

Panel on Housing Subcommittee on the Long Term Housing Strategy



The Housing Authority's “Well-off Tenants Policies”

The “Well-off Tenants Policies”

- HA’s Housing Subsidy Policy (HSP) and the Policy on Safeguarding Rational Allocation of Public Housing Resources (SRA) are commonly referred to as the “Well-off Tenants Policies”.

HSP

- Households living in public rental housing (PRH) for ten years are required to declare their household income, and thereafter biennially.
- Those with a household income exceeding the corresponding Subsidy Income Limits have to pay additional rent:
 - (a) those with household income equivalent to two to three times of the Waiting List Income Limits (WLILs) are required to pay 1.5 times net rent plus rates; and
 - (b) those with household income exceeding three times of the WLILs are required to pay double net rent plus rates.

The “Well-off Tenants Policies”

SRA

- Households paying double net rent plus rates under the HSP have to declare assets biennially.
- Those with total household income and net assets value both exceeding the prescribed Income and Net Assets Limits are required to vacate their PRH flats.
- The current Net Assets Limits are set at 84 times of the 2013-14 WLILs.
- The WLILs are reviewed annually by the Housing Authority (HA).

Latest position

- As at end-December 2012, among the total of 709 200 PRH households under HA, 19 300 were paying 1.5 times rent, 2 600 were paying double rent, and 30 were paying market rent, accounting for a total of 3% of the total PRH households under HA.

Considerations of the Long Term Housing Strategy Steering Committee

- The Long Term Housing Strategy (LTHS) Steering Committee noted that there were divergent views on the “Well-off Tenants Policies” in the community. On the one hand, some call for scrapping of the “Well-off Tenants Policies” on grounds that –
 - (a) the “Well-off Tenants Policies” may induce members of PRH households to split from their existing households in order to maintain the family’s PRH tenancy without paying additional rent; and
 - (b) tightening up the “Well-off Tenants Policies” may further drive tenants to the private housing market, hence creating additional demand for private rental housing.

Considerations of the LTHS Steering Committee

- On the other hand, in view of the long waiting list (WL) and the increasing average waiting time, many people in the community consider it necessary to maintain the “Well-off Tenants Policies”, or even tighten up the Policies.
- For example, there are views that we should examine whether better-off tenants should move out of PRH only when both their income and asset levels exceed the limits, or when either their income or asset level exceeds the respective limits.
- There are also views that some of the existing arrangements, such as the initial income declaration period and the subsequent income and asset declaration period, may need to be reviewed.

Considerations of the LTHS Steering Committee

- The LTHS Steering Committee has taken note of these divergent views and accepted that there are arguments both for and against the “Well-off Tenants Policies”. Members feel that HA should consider how the Policies may be updated.

For Information

- Members are invited to note HA's "Well-off Tenants Policies" and the discussion of the LTHS Steering Committee on the matter.
- The public consultation document on LTHS will further invite public's views on "Well-off Tenants Policies".
- The views will be passed to HA, which will make the final decision on any changes to the "Well-off Tenants Policies".