

**Bills Committee on
Housing (Amendment) Bill 2007**

Eighth meeting on 10 May 2007

List of follow-up actions arising from the discussion at the meeting

Rent level cap

1. Deputations and members consider that the existing 10% median rent-to-income ratio (MRIR) cap is a statutory safeguard for public rental housing (PRH) tenants against excessive rent increases by the Housing Authority (HA). In particular, the cap is a statutory safeguard for the low-income tenants ensuring that the rents they pay are within their affordability. As the Bill seeks to remove this cap, deputations and members consider it imperative to introduce a rent level cap under the proposed rent adjustment mechanism. In connection with the proposals put forward by members at the meeting held on 17 April 2007 (item 1 of LC Paper No. CB(1)1508/06-07(01)), the Administration is requested to consider the following views/proposals:
 - (a) To introduce a rent level cap for all PRH tenants in law so that HA could not increase rents for those PRH tenants whose rents, after rent adjustment, have exceeded a certain percentage of their income. The level of the cap could be further discussed; and
 - (b) To improve the Rent Assistance Scheme by relaxing the eligibility criteria and requirements so that tenants with genuine needs could benefit from the Scheme.

Council Business Division 1
Legislative Council Secretariat
11 May 2007