

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

**Special Analysis of the Situation of Housing General Applicants
for Public Rental Housing as at end-June 2022**

PURPOSE

This paper sets out a special analysis of the situation of housing general applicants for public rental housing (PRH) as at end-June 2022.

BACKGROUND

2. It is the Government and the Hong Kong Housing Authority (HA)'s objective to provide PRH to low-income families who cannot afford private rental accommodation, with the target of providing the first flat offer to the general applicants (i.e. family and elderly one-person applicants) at around three years on average. The three-year target is not applicable to non-elderly one-person applicants under the Quota and Points System (QPS), whose relative priorities for PRH allocation are determined by their accumulated points under QPS ^{Note 1}.

3. We analyse the housing situation of PRH applicants as at end-June every year since 2011. As the target of providing the first flat offer around three years is not applicable to non-elderly one-person applicants under QPS and allocations under other rehousing categories (e.g. transfer of existing tenants, compassionate rehousing and clearance for redevelopment), these categories are not covered in this analysis. Only general applicants are covered.

Note 1 QPS was introduced in September 2005 to rationalise and re-prioritise PRH allocation to non-elderly one-person applicants. The points are based on the applicants' age, their waiting time and whether they are already residing in PRH.

OVERALL SITUATION

4. As at end-June 2022, there were about 144 200 general applications. The tables below show the number of general applications in the past few years –

Table 1
Number of general applications as at end-June each year

	As at end-June 2016	As at end-June 2017	As at end-June 2018	As at end-June 2019	As at end-June 2020	As at end-June 2021	As at end-June 2022
Number of general applications (change over previous year)	153 000 (+9%)	150 200 (-2%)	150 600 (+0.3%)	147 900 (-2%)	155 800 (+5%)	153 600 (-1%)	144 200 (-6%)

Table 2
Number of newly registered general applications in the year

	From July 2016 to June 2017	From July 2017 to June 2018	From July 2018 to June 2019	From July 2019 to June 2020	From July 2020 to June 2021	From July 2021 to June 2022
Number of newly registered general applications (change over previous year)	19 800 (-16%)	20 400 (+3%)	20 600 (+0.9%)	18 300 (-11%)	15 400 (-16%)	17 800 (+16%)

AVERAGE WAITING TIME

Methodology in deriving the Average Waiting Time

5. Waiting time basically refers to the time taken between registration for PRH and the **first** flat offer, excluding any intervening frozen period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members

for family reunion; the applicant is imprisoned, etc.)^{Note 2}. Although some of the applicants might have accepted their second or third offer instead of the first offer, in accordance with the established methodology, the waiting time is counted up to the first offer only as the opportunity for housing has already been provided at the first offer. Under the established methodology, the Average Waiting Time (AWT) is calculated as the average of the waiting time of those general applicants who were **housed to PRH in the past 12 months**, and should not be taken as the expected waiting time for applicants who are still on the queue.

AWT

6. As at end-September 2022, the AWT for general applicants was 5.6 years. Among them, the AWT for elderly one-person applicants was 3.9 years. AWT has been trending upwards over the past few years, as shown in the table below^{Note 3} –

Table 3
AWT as at end-June in recent years

	As at end-June 2016	As at end-June 2017	As at end-June 2018	As at end-June 2019	As at end-June 2020	As at end-June 2021	As at end-June 2022
AWT for general applicants	4.1 years	4.7 years	5.3 years	5.4 years	5.5 years	5.8 years	6.0 years
AWT for elderly one-person applicants	2.4 years	2.6 years	2.9 years	2.9 years	3.0 years	3.7 years	4.1 years

7. As announced in the 2022 Policy Address, the Government has identified sufficient land to build about 360 000 public housing units for the coming ten-year period (i.e. from 2023-24 to 2032-33), which can meet the

Note 2 Besides the frozen applications, some applications may be cancelled because the applicant’s household income and/or asset has exceeded the prescribed limit. If the applicant subsequently becomes eligible again, he/she can request reinstatement of the original application after six months and within two years after the first date of cancellation of the application. For these cases, the period between cancellation and reinstatement of his/her application is also excluded from the calculation of waiting time.

Note 3 As the special analysis is based on the end-June position and to facilitate comparison with past special analyses, the end-June figures are adopted in this analysis.

estimated public housing demand of around 301 000 public housing units in the coming ten-year period.

8. However, since the number of newly registered PRH applications varies every year, and the timing for general applicants to receive the first flat offer is also affected by many factors (such as whether the applicants' district choice matches with the PRH supply of the district, etc.), it is difficult to accurately predict when the target of providing the first flat offer at three years on average will be achieved. HA will continue to strive to increase and expedite its PRH supply with a view to providing flat allocation to PRH applicants as early as possible.

Waiting time of applicants

9. As AWT is an average, we have conducted special studies on the following two groups of applicants to examine the distribution of their waiting time and identified the major reasons for cases with longer waiting time –

- (a) the 18 700 general applicants who were housed between July 2021 and June 2022; and
- (b) the 144 200 general applicants who were still waiting as at end-June 2022.

DETAILS OF THE ANALYSIS

(a) General applicants housed between July 2021 and June 2022

10. Between July 2021 and June 2022, 18 700 general applicants accepted flat offers and were housed into PRH. The distribution of their waiting time by district housed is shown in Table 4 below.

Table 4
Distribution of waiting time of general applicants
who were housed to PRH between July 2021 and June 2022

District housed	Waiting Time	Household size					Total
		1-P	2-P	3-P	4-P	5-P+	
Urban	≤3 year	240	400	110	50	40	840
	>3 - ≤ 4 years	30	110	50	30	20	250
	>4 - ≤ 5 years	130	60	80	70	60	390
	>5 - ≤ 6 years	280	280	100	110	50	820
	>6 years	120	1 600	1 400	1 400	430	4 900
	Subtotal	800	2 400	1 700	1 600	600	7 200
Extended Urban	≤3 year	130	150	20	20	30	350
	>3 - ≤ 4 years	10	40	20	20	10	90
	>4 - ≤ 5 years	80	30	10	40	30	190
	>5 - ≤ 6 years	130	130	30	60	30	380
	>6 years	40	570	360	620	170	1 800
	Subtotal	400	920	440	760	260	2 800
New Territories	≤3 year	190	470	100	30	50	840
	>3 - ≤ 4 years	80	270	40	20	30	430
	>4 - ≤ 5 years	120	480	110	20	40	770
	>5 - ≤ 6 years	130	890	290	80	40	1 400
	>6 years	160	1 600	1 700	1 500	400	5 300
	Subtotal	670	3 700	2 200	1 600	550	8 700
Islands	≤3 year	<5	<5	0	<5	0	<5
	>3 - ≤ 4 years	<5	0	<5	0	<5	<5
	>4 - ≤ 5 years	<5	<5	<5	<5	0	10
	>5 - ≤ 6 years	0	<5	<5	0	0	10
	>6 years	0	<5	<5	<5	0	10
	Subtotal	<5	10	10	<5	<5	30
Overall	≤3 year	570	1 000	230	100	120	2 000
	>3 - ≤ 4 years	120	420	110	70	60	770
	>4 - ≤ 5 years	320	570	200	140	120	1 400
	>5 - ≤ 6 years	530	1 300	420	250	110	2 600
	>6 years	320	3 700	3 500	3 400	1 000	11 900
	Total	1 900	7 000	4 400	4 000	1 400	18 700

Remark: Figures may not add up to total due to rounding. Values of one thousand or above are rounded to the nearest hundred and values below one thousand are rounded to the nearest ten.

11. We have the following observations on the waiting time of these 18 700 housed general applicants –

- (a) about 11% (about 2 000 applicants) had waited for three years or below. These included applicants who were housed under the elderly priority schemes and the Express Flat Allocation Scheme and hence had a shorter waiting time;
- (b) of the 89% (about 16 700 applicants) who had waited for over three years, the majority were housed to flats in the New Territories District (47%, about 7 900); 38% (about 6 300) were housed to flats in the Urban District; 14% (about 2 400) were housed to flats in the Extended Urban District; and less than 1% (about 30) were housed to flats in the Islands District; and
- (c) about 64% (about 11 900 applicants) had waited for over six years. Changes of the applicants' household circumstances, including change of household particulars (57%); change of district choice (51%); and location preference on social/medical grounds (6%) etc. ^{Note 4}, might have affected the timing of their first flat offer.

(b) General applicants who have not received any flat offer as at end-June 2022

12. Among the 144 200 general applicants who were still waiting as at end-June 2022, 48% (about 68 600 applicants) had a waiting time of over three years and without any flat offer as at end-June 2022. As these applicants have yet to receive any flat offer, their waiting time is basically counted from the date of registration up to end-June 2022, excluding frozen periods.

Note 4 Some cases involve two or more circumstances. Hence, the percentage breakdown does not add up to the total.

Table 5

Distribution of waiting time of general applicants who had waited for PRH for over three years and without any flat offer as at end-June 2022

District choice ^{Note 5}	Waiting Time	Household size					Total
		1-P	2-P	3-P	4-P	5-P+	
Urban	>3 - ≤ 4 years	2 300	1 600	380	220	100	4 500
	>4 - ≤ 5 years	1 900	1 200	370	200	100	3 800
	>5 - ≤ 6 years	770	1 200	520	290	100	2 900
	>6 years	20	1 300	1 900	1 600	170	4 900
	Subtotal	4 900	5 200	3 200	2 300	470	16 100
Extended Urban	>3 - ≤ 4 years	810	5 200	3 000	2 100	480	11 600
	>4 - ≤ 5 years	800	3 900	3 000	1 900	390	10 000
	>5 - ≤ 6 years	260	3 200	2 700	1 900	440	8 400
	>6 years	20	2 900	3 500	2 400	430	9 200
	Subtotal	1 900	15 100	12 200	8 300	1 700	39 300
New Territories	>3 - ≤ 4 years	700	1 400	1 300	910	220	4 500
	>4 - ≤ 5 years	480	840	1 000	960	160	3 500
	>5 - ≤ 6 years	250	470	720	940	180	2 600
	>6 years	30	230	990	1 200	150	2 600
	Subtotal	1 500	2 900	4 000	4 000	720	13 100
Islands	>3 - ≤ 4 years	30	30	10	10	10	80
	>4 - ≤ 5 years	20	20	10	10	<5	60
	>5 - ≤ 6 years	<5	10	<5	<5	<5	10
	>6 years	<5	0	<5	<5	0	10
	Subtotal	50	50	30	20	10	150
Overall	>3 - ≤ 4 years	3 800	8 200	4 700	3 200	810	20 700
	>4 - ≤ 5 years	3 200	6 000	4 400	3 100	660	17 300
	>5 - ≤ 6 years	1 300	4 800	3 900	3 100	730	13 900
	>6 years	70	4 300	6 400	5 200	750	16 700
	Total	8 400	23 300	19 400	14 600	2 900	68 600

Remark: Figures may not add up to total due to rounding. Values of one thousand or above are rounded to the nearest hundred and values below one thousand are rounded to the nearest ten.

Note 5 Refers to the district choice of applicants as at end-June 2022.

13. Specifically, among the 68 600 general applicants who had waited for over three years and without any flat offer as at end-June 2022 –

- (a) 27% of them (about 18 500) had reached the detailed vetting stage as at end-June 2022. Flat allocation will follow if they are found eligible;
- (b) 57% of them (about 39 300) had chosen the Extended Urban District, while 23% and 19% of them had chosen the Urban District and the New Territories District respectively. Less than 1% had chosen Islands; and
- (c) 24% of them (about 16 700) had waited for over six years. A lot of these cases involved change of household particulars (47%) and change of district choice (35%) which might affect their waiting time.

FROZEN PERIOD

14. As at end-June 2022, among the 144 200 general applications who were waiting for PRH, about 6% (some 8 900 cases) were frozen owing to the following reasons –

Reason	Frozen cases as at end-June 2022
Failure to meet residence requirement ^{Note 6}	8 800
Institutional care (e.g. imprisonment)	60
In relation to misdeed in previous PRH tenancy (e.g. rent in arrears, violation of marking scheme)	50
Request by applicants to freeze their applications (e.g. pending arrival of family members for family reunion)	20
Total	8 900

Remark: Figures do not add up to total due to rounding. Values of one thousand or above are rounded to the nearest hundred and values below one thousand are rounded to the nearest ten.

Note 6 At the time of allocation, at least half of the family members included in the PRH application must have lived in Hong Kong for seven years and all family members must be still living in Hong Kong. Under the following circumstances, all children under the age of 18 are deemed to have fulfilled the seven-year residence rule: (a) one of the parents, regardless of the children's place of birth, has lived in Hong Kong for seven years; or (b) the children were born in Hong Kong with established permanent resident status.

15. Applicants need not leave the queue while their applications are frozen. This means that their priority in the queue are retained, although they have not yet fulfilled all criteria for flat allocation or have requested the processing of their applications during the frozen period to be withheld.

SUPPLY OF FLATS

16. Identifying land to increase PRH supply remains the fundamental solution to shorten AWT. As mentioned in paragraph 7 above, the Government has identified sufficient land for providing about 360 000 public housing units for the coming ten-year period (i.e. from 2023-24 to 2032-33), and can meet the estimated public housing demand of around 301 000 units in the coming ten-year period. This production estimate is contingent upon the smooth completion of all relevant procedures, such that all sites identified can be delivered on time for housing construction. The Government and HA will forge ahead with the relevant work with a view to achieving the production estimate.

17. In the shorter term, according to HA's Housing Construction Programme as at September 2022, about 76 100 PRH/Green Form Subsidised Home Ownership Scheme (GSH) units ^{Note 7} will be completed in the five-year period from 2023-24 to 2027-28. About 27% of these units will be located in the Urban District, 23% in the Extended Urban District, and 50% in the New Territories. In terms of flat types, about 14% will be Type A units (for one/two persons); 36% as Type B units (for two/three persons); 30% as Type C units (for three/four persons); and 20% as Type D units (for four/five persons). The HA will implement various measures as announced in the 2022 Policy Address to expedite the production of these units.

18. In addition to building PRH units, recovery of flats from tenants is another important source of PRH supply. In the past years, there were about 8 500 refurbished flats on average every year allocated to PRH applicants.

Note 7 Including the GSH projects at Diamond Hill Phase 2 (Kai Chuen Court), Fanling Area 36 Phase 4 (Ching Tao Court), Lei Yue Mun Phase 4 (Ko Wang Court) and Hang Tai Road Phase 2 (Kam Pak Court) (about 6 800 units in total).

19. At the same time, HD will continue to ensure the rational use of PRH resources, so that efforts can be focused on allocating PRH resources to those with more pressing housing needs. HD will continue to conduct stringent vetting of PRH applicants' eligibility, step up efforts in combating tenancy abuse, conduct publicity programme to promote the importance of safeguarding PRH resources, and encourage tenants and members of the public to report tenancy abuse.

INFORMATION

20. This paper is issued for Members' information.

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