

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

**Rent Fixing for New Blocks of  
New Public Rental Housing Estates**

**PURPOSE**

This paper seeks Members' approval for fixing the rents of the domestic flats in 14 new blocks of four new public rental housing (PRH) estates, viz. Moon Tin Estate (Tuen Mun Area 29 West), Yip Wong Estate Phase 2 (Yip Wong Road), Chun Tung Estate (Tung Chung Area 100) and Cheung Tung Estate (Tung Chung Area 99).

**RECOMMENDATION**

2. Members are recommended to approve the proposed rents for the 13 604 flats in the 14 new PRH blocks (**paragraph 5**) and the proposed declassification of this paper (**paragraph 10**).

**BACKGROUND**

3. For the purpose of rent setting of domestic flats, the territory is divided into six broad districts. The rents of domestic flats in newly completed PRH estates are fixed according to the District Best Rent Levels (DBRLs) of respective districts in terms of dollars per m<sup>2</sup> of Internal Floor Area (IFA). DBRLs are determined with reference to the location and comparable value of the estates concerned. Given the staggered completion of new estates, the Housing Authority (HA) approved vide Paper No. HA 56/2006 in November 2006 that the arrangement of conducting two rent fixing exercises each year to determine the rents of domestic flats in newly completed estates should be maintained to make available a rent schedule prior to intake of tenants. The current DBRLs, which were endorsed vide Paper No. SHC 27/2022 in December 2022, are shown at **Annex A**.

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## **PROPOSED RENTS**

4. This rent fixing exercise involves 13 604 domestic flats built at rental flat standard in 14 Non-standard Blocks. The particulars of the flats are detailed at **Annex B**.

5. We propose that the rents for the 13 604 flats in these 14 new PRH blocks should be fixed in accordance with the current DBRLs. A summary of the proposed inclusive rents and the distribution of flats and rents are shown at **Annexes C and D** respectively.

## **PROJECTED OPERATING COST**

6. The average projected operating cost which includes rates, management fee, maintenance costs, depreciation, etc. for the new PRH blocks concerned is about \$108 per m<sup>2</sup> per month.

## **FINANCIAL IMPLICATIONS**

7. The new flats, when fully let, will generate an annual rental income of about \$294M. It is estimated that there will be an annual deficit of about \$183M as against an annual estimated operating cost of about \$477M. The Department will continue to endeavour its best efforts to ensure cost effectiveness.

## **PUBLIC REACTION/PUBLICITY**

8. A press release for this rent fixing exercise will be issued on the day when this paper is uploaded on HA webpage.

9. The following will be covered in the press release –

- (a) rents for these flats will be set at the best rent level of its respective district, which is expressed in terms of dollars per m<sup>2</sup> of IFA and determined with reference to the location and comparable value of the estates concerned;

- (b) PRH rents, which are inclusive of rates and management/maintenance costs, are heavily subsidised;
- (c) PRH applicants allocated with new flats but cannot afford the rents may request for refurbished flats at lower rents. They may also apply for assistance under the Rent Assistance Scheme for flats in older block types <sup>Note</sup> where applicable; and
- (d) under this rent fixing exercise, 100% of the flats are set at a rent level below \$2,500 per month.

## DECLASSIFICATION

10. We **propose** to declassify this paper after Members' approval of the proposed rents in paragraph 5 above. After the paper is declassified, it will then be made available to the public at the HA webpage, the Department's library and through the Departmental Access to Information Officer.

## PRESUMPTION

11. If no objection or request for discussion is received **by noon, 31 October 2023**, Members' approval of the recommendations in **paragraph 2** above will be presumed and appropriate follow-up actions will be taken accordingly.

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(Estate Management Division)  
Date of Issue : 16 October 2023

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Note Older block types refer to blocks completed before 1992 and exclude all Harmony blocks and those PRH blocks converted from Home Ownership Scheme/Private Sector Participation Scheme/Buy or Rent Option Scheme.

**District Best Rent Levels of Domestic Flats**

<u>District</u>	<u>Best Rent</u> <u>\$/m<sup>2</sup> (IFA)</u>
Urban	94.9
Shatin/Tsuen Wan/Tsing Yi/Kwai Chung	91.8
Tai Po/Tseung Kwan O/Ma On Shan	83.2
Fanling/Sheung Shui/ <b><i>Tung Chung</i></b> *	<b>67.3</b>
Tin Shui Wai/Yuen Long/ <b><i>Tuen Mun</i></b> *	<b>63.1</b>
Islands	54.4

\* Districts with estate(s) involved in this rent-fixing exercise

## Particulars of Flats Involved

District	Estate (Block Name)	No. of Blocks	Block Design	Standard of Provision	No. of Flats
Tuen Mun	Moon Tin Estate (Moon Tin House)	1	Non-standard	Rental	1 020
Tuen Mun	Yip Wong Estate (Yip Sin House, Yip Tak House and Yip Tsz House)	3	Non-standard	Rental	2 604
Tung Chung	Chun Tung Estate (Chun Choi House, Chun Wa House, Chun Wing House, Chun Kit House and Chun Sau House)	5	Non-standard	Rental	5 200
Tung Chung	Cheung Tung Estate (Cheung Yat House, Cheung Yuet House, Cheung Sing House, Cheung Fai House and Cheung Yiu House)	5	Non-standard	Rental	4 780
Total No.	<b>4</b>	<b>14</b>			<b>13 604</b>

## Proposed Inclusive Rents

Estate (Best Rent Level)	*Monthly Rent per Unit				Total No. of Flats
	Type A Flat <sup>+</sup> (For 1/2 Persons) 14.05 – 16.38m <sup>2</sup>	Type B Flat <sup>++</sup> (For 2/3 Persons) 21.46 – 23.84m <sup>2</sup>	Type C Flat <sup>#</sup> (For 3/4 Persons) 30.28 – 30.90m <sup>2</sup>	Type D Flat <sup>##</sup> (For 4/5 Persons) 35.13 – 36.34m <sup>2</sup>	
Moon Tin Estate (Moon Tin House) (\$63.1/m <sup>2</sup> )	\$890	\$1,350	\$1,910	\$2,230	1 020
Yip Wong Estate (Yip Sin House, Yip Tak House and Yip Tsz House) (\$63.1/m <sup>2</sup> )	\$890 & \$1,030	\$1,360 & \$1,500	\$1,910	\$2,220 & \$2,290	2 604
Chun Tung Estate (Chun Choi House, Chun Wa House, Chun Wing House, Chun Kit House and Chun Sau House) (\$67.3/m <sup>2</sup> )	\$960	\$1,470	\$2,050	\$2,430	5 200
Cheung Tung Estate (Cheung Yat House, Cheung Yuet House, Cheung Sing House, Cheung Fai House and Cheung Yiu House) (\$67.3/m <sup>2</sup> )	\$960	\$1,470	\$2,050 & 2,080	\$2,380 & \$2,420	4 780
<b>Total No. of Flats</b>	<b>1 434</b>	<b>4 148</b>	<b>5 203</b>	<b>2 819</b>	<b>13 604</b>

\* Rounded to the nearest \$10

<u>Estate</u>	<u>+Type A Flat Size</u>	<u>++Type B Flat Size</u>	<u>#Type C Flat Size</u>	<u>##Type D Flat Size</u>
Moon Tin Estate	14.05m <sup>2</sup>	21.46m <sup>2</sup>	30.28m <sup>2</sup>	35.30m <sup>2</sup>
Yip Wong Estate	14.05m <sup>2</sup> , 16.38m <sup>2</sup>	21.49m <sup>2</sup> , 23.84m <sup>2</sup>	30.28m <sup>2</sup>	35.13m <sup>2</sup> , 36.34m <sup>2</sup>
Chun Tung Estate	14.29m <sup>2</sup>	21.88m <sup>2</sup>	30.39m <sup>2</sup>	36.09m <sup>2</sup>
Cheung Tung Estate	14.30m <sup>2</sup>	21.87m <sup>2</sup>	30.40m <sup>2</sup> , 30.90m <sup>2</sup>	35.34m <sup>2</sup> , 35.99m <sup>2</sup>

## Distribution of Flats and Rents

Rents (\$)	Moon Tin Estate, Yip Wong Estate, Chun Tung Estate and Cheung Tung Estate				Total No. of Flats
	Type A	Type B	Type C	Type D	
801 - 900	389				389
901 - 1,000	1 008				1 008
1,001 - 1,100	37				37
1,101 - 1,200					
1,201 - 1,300					
1,301 - 1,400		1 339			1 339
1,401 - 1,500		2 809			2 809
1,501 - 1,600					
1,601 - 1,700					
1,701 - 1,800					
1,801 - 1,900					
1,901 - 2,000			1 436		1 436
2,001 - 2,100			3 767		3 767
2,101 - 2,200					
2,201 - 2,300				386	386
2,301 - 2,400				1 200	1 200
2,401 - 2,500				1 233	1 233
2,501 - 2,600					
2,601 - 2,700					
2,701 - 2,800					
2,801 - 2,900					
2,901 - 3,000					
3,001 - 3,100					
3,101 - 3,200					
3,201 - 3,300					
3,301 - 3,400					
3,401 - 3,500					
	1 434	4 148	5 203	2 819	13 604

The range of rents will be:

\$801 - \$1,000	10.3%
\$1,001 - \$1,500	30.8%
\$1,501 - \$2,000	10.5%
\$2,001 - \$2,500	48.4%
\$2,501 - \$3,000	0%
\$3,001 - \$3,500	0%
	<u>100%</u>