



## Housing

**Housing Policy:** Housing policy in Hong Kong is currently formulated, co-ordinated and monitored by the Secretary for Transport and Housing. The Housing Department supports the Transport and Housing Bureau in dealing with all housing-related policies and matters.

The Government's housing policy is premised on three major guiding principles. First, the thrust of the Government's subsidised housing policy is to assist low-income families who cannot afford private rental housing through the provision of public rental housing. Second, the Government's role should primarily focus on land supply. Third, the Government should maintain a fair and stable operating environment to enable the sustained and healthy development of the private property market. The Government would ensure an adequate supply of land together with the necessary supporting infrastructure to meet market demand.

**Private Sector Housing and Consumer Protection:** The private sector has an important role to play in meeting the housing needs of the community. At the end of March 2010, private residential stock amounted to about 1.4 million units. The Government publishes on a regular basis statistics on private housing supply in the primary market to enhance market transparency.

The Estate Agents Ordinance requires individuals/companies engaging in estate agency work to obtain the required licences. **The Estate Agents Authority was set up in 1997 to handle the licensing work, regulate estate agency practices, and enhance the professionalism of the sector.**

The Government is committed to enhancing the transparency of property and transaction information on the sales of first-hand private residential properties. In the past few years, the Transport and Housing Bureau has implemented through Lands Department's Consent Scheme and the guidelines of the Real Estate Developers Association of Hong Kong to enhance the transparency of the price lists, sales brochures, show flats and transaction information. To further strengthen the regulation of the sale of first-hand residential properties, the Government set up a Steering Committee in November 2010 to discuss specific issues on regulating the sale of first-hand flats by legislation. The target of the Transport and Housing Bureau is to take forward public consultation in the form of a White Paper in order to expedite the process.

**Public Housing Providers:** **The Hong Kong Housing Authority (HKHA) is a statutory body established in 1973 responsible for implementing the majority of Hong Kong's public housing programmes. The Hong Kong Housing Society (HKHS) is an independent statutory organisation established in 1948 for providing specific categories of subsidised housing to help meet the housing needs of the community.**

**Public Rental Housing:** The provision of assistance to those in genuine housing need continues to lie at the heart of the Government's housing policy. As at March 31, 2011, about 2.1 million people (30 per cent of the population lived in public rental housing (PRH) estates. The stock was about 746 300.

The Government would continue to assist those who cannot afford adequate rental accommodation in the private market through the public rental housing programme. The objective is to keep the average waiting time at around three years. At the end of June 2011, there were about 155 600 applications on the Waiting List for the HKHA's public rental housing. The average waiting time for PRH for general applicants was about 2.2 years.

We have implemented the following measures to ensure that public rental flats are allocated to people in genuine need:

- A Waiting List is operated for the allocation of new or refurbished public rental flats to eligible applicants in accordance with the order of registration;
- Non-elderly one-person applicants are subject to a Quota and Points System, under which points will be assigned to them based on their age at the time of submitting the applications, whether they are PRH tenants and their waiting time. Priority of flat allocation is accorded to applicants receiving more points;
- To be eligible, applicants and their family members must undergo comprehensive means tests covering both income and net assets, and possess no private domestic property. At the time of allocation, at least half of the family members included in the application must have lived in Hong Kong for seven years and all family members are still living in Hong Kong.
- Public rental tenancies cannot be passed on automatically from one generation to the next. When a tenant passes away, a new authorised person (other than the surviving spouse) is subject to a comprehensive means test; and
- Long-term tenants (i.e. those who have stayed in public rental housing for 10 or more years) with income and assets exceeding prescribed limits are required to pay additional rent or vacate their flats.

It is a long-established policy of the HKHA to set PRH rent at an affordable level. As stipulated in the Housing Ordinance, the HA shall conduct a rent review every two years and adjust PRH rent according to the changes in the household income of PRH households as reflected by the rate of change of the income index. At present, PRH rent, which is inclusive of rates, management costs and maintenance expenses, ranges from \$260 to \$3,530 with an average rent of \$1,400 per month.

The income-based rent adjustment mechanism provides a more flexible framework that matches rental adjustments to changes in public rental housing household income and could better reflect tenants' affordability and

contribute to the sustainability of Hong Kong's public rental housing programme.

**Subsidised Home Ownership:** Since 1978, about 463 900 (as at June 30, 2011) subsidised flats have been sold to households of low and middle income groups at discounted prices under the Government's various subsidised home ownership schemes, including the Home Ownership Scheme (HOS), the Private Sector Participation Scheme (PSPS) and the Tenants Purchase Scheme (TPS) introduced by the HKHA, as well as the Flat-For-Sale Scheme and Sandwich Class Scheme of the HKHS. In support of the Government's housing policy, from 2003 onwards, the HKHA ceased the production and sale of HOS flats, terminated the PSPS, and ceased the sale of PRH units under the TPS. To dispose of the residual surplus HOS flats, the HKHA decided in early 2006 to put up the surplus HOS flats for sale in phases and in an orderly manner starting from 2007. A total of about 15 900 surplus flats were sold in six phases from January 2007 to June 2010 while another 1 200 flats to the HKHS were also sold through the HKHA. The sales programme for the remaining 800 plus flats is yet to be confirmed.

The Government announced in October 2010 that it would in collaboration with the HKHS introduce "My Home Purchase Plan" (MHPP) which was premised on the concept of "rent-and-buy" and will provide "no-frills" small and medium sized flats. MHPP will effectively target at households which have home purchase plans and the ability to pay mortgages in the long run but which cannot immediately afford the down payment in the face of short-term property price fluctuations, and will provide a buffer to facilitate those households to save up over a period of time for home purchase. Also, MHPP helps increase the

supply of "no-frills" small and medium sized private residential flats.

**Interim Housing:** Interim housing provides accommodation to people who are rendered homeless for one reason or another, but are not eligible for permanent public housing at the present stage.

**Housing for Elderly People:** At the end March 2011, about 485 400 people aged 60 or above live in public housing flats of the HKHA and the HKHS, representing 38 per cent of the elderly population in Hong Kong. The Government will continue to give elderly people in need priority access to public housing through various allocation schemes. The average waiting time of single elderly applicants for HKHA's PRH is about 1.1 years. The HKHS is operating the Senior Citizen Residence Scheme which provides purpose-built housing with integrated health care facilities on a "lease-for-life" basis to eligible senior citizens in the middle income group. Also, HKHS is planning for two elderly housing developments in Tin Shui Wai and North Point respectively.

**Squatters:** The number of squatters and squatter structures has been reduced in recent years through rehousing and clearance programmes. Since December 2002, the criteria for rehousing squatters upon clearance have been relaxed. Families who have resided in 1982-registered domestic squatter structures for two years prior to the date of announcement of squatter area clearance and met the prescribed eligibility criteria for public rental housing will be allotted a notional Waiting List application number with a two-year waiting time. If their application is expected to be due for allocation within 12 months, advance action will be taken to handle the application.