

LegCo Panel on Housing

Follow-up to meeting on 17 October 2000

Background

At the meeting of the LegCo Panel on Housing held on 17 October 2000, Members requested the Administration to advise on the prevailing home ownership rate. This paper provides information about the subject.

The definition of Home Ownership rate

2. Home ownership rate is defined as the proportion of owner-occupied residential units to total occupied residential units. Therefore the increase of home ownership rate relies on the growth of owner-occupied residential units.

Factors affecting home ownership rate

3. Various factors such as population growth and household splitting affect housing demand. Population growth e.g. migrants from the Mainland of China and returnees from overseas will bring about an increase in number of households. Also, splitting of existing households, for example through marriage or splitting to form nuclear families, will lead to an increase of newly formed households. Both will result in additional

households. However, whether or not housing demand arising from population growth and household splitting will be satisfied through home ownership (which increases the home ownership rate) or renting (which decreases the home ownership rate) basically depends on the choice of individual households.

Current situation

4. By the end of 1999-2000, we have achieved a HOR of 53% compared with 50% in 1997. This indicates that more households have satisfied their housing demand through owning rather than renting. Over the past three years, more than 150,000 families have bought their own homes under various housing assistance schemes. Some 50,000 of them through the Tenants Purchase Scheme. We will continue to provide opportunities through various subsidised home ownership schemes and loan schemes operated by the Housing Authority and the Housing Society to enable middle and low income families to buy their own homes in public and private sectors.

Housing Bureau

Government Secretariat

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