

Information Paper for the LegCo Panel on Housing

Results of 1999 Survey of Housing Aspirations of Households

PURPOSE

This paper informs Members of the key findings of the 1999 Survey of Housing Aspirations of Households.

BACKGROUND

2. The previous Survey of Housing Aspirations of Households was conducted in 1996, for the purpose of collecting statistical data for confirming the assumptions used in the housing demand model for compiling housing demand projections¹. The operation of the housing demand model and results of the housing demand assessment for the period 1997-98 to 2006-07 were presented to Members at the meeting of the Provisional Legislative Council Panel on Housing on 23 February 1998.

3. In order to update the assumptions and data used in the housing demand model, a new Survey of Housing Aspirations of Households was conducted in 1999. The findings of the survey will be one of the parameters used to re-run the model for compiling housing demand projections for the period 1999-2000 to 2008-09. An executive summary of the findings is at *Annex* for Members' reference.

4. The survey covered all land-based households in Hong Kong. A total of 12,384 households were successfully interviewed, giving a response rate of 77%. To ensure that the survey covered a full range of household composition and income, systematic samples were taken by the Census and Statistics Department.

¹ Housing demand projections are derived from the housing demand model, which takes account of the latest statistics, assumptions, and Government policies and programmes.

KEY FINDINGS

Housing aspirations of all households

5. Of households asked in the survey about their housing aspirations, about 60% preferred living in private flats, 25% public rental flats, 10% Home Ownership Scheme (HOS) flats², and 5% Tenant Purchase Scheme (TPS) flats. The average acceptable flat size and comfortable flat size were 50 m² and 65 m² respectively.

6. About 30% of households intended to move out of their present accommodation within the next ten years. Most (96%) would require other accommodation³. The average acceptable flat size was 52 m².

7. Of those households intending to move, 67% preferred buying a flat. Of these –

- (a) 78% preferred private, self-contained flats; 15% flats built under HOS and 7% TPS flats;
- (b) 92% would require a mortgage when buying a flat. For those who could afford a downpayment, the median amount affordable was \$400,000. The median affordable monthly mortgage repayment was \$10,840 and the corresponding median mortgage-to-income ratio was 40%; and
- (c) 23% intended to apply for Government housing loans, including loans under the Home Purchase Loan Scheme (11%) and Home Starter Loan Scheme (11%).

² Including Private Sector Participation Scheme / Flat for Sale Scheme.

³ The average size of these households was 3.2 persons.

Housing aspirations of inadequately-housed households (IHHs)⁴

8. Of all IHHs, about half intended to move out of their present accommodation within the next ten years. Of IHHs intending to move –

- (a) 50% preferred private self-contained flats; 26% HOS flats and 24% TPS flats;
- (b) 84% would require a mortgage when buying a flat. For those who could afford a downpayment, the median amount affordable was \$100,000. The median affordable monthly mortgage repayment was \$4,000 and the corresponding median mortgage-to-income ratio was 40%; and
- (c) 35% intended to apply for Government housing loans, including loans under the Home Purchase Loan Scheme (9%), Home Starter Loan Scheme (21%) and Sandwich Class Housing Loan Scheme (4%).

Housing aspirations of the elderly

9. Among all households, 28% had elderly persons⁵ living together with young persons and another 9% were households with elderly persons only (hereafter referred to as “elderly households”). 1.7% of elderly households said that they planned to leave Hong Kong. Of these, 76% had planned to move to the Mainland of China.

10. Of elderly households that did not plan to leave Hong Kong, 14% intended to move out of their present accommodation within the next ten years. 16% of this group preferred buying a flat. Among these –

- (a) 51% preferred private self-contained flats; 14% HOS flats and 35% TPS flats;

⁴ IHHs are defined as households living in temporary or non-self-contained structure or households that share accommodation with other households.

⁵ Persons aged 60 or over

- (b) 62% would require a mortgage when buying a flat. For those who could afford a downpayment, the median amount affordable was \$200,000. The median affordable monthly mortgage repayment was \$1,260 and the corresponding median mortgage-to-income ratio was 30%; and
- (c) none had any intention to apply for government housing loans.

CONCLUSION

11. Members are invited to note the key findings of the survey.

Annex - Executive Summary of the Report on the 1999 Survey of Housing Aspirations of Households

Housing Bureau
Government Secretariat
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