

Review of Income and Asset Limits for Waiting List Applicants

Additional Information requested at the meeting of the Legislative Council Panel on Housing on 1 March 2004

Waiting List Income Limits from 1998/99 to 2004/05

| Household size | WLILs for 1998/99 (\$) | WLILs for 1999/00 (\$) | WLILs for 2000/01 (\$) | WLILs for 2001/02 (\$) | WLILs for 2002/03 (\$) | Current WLILs for 2003/04 (\$) | Proposed WLILs for 2004/05 (\$) |
|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------|---------------------------------|
| 1P | 6,600 | 6,600 | 6,600 | 6,200 | 7,200 | 6,900 | 6,600 |
| 2P | 11,900 | 11,900 | 11,900 | 11,000 | 10,800 | 10,400 | 10,000 |
| 3P | 14,800 | 14,800 | 14,800 | 13,700 | 12,500 | 12,200 | 11,700 |
| 4P | 17,700 | 17,700 | 17,700 | 16,400 | 14,800 | 14,600 | 14,000 |
| 5P | 19,200 | 19,200 | 19,200 | 17,800 | 17,100 | 16,500 | 15,800 |
| 6P | 20,700 | 20,700 | 20,700 | 19,200 | 18,900 | 18,100 | 17,300 |
| 7P | 23,500 | 23,500 | 23,500 | 21,800 | 20,400 | 19,600 | 18,700 |
| 8P | 26,200 | 26,200 | 26,200 | 24,300 | 21,600 | 20,700 | 19,800 |
| 9P | 28,700 | 28,700 | 28,700 | 26,600 | 23,400 | 22,300 | 21,300 |
| 10P+ | 30,700 | 30,700 | 30,700 | 28,400 | 25,000 | 23,600 | 22,600 |

Waiting List Asset Limits from 1998/99 to 2004/05

| Household size | WLALs for 1998/99 (\$) | WLALs for 1999/00 (\$) | WLALs for 2000/01 (\$) | WLALs for 2001/02 (\$) | WLALs for 2002/03 (\$) | Current WLALs for 2003/04 (\$) | Proposed WLALs for 2004/05 (\$) |
|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------|---------------------------------|
| 1P | 220,000 | 220,000 | 220,000 | 210,000 | 190,000 | 180,000 | 170,000 |
| 2P | 330,000 | 330,000 | 330,000 | 310,000 | 260,000 | 250,000 | 230,000 |
| 3P | 390,000 | 390,000 | 390,000 | 360,000 | 330,000 | 330,000 | 300,000 |
| 4P | 470,000 | 470,000 | 470,000 | 440,000 | 380,000 | 380,000 | 350,000 |
| 5P | 530,000 | 530,000 | 530,000 | 500,000 | 450,000 | 430,000 | 390,000 |
| 6P | 600,000 | 600,000 | 600,000 | 560,000 | 500,000 | 470,000 | 420,000 |
| 7P | 660,000 | 660,000 | 660,000 | 610,000 | 540,000 | 510,000 | 450,000 |
| 8P | 700,000 | 700,000 | 700,000 | 630,000 | 560,000 | 520,000 | 470,000 |
| 9P | 700,000 | 700,000 | 700,000 | 660,000 | 620,000 | 570,000 | 520,000 |
| 10P+ | 700,000 | 700,000 | 700,000 | 680,000 | 680,000 | 610,000 | 560,000 |

Medium Rent to Income Ratio (MRIR) for Housing Authority Public Rental Housing (excl. Interim Housing)

| Year /Qtr | MRIR (%)[@] |
|----------------------|-----------------------------|
| 1998Q1 | 8.8 |
| 1998Q2 | 8.9 |
| 1998Q3 | 9.3 |
| 1998Q4* | 8.6 |
| 1999 Q1* | 9.4 |
| 1999 Q2 | 9.8 |
| 1999 Q3 | 9.6 |
| 1999 Q4 | 10.0 |
| 2000 Q1 | 9.9 |
| 2000 Q2 | 10.2 |
| 2000 Q3 | 10.2 |
| 2000 Q4 | 10.3 |
| 2001 Q1 | 10.4 |
| 2001 Q2 | 10.7 |
| 2001 Q3 | 11.5 |
| 2001 Q4 [#] | 7.6 |
| 2002 Q1* | 11.2 |
| 2002 Q2* | 11.7 |
| 2002 Q3* | 12.0 |
| 2002 Q4* | 12.1 |
| 2003 Q1 | 13.8 |
| 2003 Q2 | 14.2 |

Notes:

[@] Apart from changes in tenants' income, the upsurge in the MRIR was also spurred by a host of complicated and interwoven factors including-

- (a) an increased supply of large flats leading to a continuing increase in tenants' living space;
- (b) the replacement of old estates by new ones;
- (c) an upsurge in the number of CSSA recipients in PRH; and
- (d) an increase in the proportion of small and elderly households in PRH.

[#] The figure has reflected the rent waiver for public rental housing units for December 2001.

* The figures have reflected the rates rebates taken place during the respective periods.

No. of Households Eligible for Public Rental Housing since 93/94^(Note 1)

| Year | 93/94 | 94/95 | 95/96 | 96/97 | 97/98 | 98/99 | 99/00 ^(Note 2) | 00/01 ^(Note 2) | 01/02 ^(Note 3) | 02/03 ^(Note 4) | Average from 93/94 to 02/03 | Under current WLILs for 03/04 | Under proposed WLILs for 04/05 |
|---|--------|--------|---------|--------|---------|---------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------------------|-------------------------------|--------------------------------|
| No. of households eligible for Public Rental Housing | 90,600 | 92,700 | 104,300 | 97,400 | 106,400 | 126,700 | 131,900 | 124,000 | 129,600 | 141,500 | 114,500 | 129,300 | 123,100 |
| As a % of total no. of non-owner occupier households in private sector in HK | 30.9% | 30.0% | 31.7% | 29.5% | 30.6% | 33.7% | 36.5% | 36.4% | 34.5% | 38.2% | 33.4% | 36.9% | 35.2% |

(Note 1) Figures for the year 93/94 to 02/03 refer to 3Q of the corresponding calendar years. Taking 93/94 as an example, the income data of the non-owner occupier households in private sector as at 3Q1993 have been referred to. Data as at 4Q2003 have been referred to for the years 2003/04 (under the current WLILs) and 2004/05 (under the proposed WLILs).

(Note 2) Despite that rental levels and the consumer price index were adjusting downwards, the Housing Authority decided to freeze the income and asset limits at the 1998/99 levels and hence the limits and the corresponding no. of households eligible for Public Rental Housing were kept at a high level.

(Note 3) The limits for 01/02 were only reduced by half of the amount warranted under the then prevailing review mechanism.

(Note 4) The comprehensive review of the mechanism in 02/03 has resulted in the adoption of a series of measures to relax and rationalize the formula for calculating the Waiting List income and asset limits and thereby resulting in a greater number of households eligible for PRH.