

For information

## **Legislative Council Panel on Housing**

### **Rent Payment for Public Housing Tenants**

#### **Purpose**

This paper sets out the Government's proposal to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS).

#### **Background**

2. The Financial Secretary (FS) announced on 26 May 2009 a new round of relief measures. The proposed two-month rent payment for households living in the rental units of the HA and the HS is one of the relief measures to be introduced.

#### **Proposal**

3. Given the impact of the economic downturn, the FS has proposed that the rent payment proposal should cover all households in public rental estates. The Government will pay two months' rent in full for tenants/licencees<sup>1</sup> of HA paying normal rent, tenants of HS Group A estates and tenants of Elderly Persons' Flats in HS Group B estates. Under the proposal, HA tenants/licencees paying additional rent<sup>2</sup> and non-Elderly Persons' Flats tenants of HS Group B estates<sup>3</sup> will also be covered. To ensure the rational allocation of public housing resources, for HA

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<sup>1</sup> Licencees include mainly those households living in HA interim housing. HA interim housing is transit accommodation offered to people who are deprived of their living accommodation as a result of occurrence of natural disasters, Government clearance operations or enforcement actions, and are not immediately eligible for public rental housing. Households paying market rent under the Policy of Safeguarding Rational Allocation of Public Housing Resources are also regarded as licencees of HA.

<sup>2</sup> Under the Housing Subsidy Policy and the Policy of Safeguarding Rational Allocation of Public Housing Resources, the concerned households are required to pay additional rent if their household income exceeds two times the relevant Waiting List Income Limits at the time of income declaration.

<sup>3</sup> These estates target families of relatively higher income as compared to HS Group A estates and HA estates.

tenants/licencees paying additional rent, the Government will pay on their behalf the portion of their net rent for two months. Similarly, for non-Elderly Persons' Flats tenants of HS Group B estates, the Government will pay on their behalf two-thirds of their net rent for two months.

4. We estimate that about 702 000 households, which include about 670 000 HA rent paying tenants/licencees and about 32 000 tenants of HS Group A and Group B estates, will benefit from the proposal.

### **Financial implication**

5. The estimated financial implication for implementing the rent payment proposal is \$1,800 million. About \$1,714 million and \$86 million will be paid to the HA and HS respectively.

### **Implementation**

6. As the proposal is administrative in nature, no legislative amendment is required. We will seek the necessary funding approval from the Finance Committee (FC) of the Legislative Council on 19 June 2009. Subject to the FC's approval, and taking into account the time needed for preparatory work, including computer system adjustment, verification of tenancy records and adjustment of auto payment with banks, etc., it is expected that HA tenants/licencees and HS tenants will not be required to pay all or part of the rent/licence fees for the months of August and September 2009.

**Transport and Housing Bureau**  
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