

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. To help ease the pressure of inflation on people, the Financial Secretary (FS) proposed in his Budget Speech for 2011-12 a series of measures, including paying two months' rent for households living in the rental units of the HA and the HS.

Proposal

3. The FS has proposed that the Government pay two months' rent in full for tenants/licencees¹ 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 rent² and non-Elderly Persons' Flats tenants of HS Group B estates³ will also be covered. To ensure the rational allocation of public housing resources, for HA tenants/licencees paying additional rent, the Government will pay on their behalf a portion of their net rent⁴ 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.

¹ 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 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.

² Under the Housing Subsidy Policy and the Policy of Safeguarding Rational Allocation of Public Housing Resources, the concerned households are required to pay at least 1.5 times net rent plus rates if their household income exceeds two times or more the relevant Waiting List Income Limits at the time of income declaration.

³ These estates target families of relatively higher income as compared to HS Group A estates.

⁴ "Net rent" refers to rent exclusive of rates.

4. We estimate that about 720 000 households, which include about 690 000 HA 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 \$1,900 million. About \$1,810 million and \$90 million will be paid to the HA and the HS respectively.

Implementation

6. As the proposal is administrative in nature, no legislative amendment is required. After consulting the Legislative Council (LegCo) Panel on Housing, we will seek the necessary funding approval from the Finance Committee (FC) of the LegCo. 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 2011.

Transport and Housing Bureau
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