Public rental housing

Figure 1 – Applications for public rental housing

Highlights

- The Government has all along been assisting low-income families who cannot afford private rental accommodation through public rental housing (“PRH”). In recent years, the overall number of applications for PRH has shown a slightly downward trend. As at June 2019, there were altogether 256,100 applications for PRH, a decrease of 9% compared to the level in 2015 (Figure 1). This was mainly driven by the decreasing number of non-elderly one-person applications under the Quota and Points System (“QPS”). After implementation of the refinements of QPS in February 2015 which accorded higher allocation priority to higher-age applicants, there have been fewer new applications from those aged below 30. Besides, regular eligibility checking of QPS applicants since system refinements has resulted in cancellation of over 20,000 applications.

- Continued rise in private housing rentals in recent years has resulted in growing PRH demand from those living in private housing. According to a regular survey conducted by the Hong Kong Housing Authority (“HA”), there had been a marked increase in the proportion of general applicants living in private housing, from 58% in 2014 to 67% in 2018 (Figure 2). On the other hand, the percentage of the applicants living in PRH and subsidized housing exhibited a decreasing trend over the period.

- While the housing needs of PRH applicants are pressing, especially those living in private rental accommodation, the average waiting time of general applicants for flat allocation continued to rise to over five years despite signs of moderation in 2019 (Figure 3). Among them, the elderly one-person applicants’ average waiting time has reached 2.9 years, about 11 months longer than the target of providing the first flat offer to them at around two years on average.
Figure 4 – Allocation of PRH flats

From 2009-2010 to 2013-2014

Total: 152,700
Annual average: 30,540

Refurbished flats: 52%
New flats: 48%

From 2014-2015 to 2018-2019

Total: 133,960
Annual average: 26,790

Refurbished flats: 52%
New flats: 48%

Figure 5 – Allocation of PRH flats by category of applicants in 2018-2019

Total: 34,679 flats

PRH applicants: 78%
General applicants: 92%
Non-elderly one-person applicants under QPS: 8%

Others (e.g., compassionate rehousing): 4%
Junior civil servants and pensioners: 4%
Transfers (e.g., under-occupied households): 14%

Figure 6 – Estimated five-year production of public rental units* under HA* and HKHS

Forecasts as at June 2019:
74,100 units in the five-year period

2019-2020: 13,000
2020-2021: 7,100
2021-2022: 21,000
2022-2023: 13,400
2023-2024: 19,500

Notes:
(*) Figures are rounded to the nearest hundred and thus may not add up to the total due to rounding.
(*) It includes the estimated production of GSH flats.

Highlights

- Over the past five years from 2014-2015 to 2018-2019, the total number of PRH flats allocated to applicants was about 133,960 (Figure 4), 12% less than the allocation in the previous five-year period. Of the allocated flats, 52% were new flats developed from various housing projects and 48% refurbished flats supplied from various sources (e.g., flats voluntarily surrendered by sitting tenants). In 2019-2020, it is estimated that about 24,100 PRH flats are available for allocation.

- Looking into the allocation of PRH flats by category of applicants in 2018-2019, a majority of them (78%) were allocated to PRH applicants with most (92% of them) being general applicants (Figure 5). Other than that, there were also allocations to those PRH tenants who had applied for transfers (e.g., under-occupied households) (14%) and junior civil servants and pensioners (4%).

- Based on the latest forecasts, the estimated five-year production of public rental units under HA (including Green Form Subsidised Home Ownership Scheme ("GSH") flats) and the Hong Kong Housing Society ("HKHS") would be 74,100 (Figure 6). However, the amount just represented 34% of the 10-year supply target for PRH (including GSH) (i.e. 220,000) from 2019-2020 to 2028-2029 under the Long Term Housing Strategy. Such a shortfall of supply has raised concern whether the waiting time for PRH would be further prolonged. To alleviate the hardship faced by families on the PRH waiting list and the inadequately housed, the Government has been supporting the implementation of transitional housing projects initiated by the community. However, the scale is pretty small totalling less than 1,500 units for the ongoing and announced projects as at July 2019.

Data sources: Latest figures from Hong Kong Housing Authority, Hong Kong Housing Society and Transport and Housing Bureau.