

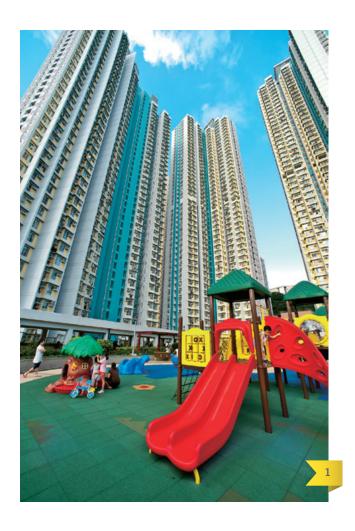
Growing to Meet New Needs

Throughout 2012/13, the Housing Authority (HA) has kept up with the times by embracing new skills and developing new strengths. In particular, the overall environment faced by the HA has been changing following new policies and initiatives introduced by the Government in response to the demand for public rental housing (PRH). To address the home ownership aspirations of low- to middle-income families, the HA has also been tasked with the responsibility of providing subsidised flats for sale under the Home Ownership Scheme (HOS).

At the same time, our traditional mission remains in place: providing PRH for low-income families who cannot afford private rental accommodation. The importance of this role is clearly indicated by the fact that, as at the end of March 2013, there were nearly 728 000 PRH units in more than 160 PRH estates under the HA across Hong Kong, providing accommodation to over 2 million Hong Kong people.

Our commitment

Our rolling five-year Public Housing Construction Programme was adjusted during the year. In response to urgent demand for PRH from the community, we are striving to further increase production by advancing the completion of two PRH projects by one year, moving them forward from the second five-year period to the first five-year period. There will be an increase in PRH supply from around 75 000 flats to around 79 000 flats over the five-year period starting from 2012/13.



Our target is to maintain the average waiting time (AWT) for PRH at around three years for general applicants on the Waiting List (WL), and around two years for elderly one-person applicants. In 2012/13, we allocated a total of 15 551 PRH flats to WL applicants. As at the end of March 2013, the AWT was 2.7 years for general applicants, and 1.5 years for elderly one-person applicants.

Keeping rents affordable

The HA has a longstanding policy that affirms its commitment to PRH affordability. Our existing PRH rent adjustment mechanism allows rents to be adjusted upwards or downwards according to changes in PRH tenants' overall household incomes. Rent reviews are conducted every two years, with the next review due to occur in 2014. As at the end of March 2013, PRH rents per flat ranged from \$287 to \$3,877 per month. PRH rents are inclusive of rates, management and maintenance costs. The average monthly rent per PRH flat was about \$1,540.

Our Rent Assistance Scheme provides help to tenants suffering from temporary financial hardship, giving them a rent reduction of either 25% or 50% depending on their individual circumstances. At the end of March 2013, around 12 500 families were benefiting from this scheme. To ensure all our PRH tenants are aware of this financial assistance, we publicised the scheme throughout the year, featuring it prominently in broadcasts on the Housing Channel and on the radio, in posters, as well as in widely distributed information leaflets and newsletters.

Harmonious families

Strong families underpin a stable society, and the HA has recognised this by developing various schemes to foster closer and more harmonious family life in PRH estates. One of these is the Harmonious Families Priority Scheme, introduced in 2009. This scheme encourages younger family members to take care of their elderly parents or dependent relatives by awarding eligible applicants a six-month waiting time credit. Those approved under the scheme generally have the option of living under one roof in any of the WL Districts across Hong Kong, or



being allocated two flats close to each other in any non-Urban WL District. The Harmonious Families Transfer Scheme, on the other hand, allows PRH tenants to apply for transfer to the same or nearby estates of their offspring / elderly parents residing in a different District Council constituency for mutual care.

Other family-focused schemes under the "harmonious families" theme include the Harmonious Families Amalgamation Scheme and the Harmonious Families Addition Scheme. The former encourages younger families to merge their tenancy with that of their elderly parents, while the latter enables elderly tenants to add one of their children and his or her family to their existing PRH tenancy. In 2012/13, around 4 710 households benefited from these schemes; 2 050 under the Priority Scheme, 210 under the Transfer Scheme, 80 under the Harmonious Amalgamation Scheme, and 2 370 under the Harmonious Families Addition Scheme.

- 1 Our vision is to help low-income families with housing needs gain access to affordable housing. Picture shows Lower Ngau Tau Kok Estate.
- 2 Younger family members are encouraged to live together with or closer to their elderly parents to enjoy harmonious family life.

Other transfer schemes

Because the family sizes of many PRH tenants grow over time, we also operate schemes to relieve overcrowding. We continued with our Territory-wide Overcrowding Relief Transfer Scheme during the year, carrying out two exercises in August 2012 and January 2013. Around 520 families benefited from the opportunity of moving to larger accommodation in the year. The total number of PRH households classified as "overcrowded" (i.e. with an average living space of less than 5.5 square metres of internal floor area per person) thus fell to around 3 160 by the end of March 2013, representing just 0.45% of all PRH households.

Another scheme that helps relieve pressure of space is our Living Space Improvement Transfer Scheme. We conducted one exercise under this scheme during the year, under which a total of 1 180 households were rehoused to larger flats by the end of March 2013.

Curbing tenancy abuse

The HA has a number of effective policies and procedures in place to ensure that those living in its PRH flats are fully entitled to this privilege. For example, we conduct vetting of all income/asset declarations submitted under the Housing Subsidy Policy, the Policy on Safeguarding Rational Allocation of Public Housing Resources, and other tenancy management policies. This involves some 223 000 tenancies, and the vetting is an important part in the process of ascertaining the amount of subsidy that individual sitting tenants are entitled to receive.

We also run an ongoing programme that involves making comprehensive checks into income and asset declarations. The programme covers around 5 000 tenants each year, made up of some who are randomly selected and others where concerns have been raised. A similar programme to protect

against tenancy abuse involves biennial inspections of flats. During the year, HA staff looked closely at around 8 000 occupancy-related cases to ensure the rational allocation of limited public housing resources. This work was backed up by a series of publicity programmes and outreach activities, all designed to make PRH tenants fully aware of their responsibilities.

Finding new homes for those in need

On occasions when the Lands Department and the Buildings Department conduct exercises to clear squatter housing and illegal rooftop structures, the HA is often required to step in to provide the occupants of these structures with urgently-needed replacement accommodation. During the year we handled 147 applications for rehousing following such government clearance activities.

Managing the Home Ownership Scheme

The development of HOS is now firmly part of our housing policy. The Government has set a planning target involving the construction of some 17 000 HOS flats over the four years starting from 2016/17, with an annual construction average of around 5 000 thereafter.

During the year, we continued work on the first batch of six HOS projects. Planning and design work remained on schedule, with the planning briefs gaining approval from the respective District Planning Conferences. Scheme designs and project budgets were approved by the HA's Building Committee on 22 June 2012, and detailed design and tender work put in motion. All Short Term Tenancies required for commencement of construction work have been approved by the respective District Lands Conferences. These flats are expected to be completed in 2016/17, and should be available for pre-sale by the end of 2014.

In a further response to Hong Kong's pressing home ownership needs, the Government has decided to release for sale all of the remaining 832 Surplus HOS flats previously built. We have adopted the traditional HOS arrangements for the sale of the remaining Surplus HOS flats and will adopt the same arrangements for future new HOS flats, including the arrangements for setting of flat prices and premium payment; those involving domestic property restrictions and income and asset limits for White Form (WF) applicants; and those concerning mortgage guarantees and resale restrictions.

To cater for the home ownership aspirations of low-to middle-income families before the first batch of new HOS flats are completed in 2016/17, the HA has also implemented an interim scheme which extends the HOS Secondary Market to WF buyers, with an annual quota of 5 000. WF applicants meeting the eligibility criteria will be allowed to purchase HOS flats with premium not yet paid on the HOS Secondary Market.

