

# 高瞻遠矚 規劃未來

Strategic Planning for Future Needs



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Yat Tung (I) and (II) Estates in Tung Chung





Over the past year, Hong Kong has engaged in wide debate on how best to address its major housing challenges. The intensity of this debate has highlighted just how significant the challenges facing the Hong Kong Housing Authority (HA) are as it presses ahead with various public housing programmes to meet the Government's 10-year housing supply target. Hence the theme of this year's Annual Report – *Rising to Challenges, Increasing Supply* focuses on the many and varied strategies that are being adopted by the HA to help increase the supply of public housing.

It is vital that the HA rises to Hong Kong's housing challenges, because it plays such a significant role in providing housing for those Hong Kong people who are unable to afford housing in the open market. As at the end of March 2018, the HA provided public rental housing (PRH) units to approximately two million people, or around 28% of the entire population of Hong Kong. In addition, the HA continued to provide a large number of subsidised sale flats to help eligible buyers get a foot onto the home ownership ladder, such as those offered under the Home Ownership Scheme (HOS) and the Green Form Subsidised Home Ownership Scheme (GSH).

### Long-term Housing Goals for Hong Kong

Increasing the supply of housing, including public housing, has been an urgent priority of the Government over the past year as it attempts to address the imbalance between supply and demand. In December 2017, the Government announced under its Long Term Housing Strategy Annual Progress Report 2017 that its total housing supply target for the 10-year period from 2018/19 to 2027/28 is 460 000 units, with a public/private split of 60:40.

A shortage of land available for building public housing has made the Government's 10-year target a challenging one. The Government has identified land that, assuming it can be smoothly delivered on time for housing development, would enable the construction of around 237 000 public housing units within this period, falling short of the public housing supply target of 280 000 units. On its part, the HA is doing all it can to optimise the development potential of each site identified, while also expediting public housing construction as far as practicable in order to meet the Government's public housing supply target.

The HA is closely monitoring the progress of its housing construction projects under its rolling five-year Public Housing Construction Programme. As at March 2018, the HA estimated that it could build a total of around 96 800 units in the five-year period from 2017/18 to 2021/22, made up of around 73 400 PRH units and 23 400 subsidised sale flats. Details of the projects completed in 2017/18 can be found in Chapter 2 of Business Review of this report.

### Ensuring Fair Allocation of PRH Units

Apart from building PRH units, the HA optimises their availability for those in need by rigorously checking its flat allocations and the PRH eligibility of existing residents. In 2017/18 we allocated over 15 500 PRH units to general applicants (i.e. family and elderly one-person applicants) and to non-elderly one-person applicants under the Quota and Points System (QPS).

 The newly completed Lin Tsui Estate (centre front) and other public housing developments in Chai Wan



High demand for PRH means that most applicants, who are low-income families or individuals unable to afford private rental accommodation, have to wait for some time before they receive a PRH flat offer. Our longstanding target has been to provide the first flat offer to general applicants after around three years on average. As at the end of March 2018, the average waiting time<sup>1</sup> for general applicants stood at 5.1 years. Elderly one-person applicants enjoyed a shorter average waiting time of 2.8 years. The HA is devoting its best efforts to build more new PRH units and better utilise its existing housing resources in order to shorten the waiting time for applicants.

Due to limited housing resources, general applicants take priority over non-elderly one-person applicants in the allocation of PRH units. An annual quota limits the number of PRH units available for non-elderly one-person applicants under QPS, and priority under this quota is determined by a points system that awards points based on an applicant's age, waiting time, and whether he or she is currently living in PRH with family members. The target of providing the first flat offer at around three years on average does not apply to QPS applicants.

2 Staff helping applicants to apply for PRH

3 Information on Rent Assistance Scheme is available on our HA/HD Website



## Rent Policies and Rent Assistance

PRH rents are subsidised to cater for the financial status of PRH tenants, and are inclusive of rates, management fees, and maintenance costs. At the end of March 2018, the average monthly rent for a PRH unit was approximately \$1,880, with the actual rents charged in different estates across Hong Kong ranging from \$346 to \$4,690 per month.

Tenants experiencing temporary financial difficulties and who have trouble paying their rent have access to the HA's [Rent Assistance Scheme](#). This scheme delivers a rent reduction of 25% or 50% for eligible tenants, depending on their household income level. As at the end of March 2018, around 17 300 households were being assisted through this scheme. In 2017/18, the scheme was widely advertised on Housing Channel broadcasts and the radio, via YouTube, the iHousing app and our HA / Housing Department (HD) Website, and in posters, leaflets and *Estate Newsletters*. We also encouraged non-governmental organisations, local District Councils and Estate Management Advisory Committees (EMACs) to refer households in need to our estate officers for assistance under this scheme.

## Harmonious Families

The HA continues to operate a number of parallel schemes to foster family cohesion and build strong family support networks within our PRH communities, and to support extended family living arrangements and “ageing in place”. These schemes are grouped together under the umbrella of “Harmonious Families” which include [the Harmonious Families Priority Scheme](#), [the Harmonious Families Transfer Scheme](#), the Harmonious Families Addition Scheme, and the Harmonious Families Amalgamation Scheme.



<sup>1</sup> Waiting time refers to the time between registration for PRH and first flat offer, excluding any frozen periods during the application period (e.g. periods when an applicant has not yet fulfilled the residence requirement, has asked to have his/her application placed on hold pending the arrival of family members for family reunion, is imprisoned, and similar situations). The average waiting time for general applicants refers to the average waiting time of general applicants housed in PRH in the past 12 months.



The Harmonious Families Priority Scheme is specifically designed for PRH applicants, by encouraging young families and their elderly parents or elderly dependent relatives to opt to live together in the same flat, or separately in two nearby flats. Eligible applicants enjoy a six-month period of priority processing over applications submitted by other families.

The other Harmonious Families schemes are all for sitting PRH tenants. The Harmonious Families Transfer Scheme is for tenants who have children or elderly parents living in a PRH estate situated in a different District Council district. These tenants can apply for transfer to the estate where their children or elderly parents are living, or to one nearby. The Harmonious Families Addition Scheme allows elderly PRH tenants to add one of their adult offspring, together with his or her family members, to the tenancy. This is subject to the family rule of “one-line continuation” (i.e. neither addition of a branch family when there is already an adult offspring in the tenancy nor addition of an adult offspring when there is already a branch family in the tenancy will be allowed), as well as to the requirement that the whole family passes a comprehensive means test and domestic property test. Where different branches of a family live in different PRH estates, the Harmonious Families Amalgamation Scheme allows a PRH tenant to apply for amalgamation of tenancies with their elderly parents or elderly dependent relatives or offspring. Subject to the availability of resources, the amalgamated family can move to a PRH unit in any district of their choice.



In 2017/18, the number of households benefiting from these schemes was listed below:

Scheme	Number of households benefiting (approximate)
Priority Scheme	2 950
Transfer Scheme	420
Addition Scheme	2 730
Amalgamation Scheme	60

## Transfer Schemes for Better Living Conditions

To avoid overcrowding, the Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme allow PRH tenants living in flats with less than 5.5 and 7 square metres of Internal Floor Area (IFA) per person to apply for relocation to larger accommodation respectively. In 2017/18, 745 households benefited directly from the two schemes.

## Optimising PRH Resources – Curbing Tenancy Abuse

Making PRH available to those in genuine need requires rigorous checking of the eligibility of those who apply for and occupy our existing PRH stock. In 2017/18, we checked all income and asset declarations received under [the Well-off Tenants Policies](#) and various other tenancy management policies for accuracy, a total of approximately 218 000 individual cases. Such comprehensive checking was necessary both to determine the correct rent levels to be charged for individual households, and to confirm the eligibility of these tenants to continue occupying a subsidised PRH unit.

Managing our existing PRH resources well is increasingly vital as demand for PRH grows. Revisions to the Well-off Tenants Policies were implemented from the declaration cycle beginning in October 2017, along with other measures addressing priorities of demand for PRH, and the HA will continue to monitor the relevant policies closely to ensure our PRH resources are allocated fairly.

4 The transfer schemes allow tenants to apply for relocation to larger accommodation to avoid overcrowding

To further strengthen the HA's ability to prevent the abuse of PRH resources, the deployment of the Special Team has been extended for another three years to the end of 2020/21. This year, the Special Team investigated a large number of occupancy-related cases, including non-occupation, sub-letting, unauthorised occupation and use of premises for illegal activities.

The HA also ran multi-pronged publicity and outreach activities during the year to enhance public awareness of the importance of protecting our public housing resources. Roving exhibitions with education booths and two associated thematic characters ("Housing Protector" and "Housing Abuser") visited seven PRH estates to reinforce the need for deterrence and encourage the reporting of abuses. We also continued to place advertisements in MTR trains and on buses and green minibuses, ran audio and video broadcasts on radio channels and on our HA/HD Website and the Housing Channel, and put up posters and related publicity materials in all our estates. In addition, outreach visits to 12 EMACs were conducted to communicate the message of [fighting tenancy abuse](#) and enlist the support of tenants in stamping it out.

### Home Ownership Scheme

HOS is a subsidised home ownership arrangement administered by the HA that helps low to middle-income families achieve home ownership. Apart from assisting PRH tenants who are in a position to purchase a subsidised home, it also frees up PRH units for those in genuine need.

The third batch of 2 057 new HOS flats was sold out in October 2017. The fourth batch of 4 431 new HOS flats, scheduled for completion between 2018/19 and 2020/21, was put up for pre-sale at the end of March 2018.



### Green Form Subsidised Home Ownership Scheme

GSH identifies suitable flats among PRH developments under construction for sale to Green Form applicants (mainly PRH tenants, and PRH applicants who have completed the detailed eligibility vetting process). Prices of GSH flats are set at a level lower than those of HOS flats.

The GSH pilot project at San Po Kong (i.e. King Tai Court) provided a total of 857 flats for sale. Pre-sale was launched in October 2016, and all the flats were sold by February 2017. The HA reviewed the outcome of the pilot project and endorsed the regularisation of GSH in January 2018. This means that the HA will launch recurrent sales under GSH, with pre-sale of the next GSH project scheduled to be launched around the end of 2018.

### White Form Secondary Market Scheme

The HA launched two rounds of an interim scheme in 2013 and 2015 respectively to allow White Form buyers to purchase subsidised sale flats with premium unpaid in the HOS Secondary Market. These concluded in May 2017, with a total of around 4 000 White Form buyers having successfully achieved home ownership in the HOS Secondary Market. Upon considering the review outcome of the interim scheme, the HA endorsed regularising it as the White Form Secondary Market Scheme (WSM) in November 2017. WSM, which has been assigned an annual quota of 2 500, was launched together with the Sale of HOS Flats 2018 at the end of March 2018. Applicants may choose to apply to HOS, WSM, or both.

5 A family enjoying life in Ma On Shan, with Kam Fung Court in the background

6 Exhibition on the new HOS flats held at the HA Customer Service Centre attracts a lot of visitors

