

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

**Special Analysis of the Housing Situation of General Applicants  
for Public Rental Housing as at end-June 2017**

**PURPOSE**

This paper sets out a special analysis of the housing situation of general applicants for public rental housing (PRH) as at end-June 2017.

**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 average waiting time (AWT)<sup>Note 1</sup> target of around three years is not applicable to non-elderly one-person applicants under the Quota and Points System (QPS)<sup>Note 2</sup>. In view of the increasing demand for PRH and the public's concern over the waiting time of PRH applicants, we analyse the housing situation of PRH applicants as at end-June every year. **Only general applicants are covered in the analysis.** The allocation of PRH units to non-elderly one-person applicants under QPS, as well as other rehousing categories (e.g. transfer of existing tenants, compassionate rehousing and clearance for redevelopment) are not covered in the analysis as the AWT target of around three years is not applicable to them.

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Note 1 Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application 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.). The AWT for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

Note 2 QPS was introduced in September 2005 to rationalise and to re-prioritise PRH allocation non-elderly one-person applicants. Under QPS, the relative priorities for PRH allocation to applicants are determined by their points received.

## OVERALL SITUATION

3. As at end-June 2017, there were about 150 200 general applications. The tables below show the number of general applications in the past few years –

**Table 1**  
**Number of general applications as at June each year**

	As at end-June 2011	As at end-June 2012	As at end-June 2013	As at end-June 2014	As at end-June 2015	As at end-June 2016	As at end-June 2017
Number of general applications (change over previous year)	89 000	106 100 (+19%)	118 700 (+12%)	125 400 (+6%)	140 200 (+12%)	153 000 (+9%)	150 200 (-2%)

**Table 2**  
**Number of newly-registered general applications in the year**

	From July 2011 to June 2012	From July 2012 to June 2013	From July 2013 to June 2014	From July 2014 to June 2015	From July 2015 to June 2016	From July 2016 to June 2017
Number of newly registered general applications (change over previous year)	33 200	28 700 (-14%)	28 000 (-2%)	25 500 (-9%)	23 600 (-8%)	19 800 (-16%)

## AVERAGE WAITING TIME

### Methodology in deriving the AWT

4. Under the established method, waiting time is 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.). **The AWT refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.**

5. Some PRH applicants may have their applications cancelled for different reasons, such as failure to meet the income or asset requirements at the detailed vetting stage, failure to attend interviews, etc. To provide flexibility to applicants whose circumstances might change thereafter, HA's policy is that they may apply for reinstatement of their applications if they fulfill the eligibility criteria again within a specific timeframe <sup>Note 3</sup>. **Strictly speaking, the applicant is ineligible for PRH during the period between the cancellation and reinstatement of application, and hence the period concerned should be excluded from calculating the waiting time. However, due to limitations in the computer system, we have not been able to exclude such periods from the calculation of AWT.** Going through each individual file to exclude such periods is not practicable given the large number of applications involved.

## AWT

6. As at end-June 2017, the AWT for general applicants was 4.7 years. Among them, the AWT for elderly one-person applicants was 2.6 years <sup>Note 4</sup>. The AWT has been trending upwards over the past few years, as shown in the table below –

**Table 3**  
**AWT as at end-June in recent years**

	As at end-June 2011	As at end-June 2012	As at end-June 2013	As at end-June 2014	As at end-June 2015	As at end-June 2016	As at end-June 2017
AWT for general applicants	2.2 years	2.7 years	2.7 years	3.0 years	3.4 years	4.1 years	4.7 years
AWT for elderly one-person applicants	1.1 years	1.4 years	1.5 years	1.7 years	1.9 years	2.4 years	2.6 years

Note 3 For an application which is cancelled because the applicant's income or asset has exceeded the prescribed limit, if the applicant subsequently becomes eligible again, he/she can request for reinstatement of the original application not earlier than six months and not later than two years after the date of the first cancellation of the application.

Note 4 HA uploads the latest quarterly figures of AWT to HA/Housing Department's website in about five weeks' time after the end of each quarter. The latest AWT for general applicants as at end-September 2017 was 4.6 years. Among them, the AWT for elderly one-person applicants was 2.6 years. 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.

7. We cannot predict AWT in future, since this is affected by many factors including the number of PRH applicants; the number of units recovered from tenants; district choices of applicants and whether such choices match with the supply of PRH units available for allocation (including newly built and renovated units), etc. As AWT is calculated based on the waiting time of general applicants who were housed to PRH in the past 12 months, with the completion of some large-scale PRH estates (such as On Tai Estate in Kwun Tong and Ying Tung Estate in Tung Chung <sup>Note 5</sup>), when more applicants with longer waiting time are finally housed, their (longer) waiting time will be reflected in the calculation of AWT.

## 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 22 700 general applicants who were housed between July 2016 and June 2017; and
- (b) the 150 200 general applicants who were still waiting as at end-June 2017.

### Details of the analysis

#### *General observations*

9. Of the general applicants housed between July 2016 and June 2017 (see Table 4), a majority of those with longer waiting time were two-person to three-person households who opted for the Urban or Extended Urban Districts. Of the general applicants who were still waiting as at end-June 2017 (see Table 5), a considerable number of those with longer waiting time were three-person to four-person households. Many of those cases with particularly long waiting time involved change of household particulars, cancellation periods (during which they were ineligible for housing), etc.

#### *(a) General applicants housed between July 2016 and June 2017*

10. Between July 2016 and June 2017, 22 700 general applicants accepted flat offers and were housed. The distribution of their waiting time by

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Note 5 There are a total of about 8 600 flats in On Tai Estate and about 3 600 flats in Ying Tung Estate.

district choice is shown in Table 4 below. Although some of them 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 is already provided at the first offer.

**Table 4**  
**Distribution of waiting time of general applicants**  
**who were housed to PRH between July 2016 and June 2017**

District choice	Waiting Time	Household size					Total
		1-P <sup>Note 6</sup>	2-P	3-P	4-P	5-P+	
Urban	≤1 year	390	120	130	30	20	680
	>1 - ≤2 years	150	70	90	20	10	330
	>2 - ≤3 years	810	100	120	20	10	1 100
	>3 - ≤4 years	810	1 100	140	20	20	2 000
	>4 - ≤5 years	100	1 100	430	40	40	1 700
	>5 years	80	1 100	4 000	1 000	380	6 700
	<b>Subtotal</b>	<b>2 300</b>	<b>3 600</b>	<b>4 900</b>	<b>1 200</b>	<b>470</b>	<b>12 400</b>
Extended Urban	≤1 year	170	50	60	10	10	290
	>1 - ≤2 years	110	20	40	10	10	190
	>2 - ≤3 years	1 200	20	50	10	10	1 300
	>3 - ≤4 years	130	210	90	30	10	450
	>4 - ≤5 years	50	550	610	20	20	1 200
	>5 years	30	560	2 200	520	270	3 600
	<b>Subtotal</b>	<b>1 700</b>	<b>1 400</b>	<b>3 000</b>	<b>590</b>	<b>330</b>	<b>7 000</b>
New Territories	≤1 year	110	40	40	40	10	240
	>1 - ≤2 years	40	10	10	30	10	110
	>2 - ≤3 years	100	20	20	20	10	150
	>3 - ≤4 years	250	90	30	10	<5	390
	>4 - ≤5 years	40	640	430	10	10	1 100
	>5 years	10	200	580	260	100	1 100
	<b>Subtotal</b>	<b>550</b>	<b>1 000</b>	<b>1 100</b>	<b>370</b>	<b>140</b>	<b>3 200</b>
Islands	≤1 year	<5	0	0	<5	0	<5
	>1 - ≤2 years	<5	<5	0	<5	<5	<5
	>2 - ≤3 years	<5	<5	0	<5	<5	10
	>3 - ≤4 years	0	<5	0	<5	<5	10
	>4 - ≤5 years	0	10	<5	10	<5	20
	>5 years	0	0	0	10	<5	10
	<b>Subtotal</b>	<b>&lt;5</b>	<b>10</b>	<b>&lt;5</b>	<b>20</b>	<b>10</b>	<b>50</b>

Note 6 Mainly elderly one-person applicants. There is also a small number of QPS applicants housed through the Express Flat Allocation Scheme.

District choice	Waiting Time	Household size					Total
		1-P <sup>Note 6</sup>	2-P	3-P	4-P	5-P+	
Overall	≤1 year	660	200	230	80	30	1 200
	>1 - ≤ 2 years	290	100	140	70	30	630
	>2 - ≤ 3 years	2 100	140	180	50	30	2 500
	>3 - ≤ 4 years	1 200	1 400	250	60	30	2 900
	>4 - ≤ 5 years	190	2 300	1 500	70	70	4 100
	>5 years	120	1 900	6 800	1 800	760	11 400
	<b>Total</b>		4 500	6 000	9 100	2 100	950

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 22 700 general applicants –

- (a) 19% had waited for 3 years or below. Among them, 8% had waited for 2 years or below;
- (b) of the 81% applicants (about 18 400 applicants) who had waited for over three years, 57% opted for flats in the Urban District while 29% opted for flats in the Extended Urban District, altogether accounting for 85%; and
- (c) among the 18 400 housed applicants who had waited for over three years, 62% (about 11 400 applicants) had waited for over five years. We have tried to further analyse the major reasons for their longer waiting time. Our findings suggest that many of these cases involved circumstances <sup>Note 7</sup> that might affect their waiting time, including change of district choice (71%); change of household particulars <sup>Note 8</sup> (53%); refusal to accept housing offer(s) with reasons acceptable to HA (23%); reinstated applications which were previously cancelled due to failure to meet income eligibility requirements in the detailed vetting stage, failure to attend

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Note 7 Some cases involve two or more circumstances. Hence, the percentage breakdown does not add up to the total.

Note 8 Experience shows that many applicants requesting change of household particulars fail to provide supporting documents over an extended period of time, thus affecting the processing of their applications and lengthening their waiting time. For example, many applicants who requested to add household member(s) to their applications failed to provide relevant documents (e.g. proofs for their income and net asset value) in time for HA to process their applications.

interview or inadequate documentary proof (9%); and location preference on social/medical grounds (5%).

**(b) General applicants who were still waiting as at end-June 2017**

12. Among the 150 200 general applicants who were still waiting as at end-June 2017, 43% (about 64 300 applicants) had a waiting time of over three years and without any flat offer as at end-June 2017. As these applicants have yet to receive any flat offer, their waiting time is counted from the date of registration up to end-June 2017, excluding frozen periods. The distribution of waiting time of these applicants is shown in the table below.

**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 2017**

District choice	Waiting Time	Household size					Total
		1-P <sup>Note 9</sup>	2-P	3-P	4-P	5-P+	
Urban	>3 - ≤ 4 years	400	1 500	590	320	170	3 000
	>4 - ≤ 5 years	20	1 700	1 500	850	280	4 300
	>5 years	20	1 700	2 000	4 100	1 000	8 800
	<b>Subtotal</b>	430	4 900	4 100	5 300	1 500	16 100
Extended Urban	>3 - ≤ 4 years	80	6 500	5 100	2 600	520	14 900
	>4 - ≤ 5 years	20	4 700	4 200	2 500	500	11 800
	>5 years	10	570	620	3 000	800	5 000
	<b>Subtotal</b>	110	11 800	9 900	8 100	1 800	31 800
New Territories	>3 - ≤ 4 years	240	2 700	2 100	1 100	250	6 300
	>4 - ≤ 5 years	10	2 000	1 900	1 200	280	5 500
	>5 years	<5	210	1 100	2 500	660	4 500
	<b>Subtotal</b>	240	4 900	5 100	4 800	1 200	16 200
Islands	>3 - ≤ 4 years	0	40	20	30	<5	90
	>4 - ≤ 5 years	0	30	10	10	10	60
	>5 years	0	0	<5	20	<5	20
	<b>Subtotal</b>	0	80	30	50	10	170
Overall	>3 - ≤ 4 years	710	10 700	7 800	4 000	930	24 200
	>4 - ≤ 5 years	50	8 400	7 600	4 600	1 100	21 700
	>5 years	30	2 500	3 700	9 700	2 500	18 300
	<b>Total</b>	780	21 600	19 100	18 300	4 500	64 300

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 9 Mainly applicants under the Single Elderly Persons Priority Scheme.

13. Among the 64 300 general applicants who had waited for over three years and without any flat offer as at end-June 2017 –

- (a) 17% of them have reached the detailed vetting stage as at end-June 2017. Flat allocation will follow if they are found eligible;
- (b) 49% of them had chosen the Extended Urban District. The Urban District and the New Territories each accounted for 25% respectively; and
- (c) 29% of them (about 18 300 applicants) have waited for over five years. We have tried to further analyse the major reasons for their longer waiting time. Our findings suggest that many of these cases involved circumstances that might affect their waiting time, including change of household particulars (54%); cancellation periods, location preference on social/medical grounds and applications for Green Form Certificate (GFC) for purchasing Home Ownership Scheme (HOS) units <sup>Note 10</sup> (6%); refusal to accept housing offers with reasons accepted by HA (5%), etc.

### **Frozen period**

14. As at end-June 2017, among the 150 200 general applications who were waiting for PRH, some 13 400 (about 9%) were frozen due to the following reasons –

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Note 10 PRH applicants who have passed the detailed vetting can apply for GFC in order to buy new HOS flats for sale or HOS flats with premium not yet paid in the HOS Secondary Market. When applicants are holding a valid GFC, they will not be allocated PRH units. If they eventually choose to wait for PRH allocation, the period during which they hold a valid GFC will still be counted as part of their waiting time.

Reason	Frozen cases as at end-June 2017
Failure to meet residence requirement <sup>Note 11</sup>	13 200
Request by applicants to freeze their applications (e.g. pending arrival of family members for family reunion)	30
Institutional care (e.g. imprisonment)	80
In relation to misdeed in previous PRH tenancy (e.g. rent in arrears and violation of marking scheme)	60
<b>Total</b>	<b>13 400</b>

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..

15. For frozen cases, applicants are allowed to continue to wait even though their applications are frozen. This would allow them to be registered earlier and hence have higher priority in the queue, although they have not yet fulfilled all criteria for flat allocation. However, **while in reality the applicants are not qualified for PRH allocation or have requested to withhold processing their applications during the frozen period, the applicants are likely to perceive this period as part of their waiting time.**

## SUPPLY OF FLATS

16. Vigorously increasing PRH supply is the fundamental solution to shortening the waiting time for PRH. According to HA's Public Housing Construction Programme in June 2017, 73 300 PRH units will be completed from 2017/18 to 2021/22. 42% of these units will be located in the Urban District, 23% in the Extended Urban District, and 35% in the New Territories. In terms of flat types, 16% will be Type A units (for one/two persons), 28% as

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Note 11 To facilitate the integration of new arrivals into Hong Kong, HA has relaxed the seven-year residence rule on several occasions in the past. At present, eligible PRH applicants would have already fulfilled the seven-year residence rule when half of the family members have lived in Hong Kong for seven years at the time of PRH allocation. Irrespective of whether the main applicant can satisfy the residence rule, provided that at least half of the members of the applicant's family satisfy the seven-year residence rule at the time of allocation, a PRH flat can be allocated to them when their turn is due. All members under the age of 18 are deemed to have satisfied the seven-year residence rule if they have either established the birth status as permanent residents in Hong Kong or, regardless of their place of birth, one of their parents has lived in Hong Kong for seven years.

Type B units (for two/three persons), 32% as Type C units (for three/four persons) and 24% as Type D units (for four/five persons).

17. In addition to building PRH units, recovery of flats is another important source of PRH supply. Every year, HA has a net recovery of over 7 000 flats<sup>Note 12</sup> from tenants on average. With the upcoming completion and implementation of more subsidised sale flat projects in future, we expect that the number of net recovery of flats from tenants may further increase. Meanwhile, the Housing Department 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. The Housing Department will also continue to carry out rigorous investigations into occupancy-related cases, step up efforts in combating tenancy abuse, and conduct publicity programme to promote the importance of safeguarding PRH resources and encourage tenants and members of the public to report tenancy abuse.

## **DECLASSIFICATION**

18. We recommend that this paper be declassified after the meeting. The paper will be made available to the public at HA's website, the Housing Department's library and through the Departmental Access to Information Officer if it is declassified.

## **INFORMATION**

19. This paper is issued for Members' information.

Lennon WONG  
Secretary, Subsidised Housing Committee  
Tel. No. : 2761 5033  
Fax No. : 2761 0019

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Note 12 Excluding those flats recovered from PRH transferees. As PRH flats have to be offered to transferees, there will not be net gain of flats.