

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局
香港花園道美利大廈



**Housing, Planning and Lands
Bureau**

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26 August 2005

Clerk to the Legislative Council Panel on Housing,
Legislative Council Secretariat,
Legislative Council Building,
8 Jackson Road,
Central,
Hong Kong.
(Attn: Ms. Sarah Yuen)

Dear Ms. Yuen,

Draft Minutes of the Panel on Housing Meeting on 4 July 2005

I refer to para. 20 of the draft minutes of the meeting of the Panel on Housing held on 4 July 2005 in which the Administration was asked to provide the survey report on public rental housing (PRH) applicants. Enclosed please find a copy of a Housing Authority paper setting out the findings of the concerned survey. I should be grateful if you could relay the paper to Members of the Housing Panel and draw their attention to the findings on one-person PRH applicants in paras. 19 – 24 of the Annex to the paper.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K.K. YEUNG'.

(K.K. YEUNG)

for Secretary for Housing, Planning and Lands

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Subsidised Housing Committee

Survey on Waiting List Applicants for Public Rental Housing 2005

PURPOSE

This paper presents the findings of the Survey on Waiting List (WL) Applicants for Public Rental Housing (PRH).

BACKGROUND

2. The survey aims to collect information on the socio-economic characteristics of WL applicants and their views on housing matters to facilitate policy formulation and review. This is the sixth of the same series of surveys first commissioned in 1999/00.

3. A sample of some 2 000 WL applicants⁽¹⁾ was selected for the survey this year. The fieldwork and data processing were carried out in the first six months of this year. The overall response rate was 83%.

SURVEY RESULTS

4. The survey findings are presented under the following topics-
- (a) socio-economic characteristics of WL applicants;
 - (b) opinions on PRH flats from WL applicants;

¹ Two types of WL applicants were excluded in the survey including (i) those whose applications had been “frozen” for reasons other than not fulfilling the residence rule; and (ii) those who were no longer waiting for PRH at the time of survey.

- (c) views on Express Flat Allocation Scheme; and
- (d) selected topics on non-elderly one-person applicants.

----- 5. The survey findings are set out at **Annex**. For comparison purposes, the findings of previous years' surveys are also presented in the statistical tables wherever appropriate.

INFORMATION

6. This paper is issued for Members' information.

Miss Elisa TSUI
Secretary, Subsidised Housing Committee
Tel. No.: 2761 6834
Fax No.: 2761 0019

File Ref: HD 1153/1 XI
(Strategy Division)
Date : 24 August 2005

SURVEY ON WAITING LIST APPLICANTS FOR PUBLIC RENTAL HOUSING 2005

Survey Results

(a) Socio-economic characteristics of Waiting List (WL) applicants

(i) Household income

The median monthly household income of the WL applicants has been declining over the past six years since the inception of this survey. It decreased steadily from \$9,500 in 1999/00 to \$6,500 in 2003/04 and further to \$6,300 in 2004/05. The downward trend in household income can be attributable to several factors. First, there were an increasing number of small-sized households, particularly those one-person households, applying for PRH over the years. These small-sized households usually have lower income. Second, the WL income limits were adjusted downward several times in the past few years in tandem with the deflation prevailed in those years. Third, the household income of the WL applicants had come down along with the economic downturn during the early 2000's. Despite recent economic recovery, the WL applicants, who were mostly unskilled workers, had apparently made little gain in their earnings.

2. Analyzing the income statistics of WL applicants in more detail by household size, the median household income of the small-sized WL applicants (one- and two-person households) remained virtually unchanged at \$5,800 during 2003/04 to 2004/05. For applicants with larger household size (three-person or above), their median household income actually rose modestly from \$8,700 to \$9,000 during the same period. This indicates that the overall income of the WL applicants appears to have stabilized in the past two years. The apparent decrease in the overall median household income for the WL applicants in the past two years was mainly attributable to the increase in the proportion of WL applicants with small household size.

3. The income profile of WL applicants from 1999/00 to 2004/05 is presented in Table 1 below.

Table 1: Median monthly household income of WL applicants

Household size	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
1 to 2 persons	\$7,500	\$7,000	\$6,000	\$6,000	\$5,800	\$5,800
3 persons or above	\$11,000	\$10,800	\$10,300	\$9,700	\$8,700	\$9,000
Overall	\$9,500	\$9,100	\$8,500	\$7,000	\$6,500	\$6,300

(ii) Household size

4. The average household size of the WL applicants (based on the household members included in application forms) was on a decline over the past years, falling steadily from 2.9 persons in 1999/00 to 2.1 persons in 2004/05. This was in line with a general decreasing trend in the average household size territory-wide. However, a more significant contributory factor is that there was a consistent and rapid increase in the number of one-person applicants in the past few years, thereby dragging down the overall average household size of the WL applicants substantially. A more detailed analysis of one-person WL applicants is given in paragraphs 19 to 24.

5. The tendency towards small-sized households in the pool of WL applicants should have implication for the future types of PRH flats required, as more small units should be made available to cater for the needs of these households.

Table 2: Average household size of WL applicants

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Average household size (number of persons included in WL application)	2.9	2.7	2.7	2.3	2.2	2.1

(iii) Intention to form new households upon allocation of PRH flats

6. About 44% of the WL applicants indicated that they would split from their existing households when they are rehoused to PRH as opposed to some 26% and 32% over the earlier period from 1999/00 to 2001/02. It is also observed that the proportion of WL applicants having an intention to form new households was higher when the average waiting time was low. Relevant statistics are set out in Table 3.

Table 3: Existing average household size of WL applicants, their intention to split households and average waiting time for PRH

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Existing average household size of WL applicants (persons)	3.7	3.8	3.5	3.5	3.4	3.4
% of WL applicants with intention to split household upon allocation of PRH flats	26%	35%	32%	40%	45%	44%
Average waiting time for PRH (years)	5.3	4.4	3.2	2.3	2.1	1.8

7. It is noted that the percentage of non-elderly one-person WL applicants with intention to split households was even higher at 54%, signifying that a considerable proportion of these applicants were living with their families at the time they applied for PRH (see paragraphs 21 to 22 for details).

(iv) Living conditions

8. About 60% of the live WL applicants were living in private permanent housing and around 24% were residing in PRH. Compared with the findings in preceding surveys, there was a slight increase in the share of PRH residents among the WL applicants.

9. There has been general improvement in the living conditions of the WL applicants in the recent year. In 2004/05, some 72% of the WL applicants occupied an entire flat while waiting for PRH allocation. Only 25% of them were living in bedroom-type accommodation. The corresponding figures in 1999/00 are 59% and 38%. Detailed statistics are set out in Table 4 below.

Table 4: Living conditions of WL applicants

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<i>Type of quarter</i>						
- Private permanent housing	65%	68%	65%	62%	61%	60%
- PRH	22%	20%	18%	21%	19%	24%
- Temporary housing	8%	6%	12%	10%	9%	7%
- Subsidized sale flats				6%	10%	8%
- Others	} 5%	} 6%	} 5%	1%	1%	1%
<i>Type of accommodation</i>						
- Entire flat	59%	54%	60%	67%	70%	72%
- Bedroom	38%	42%	36%	31%	26%	25%
- Others (e.g. cockloft, bed space)	3%	4%	4%	2%	3%	3%

(v) New arrivals from Mainland China

10. The proportion of WL applicants with new arrivals⁽¹⁾ from Mainland China in their households was decreasing in the past three years. In 1999/00, the WL applicant households with new arrivals accounted for around 48% of the total number of WL applicants. It declined to 42% in 2003/04 and further to 35% in 2004/05. One plausible reason for this trend may be attributable to a decrease in the number of one-way permit (OWP) holders coming to Hong Kong⁽²⁾ in the past year or so.

11. The proportion of the WL applicants who had family members in Mainland China with intention to come to live in Hong Kong ranged from 26% to 32% during 1999/00 to 2004/05. More than 90% of these family members in Mainland China were the parents/spouses/children of the main WL applicants. It is highly likely that the WL applicants would add their relatives from Mainland China, should they come to reside in Hong Kong, in their WL application forms, or their tenancies through addition policy following successful rehousing to PRH.

12. The relevant statistics are shown in Table 5 below.

Table 5: New arrivals on WL and WL applicants with family members in Mainland China

¹ By new arrivals we mean those who have been living in Hong Kong for less than 7 years.

² In 2004, only about 70% of the 150 daily quota was consumed, representing some 100 OWP holders coming to Hong Kong on average per day. In previous years, the daily average was around 150.

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
% of households with new arrivals from Mainland China	48%	52%	48%	42%	38%	35%
% of households with family members in Mainland China who intend to move to live in Hong Kong	28%	32%	26%	29%	26%	30%
Relationship of these family members with main applicants						
- Parents	5%	9%	7%	6%	5%	3%
- Spouse	41%	38%	37%	44%	47%	46%
- Children	48%	47%	47%	42%	46%	45%
- Parents/spouses/children	94%	94%	91%	92%	97%	94%
- Others	6%	6%	9%	8%	3%	6%

(b) Opinions on PRH Flats from WL Applicants

(i) Considerations in flat selection

13. The most important considerations in PRH flat selection cited by WL applicants were “location” (77% of total number of WL applicants) and “transportation/accessibility” (57%). Similar observations were obtained in the same series of surveys conducted in the previous years. The proportion of applicants choosing “rents” as an important consideration was decreasing starting from 2002/03. Relevant statistics are shown in Table 6.

Table 6: Considerations in PRH flat selection

Considerations in PRH flat selection	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Location	85%	78%	75%	79%	80%	77%
Transportation/ accessibility	59%	55%	54%	59%	55%	57%
Rent	19%	19%	26%	39%	30%	24%
Age of building	20%	18%	16%	23%	16%	16%
Size of flat	29%	18%	20%	16%	13%	15%
Estate facilities	13%	26%	22%	19%	8%	14%

Note: Each respondent can give a maximum of three choices.

(ii) Opinions on quality and management of PRH

14. The perception of WL applicants towards the management services and quality of PRH is generally good and positive. Some 52% - 60% of the WL applicants perceived that the management, environment and building quality of PRH were either very good or good and only about 2% - 5% thought otherwise. The relevant statistics are set out below.

Table 7: Perception of PRH

Aspects	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Quality of management services						
- Very good / Good	76%	49%	54%	55%	54%	60%
- Acceptable	12%	37%	33%	39%	42%	38%
- Poor / Very Poor	10%	5%	2%	5%	4%	3%
- No comment	3%	9%	11%	n.a.	n.a.	n.a.
Quality of building						
- Very good / Good	74%	45%	50%	53%	50%	52%
- Acceptable	13%	39%	36%	40%	45%	43%
- Poor / Very Poor	10%	10%	5%	7%	5%	5%
- No comment	3%	7%	8%	n.a.	n.a.	n.a.
Environment						
- Very good / Good	75%	65%	65%	61%	55%	60%
- Acceptable	13%	29%	28%	35%	40%	37%
- Poor / Very Poor	9%	4%	3%	4%	5%	2%
- No comment	3%	2%	4%	n.a.	n.a.	n.a.

(c) Opinions on Express Flat Allocation Scheme

15. Most of the flats included under the Express Flat Allocation Scheme (EFAS) introduced in 1997 for expeditious allocation of selective PRH flats to eligible WL applicants are situated in the New Territories and the Islands Regions. While a small number of these units are connected with some unpleasant incidents previously (e.g. suicide cases), some are less popular on account of their floor levels or orientation.

16. Over 80% of the WL applicants were not interested in the EFAS. The main reasons given by these applicants were ‘flats are usually located in remote area’ (92%) or ‘worry about the unpleasant incidents that occurred in the PRH flats’ (31%).

17. On the other hand, some 16% of WL applicants expressed an interest in EFAS. Analyzed by type of applicants, there appears to be more non-elderly one-person WL applicants who found the EFAS attractive.

18. The relevant statistics are set out in the following table.

Table 8: Intention to apply for the Express Flat Allocation Scheme

Whether interested in EFAS	Types of applications				
	1p elderly	1p non-elderly	Elderly family	Ordinary family	Overall
Yes	8%	21%	6%	15%	16%
No	92%	79%	94%	85%	84%
<i>Main reasons</i>					
- Flat under the scheme located in remote area	89%	90%	98%	93%	92%
- Worry about the poor quality of flats	8%	13%	9%	18%	15%
- Worry about the unpleasant incidents that occurred in the PRH flats	26%	27%	30%	33%	31%

Note: Each respondent can give a maximum of three reasons.

(d) Selected Topics on Non-elderly One-person Applicants

(i) Trend in new applications

19. There was a discernible upward trend in the number of new non-elderly one-person applicants over the past few years. It rose from 8 700 in 1999/00 to 33 300 in 2004/05, representing an increase of almost three times within a time span of six years. This also reflected in the share of live non-elderly one-person applicants as a percentage of the total number of live WL applicants, with the proportion escalating from 8% in 1999/00 to 36% in 2004/05. This explains to a large extent why there was a consistently declining trend in both the average household size and household income of the WL applicants over the years (as discussed in paragraphs 1 to 5).

Table 9: Number of live non-elderly one-person applicants and their proportion to overall live WL applicants

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Number of live non-elderly one-person applicants on WL	8 700	11 400	14 200	23 000	29 400	33 300
% of live non-elderly one-person applicants to overall live WL applicants	8%	11%	16%	25%	32%	36%

20. The average age of new non-elderly one-person WL applicants continued on a downward trend over the past few years, decreasing from 40 in 1999/00 to 36 in 2003/04 and 35 in 2004/05. This signifies that more and more relatively young persons applying for PRH on their own in recent years, particularly those aged 35 or below.

Table 10: Average age of new non-elderly one-person applicants

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Average age of new non-elderly one-person applicants (years)	40	38	38	36	36	35

(ii) Socioeconomic profile

21. The median monthly household income of the non-elderly one-person applicants was around \$5,500, as opposed to \$2,700 for elderly one-person applicants. Some 54% of them intended to split from their existing households upon being rehoused to PRH. About one-third of them had close family members in Mainland China who would intend to come to reside in Hong Kong. Should their family members come to live in Hong Kong, there is a strong likelihood that they would either add their family members to their PRH applications, or to the tenancies through the existing addition policy if they have been rehoused to PRH. About 10% of the non-elderly one-person applicants aged below 35 had tertiary education, while 3% of them were students at the time of application.

22. The relevant profile of non-elderly one-person applicants, as compared with elderly one-person and family applicants, are shown in Table 11.

Table 11: Profile of WL applicants

Profile of WL applicants	One-person applicants		Family applicants
	1P non-elderly	1P elderly	
Median monthly household income	\$5,500	\$2,700	\$8,000
% of applicants intended to split households upon allocation of PRH flats	54%	39%	38%
% of applicants who are CSSA recipients	8%	44%	20%
Having family members in Mainland China who would intend to come to live in Hong Kong	36%	18%	27%
% of applicants residing in PRH	26%	20%	23%

23. In respect of the one-person applicants aged under 25, around 19% of them had tertiary education; 9% were students; 85% intended to split households from the existing households upon being rehoused to PRH (i.e. not genuine singletons); and 41% were residing in PRH.

Table 12: Educational attainment of non-elderly one-person applicants

	Non-elderly one-person applicants				
	Aged 18-25	Aged 26-35	Aged 36-45	Aged 46-57	Overall
Educational attainment					
- Primary	1%	10%	18%	35%	17%
- Secondary	65%	72%	61%	33%	58%
- Tertiary	19%	4%	4%	2%	6%
- No schooling	#	#	#	2%	1%
- Not answered	15%	14%	16%	29%	18%
Currently student	9%	#	#	#	1%

Note: # less than 0.5%

(iii) Reasons for applying PRH

24. The top three reasons given by the non-elderly one-person WL applicants for applying for PRH were ‘want to live on their own’ (50% of total number of applicants), ‘present accommodation is small’ (48%) and ‘there are many benefits being a PRH tenant’ (39%). It is more prevalent for those applicants aged below 25 to cite ‘want to live on their own’ as a reason for applying for PRH. The following table summarizes the major reasons given by the non-elderly one-person applicants for applying for PRH.

Table 13: Reasons for applying for PRH by age group

Reasons for applying for PRH	Non-elderly one-person applicants				
	Aged 18-25	Aged 26-35	Aged 36-45	Aged 46-57	Overall
Want to live on their own	72%	53%	43%	41%	50%
Present accommodation is small	51%	45%	50%	45%	48%
There are many benefits being a PRH tenant	32%	41%	40%	41%	39%
Rent of present accommodation is high	5%	16%	18%	22%	16%
Poor living environment of present accommodation	9%	13%	19%	22%	16%
Unemployed/Decline in income	7%	16%	17%	19%	15%

Note: Each respondent could give a maximum of three reasons.

Summary

25. The median monthly household income of the WL applicants has been declining steadily from \$9,500 in 1999/00 to \$6,500 in 2003/04 and further to \$6,300 in 2004/05. The household income of WL households appears to have stabilized in 2003/04 – 2004/05. The apparent decrease in the overall median household income for the WL applicants in the past two years was mainly a result of an increase in the proportion of small-sized WL applicants (paragraphs 1 to 2);

26. The average household size of the WL applicants was on a decline over the years, falling steadily from 2.9 persons in 1999/00 to 2.1 persons in 2004/05 due largely to a marked increase in the number of one-person WL applicants (paragraph 4);

27. About 44% of the WL applicants indicated that they would split from their existing households when they are rehoused to PRH (paragraph 6);

28. About 60% of the live WL applicants were living in private permanent housing and around 24% in PRH. In 2004/05, some 72% of the WL applicants lived in an entire flat on their own and those living in bedroom-type accommodation accounted for 25%. The corresponding figures in 1999/00 are 59% and 38% (paragraphs 8 to 9);

29. The proportion of WL applicants with new arrivals from Mainland China in their households was decreasing from around 48% in 1999/00 to 42% in 2003/04 and further to 35% in 2004/05. The proportion of the WL applicants who had family members in Mainland China with intention to come to live in Hong Kong ranged from 26% to 32% during 1999/00 to 2004/05. More than 90% of these family members in Mainland China were the parents/spouses/children of the main WL applicants (paragraphs 10 to 11);

30. The most important considerations in PRH flat selection cited by WL applicants were “location” (77% of total number of WL applicants) and “transportation/accessibility” (57%). (paragraph 13);

31. Some 16% of WL applicants expressed some interest in EFAS. In comparison with other WL applicants, more non-elderly one-person applicants found EFAS attractive (paragraph 17);

32. The number of live non-elderly one-person applicants per annum rose from 8 700 in 1999/00 to 33 300 in 2004/05. The average age of new non-elderly one-person applicants over the past few years decreased from 40 in 1999/00 to 35 in 2004/05 (paragraphs 19 to 20);

33. The median monthly household income of the non-elderly one-person applicants was around \$5,500. Some 54% of them intended to split from their existing households upon being rehoused to PRH. About 10% of the non-elderly one-person applicants aged below 35 had tertiary education. In respect of the one-person applicants aged under 25, around 19% of them had tertiary education; 9% were students; 85% intended to split from the existing households upon being rehoused to PRH (i.e. not genuine singletons); and 41% were residing in PRH (paragraphs 21 to 23); and

34. The top three reasons given by the non-elderly one-person WL applicants for applying for PRH were 'want to live on their own' (50% of total number of applicants), 'present accommodation is small' (48%) and 'there are many benefits being a PRH tenant' (39%) (paragraph 24).