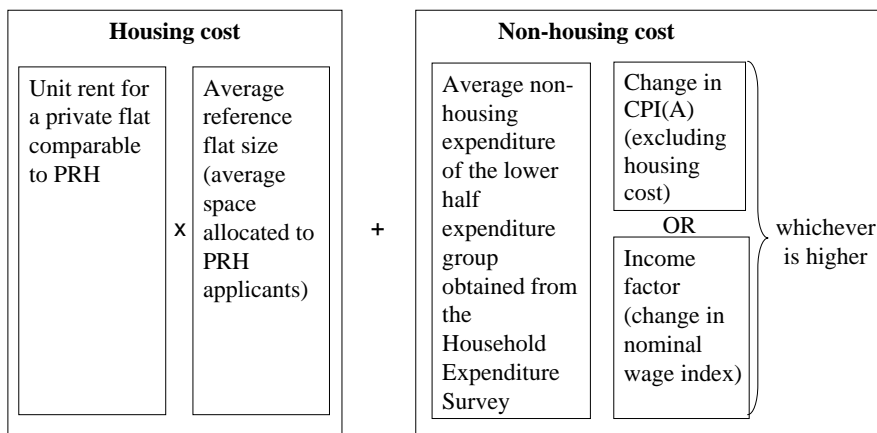


Review of the Income and Asset Limits for Public Rental Housing (PRH) for 2016/17

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 2015/16	Review for 2016/17
	<u>4Q 2014</u>	<u>4Q 2015</u>
(a) Differential unit rents of private flats (per m ² Internal Floor Area)		
- 1-person	\$294	\$332
- 2-person	\$285	\$297
- Overall	\$269	\$297
	<u>2011/12 – 2013/14</u>	<u>2012/13 – 2014/15</u>
(b) Reference flat size (average space allocated to PRH applicants in the past three years)		
- 1-person	14.8m ²	14.9m ²
- 2-person	22.3m ²	22.4m ²
- 3-person	30.0m ²	29.7m ²
- 4-person	35.9m ²	35.0m ²
	<u>4Q 2014</u>	<u>4Q 2015</u>
(c) Change in CPI(A) (excluding housing cost) as compared with the same quarter of previous year	+4.5%	+2.1%
	<u>3Q 2014</u>	<u>3Q 2015</u>
(d) Change in nominal wage index as compared with the same quarter of previous year	+4.0%	+4.4%

3

Proposed PRH Income Limits for 2016/17

	Existing PRH income limits for 2015/16 *	Proposed PRH income limits for 2016/17 *
- 1-person	\$10,100	\$10,970
- 2-person	\$16,140	\$16,870
- 3-person	\$21,050	\$22,390
- 4-person	\$25,250	\$26,690

(Overall: +8.9%)

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

4

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 2015/16	Review for 2016/17
	<u>4Q 2014</u>	<u>4Q 2015</u>
Change in CPI(A) as compared with the same quarter of previous year	+7.0%	+2.7%

5

Proposed PRH Asset Limits for 2016/17

	Existing PRH asset limits for 2015/16	Proposed PRH asset limits for 2016/17
- 1-person	\$236,000	\$242,000
- 2-person	\$320,000	\$329,000
- 3-person	\$417,000	\$428,000
- 4-person	\$487,000	\$500,000
		(Overall: +2.7%)

6