(4)	Evaluation of data validation conducted by HD	<ul style="list-style-type: none"> ● Computerised validation checks were performed by HD on the inputted data so as to identify those data in need of further clarification with the households concerned. ● C&SD carried out an independent round of data validation and checks to see if HD had verified all those cases in need of further clarification with the households concerned. 	<p>Conclusion: Checked in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> ● HD had confirmed/clarified all cases in need of further clarification with the households concerned before preparing the dataset for computation of income index by C&SD.

Table 2 of Annex E

**Mean Monthly Household Income of PRH Tenants
in the First Period of the 2022 Rent Review** ^{Note}

Household size	Mean monthly household income	% distribution of household size (weights)
1-person	\$6,741	14.579%
2-person	\$16,556	27.098%
3-person	\$26,960	28.927%
4-person	\$34,808	20.866%
5-person or above	\$42,938	8.531%
		100.0%

Overall mean monthly household income

\$24,194

Computed as follows:

$$\begin{aligned} & \$6,741 \times 14.579\% + \$16,556 \times 27.098\% + \$26,960 \times 28.927\% + \\ & \$34,808 \times 20.866\% + \$42,938 \times 8.531\% \\ & = \mathbf{\$24,194} \end{aligned}$$

Index for the first period is set at 100.

Note:

Please note that income figures in the above table have been rounded to the nearest integer and the weights presented in percentage have been rounded to the nearest three decimal places. Such arrangement is solely for presentation purpose. In practice, income figures and weights are all computed in full figures.

