

Transitional housing for the inadequately housed

Figure 1 – Estimated number of households living in inadequate housing

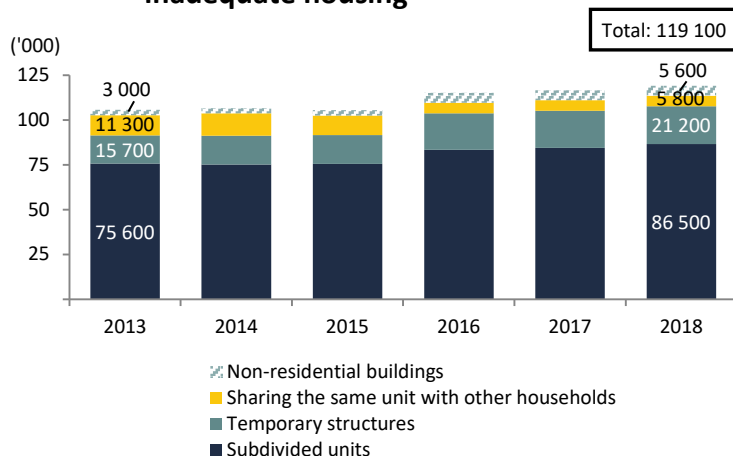
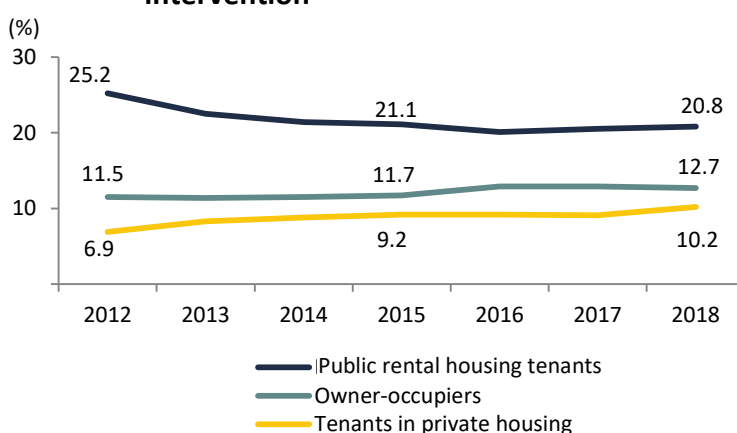
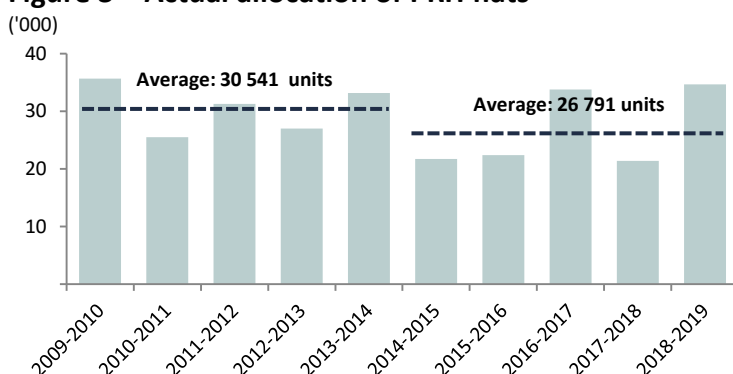


Figure 2 – Poverty rate⁽¹⁾ by housing type after policy intervention



Note: (1) Poverty rate is the ratio of the poor population to the total population living in domestic households. The poverty line is the threshold to define poor population, which is set at 50% of the median monthly household income before policy intervention (i.e. taxation and social welfare transfer).

Figure 3 – Actual allocation of PRH flats



Highlights

- In Hong Kong, the number of households living in inadequate housing has shown an upward trend. Of the 119 100 inadequately housed households in 2018, more than 70% or 86 500 households resided in subdivided units ("SDUs"), compared with 75 600 in 2013 (**Figure 1**). Although fewer households are sharing the same unit with others (i.e. living in rooms, cubicles or bedspaces), more households have been living in temporary structures (e.g. rooftop structures) and non-residential buildings (e.g. industrial and commercial properties) over the years.
- In addition to unpleasant living conditions, private housing tenants may also suffer from financial hardship amid rising property rents. About one-tenth of the households renting and residing in private housing lived below the poverty line in 2018 (e.g. HK\$10,000 for a two person family), up from 6.9% in 2012 (**Figure 2**). In contrast, the share of poor households in public rental housing ("PRH") has declined by nearly four percentage points. In light of rising financial challenges facing private housing tenants including SDU tenants, the Government has recently announced the setting up of a task force to study the feasibility and options for tenancy control of SDUs.
- PRH is the main housing programme provided to people who cannot afford private housing, including the inadequately housed. However, the supply of PRH has remained tight in recent years. Between 2014-2015 and 2018-2019, the actual allocation of PRH flats reached an annual average of 26 791 units, which was lower than that of the previous five-year period (**Figure 3**). This, coupled with continued rise in the number of PRH applications, has led to an average waiting time of 5.4 years for PRH general applicants as at end-March 2020, more than doubled from only two years as at end-March 2010.

Transitional housing for the inadequately housed (cont'd)

Figure 4 – Distribution of transitional housing units as at May 2020

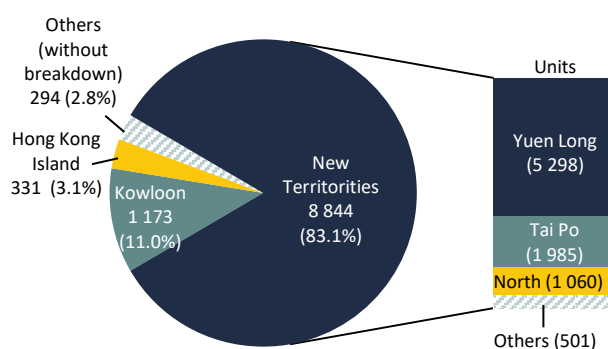


Figure 5 – Characteristics of announced transitional housing units

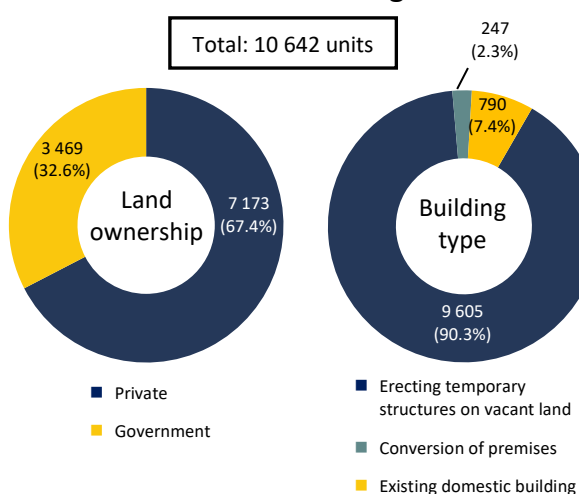


Figure 6 – Project details of transitional housing pilot schemes

	Modular Social Housing Scheme – Yen Chow Street	Lok Sin Tong Primary School
Operator	Hong Kong Council of Social Service	Lok Sin Tong
Location	Sham Shui Po	Kowloon City
No. of units	210	51
Floor area per person	Not less than 7 m ²	Not less than 6 m ²
Construction period	Q3 2020-Q3 2021	Jan 2020-Q2 2020
Tenancy	4 years (2 years for 1 st round tenancy)	Not less than 3 years
Rent	Determined by individual operators based on household income, rent allowance under CSSA, etc.	

Highlights

- To alleviate the pressure of PRH applicants and the inadequately housed, the Government has allocated HK\$5 billion to increase the supply of transitional housing to provide 15 000 units in the next three years, with participation from private developers and community groups. In May 2020, details of the projects involving some 10 642 units have been hammered out. While more than 80% of the supply is in the New Territories, Yuen Long is expected to have the most supply with 5 298 units, followed by districts such as Tai Po and North (Figure 4).
- Some of the transitional housing projects are located on private land, which contributes to about two-thirds of the supply (Figure 5). Of the announced projects, 7.4% of the supply is from existing buildings, while 2.3% is through conversion of buildings. Yet the vast majority of transitional housing units (90.3%) are built from scratch (i.e. erecting temporary structures on vacant government sites or land lent by private developers), which will likely take longer time to complete and become available to needy households. Despite this, the Government has announced that it would, on a trial basis, provide a cash allowance to eligible PRH applicants until they are offered the first PRH allocation, beginning from the second half of 2021. The cash allowance level will be determined by making reference to the level at about half of the Comprehensive Social Security Assistance ("CSSA") rent allowance ceiling.
- Among the pilot projects underway are Yen Chow Street project and Lok Sin Tong Primary School project. Commenced in 2020, both projects are designed to establish a model for other transitional housing projects (Figure 6). The former builds temporary modular housing on the site, whereas the latter involves the conversion of school premises. The rent and length of tenancy differ for each transitional housing project and are determined by individual operators. Nonetheless, the Government expects that the rental level to be lower than the relevant market rent and capped at 40% of the PRH income limit (i.e. HK\$19,430 for a two-person family in 2020-2021).

Data sources: Latest figures from Census and Statistics Department and Transport and Housing Bureau.

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