**Highlights**

- In Hong Kong, public housing plays an important role in meeting the housing need of the general public. Currently, about 31% of households are living in public rental housing ("PRH") flats and 15% in subsidized sale flats (mainly the Home Ownership Scheme ("HOS") flats). The Government ceased the production of subsidized sale flats from 2003 to 2010 and resumed the production of HOS flats in 2011. Yet the first batch of new HOS flats will only come on stream in 2016-2017.

- Amid shortage of housing land, the annual supply of PRH flats averaged at 13,980 between 2006-2007 and 2010-2011, much lower than that between 2001-2002 and 2005-2006 (Figure 1). The easing trend continued into 2011-2012 to 2015-2016, albeit of lesser extent.

- The tight supply of PRH cannot catch up with substantial increase in demand fuelled by rising property prices and private flat rentals in recent years. As a result, the number of applications for PRH flats has surged to over 280,000 since 2015 (Figure 2).

- Meanwhile, the average waiting time for general applicants has exceeded the three-year target, reaching 4.5 years as at end-September 2016. Among the general applicants, the average waiting time for elderly one-person applicants has risen to 2.4 years (Figure 3).

*Average waiting time refers to the average of the waiting time of applicants who were allocated a flat in the past 12 months.*
Public housing (cont’d)

Figure 4 — Overcrowded public rental housing households

<table>
<thead>
<tr>
<th>Year</th>
<th>PRH flats</th>
<th>Subsidized sale flats</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PRH flats</td>
<td>Subsidized sale flats</td>
<td></td>
</tr>
<tr>
<td>2016-2017</td>
<td>13 300</td>
<td>100</td>
<td>16 400</td>
</tr>
<tr>
<td>2017-2018</td>
<td>16 800</td>
<td>-</td>
<td>17 000</td>
</tr>
<tr>
<td>2018-2019</td>
<td>15 100</td>
<td>-</td>
<td>22 700</td>
</tr>
<tr>
<td>2019-2020</td>
<td>13 700</td>
<td>1 000</td>
<td>21 700</td>
</tr>
<tr>
<td>2020-2021</td>
<td>11 800</td>
<td>-</td>
<td>16 600</td>
</tr>
<tr>
<td>Five-year total</td>
<td>71 800 (36%)</td>
<td>22 600 (28%)</td>
<td>94 500 (34%)</td>
</tr>
</tbody>
</table>

*Figures are rounded to the nearest hundred.
HA*: Hong Kong Housing Authority; and HS*: Hong Kong Housing Society.

Figure 5 — Well-off tenants

Figure 6 — Five-year projection of public housing production*

*Figures are rounded to the nearest hundred.

Highlights

- As at June 2016, there were about 3 600 PRH households living in overcrowded flats with average living areas of below 5.5 m sq per person (Figure 4). Overcrowded households are able to improve their living conditions by applying for flat transfer. Over the past five years, about 680 overcrowded households have transferred to larger flats annually under TWOR, and about 1 190 households transferred annually under another transfer scheme LSITS.

- Under the Well-off Tenants Policies, about 26 000 households (about 3.4% of all PRH households) were paying additional rent as at June 2016 (Figure 5). Those with the household income and net asset value exceeding the prescribed limits are required to vacate their flats. Together with other grounds, on average about 230 flats were recovered from well-off tenants annually during 2011-2012 to 2015-2016.

- Looking forward, based on the latest five-year projection, supply of both PRH and subsidized sale flats from 2016-2017 to 2020-2021 will amount to 94 500 units (Figure 6). The five-year projected production, however, will be less than half of the 10-year supply target under the Long Term Housing Strategy ("LTHS").

Data sources: Latest figures from the Hong Kong Housing Authority and the Census and Statistics Department.

Research Office
Information Services Division
Legislative Council Secretariat
22 November 2016
Tel: 2871 2122