

同籌共劃 創建未來

Planning and Allocating –
a Better Future



The theme for this Annual Report of the Hong Kong Housing Authority (HA) for 2019/20 is “Work Together for Quality Public Housing”. The expression “Work Together” highlights that the HA’s work in delivering the housing our city needs is *collaborative*, involving multiple parties working in harmony towards a common goal. In this chapter, our focus is on the collaborative planning efforts that are helping to bring new affordable quality housing into existence, and that are addressing the Government’s long-term housing supply targets. We also describe some of the most important of the many policies and schemes that are administered by the HA and that work together to improve the lives of public rental housing (PRH) applicants and tenants alike, as well as those who aspire to home ownership. Multiple dedicated parties over the past year – including planners, managers and committee members – have worked hard to ensure the steady progress of our goals of delivering quality housing to those in need, and meeting the home ownership aspirations of those trying to set foot on the housing ladder.

All these planning efforts in the year have had a direct impact on very large numbers of people. At the end of the first quarter of 2020, approximately two million people, or around 29% of the entire population of Hong Kong, were residing in the PRH provided by the HA. In addition, during the year many eligible low- to middle-income families gained the opportunity to become home owners by purchasing subsidised sale flats (SSFs) offered by the HA.

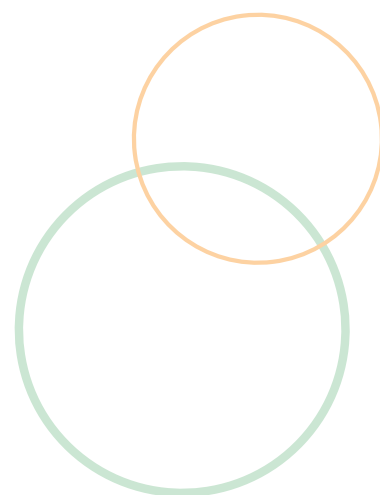
Our Long-term Housing Goals

A major priority of the Government in recent years is to exhaust all possible means to increase the supply of housing for Hong Kong, both public and private. To this end, the Government publishes annual reports which set out the latest progress of key aspects of the Long Term Housing Strategy (LTHS) and present its rolling 10-year housing supply target. The most recent of these, the LTHS Annual Progress Report 2019, was released in December 2019. This report lays out a total housing supply target of 430 000 units for the 10-year period from 2020/21 to 2029/30. Within this total, the public/private split of new housing supply is 70:30, representing a supply target of 301 000 public housing units and 129 000 private housing units to be built over this decade.

Assuming that all sites identified for public housing development can be smoothly delivered on time, we estimate that the public housing production for the period is about 272 000 units. This represents a shortfall of 29 000 units against the Government’s target (i.e. 301 000 units). Despite this, the extent of shortfall is much less than the projected shortfall of 67 000 units for the last 10-year period (i.e. from 2019/20 to 2028/29) as announced in 2018.



Some public housing developments in Shek Kip Mei





Newly completed Tung Wui Estate

To meet the Government's public housing supply target, the HA is continuing to do its utmost to further increase the flat production. This is contingent upon the collaborative effort, and close liaison with other government bureaux and departments at early planning stage to ensure timely availability of sites and supporting infrastructure. We also strive to enhance the development intensity of land where technically feasible, and to adopt site-specific design with a view to optimising the development potential of each site. Besides, we enlist stakeholder partners that are highly experienced at managing complex projects. As far as possible, we are also looking at all safe practical ways to enhance the productivity of public housing production through means such as mechanised construction, robotic application, etc.

As at March 2020, we estimate that we should be able to build a total of around 95 900 units in the five-year period from 2019/20 to 2023/24 under the HA's rolling five-year Housing Construction Programme. These will consist of around 72 700 PRH/Green Form Subsidised Home Ownership Scheme units and 23 200 Other SSFs¹. Details of all the projects completed in 2019/20 can be found in Chapter 2 of the Business Review of this report.

¹ Other SSFs under the HA mainly include Home Ownership Scheme units.

² Waiting time refers to the time between registration for PRH and first flat offer, excluding any frozen periods during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has asked to have his/her application put on hold pending the arrival of family members for family reunion; the applicant is imprisoned, etc.). The average waiting time for general applicants refers to the average waiting time of those general applicants housed in PRH in the past 12 months.



Family applicants, together with elderly applicants, are given priority for the allocation of PRH units

Allocating PRH Units as They Become Available

In 2019/20, a total of around 12 100 PRH units were allocated 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). These consisted of 3 600 newly-built units and about 8 500 refurbished units.

The HA aims to provide the first flat offer to general applicants after around three years on average. However, due to the current strong demand for PRH, the average waiting time² of general applicants who had been housed in the previous 12 months was 5.4 years as at the end of March 2020. Within this group, the average waiting time for elderly one-person applicants was 3.0 years. The HA is doing its utmost to get more PRH units built, as well as looking at ways to better utilise its existing housing resources, in order to shorten the waiting time.

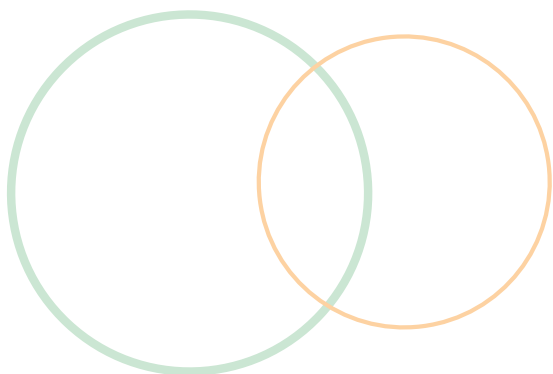
The HA has a policy for the allocation of PRH units under which general applicants (i.e. family and elderly applicants) are given priority over non-elderly one-person applicants. These latter applicants must apply under the QPS, and the PRH units allocated to them are limited by an annual quota. QPS applicants have their priority determined according to the points they accumulate under a points system, which are based on factors such as their age at the time of application, waiting time, and whether they are currently living in PRH. The target of providing the first flat offer at around three years on average does not apply to QPS applicants.

Subsidised Sale Flats (SSFs)

In addition to providing PRH units for those in pressing need, another task of the HA is to address the aspirations of low- to middle-income earners wishing to get a foot on the housing ladder. It does this through a series of schemes under which it sells SSFs to various target groups. The HA is responsible for constructing and managing the sale of many of these SSFs. The main SSF schemes currently operating are the Home Ownership Scheme, the Green Form Subsidised Home Ownership Scheme, and the White Form Secondary Market Scheme.

Home Ownership Scheme (HOS)

The HOS aims to help low- to middle-income families, including eligible PRH tenants, achieve home ownership at prices considerably lower than open market prices. The HA put up for sale in May 2019 the fifth batch of 4 871 new HOS flats, of which 603 flats have been completed in 2019/20 and the remaining 4 268 flats are scheduled for completion between 2020/21 and 2023/24. Flat selection for eligible applicants began in December 2019.



This new batch of HOS flats were priced according to the revised HOS pricing mechanism announced by the Chief Executive in June 2018, designed to make HOS flats more affordable. The pricing of HOS flats is no longer linked to market prices. Instead, the flats are priced according to the median monthly income of non-owner occupier households. The Green Form Subsidised Home Ownership Scheme and the “Starter Homes” pilot projects for Hong Kong residents are both priced according to adjusted discounts based on the preceding HOS sale exercise.

Green Form Subsidised Home Ownership Scheme (GSH)

The GSH is a scheme that offers Green Form applicants the chance to become home owners by purchasing GSH flats at a discount that is 10% greater than that determined for the preceding HOS sale exercise. Green Form applicants are mainly sitting PRH tenants and PRH applicants who have passed the detailed eligibility vetting process. The HA regularised GSH in January 2018 to provide an additional avenue by which Green Form applicants can achieve home ownership, apart from the HOS. In December 2019, a total of 3 696 flats were offered for sale under the Sale of GSH Flats 2019 exercise. These GSH flats were converted from two PRH developments, following a decision by the HA in March 2019. One is at Chai Wan Road in Chai Wan, and the other at Tsing Yi Road in Tsing Yi, and the flats there are estimated to be completed in 2022/23 and 2023/24 respectively. Eligible applicants will be able to make their flat selections starting from June 2020.



Three generations of family enjoying life in their HOS flat

White Form Secondary Market Scheme (WSM)

White Form applicants include eligible households in private housing, as well as various other categories of better-off households. The WSM allows these eligible White Form applicants to purchase SSFs with premium unpaid in the Secondary Market, and in this way it facilitates the circulation of SSFs so that our existing housing resources are better used. The latest round of this scheme, WSM 2019, was launched in May 2019 in parallel with the launch of the Sale of HOS Flats 2019. This year, following endorsement by the HA in March 2019, the annual WSM quota was raised to 3 000 from 2 500 previously.

Of the around 3 000 successful WSM 2019 applicants, around 2 600 applied for the Certificate of Eligibility to Purchase (CEP) from the HA and/or the Hong Kong Housing Society. A CEP holder can enter into a provisional agreement for sale and purchase with an owner holding a Certificate of Availability for Sale in the HOS Secondary Market. The buyer's solicitor will then apply to the HA for a Letter of Nomination to enter into an agreement for sale and purchase. Up to 31 March 2020, the HA had issued some 500 such letters.

Accelerating the Sale of Unsold Tenants Purchase Scheme (TPS) Flats

Under the TPS, sitting tenants in TPS estates can opt to purchase the rental flats in which they reside. Although no new TPS estates were launched after 2005, sitting tenants in TPS estates still have the option of purchasing their flats. As at the end of March 2020, around 22% of the TPS flats in 39 TPS estates (i.e. around 41 000 units) remained unsold.



Po Ming and Kwong Ming – HOS courts in Tseung Kwan O

In the 2019 Policy Address, the Chief Executive proposed that, to further meet PRH tenants' home ownership aspirations, the HA should make active preparations to accelerate the sale of the unsold TPS flats. Subsequently, in March 2020, the HA's Subsidised Housing Committee endorsed freezing the letting of rental flats recovered from TPS estates, with a view to putting them up for sale in the future.

Rent Policies and Rent Assistance

Low-income PRH tenants benefit from significantly subsidised rents, which also include rates, management fees, and maintenance costs. As at the end of March 2020, the average monthly rent for a PRH unit was approximately \$2,070, with the actual rents charged in different estates across Hong Kong ranging from \$443 to \$5,159 per month.

As at the end of March 2020, around 19 020 households that had been experiencing temporary difficulties in meeting their rent obligations due to financial issues had taken advantage of the HA's [Rent Assistance Scheme](#). Under this scheme, eligible tenants can be given a rent reduction of 25% or 50%, depending on factors such as their rent-to-income ratio or their income level relative to the Public Housing Income Limit. To ensure our tenants are fully aware of this important safety net, the HA advertises the Rent Assistance Scheme widely on the Housing Channel, radio, YouTube, Facebook posts, the iHousing app, our HA/Housing Department Website, and in posters, leaflets and *Estate Newsletters*. Some households are also referred for assistance under the scheme by other bodies, including non-governmental organisations, local District Councils, and [Estate Management Advisory Committees \(EMACs\)](#).



Information on the Rent Assistance Scheme is available on the HA/HD Website

“Harmonious Families” Initiatives

The HA’s four “Harmonious Families” schemes are each designed to enhance family networks, support extended family living arrangements, and encourage “ageing in place” in PRH estates. They delivered valuable kinship benefits to almost 5 000 households in 2019/20.

Harmonious Families Schemes	Number of households benefiting (approximate)
Priority Scheme	2 030
Transfer Scheme	130
Addition Scheme	2 580
Amalgamation Scheme	40

The [Harmonious Families Priority Scheme](#) is for PRH applicants. It is designed to enable young families and their elderly parents or other dependent relatives (who must have reached the age of 60) to live together in the same PRH flat in any district in Hong Kong, or to live separately in two nearby PRH flats in a non-urban district. Eligible applications enjoy a six-month period of priority processing over applications submitted by ordinary families.

The other three Harmonious Families schemes are for sitting PRH tenants, and all in different ways encourage extended families to live together or close by. Under the [Harmonious Families Transfer Scheme](#), tenants whose offspring or elderly parents are living in a PRH estate in a different District Council district can transfer to the estate where these relatives are living, or to one nearby. The Harmonious Families Addition Scheme allows elderly PRH tenants to add an adult offspring, together with his or her family members, to the tenancy³. Finally, the Harmonious Families Amalgamation Scheme caters for young families and their elderly parents (or elderly dependent relatives) living separately in two PRH units. Successful applicants can amalgamate their tenancies and move to a PRH unit in any district of their choice, subject to the availability of resources.



The Harmonious Families Priority Scheme gives priority to PRH applicants with elderly family members

Transfer Schemes to Improve Living Quality

In 2019/20, around 270 PRH households were provided with larger accommodation under two HA schemes, the annual Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme. These schemes allow PRH households with a living density of less than seven square metres of Internal Floor Area per person to apply for relocation to larger accommodation.

Tenancy Eligibility

Our priority is to ensure that families in genuine need have priority in the allocation of PRH resources. One way that we do this is by regularly checking the eligibility status of both PRH applicants and sitting tenants. In 2019/20, we checked around 250 000 individual income and asset declarations received under the [Well-off Tenants Policies](#) (WTP)⁴ and various other tenancy management policies. These checks enabled us to confirm that the sitting tenants were eligible to continue occupying a PRH unit, as well as help determine the correct level of rent to be charged.

³ Subject to the “one-line continuation” rule (i.e. a branch family cannot be added when there is already an adult offspring in the tenancy, and an adult offspring cannot be added when there is already a branch family in the tenancy); and the whole family must pass a comprehensive means test and domestic property test.

⁴ The WTP refers to the HA’s Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources.

Tenancy abuse relates to the misuse of PRH units, for example by non-occupation, unauthorised occupation, sub-letting, or using them for illegal activities. We rely on a three-pronged approach to identify and curb such cases. One involves regular estate management measures, supplemented by biennial flat inspections by estate staff to check that the flats are genuinely occupied and are not being misused. Secondly, the Public Housing Resources Management (PHRM) Sub-section investigates suspected abuse cases. Apart from carrying out checks on randomly selected cases, it also deals with referrals from frontline management and reports from members of the public. Within the PHRM Sub-section, a special sub-unit deals with enforcement actions. The PHRM Sub-section handled 6 300 occupancy-related cases and 5 800 cases involving income and assets declarations in 2019/20.

The third prong of our initiatives to fight tenancy abuse is to raise public awareness of the problem and encourage people to speak out if they become aware of cases. To this end, we ran various publicity and educational programmes throughout the year, including the Cherish Public Housing Resources Campaign 2019. The Kick-off Ceremony for the campaign was held at the HA's commercial complex, Domain, in collaboration with Radio Television Hong Kong (RTHK). The Housing Department's Deputy Director officiated at this event, which was attended by Estate Management Advisory Committee (EMAC) representatives. Elsewhere, 27 PRH estates hosted Fun Fairs that included educational games, exhibition panels, the distribution of souvenirs and balloons, and

photo-taking opportunities in photo corners featuring a model of the Housing Protector theme character. All of these aimed at promoting the importance of cherishing our public housing resources, and encouraging the reporting of suspected tenancy abuse cases. Meanwhile, a host of different advertising media and promotional channels were used to get this important message across to tenants and citizens. Five radio drama episodes on the theme “Cherish Public Housing Resources” were broadcast on RTHK Radio 2, each promoting the importance of fighting tenancy abuse. Advertisements on public transport and at bus shelters, as well as publicity posters and banners posted in estates, all made the “Cherish Public Housing Resources” message highly visible to the wider population. Specifically for our tenants, we distributed thematic report aerogrammes and calendar cards to all estate residents and supplemented the message with regular publicity through *Estate Newsletters* and video broadcasts on the Housing Channel.



Having fun at the Cherish Public Housing Resources Fun Fair



A poster encouraging the public to “Cherish Public Housing Resources”