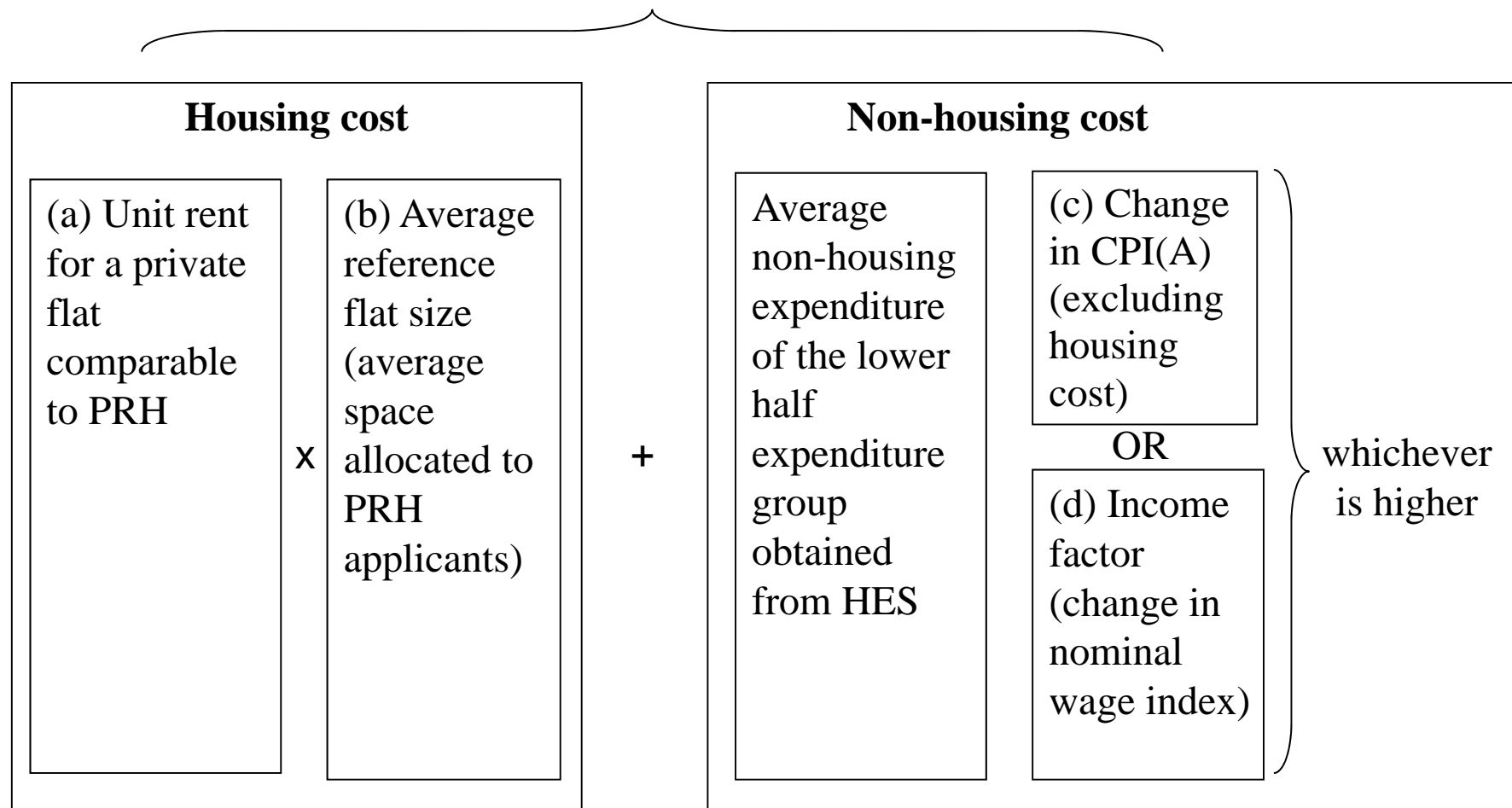




Review of Income and Asset Limits for Public Rental Housing (PRH) for 2015/16

I. Mechanism for the Review of PRH Income Limits

$$\text{PRH Income Limits} = \text{Household Expenditure} + \text{Contingency (5\% of Household Expenditure)}$$



Key Parameters

	Review for 2014/15	Review for 2015/16
	<u>4Q 2013</u>	<u>4Q 2014</u>
(a) Differential unit rents of private flats (per m ² Internal Floor Area)		
- 1-person	\$272	\$294
- 2-person	\$251	\$285
- Overall	\$248	\$269
	<u>2010/11 – 2012/13</u>	<u>2011/12 – 2013/14</u>
(b) Reference flat size (average space allocated to PRH applicants in the past three years)		
- 1-person	15.3m ²	14.8m ²
- 2-person	22.4m ²	22.3m ²
- 3-person	29.9m ²	30.0m ²
- 4-person	36.3m ²	35.9m ²
	<u>4Q 2013</u>	<u>4Q 2014</u>
(c) Change in CPI(A) (excluding housing cost) as compared with the same quarter of previous year	+3.9%	+4.5%
	<u>3Q 2013</u>	<u>3Q 2014</u>
(d) Change in nominal wage index as compared with the same quarter of previous year	+4.8%	+4.0%



Proposed PRH Income Limits for 2015/16

	Existing PRH income limits for 2014/15 *	Proposed PRH income limits for 2015/16 *
- 1-person	\$9,670	\$10,100
- 2-person	\$14,970	\$16,140
- 3-person	\$19,820	\$21,050
- 4-person	\$23,910	\$25,250

(Overall: +5.8%)

* Statutory contributions under the Mandatory Provident Fund Scheme are deductible from a household's income when it applies for PRH



II. Mechanism for the Review of PRH Asset Limits

- Under the established mechanism, the PRH asset limits are adjusted with reference to the movements in CPI(A)

	Review for 2014/15	Review for 2015/16
	<u>4Q 2013</u>	<u>4Q 2014</u>
Change in CPI(A) as compared with the same quarter of previous year	+4.4%	+7.0%



Proposed PRH Asset Limits for 2015/16

	Existing PRH asset limits for 2014/15	Proposed PRH asset limits for 2015/16
- 1-person	\$221,000	\$236,000
- 2-person	\$299,000	\$320,000
- 3-person	\$390,000	\$417,000
- 4-person	\$455,000	\$487,000

(Overall: +7.0%)