

Legislative Council Panel on Housing
Follow-up to meeting on 20 October 1999
Review of Residence Qualification of Public Rental Housing

At the meeting on 20 October 1999, Members requested the Administration to offer written responses to questions raised by the Hong Kong People's Council on Housing Policy, and provide supplementary information on the basis for assessing the additional public rental housing (PRH) demand arising from the changes to the residence qualification for PRH. The responses to the questions and detailed calculation on the additional demand are set out in Annexes A and B respectively.

Housing Department
November 1999

Responses to questions of Hong Kong People's Council on Housing Policy

Question 1

If all new arrivals are not required to meet the seven-year residence rule, then how many families on the waiting list will be eligible for public housing?

Question 3

If the seven-year residence rule is really relinquished, will the Housing Authority allow those families whose application for public rental housing have been frozen to become eligible again?

Response

It is necessary to maintain the seven-year residence requirement. As resources for public housing are still limited in relation to demand and to protect the interests of longer term residents of Hong Kong, there is a need to continue to set priorities for the allocation of PRH flats. Since the questions are hypothetical, the Housing Department has not assessed the impact of the abolition of the residence qualification on the Waiting List.

Question 2

If children born in different places are treated the same and the number of family members who have resided in Hong Kong for at least seven years is lowered to 50% of the family, then how many families will be eligible immediately for public housing?

Response

The Housing Department anticipates that 32,000 or 80% of the existing ineligible PRH applications with new arrivals will satisfy the recently approved residence requirements - requiring 50% of the family members to meet the seven-year residence rule and extending the exemption from the residence requirement to cover children born outside Hong Kong. Amongst them, 5,300 applications will be eligible for flat allocation immediately. The Housing Department will allocate PRH units to them, subject to their meeting other eligibility criteria.

Question 4

Will the Housing Authority conduct a consultation exercise in this connection?

Response

The Housing Authority's Rental Housing Committee has discussed and endorsed the Housing Department's recommendation at its meeting on 4 November 1999.

Question 5

The Hong Kong People's Council on Housing Policy's view is that with the relaxation of the residence restriction, more land resources will need to be allocated for public housing development in order to meet the additional housing demand.

Response

The Housing Department predicts an additional PRH demand for 3,800 flats per annum in the coming seven years after implementation of the changes in the PRH residence qualification. To accommodate this additional demand, an extra provision of 5 hectares of land will be required annually in the coming seven years (as 1 hectare of land is expected to produce about 700 units). The Government will make more land available to the Housing Authority to ensure that the pledge on reducing the average waiting time for PRH will not be adversely affected.

Basis for assessing the additional public rental housing demand arising from changes to the residence qualification for PRH

The changes in the PRH residence qualification will not increase the total housing demand. Nonetheless, they will result in an one-off advance in the PRH demand of new arrivals in the next seven years, as our original assumption is that their demand will have emerged seven years after their entry into Hong Kong.

2. The additional PRH demand arising from the changes in the residence qualification is assessed having regard to the housing demand model operated by the Planning Department and assumptions derived from the Housing Department's administrative record. In Planning Department's housing demand model, the daily one-way permit quota of 150 will give rise to a net increase in housing demand of 9,400 units per annum, of which half of them, i.e. 4,700 units will fall within PRH. On the assumption that 80% of new arrivals will benefit from the changes, the additional housing demand involved will be 3,800 units per annum. Detailed calculation of the additional demand is-

55,000	x	17%	x	50%	x	80%	= 3,800 units
(Annual one-way permit quota 150 x 365)		(New household formation rate = 9,400 units)		(PRH demand = 4,700 units)		(Effective rate based on administrative records)	