

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

Tenth meeting on 25 May 2007

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

Provision of a rent increase cap or a rent level cap in the Bill

Members are gravely concerned that the Administration has not taken on board members' suggestions to provide a statutory rent increase cap or a rent-to-income ratio cap under the new adjustment mechanism for public rental housing (PRH) rent (LC Paper Nos. CB(1)1508/06-07(01) and 1580/06-07(01)). In this connection, the Administration is requested to re-consider the following views/suggestions and provide written responses:

- (a) Stipulating a cap in the Bill restricting both the rate of rent increase or decrease. There are suggestions for setting the cap –
 - (i) at a reasonable level, say 10%, of the changes in the proposed income index; and
 - (ii) with reference to the rate of adjustments in PRH rents in the past;
- (b) Collecting data on monthly household income of the poorest 30% to 50% PRH tenants for the purpose of computing the proposed income index; and
- (c) Prescribing the details of the Rent Assistance Scheme in the Bill.

Council Business Division 1
Legislative Council Secretariat
25 May 2007