

立法會 *Legislative Council*

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Panel on Housing

Meeting on 2 March 2009

Background brief on the Waiting List Income and Asset Limits

Purpose

This paper sets out the development of the Waiting List (WL) income and asset limits, and gives a brief account of the views and concerns expressed at meetings of the Council and the Panel on Housing (the Panel).

Background

2. The Housing Authority (HA) maintains a WL system through which low-income families which cannot afford to rent private accommodation may apply for public rental housing (PRH). The eligibility of PRH applicants is determined by way of the WL income and asset limits. Households with incomes and assets below the respective prescribed limits are deemed unable to afford renting private accommodation and hence are eligible for PRH.

3. The WL income limits are derived using a "household expenditure" approach that comprises the housing and non-housing costs. The housing cost refers to the average expenditure a household required to rent a private accommodation with an average size comparable to a PRH unit. The non-housing cost is determined by the statistics from the most recent Household Expenditure Survey (HES)^{Note1} and adjusted annually according to the latest movement in Consumer Price Index (A) (CPI(A)). The WL income limits for different household sizes are the respective sums of the two major cost items, plus a 5% "contingency" provision. However, statutory contributions under the Mandatory Provident Fund Scheme are deductible from a household's income when it

^{Note1} The Household Expenditure Survey (HES) provides the necessary statistics on the average household expenditure of the lower half expenditure group among tenant households in the private sector. The statistics form the basis for assessing the non-housing expenditure of different household sizes in calculating the WL income limits.

applies for PRH. The WL asset limits are derived using the asset limits for 2005-2006 as the basis for future annual adjustments with reference to movement in CPI(A) over the year.

Adjustment of WL income and asset limits

4. The WL income and asset limits are reviewed annually at the beginning of each year using the latest available statistics as of the last quarter as compared to the corresponding quarter of the previous year.

5. As a result of the last review in March 2008, the WL income and asset limits for the year 2008/09 have increased by 5.5% and 3.1% respectively over those for 2007/08. The WL income and asset limits for 2008/09 are given in the **Appendix**. It is expected that some 104 900 non-owner occupied households would become eligible for PRH following the adoption of the revised income and asset limits.

Deliberations by the Panel

6. The Panel has been monitoring the review of the WL income and asset limits. Outcome of the 2008/09 review of WL income and asset limits was discussed at the Panel meeting on 3 March 2008.

7. Question was raised on the exclusion of the rents of bedspace and cubicle apartments from the annual review. Some members pointed out that the rents of these dwellings had substantially increased in the past few years. To this end, the Administration should consider reinstating rent control for private apartments. They also considered it necessary for HA to increase the supply of PRH to meet the anticipated increase of 104 900 eligible WL applicants as a result of the review of the WL income and asset limits, with a view to maintaining the average waiting time to around three years.

8. While welcoming the upward adjustment of the income limit for 1-person household by \$500, some members questioned why the same level of adjustment was not applicable to households of larger sizes, the income limits of which had only increased from \$140 to \$200 per person. As an incentive to encourage young applicants to look after their parents, they suggested that the income limit for applicants intending to live with their parents should increase, say by 20% to 30%.

Latest development

9. A question on the WL income and asset limits was raised at the Council meeting on 7 January 2009. The questions and the Administration's response are hyperlinked

below for ease of reference.

10. The Administration intends to brief the Panel on the outcome of the 2008-09 review. The subject will be discussed by the Panel at its meeting on 2 March 2009.

Relevant papers

Information paper provided by the Administration for the Housing Panel meeting on 17 March 2006

<http://www.legco.gov.hk/yr05-06/english/panels/hg/papers/hg0317cb1-1060-5-e.pdf>

Minutes of the Housing Panel meeting on 17 March 2006

<http://www.legco.gov.hk/yr05-06/english/panels/hg/minutes/hg060317.pdf>

Information paper provided by the Administration for the Housing Panel meeting on 5 March 2007

<http://www.legco.gov.hk/yr06-07/english/panels/hg/papers/hg0305cb1-1012-4-e.pdf>

Minutes of the Housing Panel meeting on 5 March 2007

<http://www.legco.gov.hk/yr06-07/english/panels/hg/minutes/hg070305.pdf>

Information paper provided by the Administration for the Housing Panel meeting on 3 March 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/papers/hg0303cb1-905-6-e.pdf>

Minutes of the Housing Panel meeting on 3 March 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/minutes/hg080303.pdf>

Letter and information paper provided by the Administration after the Housing Panel meeting on 3 March 2008

<http://www.legco.gov.hk/yr07-08/english/panels/hg/papers/hg0303cb1-1116-1-e.pdf>

Question raised by Hon CHAN Hak-kan at the Council meeting on 7 January 2009

http://www.legco.gov.hk/yr08-09/english/counmtg/agenda/cm20090107.htm#q_2

Administration reply to question raised by Hon CHAN Hak-kan at the Council meeting on 7 January 2009

<http://www.info.gov.hk/gia/general/200901/07/P200901070163.htm>

Council Business Division 1
Legislative Council Secretariat
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Appendix

Waiting List (WL) Income and Asset Limits for 2008-2009

Household Size	WL Income Limit	WL Asset Limit
1 – Person	\$7,300 (\$7,684*)	\$181,000 (\$362,000**)
2 – Person	\$11,200 (\$11,789*)	\$245,000(\$490,000**)
3 – Person	\$12,600 (\$13,263*)	\$320,000 (\$640,000**)
4 – Person	\$15,300 (\$16,105*)	\$373,000(\$746,000**)
5 – Person	\$17,900 (\$18,842*)	\$416,000
6 – Person	\$20,900 (\$22,000*)	\$449,000
7 – Person	\$22,500 (\$23,684*)	\$479,000
8 – Person	\$24,100 (\$25,368*)	\$502,000
9 – Person	\$26,200 (\$27,579*)	\$555,000
10 - Person or above	\$27,700 (\$29,158*)	\$597,000

* denote the effective income limits should a household be contributing 5% of its income under the Mandatory Provident Fund as required by the law.

** denote asset limits for elderly households.