香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局(房屋)

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29 April 2004

Miss Odelia Leung Clerk to Panel on Housing Legislative Council Legislative Council Building 8 Jackson Road Central Hong Kong

Dear Miss Leung,

Legislative Council Panel on Housing Follow-up to Special meeting on 8 March 2004

Thank you for your letter of 9 March 2004 relaying the motion passed by the Legislative Council Panel on Housing on 8 March 2004 concerning the review of the Waiting List (WL) income and asset limits for public rental housing (PRH) applicants.

We duly conveyed the motion to Members of the Subsidized Housing Committee (SHC) of the Housing Authority (HA) for consideration at its meeting held on 11 March 2004. Having carefully considered the views of the Panel and those expressed by various quarters in the community, the SHC decided, in accordance with the established mechanism, to reduce the existing WL income and asset limits by an average of 4.3% and 8.9% respectively. The new limits, which have taken effect on 1 April 2004, are at **Annex**.

In making the decision, the SHC took into account the following considerations -

- (a) it has been a long established practice of the HA to review the WL income and asset limits annually. The objective is to ensure that the limits reflect the prevailing economic and social conditions and that only those in genuine need are eligible for PRH;
- (b) following a comprehensive review in 2002, the HA decided to adopt a series of measures to relax and improve the mechanism and formula for assessing the WL income and asset limits. Among the improvement measures is the adoption of a tighter discipline in following strictly the outcome of the review based on the agreed formula;
- (c) an incremental approach in adjusting the limits would cause the least inconvenience and disturbance to the existing and prospective WL applicants. Freezing the limits this year would render it even more difficult and controversial to implement any adjustment in the next year should the gap between the existing limits and those warranted under the formula become widened;
- (d) following the reduction in the WL income limits, it is estimated that some 123,100 households, or 35.2% of the total number of private sector non-owner occupiers in Hong Kong, would still remain eligible for PRH. This is higher than the 10-year average of 114,500 households, or 33.4% of total, between 1993/94 and 2002/03; and
- (e) to minimize any adverse impact on the existing WL applicants, WL applicants who have gone through the vetting stage by 31 March 2004 would be exempt from the application of the reduced WL income and asset limits. Amongst the 90,200 applicants on the WL as at end February, some 30,100 households, or 33.4% of the total, have already gone through the vetting stage and thus would not be affected by the adjustments. In addition, those WL applicants who fail in the income / asset tests but subsequently become qualified under the prevailing eligibility rules as a result of income / asset limits revisions or substantiated changes in family circumstances could reinstate their original applications within two years.

Nevertheless, the SHC has agreed to re-visit the formula for deriving the WL income and asset limits before next year's review.

I should be grateful if you would convey the above to Members of the Panel.

Yours sincerely

(Carlson K.S. CHAN) for Secretary for Housing, Planning and Lands

Household Size	Income Limit		Asset Limit
1-Person	\$6,600	(\$6,947)	\$170,000
2-Person	\$10,000	(\$10,526)	\$230,000
3-Person	\$11,700	(\$12,316)	\$300,000
4-Person	\$14,000	(\$14,737)	\$350,000
5-Person	\$15,800	(\$16,632)	\$390,000
6-Person	\$17,300	(\$18,211)	\$420,000
7-Person	\$18,700	(\$19,684)	\$450,000
8-Person	\$19,800	(\$20,842)	\$470,000
9-Person	\$21,300	(\$22,421)	\$520,000
10-Person and above	\$22,600	(\$23,789)	\$560,000

) denotes the effective income limits should a household be contributing 5% of its income under the Mandatory Provident Fund (MPF) Scheme as required by the law.