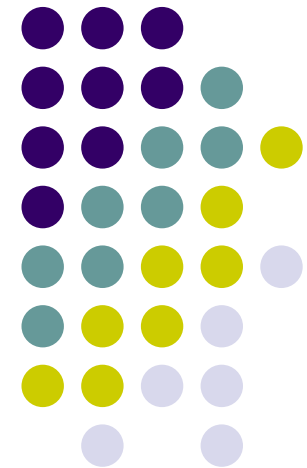


Analysis of Housing Situation of Waiting List Applicants as at end-June 2013

Legislative Council
Panel on Housing
4 November 2013





Background

- It is the Government's policy objective to provide public rental housing (PRH) to low-income families who cannot afford private rental accommodation. Towards this end, the Hong Kong Housing Authority (HA) maintains a Waiting List (WL) of PRH applicants
- The HA's target is to maintain the Average Waiting Time (AWT) at around three years for general applicants. The AWT target of around three years is not applicable to non-elderly one-person applicants under the Quota and Points System (QPS)



Overall Situation

- As at end-June 2013, there were about 118 700 general applications on the WL for PRH, and about 115 600 non-elderly one-person applications under the QPS

	As at end-June 2011	As at end-June 2012	As at end-June 2013
Number of general applications (% increase over previous year)	89 000	106 100 (+19%)	118 700 (+12%)
Number of non-elderly one-person applications under the QPS (% increase over previous year)	66 600	93 500 (+40%)	115 600 (+24%)

- The AWT target of around three years is only applicable to the 118 700 general applicants

Methodology in deriving the AWT



- Waiting time refers to the time taken between registration on the WL and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc)
- **The AWT for general applicants refers to the average of the waiting time of general applicants housed to PRH in the past 12 months**
- This established methodology forms the basis for formulating and maintaining the target of keeping the AWT for general applicants at around three years

Methodology in deriving the AWT (Cont'd)



- It should be noted that some applicants on the WL might have their cases cancelled for different reasons (e.g. failure to meet income eligibility requirements at the detailed vetting stage, failure to attend interviews, etc)
- Strictly speaking, the applicant is ineligible during the period from cancellation to reinstatement of application, and hence the period concerned should be excluded in calculating the waiting time
- However, due to limitations in the computer system, the HA has not been able to exclude such periods from the calculation of AWT



The AWT

- As at end-June 2013, the AWT for general applicants was 2.7 years. For elderly one-person applicants, the AWT was 1.5 years

	As at end-June 2011	As at end-June 2012	As at end-June 2013
AWT for general applicants	2.2 years	2.7 years	2.7 years
AWT for elderly one-person applicants	1.1 years	1.4 years	1.5 years

- While the HA is still able to maintain the AWT within target, it is increasingly challenging for the HA to attain the target given the increasing number of WL applicants



The AWT (Cont'd)

- The AWT only shows the average of the waiting time of general applicants housed to PRH in the past 12 months
- The HA cannot predict the waiting time of applicants in future, which are affected by a variety of factors such as the number of PRH applicants, the number of units recovered from the PRH tenants which can be used for allocation to WL applicants, the district choices of the WL applicants, etc
- However, the increasing number of WL applicants is putting immense pressure on the AWT, especially as the number of new PRH flats to be produced in the next few years is more or less fixed



Waiting Time of Applicants

- As the AWT is an **average** figure of waiting time for all housed general applicants in the past 12 months, this means that there will inevitably be applicants whose waiting times exceed three years. To examine the distribution of waiting time in detail, the HA has conducted an analysis on two different groups of applicants, namely –
 - (a) the 14 300 general applicants housed between July 2012 and June 2013; and
 - (b) the 118 700 general applicants still on the WL as at end-June 2013



Waiting Time of Applicants (Cont'd)

- It has to be stressed that the established methodology for calculating AWT is an objective and fair basis on which to assess the waiting time of general applicants –
 - analysis for item (a) above provides information complementary to AWT as at end-June 2013
 - analysis for item (b) focuses on general applicants still on the WL as at end-June 2013 who have yet to receive the first offer three years after registration



Waiting Time of Applicants (Cont'd)

- Key results of the analysis are as follows –
 - (a) for general applicants housed during the period under study, 56% of them received their first offer within three years. This is in line with the AWT of 2.7 years for housed general applicants as at end-June 2013
 - (b) for general applicants still on the WL as at end-June 2013, 16% have waiting time of three years or above and have not yet received any offer. About half (45%) of these applicants have already reached the detailed investigation stage and would be given an offer soon if they are eligible



Applicants housed

- Between July 2012 and June 2013, 14 300 general applicants accepted flat offers and were housed. The distribution of their waiting time by district choice is shown in the table below –

Waiting Time	Urban	Extended Urban	New Territories	Islands	Overall
Less than 1 year	660	290	520	<5	1 500
1 - <2 years	2 700	840	590	20	4 200
2 - <3 years	1 300	500	470	30	2 300
3 – <4 years	1 700	1 300	450	10	3 400
4 –<5 years	1 100	820	130	<5	2 000
5 years or above	510	360	40	0	900
Overall	8 000	4 100	2 200	60	14 300



Applicants housed (Cont'd)

- Among the 14 300 housed general applicants between July 2012 and June 2013 –
 - 40% received their first offer within 2 years
 - 56% received their first offer within 3 years
- This is consistent with the AWT of 2.7 years for housed general applicants as at end-June 2013

Applicants housed (Cont'd)

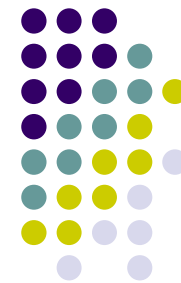


- Of the 6 300 housed general applicants who received their first offer at or after three years –
 - about 52% opted for flats in the Urban District, whereas 39% opted for flats in the Extended Urban District
 - about 54% received the first offer at around 3 to 4 years, and about 32% received the first offer at around 4 to 5 years
 - about 68% were two-person and three-person households opting for flats in the Urban and the Extended Urban Districts



Applicants housed (Cont'd)

- Regarding the 900 housed general applicants with waiting time of five years or above, the HA has conducted a special exercise to go through the relevant records manually to find out the major reasons for the long waiting time
- The HA's findings show that many of these cases involve special circumstances of various kinds, including –
 - change of district choice (55%)
 - change of household particulars(43%)
 - refusal to accept housing offer(s) with reasons (40%)
 - applications cancelled (20%)
 - location preference on social/medical grounds (11%)
 - QPS cases housed through the Express Flat Allocation Scheme (EFAS) (8%)



Applicants on the WL

- Among the 118 700 general applicants on the WL, there were about 16% (i.e. about 19 200 applicants) with a waiting time of three years or above and without any flat offer as at end-June 2013
- As these applicants have yet to receive any flat offer, the waiting time is counted from the date of registration to end-June 2013, excluding frozen period



Applicants on the WL (Cont'd)

Distribution of waiting time of general applicants on the WL
as at end-June 2013 with waiting time
at or above three years and without any flat offer

Waiting Time	Urban	Extended Urban	New Territories	Islands	Overall
3-<4 years	6 600	2 100	2 000	<5	10 800
4 -<5 years	4 800	1 300	200	<5	6 300
5 years or above	1 800	340	20	<5	2 100
Total	13 200	3 700	2 300	10	19 200

Applicants on the WL (Cont'd)



- Among the 19 200 general applicants on the WL with waiting time of three years or above and without any flat offer –
 - about half of them (8 700 cases) have already reached the investigation stage. For applicants reaching investigation stage, detailed vetting would be arranged soon with allocation of units to follow for those found eligible
 - as regards the remaining 10 500 cases which have not reached the investigation stage, they mainly opt for flats in the Urban and the Extended Urban Districts

Applicants on the WL (Cont'd)



- Among the 19 200 general applicants on the WL with waiting time of three years or above and without any flat offer —
 - 69% opted for flats in the Urban District, and 19% opted for flats in the Extended Urban District
 - 56% had waiting time of around 3 to 4 years, and 33% had waiting time around 4 to 5 years
 - about 70% are three and four person households opting for flats in the Urban and the Extended Urban Districts

Applicants on the WL (cont'd)



- The HA has carried out a special exercise to study the 2 100 cases on the WL with a waiting time of five years or above and without any flat offer as at end-June 2013
- Results show that many of these cases involve special circumstances of various kinds-
 - change of household particulars (33%)
 - refusal to accept housing offer(s) with reasons (13%)
 - other circumstances such as cancellation periods, location preference on social/medical grounds and applications for Green Form Certificate for purchasing Home Ownership Scheme units (8%)



Frozen Time

- As at end-June 2013, among the 118 700 general applications on the WL, some 5 830 (5%) applications were frozen

Reason	Frozen cases
Residence Requirement	5 590
Request by applicant (e.g. pending provision of divorce document)	130
Institutional Care (e.g. imprisonment)	60
In relation to misdeed in previous PRH tenancy (e.g. rent in arrears and marking scheme)	60
Total	5 830



Frozen Time (Cont'd)

- For these cases, applicants are allowed to remain on the WL even though their applications are frozen. This would allow them to be registered earlier and hence have higher priority in the queue, although they have not yet fulfilled all criteria for flat allocation
- The applicants are likely to perceive the frozen time as part of their waiting time, while in reality they are not qualified for allocation of PRH units or they have requested to withhold processing their application during that period

Overall Observations on the Waiting Time of Applicants



- For applicants already housed, most of those with longer waiting times are two or three persons households opting for the Urban or the Extended Urban Districts
- Similarly, for applicants still on the WL, most of those with longer waiting times are three or four persons households opting for the Urban or the Extended Urban Districts
- Those with particularly long waiting times often involve special circumstances such as cancellation periods (during which they are ineligible for housing), change of household particulars, etc

Overall Observations on the Waiting Time of Applicants (Cont'd)



- It is noteworthy that for the 14 300 general applicants housed during the period under study, 44% of them (i.e. about 6 300 applicants) received their first offer at or after three years
- There were also about 19 200 general applicants still on the WL with a waiting time of three years or above and without any flat offer as at end-June 2013
- These analysis results show the difficulties for the HA to maintain the AWT target of around three years for general applicants



Supply of Flats

- The HA will strive to address the demand for PRH flats through new production and recovery of PRH flats
- Based on the HA's experience, there is a net gain of an average of about 7 000 flats recovered from surrender of flats by sitting tenants as well as enforcement actions against abuse of PRH resources, which could be made available for allocation to WL applicants every year



New Production

- According to the Public Housing Construction Programme as at June 2013, the forecast public housing production from 2013/14 to 2017/18 is summarized in the table below –

District	Expected number of units and year of completion				
	2013/14	2014/15	2015/16	2016/17	2017/18
Urban	9 700	3 900	9 800	10 500	9 100
Extended Urban	4 400	3 000	8 100	3 600	6 900
New Territories	-	5 800	2 600	4 700	-
Total	14 100	12 700	20 500	18 800	16 000



New Production (Cont'd)

- Among the new production from 2013/14 to 2016/17, about 19% would be one/two-person units, 25% would be two/three-person units, 39% would be one-bedroom units (for three to four persons) and 16% would be two-bedroom units (for four persons or above)
- The new supply should help meet the demand for PRH in the Urban and the Extended Urban Districts and for two to four persons households



Recovered PRH Flats

- The HA will continue its efforts on tackling the under-occupied households and combating abuse of PRH to increase the supply of recovered flats for re-allocation to those in greater need.

Way Forward



- The HA will continue to keep in view the number of applications on the WL and uphold the target of maintaining the AWT at around three years for general applicants on the WL
- Despite our efforts, the increasing number of WL applicants would eventually put pressure on the AWT, especially when the supply of new PRH flats in the coming few years is almost fixed
- In this connection, the HA will step up its efforts against abuse of PRH resources to recover flats for re-allocation to those in greater need
- The Government will also work with the HA to identify more land for building PRH flats. To meet the WL demand, the community as a whole would also need to work together and make hard choices so as to maximize the use of sites to increase the PRH production