

**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 2021**

PURPOSE

This paper sets out a special analysis of the situation of housing general applicants for public rental housing (PRH) as at end-June 2021.

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 2021, there were about 153 600 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 2015	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
Number of general applications (change over previous year)	140 200	153 000 (+9%)	150 200 (-2%)	150 600 (+0.3%)	147 900 (-2%)	155 800 (+5%)	153 600 (-1%)

Table 2
Number of newly registered general applications in the year

	From July 2015 to June 2016	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
Number of newly registered general applications (change over previous year)	23 600	19 800 (-16%)	20 400 (+3%)	20 600 (+0.9%)	18 300 (-11%)	15 400 (-16%)

AVERAGE WAITING TIME

Methodology in deriving the AWT

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 2021, the AWT for general applicants was 5.9 years. Among them, the AWT for elderly one-person applicants was 3.8 years. The 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 2015	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
AWT for general applicants	3.4 years	4.1 years	4.7 years	5.3 years	5.4 years	5.5 years	5.8 years
AWT for elderly one-person applicants	1.9 years	2.4 years	2.6 years	2.9 years	2.9 years	3.0 years	3.7 years

7. There have been concerns as to when the target of providing the first flat offer to general applicants at around three years on average can be achieved. As announced in the 2021 Policy Address, after years of efforts, the Government has identified about 350 hectares of land to produce some 330 000 public housing

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.

units for the coming ten-year period (i.e. from 2022-23 to 2031-32), which can meet the estimated public housing demand of around 301 000 public housing units in the coming ten-year period. The annual housing supply within the ten-year period hinges on the amount and timing of land supply, as well as the conditions of individual projects; and it is expected that the estimated public housing production in the coming ten years will mainly fall within the latter part of the ten-year period. 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 applicant's 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

8. As the 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 identify the major reasons for cases with longer waiting time –

- (a) the 15 800 general applicants who were housed between July 2020 and June 2021; and
- (b) the 153 600 general applicants who were still waiting as at end-June 2021.

DETAILS OF THE ANALYSIS

(a) General applicants housed between July 2020 and June 2021

9. Between July 2020 and June 2021, 15 800 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 2020 and June 2021

District housed	Waiting Time	Household size					Total
		1-P	2-P	3-P	4-P	5-P+	
Urban	≤3 year	310	310	120	40	30	810
	>3 - ≤ 4 years	140	50	40	20	10	270
	>4 - ≤ 5 years	380	60	70	70	40	610
	>5 - ≤ 6 years	70	400	260	150	60	930
	>6 years	60	1 400	1 200	1 200	420	4 300
	Subtotal	950	2 200	1 700	1 500	560	6 900
Extended Urban	≤3 year	240	300	80	70	40	730
	>3 - ≤ 4 years	120	50	40	40	30	290
	>4 - ≤ 5 years	430	80	80	90	40	720
	>5 - ≤ 6 years	50	590	540	450	80	1 700
	>6 years	40	1 300	680	1 000	350	3 400
	Subtotal	890	2 300	1 400	1 700	540	6 800
New Territories	≤3 year	90	60	10	<5	10	170
	>3 - ≤ 4 years	20	10	<5	<5	10	40
	>4 - ≤ 5 years	80	20	10	<5	10	130
	>5 - ≤ 6 years	70	160	30	10	10	280
	>6 years	30	550	420	320	140	1 500
	Subtotal	290	800	470	330	180	2 100
Islands	≤3 year	<5	<5	<5	<5	<5	10
	>3 - ≤ 4 years	<5	10	<5	<5	<5	10
	>4 - ≤ 5 years	<5	<5	10	<5	0	10
	>5 - ≤ 6 years	0	10	<5	<5	<5	20
	>6 years	0	<5	<5	<5	<5	10
	Subtotal	10	20	20	10	<5	60
Overall	≤3 year	640	660	210	110	80	1 700
	>3 - ≤ 4 years	290	120	90	60	50	610
	>4 - ≤ 5 years	900	160	160	160	90	1 500
	>5 - ≤ 6 years	190	1 200	820	600	150	2 900
	>6 years	120	3 200	2 300	2 500	910	9 100
	Total	2 100	5 300	3 600	3 500	1 300	15 800

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.

10. We have the following observations on the waiting time of these 15 800 housed general applicants –

- (a) about 11% (about 1 700 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, hence had a shorter waiting time;
- (b) of the 89% (about 14 100 applicants) who had waited for over three years, the majority were housed to flats in either the Urban District or the Extended Urban District (43%, about 6 110 for each district); 14% (about 1 950) were housed to flats in the New Territories District; and less than 1% (about 50) were housed to flats in the Islands District; and
- (c) about 58% (about 9 100 applicants) had waited for over six years. Changes of the applicants' household circumstances while on the queue, including change of district choice (58%); change of household particulars (57%) and location preference on social/medical grounds (6%) etc.^{Note 4}, might have affected the timing of their first flat offer. Another observation is that the pace of PRH flat allocation work had been adversely affected by the COVID-19 pandemic during a large part of 2020. In particular, Chun Yeung Estate in Fo Tan (in the Extended Urban District) was used as a quarantine centre for most of the time in 2020 while Fai Ming Estate in Fanling (in the New Territories) was vandalised and damaged in early 2020. As the flat allocation work gradually picked up and was expedited from the latter part of 2020 onward, coupled with the completion of new public rental estates, the lengthened waiting time of applicants housed is now reflected in the current analysis.

(b) General applicants who have not received any flat offer as at end-June 2021

11. Among the 153 600 general applicants who were still waiting as at end-June 2021, 50% (about 77 000 applicants) had a waiting time of over three years and without any flat offer as at end-June 2021. As these applicants have

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

yet to receive any flat offer, their waiting time is basically counted from the date of registration up to end-June 2021, excluding frozen periods.

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 2021

District choice ^{Note 5}	Waiting Time	Household size					Total
		1-P ^{Note 6}	2-P	3-P	4-P	5-P+	
Urban	>3 - ≤ 4 years	2 100	1 300	310	130	100	3 900
	>4 - ≤ 5 years	1 400	1 100	340	150	120	3 100
	>5 - ≤ 6 years	40	1 100	420	180	130	1 900
	>6 years	40	810	1 100	1 000	280	3 300
	Subtotal	3 600	4 300	2 200	1 500	630	12 200
Extended Urban	>3 - ≤ 4 years	910	4 700	3 300	1 900	380	11 200
	>4 - ≤ 5 years	450	4 200	3 400	2 100	480	10 700
	>5 - ≤ 6 years	30	4 600	3 700	2 600	530	11 400
	>6 years	30	3 200	3 900	3 200	410	10 700
	Subtotal	1 400	16 800	14 300	9 700	1 800	44 100
New Territories	>3 - ≤ 4 years	710	2 100	1 300	780	160	5 000
	>4 - ≤ 5 years	430	1 800	1 400	810	190	4 600
	>5 - ≤ 6 years	310	2 000	1 600	1 000	220	5 100
	>6 years	40	1 200	2 000	2 200	390	5 900
	Subtotal	1 500	7 100	6 300	4 800	960	20 600
Islands	>3 - ≤ 4 years	30	40	10	10	<5	90
	>4 - ≤ 5 years	<5	20	10	<5	<5	40
	>5 - ≤ 6 years	<5	20	10	<5	0	30
	>6 years	0	10	<5	10	<5	20
	Subtotal	30	90	30	20	<5	170
Overall	>3 - ≤ 4 years	3 700	8 100	4 900	2 800	640	20 200
	>4 - ≤ 5 years	2 300	7 200	5 100	3 100	790	18 500
	>5 - ≤ 6 years	380	7 700	5 700	3 800	880	18 400
	>6 years	110	5 300	7 000	6 400	1 100	19 900
	Total	6 500	28 300	22 800	16 000	3 400	77 000

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 2021.

Note 6 Mainly elderly one-person applicants.

12. Specifically, among the 77 000 general applicants who had waited for over three years and without any flat offer as at end-June 2021 –

- (a) 17% of them (about 12 800 applicants) had reached the detailed vetting stage as at end-June 2021. Flat allocation will follow if they are found eligible;
- (b) 57% of them had chosen the Extended Urban District, while 27% and 16% of them had chosen the New Territories and the Urban District respectively. Less than 1% had chosen Islands; and
- (c) 26% of them had waited for over six years. A lot of these cases involved circumstances that might affect their waiting time, including change of household particulars (55%) and change of district choice (27%) etc.

FROZEN PERIOD

13. As at end-June 2021, among the 153 600 general applications who were waiting for PRH, about 6% (some 9 000 cases) were frozen owing to the following reasons –

Reason	Frozen cases as at end-June 2021
Failure to meet residence requirement ^{Note 7}	8 900
Institutional care (e.g. imprisonment)	60
In relation to misdeed in previous PRH tenancy (e.g. rent in arrears, violation of marking scheme)	60
Request by applicants to freeze their applications (e.g. pending arrival of family members for family reunion)	20
Total	9 000

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 7 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.

14. 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. In reality, the applicants are likely to perceive this frozen period as part of their waiting time.

SUPPLY OF FLATS

15. Identifying land to increase PRH supply remains the fundamental solution to shorten AWT. As mentioned in paragraph 7 above, the Government has identified about 350 hectares of land to produce some 330 000 public housing units for the coming ten-year period (i.e. from 2022-23 to 2031-32), 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.

16. In the shorter term, according to HA's Housing Construction Programme as at September 2021, about 69 100 PRH/Green Form Subsidised Home Ownership Scheme (GSH) units^{Note 8} will be completed in the five-year period from 2021-22 to 2025-26. About 25% of these units will be located in the Urban District, 25% 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); 38% as Type B units (for two/three persons); 31% as Type C units (for three/four persons); and 17% as Type D units (for four/five persons).

17. In addition to building PRH units, recovery of flats from tenants is another important source of PRH supply. In the past five years, HA has a net recovery of about 8 000 flats on average every year for allocation to PRH applicants.

18. 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.

Note 8 Including the GSH projects at Chai Wan Road, Tsing Hung Road and Diamond Hill Phase 2 (about 5 800 units in total).

INFORMATION

19. This paper is issued for Members' information.

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