

## Legislative Council Panel on Housing

### Second Rent Review for Public Rental Housing

#### PURPOSE

This paper briefs Members on the outcome of the second rent review under the established rent adjustment mechanism for public rental housing (PRH).

#### BACKGROUND

2. Section 16A of the Housing Ordinance stipulates the rent adjustment mechanism for PRH, which came into effect in 2008. Under this rent adjustment mechanism, tenants' affordability is the factor used to determine PRH rent. The mechanism provides an objective basis for the Housing Authority (HA) to determine when and to what extent PRH rent should be adjusted, using a framework that reflects tenants' affordability. It also helps promote the long-term sustainability of the PRH programme. Background information on the established rent adjustment mechanism, as well as the methodology for data collection and computation under the rent adjustment mechanism, is set out at Annex A.

3. The first rent review exercise under the established rent adjustment mechanism was conducted in 2010. At that time, the Subsidised Housing Committee (SHC) of the HA considered the Commissioner for Census and Statistics (C for C&S)'s report and endorsed the outcome of the first rent review exercise under the rent adjustment mechanism as stipulated in the Housing Ordinance, i.e. by comparing the indices of the first (2007) and second (2009) periods of the rent review. The level of adjustment in PRH rent was +4.68%.

4. Under the established rent adjustment mechanism, the second period of the first rent review was in 2009, which becomes the first period (or the base-year) for the second review. Therefore, the data of 2009 has been used as the basis for comparison in this rent review. By the same token, the data of 2011, which is the second period for this rent review, will be used as the basis for comparison in the next rent review. The mechanism will continue to be implemented in a consistent manner.

## **OUTCOME OF THE SECOND PRH RENT REVIEW**

5. The compilation work in relation to the second rent review exercise has now been completed. The Census & Statistics Department (C&SD), on the basis of the evidence obtained in the quality checks, has confirmed that the survey data accurately reflect the household income of PRH tenants in both 2009 and 2011. The survey data have accordingly been used to compute the income index for PRH tenants for the second rent review. Distribution of survey data and details of households excluded from the computation of the mean monthly household income are set out in the ensuing paragraphs.

### **(i) Sample Distribution**

6. Monthly sampling of 2 000 PRH households for the first and second periods was conducted in accordance with the actual distribution of household size each month as shown in **Annex B1** and **Annex B2** respectively.

7. By design of the proportionate stratified systematic sampling, the distribution of sampled households by PRH estate and by district corresponds to the actual distribution for all PRH households. A comparison of the sample and actual distribution of households by district and by estate for the first and second periods is at **Annex C1** and **Annex C2** respectively.

### **(ii) Exclusion of Non-representative Households**

8. A total of 24 000 PRH households were sampled in each of the first and second periods, hence the second rent review involved income data collected from a total of 48 000 PRH households. Among these 48 000 sampled PRH households which participated in the “Survey on Household Income of Public Rental Housing Tenants” (the Income Survey) in 2009 and 2011, the response rate stood at 97.8% and 98.2% respectively. The remaining 1% to 2% involved 513 cases and 440 cases for 2009 and 2011 respectively. These tenants were unable to provide all the information requested in the declaration form, and all were verified by the Housing Department (HD) to have reasonable grounds (such as chronic illness, overseas employment or study, or imprisonment). There was only one case where the tenant sampled in 2009, without justifications, refused to return the income declaration form as required under section 25(1) of the Housing Ordinance in the period. The tenant concerned was prosecuted and fined by the Court on conviction in 2011.

9. According to the methodology as spelt out in **Annex A**, in the data collected in the 2009 Income Survey, 939 well-off tenants, 545 other

households with income higher than the upper outlying levels, and 5 367 Comprehensive Social Security Assistance (CSSA) households respectively were excluded from the computation of the income index, accounting for 4.0%, 2.3% and 23.0% of the completed sample. Upon exclusion of the three categories of non-representative households and invalid sampling units, etc (including deceased tenants and those who terminated their tenancies), the sampling units for computation of the income index is 16 481 for 2009.

10. As for 2011, 881 well-off tenants, 543 other households with income higher than the upper outlying levels, and 5 507 CSSA households respectively are excluded from the computation of the income index, accounting for 3.8%, 2.3% and 23.5% of the completed sample. Upon exclusion of the three categories of non-representative households and invalid sampling units, etc, the sampling units for computation of the income index is 16 511 for 2011. The C&SD considers the sample sizes for both the first and second periods form a sound basis for the compilation of the income index.

### (iii) Computation of Mean Monthly Household Income

11. With the exclusion of the three categories of non-representative PRH households and invalid sampling units, etc mentioned above, as well as the application of a standard statistical method to gross up the survey data, the C&SD computed the household size distribution of PRH tenants which forms a set of weights for computing the overall mean monthly household income and hence the income index for the rent review. The details for the two periods are at **Annex D1** and **Annex D2** respectively.

12. The mean monthly household income of PRH tenants in the first period (i.e. 2009) is \$13,579 and this index is set at 100. All the income data and the relevant documentary proof for the second period have now been collected and vetted. The adjusted mean monthly household income of PRH tenants in the second period (i.e. 2011) is \$15,784. The index of the second period is therefore 116.24. The C&SD has conducted various quality checks and computed the income index with reference to the income data for the first and second periods in its independent capacity. The findings of the quality checks performed by the C&SD and the computation of income index are appended at the C&SD's report on the second rent review exercise at **Annex E**.

13. Section 16A(4)(a) of the Housing Ordinance stipulates that the HA "if satisfied on a review of the relevant rent that the income index for the second period is higher than the income index for the first period by more than 0.1%, shall as soon as practicable after the review increase the relevant rent by the rate of the increase of the income index or 10%, whichever is less; and if satisfied on

a review of the relevant rent that the income index for the second period is lower than the income index for the first period by more than 0.1%, shall as soon as practicable after the review reduce the relevant rent by the rate of the reduction of the income index”. Section 16A(6) of the Housing Ordinance also stipulates that, in varying the relevant rent, the HA may round down the amount of the relevant rent to the nearest dollar. As shown in the C&SD’s report at Annex E, the income index for the second period is higher than that for the first period by 16.24%. Therefore, the level of rent adjustment in accordance with the second PRH rent review is +10%.

## IMPACT ON PRH TENANTS

14. Among a total of about 699 000 households residing in PRH as at December 2012, there are about 146 100 (or 21%) CSSA households. The remaining consists of about 517 000 households (or 74%) who are paying normal rent, about 12 000 households (or 2%) receiving assistance under the HA’s Rent Assistance Scheme (RAS) to pay either 50% or 75% of the normal rent, and about 24 100 “well-off tenants” (or 3%) who are paying additional rent.

15. The average monthly rent as at December 2011 is \$1,397, and an adjustment of +10% means an increase of **\$139** on average. In terms of range, the current range of rent is from \$259 to \$3,525, i.e., increases ranging from **\$25 to \$352**.

16. In terms of distribution, excluding CSSA households whose rent is paid by the Government, the impact of the monthly rent increase<sup>1</sup> on the remaining some 553 100 PRH households is broken down as follows:

<u>Monthly rent increase</u>	<u>No. of tenants (%)</u>
\$50 or less	7 000 ( 1% )
\$51 to \$100	120 900 ( 22% )
\$101 to \$150	213 000 ( 39% )
\$151 to \$200	102 000 ( 18% )
\$201 to \$250	76 100 ( 14% )
Over \$250	34 100 ( 6% )

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<sup>1</sup> The rent increase distribution range as shown is calculated on the basis of normal rent (i.e. rent inclusive of net rent and rates) payable by PRH tenants. For some 24 100 additional rent paying households who are required to pay 1.5 or 2 times of the net rent, the distribution of the actual rent payable upon rent adjustment for them may be different.

## **ASSISTANCE / RELIEF MEASURES IN PLACE**

17. For those who cannot support themselves financially, CSSA provides a safety net to bring their income up to a prescribed level to meet their basic needs. The PRH rent of CSSA recipients is paid by the Government (through payment by the Social Welfare Department direct to the HA).

18. Furthermore, the HA offers assistance to PRH tenants facing temporary financial difficulties through the Rent Assistance Scheme (RAS) (e.g. those in between jobs). Households meeting the eligibility criteria can receive rent reductions up to 50%. The eligibility criteria and the administrative arrangements concerning RAS are at **Annex F**.

19. Members may also wish to note that, as announced in the 2012-13 Budget, the Government is paying two-months' rent for PRH tenants in 2012-13 to help ease the pressure of the economic downturn on the community. Subject to the approval of the Legislative Council's Finance Committee, PRH tenants' rent of July and August 2012 will be paid in part or in full by the Government. The amount for the rent holiday can offset the effect of the rent adjustment in accordance with the second rent review in the two-year review period by 83.3%. To illustrate, for those paying the average monthly rent of \$1,397, the net effect is that there will only be an upward rent adjustment of 1.7%, which is equivalent to an extra \$23 to be paid each month. This measure will ease the burden on PRH residents to a certain extent and help them cope with the rent increase.

## **HOUSING AUTHORITY'S DISCUSSIONS**

20. On 22 May 2012, the SHC of the HA considered the report by the C for C&S and endorsed the outcome of the second rent review exercise under the established rent adjustment mechanism as stipulated in section 16A of the Housing Ordinance, indicating an increase of 16.24% in the income index of the second period when compared to that of the first period. Members further noted that the HA should effect a rent increase as per the rate of change of the income indices subject to a cap at 10% as soon as practicable in accordance with section 16A(4) of the Housing Ordinance. Section 16A(5)(b) of the Housing Ordinance stipulates that the HA shall not vary the relevant rent before the second anniversary of the date of the last variation. The last adjustment of PRH rent under the established mechanism came into effect on 1 September 2010. This means that the next adjustment will come into effect on 1 September 2012. PRH tenants will be notified one month in advance of their new rent levels.

21. Notwithstanding paragraph 20, section 17 of the Housing Ordinance confers a discretion on the HA that it may “remit, in whole or in part and for such period as it thinks fit, the payment of any rent, premium or other consideration payable under any lease.” In a special follow-up meeting on 24 May, SHC Members had an extensive discussion on whether the HA should introduce relief measures to share the burden of its tenants in the light of the current economic climate and inflationary pressure. The general consensus was that the HA should adopt a “sharing of burden” approach on the rent increase, and that on this basis, it would be appropriate for the HA to grant a rent waiver of one month to all PRH tenants. Members noted that this would be in addition to the two-month rent relief to be provided by the Government in July and August 2012, subject to the approval of the Legislative Council’s Finance Committee.

22. SHC Members noted that the one-month’s rent relief would offset about half of the effect of the rent increase in the two-year period. Although the HA cannot implement the rent increase in stages under the law, granting a one-month rent waiver would have the practical effect of “reducing” the increase in rent to 5.42% over two years. Including CSSA households and with waiver of only the net rent for well-off tenants, a one-month rent waiver would incur rental forgone on the HA’s part at around \$1 billion.

23. Members are invited to note the outcome of the second rent review under the established mechanism and the deliberations by the SHC. We will report the views and comments of Members to the SHC.

**Housing Department**  
**May 2012**

## **Background and Methodology of the Established Rent Adjustment Mechanism**

### **A. The Need for Review**

It has been a long-established policy for the HA to set the PRH rent at affordable levels. At the same time, under section 4(4) of the Housing Ordinance, the policy of the HA shall be directed to ensuring that the revenue accruing to it from its estates shall be sufficient to meet its recurrent expenditure on its estates.

2. Prior to 1998, the HA used to review and adjust the rent of PRH units in batches biennially. Each batch comprised different number of units in different locations. In determining whether and if so, the extent to which PRH rent should be adjusted, the HA would take into account a number of factors, including tenants' affordability, consumer price movements, Government rates, wage movement, comparative estate values, running costs of the estates under review, the HA's financial conditions, etc. In 1997, the Housing Ordinance was amended by way of a Private Members' Bill. The amended Ordinance came into effect in March 1998. The then section 16(1A) of the Housing Ordinance imposed, inter alia, the requirement of the median rent-to-income ratio (MRIR) of all estates not exceeding 10% after any rent variation. The requirement did not provide an objective basis for the HA to consider any rent adjustment, since increases in MRIR could be brought about by extraneous factors other than changes in PRH tenants' household income, such as an increase in the proportion of small households, elderly households or CSSA households, and improvement in the PRH allocation standard. There was a need to establish an objective and sustainable mechanism to form a basis for rent adjustments.

3. In January 2001, the HA set up an Ad Hoc Committee to review its domestic rent policy. The objective of the review is to map out a rent policy that is affordable and flexible, provides greater choice to tenants, and contributes to the long-term sustainability of the public housing programme. In November 2006, the HA approved the Report on the Review of Domestic Rent Policy, which recommended the formulation of the income-based rent adjustment mechanism to replace the previous statutory 10% MRIR cap.

## **B. The Established Mechanism**

4. The Housing (Amendment) Ordinance 2007 (the Amendment Ordinance) introduced the existing mechanism to provide for upward or downward adjustment of PRH rent according to the changes in the household income of PRH tenants. The Amendment Ordinance was passed by the Legislative Council in June 2007 and came into operation on 1 January 2008. To provide a starting point for the existing rent adjustment mechanism to operate effectively, the HA reduced the PRH rent by 11.6% from August 2007.

5. Under the established PRH rent adjustment mechanism, the HA shall conduct a rent review every two years and vary the PRH rent according to the change in the income index between the first and second periods covered by the review. As stipulated in section 16A(4) of the Housing Ordinance, if the income index for the second period is higher than that for the first period by more than 0.1%, the HA shall increase the PRH rent by the rate of increase of the income index or 10%, whichever is less; if the income index for the second period is lower than that for the first period by more than 0.1%, the HA shall reduce the PRH rent by the rate of reduction of the income index.

6. Rent adjustments are made with reference to the change in the income index between the first and second periods of the rent review cycle. In accordance with section 16A(8) of the Housing Ordinance, for the second rent review, the first period is the period of 12 months expiring on 31 December 2009, and the second period is the period of 12 months expiring on 31 December 2011. Under section 16A(7)(a), an income index for the first period reflects the level of the mean monthly household income of tenants over the first period and an income index for the second period reflects the level of the adjusted mean monthly household income of tenants over the second period. As stipulated in Section 16A(8), “adjusted mean monthly household income” means the mean monthly income of tenants assessed on the basis of the distribution of the household size of those tenants over the first period.

7. Section 16A(7)(b) of the Housing Ordinance specifies that the C for C&S shall, in relation to the compilation of the income index, compute the index. This includes the computation of the change in the income index between the first and second periods.



## **C. Data Collection and Computation**

8. Compilation of the income index involves both “data collection” and “data computation”. The income data of PRH households collected through the Income Survey is used as the basis for compiling the income index.

9. To collect the income data, a sample of 2 000 PRH households is randomly selected by the HA each month and each sampled household receives a notification letter together with an income declaration form. The income declaration forms are served under section 25(1) of the Housing Ordinance and declaration is mandatory. The declarable income includes remuneration from employment and self-employment, and other income (for example, interest and dividends). All sampled households are required by law to complete the forms. However, to mitigate the burden caused to the sampled households, no household is selected more than once within a period of 12 months.

10. For each sampled household, every family member listed in the tenancy records shall, in compliance with the relevant stipulations of the Ordinance, declare truthfully their monthly income. Explanatory notes are provided in the income declaration form to facilitate their provision of income data. The sampled households shall return the duly completed income declaration forms within the time specified. Information provided by tenants is treated in strict confidence and is solely used for compiling the income index. Households who knowingly make false statements of their particulars required in the income declaration forms, or refuse or fail to return the forms by the specified time shall be guilty of an offence and will be liable to prosecution.

11. The compilation of the income index serves to assess the “pure income change” in the household income of PRH tenants during the rent review cycle with a view to determining the extent of rent adjustment. To do this, the household size distribution of PRH tenants in the rent review cycle should remain unchanged, so that the impact on household income due to variations of household size distribution could be eliminated in computing the income index.

### ***The HA’s Role***

12. The HA collects the income data from the sampled households. The sampling method and the data collection process were devised in consultation with the C&SD to ensure the representativeness and accuracy of the Income Survey.

13. As far as sampling is concerned, a probability-based sampling method is adopted to randomly select 2 000 PRH tenants each month to participate in the Income Survey. PRH tenants are first categorised into five household size categories (i.e. five strata), i.e. 1-person households, 2-person households, 3-person households, 4-person households and households of 5 persons or more. Households are then drawn from each category according to the actual household size distribution of PRH tenants in a particular month. 2 000 households were sampled according to the actual household size distribution month by month. This method is known as **proportionate stratified sampling** and has the merit of providing more precise estimates than the simple random sampling.

14. In the course of data collection and processing, the HA has adopted the following measures to safeguard the quality of data collected in the Income Survey:

- (a) The HA responds to tenants' enquiries regarding any problems they encounter when completing the income declaration forms so as to minimise errors and omissions. Home visits are also conducted by the HA staff upon request to assist physically challenged tenants and the elderly to complete the forms;
- (b) The HA has carried out preliminary vetting of all the returned income declaration forms upon receipt from the sampled households. For those forms which were not duly completed or in need of further clarification, the households concerned were contacted by the staff of the Housing Department (HD), and may be asked to provide documentary proof of income and other related information for verification of the declared income data;
- (c) The HA has adopted a double data entry approach, i.e. the same set of data is input into the computer by two staff members separately. The two sets of data are then compared and matched with each other for verification to avoid manual input errors; and
- (d) The HA has conducted consistency check on the information in each declaration form of the Income Survey during data input by using a computer programme. Any inconsistencies identified were verified with the sampled households concerned before providing the dataset to the C&SD for computing the income index.

### ***The C&SD's Role***

15. The C&SD is responsible for (i) conducting quality checks on the work of the HA in the Income Survey; and (ii) computing the income index in its independent capacity in accordance with section 16A(7)(b) of the Housing Ordinance.

#### **(i) Quality check on the work of the HA in the Income Survey**

16. The C&SD has adopted various quality checks to ensure the impartiality, objectiveness and accuracy of the HA's work in the Income Survey. These measures serve to monitor and assess in a comprehensive manner the representativeness of the sampled PRH households, the correctness of the declared income and the accuracy of the input data. The objective is to ensure that the data adopted for the computation of the income index could truly reflect the household income of PRH tenants. These measures include the following:

- (a) When the collection of data for each period is completed, statistical testing is conducted by the C&SD to evaluate if the distribution of the sampled households is in line with the actual distribution of PRH tenants in terms of household size and geographical distribution, so as to ensure the representativeness of the samples;
- (b) About 5% of the sampled households who have declared income are randomly selected by the C&SD each month, for the HA to request them to submit income documentary proof to support that the information declared is true and correct. Some 1 200 households annually are covered by this additional verification. Furthermore, the C&SD conducts random check to confirm whether the HA has vetted the income documentary proof properly;
- (c) About 2% of the completed income declaration forms are randomly selected by the C&SD each month to check the accuracy of data input performed by the HA; and
- (d) In processing the data of each month, the C&SD carries out another round of checking on the HA's data validation work as mentioned in para. 14(d) using its own computer programme to ensure that all necessary steps were taken.

## (ii) Exclusion of Non-representative Households

17. The income index seeks to reflect changes in the household income of PRH tenants over the first and second periods. In computing the income index, “non-representative” households with considerable income deviation are excluded, in accordance with the methodology agreed by the Bills Committee, to minimise distortion to the outcome of the computation. Such households include:

- i. “*Well-off tenants*”: Tenants paying additional rent (commonly known as “well-off tenants”) are better off than other PRH households. Their inclusion in the coverage of the income index would raise the overall income level and hence, cannot accurately reflect the affordability of PRH households in general;
- ii. *Other households with high “outlying” income*: Referring to those high-income households who are not “well-off tenants” paying additional rent (including those who have resided in PRH for less than 10 years). To assess the proportion of these households, the “**John Tukey’s Outliers Filter**” method, a common statistical method, has been adopted for the treatment of outliers data. Applying this method to define the outliers of the income data in the Income Survey has excluded PRH households with income higher than the upper outlying levels (please see **Appendix** on the methodology); and
- iii. *CSSA households*: CSSA is effectively a social security allowance provided by the Government, rather than income.

## (iii) Computation of Mean Monthly Household Income

18. With the exclusion of the three categories of non-representative PRH households and invalid sampling units, etc, as well as the application of statistical method to gross up the survey data, the C&SD computes the household size distribution of PRH tenants which forms a set of weights for computing the overall mean monthly household income and hence the income index for the rent review.

19. The distribution in the first period forms the set of weights which remains unchanged over the second period. In statistical term, the mean monthly household income of the second period is 'adjusted' based on the household size distribution of the first period in order to discount the impact on household income due to variation in household size distribution in the rent review cycle.

## The John Tukey's Outliers Filter Method

### Background

The "Report on the Review of Domestic Rent Policy" published by the HA in end 2006 proposed to exclude CSSA and additional rent paying households from the coverage of the income index. It further suggested households with extreme income in each household size category be excluded from the calculation of the index to deal with the so-called "outliers".

2. At the third Bills Committee Meeting held on 16 March 2007, members raised concerns about the potential distortion to the resultant rate of rent adjustment under the new rent adjustment mechanism by high income households. The Administration responded that, in addition to CSSA households and additional rent-paying households, the approximate top 1% household income in each household size group would also be excluded when calculating the weighted average household income.

3. The idea of excluding households with extremely high income was further discussed in subsequent Bills Committee meetings (on 17 April 2007, 10 May 2007, 25 May 2007, 30 May 2007 and 31 May 2007). While members were aware of the Administration's suggestion, some members were of the view that more stringent selection rules should be applied so that "mild outliers" should also be excluded.

4. The Administration considered members' views, and, upon further consultation with the C&SD, proposed in the Administration's Response dated 1 June 2007 to adopt the John Tukey's Outliers Filter Method to assess the proportion of households with outlying income levels. Based on the income pattern of PRH tenants back then, it was estimated that about top 4% and 5% households in each household size group would be excluded by applying the John Tukey's Outliers Filter Method. The suggested methodology was accepted by the Bills Committee.

### The Method

5. John Tukey's Outliers Filter Method was developed by John Wilder Tukey (1915-2000). This is a common statistical method for detecting outliers. It is widely accepted as it is applicable to different types of data set, without any assumptions on the statistical distribution or pattern of the data set.

6. The method determines the upper and lower outlier levels, based on the distribution of the whole set of original data. Those data higher than the upper level and those smaller than the lower level are classified as outliers. As the two levels are determined from the original data set, there is no pre-determined percentage of data which will be classified as outliers.

7. In the context of compilation of the Income Index, the actual calculation involves:

- (a) Arrange the set of household income data from the survey in ascending order, i.e. from the lowest to the highest income.
- (b) Calculate the median, upper quartile or 75<sup>th</sup> percentile ( $x_{.75}$ ) and lower quartile or 25<sup>th</sup> percentile ( $x_{.25}$ ) of the household income of the sampled households. The median is the income level which divides the sampled households into two equal halves, one with household income above the median and the other below the median. The upper quartile is the income level which is above 75% of the sampled households. In other words, 25% of the sampled households have income above the upper quartile. Similarly, the lower quartile is the income level above 25% of the sampled households.
- (c) Calculate the interquartile range (IQR) by subtracting the lower quartile from the upper quartile, i.e.  $IQR = x_{.75} - x_{.25}$ . The IQR thus contains the middle 50% of sampled households in terms of household income.
- (d) The upper outlying level is determined as  $1.5 \times IQR$  higher than the upper quartile, i.e.  $x_{.75} + 1.5 \times IQR$

Any household with income higher than this level is considered an outlier.

- (e) The lower outlying level is determined as  $1.5 \times IQR$  lower than the lower quartile. i.e.  $x_{.25} - 1.5 \times IQR$

Any household with income lower than this level is considered an outlier.

8. An example of the calculation for 1-person household group in 2009 is given below :

Minimum (\$)	Maximum (\$)	Lower quartile (25 <sup>th</sup> percentile) (\$)	Upper quartile (75 <sup>th</sup> percentile) (\$)	Interquartile range (IQR) (\$)
0	38,760	2,970	5,800	2,830

$$\begin{aligned} \text{The interquartile range (IQR)} &= \text{upper quartile} - \text{lower quartile} \\ &= 5,800 - 2,970 \\ &= 2,830 \end{aligned}$$

$$\begin{aligned} \text{The upper outlying level} &= \text{upper quartile} + 1.5 \times \text{IQR} \\ &= 5,800 + 1.5 \times 2,830 \\ &= 10,045 \end{aligned}$$

$$\begin{aligned} \text{The lower outlying level} &= \text{lower quartile} - 1.5 \times \text{IQR} \\ &= 2,970 - 1.5 \times 2,830 \\ &= -1,275 \end{aligned}$$

Similarly, upper and lower outlying levels for other household sizes can be computed. The results for 2009 are given below:

Household size	Lower outlying level (\$)	Upper outlying level (\$)
1P	-1,275	10,045
2P	-3,976	20,693
3P	-6,884	34,114
4P	-8,866	43,044
5P and above	-10,772	52,620



As for the 2011 data, the upper and lower outlying levels for determining the outliers are given below:

<b>Household size</b>	<b>Lower outlying level (\$)</b>	<b>Upper outlying level (\$)</b>
1P	-2,223	11,705
2P	-5,382	24,602
3P	-8,400	39,440
4P	-9,480	49,400
5P and above	-11,391	59,398

Households with income exceeding the upper outlying level or less than the lower outlying level are considered as outliers. In reality, there are no households with negative income. As such, no households from the lower end of the actual income distribution are considered as outliers and excluded.

**Annex B1**

**Sample Distribution by Household Size in the First Period (2009)**

Month of Declaration in 2009		Household Size					
		1P	2P	3P	4P	5P or above	Total
January	No. of Household	323	444	497	479	257	2 000
	%	(16.2)	(22.2)	(24.9)	(24.0)	(12.9)	(100.0)
February	No. of Household	323	446	497	478	256	2 000
	%	(16.2)	(22.3)	(24.9)	(23.9)	(12.8)	(100.0)
March	No. of Household	324	447	497	477	255	2 000
	%	(16.2)	(22.4)	(24.9)	(23.9)	(12.8)	(100.0)
April	No. of Household	326	448	497	476	253	2 000
	%	(16.3)	(22.4)	(24.9)	(23.8)	(12.7)	(100.0)
May	No. of Household	326	450	498	475	251	2 000
	%	(16.3)	(22.5)	(24.9)	(23.8)	(12.6)	(100.0)
June	No. of Household	327	452	498	473	250	2 000
	%	(16.4)	(22.6)	(24.9)	(23.7)	(12.5)	(100.0)
July	No. of Household	328	454	499	471	248	2 000
	%	(16.4)	(22.7)	(25.0)	(23.6)	(12.4)	(100.0)
August	No. of Household	328	455	499	471	247	2 000
	%	(16.4)	(22.8)	(25.0)	(23.6)	(12.4)	(100.0)
September	No. of Household	329	455	500	470	246	2 000
	%	(16.5)	(22.8)	(25.0)	(23.5)	(12.3)	(100.0)
October	No. of Household	329	456	501	469	245	2 000
	%	(16.5)	(22.8)	(25.1)	(23.5)	(12.3)	(100.0)
November	No. of Household	330	457	502	467	244	2 000
	%	(16.5)	(22.9)	(25.1)	(23.4)	(12.2)	(100.0)
December	No. of Household	330	459	503	466	242	2 000
	%	(16.5)	(23.0)	(25.2)	(23.3)	(12.1)	(100.0)

Note: Households were sampled according to the actual distribution of PRH households by household size, which varies from month to month. The percentages in brackets denote the distribution of sampled households in that month.

### Sample Distribution by Household Size in the Second Period (2011)

Month of Declaration in 2011		Household Size					
		1P	2P	3P	4P	5P or above	Total
January	No. of Household	339	469	508	455	229	2 000
	%	(17.0)	(23.5)	(25.4)	(22.8)	(11.5)	(100.0)
February	No. of Household	340	470	508	454	228	2 000
	%	(17.0)	(23.5)	(25.4)	(22.7)	(11.4)	(100.0)
March	No. of Household	340	471	508	453	228	2 000
	%	(17.0)	(23.6)	(25.4)	(22.7)	(11.4)	(100.0)
April	No. of Household	341	472	508	453	226	2 000
	%	(17.1)	(23.6)	(25.4)	(22.7)	(11.3)	(100.0)
May	No. of Household	341	473	508	452	226	2 000
	%	(17.1)	(23.7)	(25.4)	(22.6)	(11.3)	(100.0)
June	No. of Household	342	475	508	451	224	2 000
	%	(17.1)	(23.8)	(25.4)	(22.6)	(11.2)	(100.0)
July	No. of Household	343	477	509	449	222	2 000
	%	(17.2)	(23.9)	(25.5)	(22.5)	(11.1)	(100.0)
August	No. of Household	344	477	509	449	221	2 000
	%	(17.2)	(23.9)	(25.5)	(22.5)	(11.1)	(100.0)
September	No. of Household	345	477	509	448	221	2 000
	%	(17.3)	(23.9)	(25.5)	(22.4)	(11.1)	(100.0)
October	No. of Household	346	479	509	446	220	2 000
	%	(17.3)	(24.0)	(25.5)	(22.3)	(11.0)	(100.0)
November	No. of Household	345	481	509	446	219	2 000
	%	(17.3)	(24.1)	(25.5)	(22.3)	(11.0)	(100.0)
December	No. of Household	345	482	510	445	218	2 000
	%	(17.3)	(24.1)	(25.5)	(22.3)	(10.9)	(100.0)

Note: Households were sampled according to the actual distribution of PRH households by household size, which varies from month to month. The percentages in brackets denote the distribution of sampled households in that month.

## Annex C1

**Comparison of distribution of Households by district and estate between  
sampling units and overall distribution in the first period (2009)**

District *	Name of Estate	Actual Households		Sampled Households	
		No.	%	No.	%
1. CENTRAL & WESTERN	Sai Wan Estate	621	0.1	20	0.1
2. EASTERN	Fung Wah Estate	415	0.1	17	0.1
	Hing Man Estate	1 939	0.3	69	0.3
	Hing Tung Estate	2 106	0.3	74	0.3
	Hing Wah (1) Estate	2 249	0.3	87	0.4**
	Hing Wah (2) Estate	3 444	0.5	116	0.5
	Hong Tung Estate	465	0.1	13	0.1
	Model Housing Estate	652	0.1	19	0.1
	Oi Tung Estate	3 734	0.6	133	0.6
	Siu Sai Wan Estate	5 969	0.9	216	0.9
	Tsui Lok Estate	318	0.0	13	0.1**
	Tsui Wan Estate	652	0.1	29	0.1
	Wan Tsui Estate	3 560	0.5	126	0.5
	Yiu Tung Estate	5 145	0.8	186	0.8
	Yue Wan Estate	2 119	0.3	82	0.3
3. SOUTHERN	Ap Lei Chau Estate	4 251	0.6	149	0.6
	Lei Tung Estate	2 896	0.4	97	0.4
	Ma Hang Estate	892	0.1	33	0.1
	Shek Pai Wan Estate	5 135	0.8	183	0.8
	Tin Wan Estate	3 062	0.5	111	0.5
	Wah Fu (1) Estate	4 685	0.7	172	0.7
	Wah Fu (2) Estate	4 283	0.6	152	0.6
	Wah Kwai Estate	1 179	0.2	42	0.2
4. KOWLOON CITY	Ho Man Tin Estate	4 672	0.7	166	0.7
	Hung Hom Estate	824	0.1	33	0.1
	Ma Tau Wai Estate	2 053	0.3	77	0.3
	Oi Man Estate	6 225	0.9	223	0.9
	Sheung Lok Estate	340	0.1	11	0.0**
5. KWUN TONG	Choi Ha Estate	654	0.1	24	0.1
	Choi Ying Estate	3 844	0.6	138	0.6
	Hing Tin Estate	548	0.1	21	0.1
	Kai Tin Estate	2 261	0.3	80	0.3
	Kai Yip Estate	4 148	0.6	150	0.6
	Ko Cheung Court	1 792	0.3	63	0.3
	Ko Yee Estate	1 160	0.2	41	0.2
	Kwong Tin Estate	2 222	0.3	83	0.3
	Lam Tin Estate	741	0.1	23	0.1
	Lei Yue Mun Estate	3 128	0.5	115	0.5
	Lok Wah North Estate	2 930	0.4	107	0.4
	Lok Wah South Estate	6 723	1.0	244	1.0
	Lower Ngau Tau Kok (2) Estate***	1 980	0.3	70	0.3
	On Tin Estate	718	0.1	25	0.1
	Ping Shek Estate	4 454	0.7	159	0.7
	Ping Tin Estate	5 412	0.8	194	0.8
	Po Tat Estate	7 357	1.1	266	1.1
	Sau Mau Ping Estate	11 984	1.8	434	1.8
	Sau Mau Ping South Estate	893	0.1	32	0.1
	Shun Lee Estate	4 356	0.7	152	0.6**

District *	Name of Estate	Actual Households		Sampled Households	
		No.	%	No.	%
	Shun On Estate	2 907	0.4	103	0.4
	Shun Tin Estate	6 785	1.0	246	1.0
	Tak Tin Estate	2 248	0.3	79	0.3
	Tsui Ping North Estate	3 524	0.5	126	0.5
	Tsui Ping South Estate	4 640	0.7	168	0.7
	Upper Ngau Tau Kok Estate	3 999	0.6	144	0.6
	Wan Hon Estate	971	0.1	34	0.1
	Wo Lok Estate	1 905	0.3	69	0.3
	Yau Lai Estate	4 196	0.6	147	0.6
	Yau Tong Estate	3 543	0.5	134	0.6**
	6. SHAM SHUI PO	Chak On Estate	1 775	0.3	67
Fortune Estate		2 074	0.3	75	0.3
Fu Cheong Estate		5 904	0.9	212	0.9
Hoi Lai Estate		4 861	0.7	172	0.7
Lai Kok Estate		2 810	0.4	104	0.4
Lai On Estate		1 360	0.2	52	0.2
Lei Cheng Uk Estate		1 480	0.2	58	0.2
Nam Cheong Estate		813	0.1	28	0.1
Nam Shan Estate		2 615	0.4	93	0.4
Pak Tin Estate		8 348	1.3	299	1.2**
Shek Kip Mei Estate		4 836	0.7	176	0.7
So Uk Estate		1 250	0.2	44	0.2
Tai Hang Tung Estate		1 961	0.3	72	0.3
Un Chau Estate		5 773	0.9	209	0.9
7. WONG TAI SIN		Choi Fai Estate	1 290	0.2	48
	Choi Hung Estate	7 334	1.1	267	1.1
	Choi Wan (1) Estate	5 709	0.9	207	0.9
	Choi Wan (2) Estate	2 864	0.4	103	0.4
	Chuk Yuen North Estate	1 525	0.2	57	0.2
	Chuk Yuen South Estate	5 904	0.9	209	0.9
	Fu Shan Estate	1 536	0.2	59	0.2
	Fung Tak Estate	1 468	0.2	56	0.2
	Lok Fu Estate	3 575	0.5	120	0.5
	Lower Wong Tai Sin (1) Estate	1 880	0.3	66	0.3
	Lower Wong Tai Sin (2) Estate	6 526	1.0	235	1.0
	Mei Tung Estate	633	0.1	20	0.1
	Tsz Ching Estate	7 958	1.2	290	1.2
	Tsz Hong Estate	1 992	0.3	69	0.3
	Tsz Lok Estate	6 126	0.9	222	0.9
	Tsz Man Estate	1 939	0.3	70	0.3
	Tung Tau (1) Estate	820	0.1	27	0.1
	Tung Tau (2) Estate	2 628	0.4	94	0.4
	Upper Wong Tai Sin Estate	4 130	0.6	148	0.6
	Wang Tau Hom Estate	5 739	0.9	208	0.9
	8. YAU TSIM MONG	Hoi Fu Court	2 761	0.4	100
9. ISLANDS	Cheung Kwai Estate	453	0.1	18	0.1
	Fu Tung Estate	1 642	0.2	60	0.3**
	Kam Peng Estate	245	0.0	14	0.1**
	Lung Tin Estate	348	0.1	16	0.1
	Nga Ning Court	417	0.1	16	0.1
	Ngan Wan Estate	409	0.1	16	0.1
	Yat Tung (1) Estate	5 480	0.8	192	0.8
Yat Tung (2) Estate	6 068	0.9	220	0.9	

District *	Name of Estate	Actual Households		Sampled Households		
		No.	%	No.	%	
10. KWAI TSING	Cheung Ching Estate	4 758	0.7	166	0.7	
	Cheung Fat Estate	1 435	0.2	51	0.2	
	Cheung Hang Estate	4 315	0.6	151	0.6	
	Cheung Hong Estate	8 072	1.2	294	1.2	
	Cheung On Estate	1 533	0.2	55	0.2	
	Cheung Wang Estate	4 241	0.6	148	0.6	
	Easeful Court	508	0.1	21	0.1	
	High Prosperity Terrace	758	0.1	26	0.1	
	Kwai Chung Estate	13 298	2.0	478	2.0	
	Kwai Fong Estate	6 223	0.9	224	0.9	
	Kwai Hing Estate	377	0.1	14	0.1	
	Kwai Shing East Estate	6 157	0.9	217	0.9	
	Kwai Shing West Estate	5 083	0.8	180	0.8	
	Lai King Estate	4 113	0.6	144	0.6	
	Lai Yiu Estate	2 756	0.4	100	0.4	
	On Yam Estate	5 222	0.8	189	0.8	
	Shek Lei (1) Estate	4 741	0.7	169	0.7	
	Shek Lei (2) Estate	7 313	1.1	264	1.1	
	Shek Yam East Estate	2 361	0.4	80	0.3**	
	Shek Yam Estate	2 623	0.4	95	0.4	
	Tai Wo Hau Estate	7 365	1.1	264	1.1	
	Tsing Yi Estate	862	0.1	33	0.1	
	Wah Lai Estate	1 425	0.2	53	0.2	
	11. NORTH	Cheung Wah Estate	2 311	0.3	80	0.3
Ching Ho Estate		6 273	0.9	230	1.0**	
Choi Yuen Estate		4 895	0.7	176	0.7	
Ka Fuk Estate		1 964	0.3	69	0.3	
Tai Ping Estate		391	0.1	15	0.1	
Tin Ping Estate		1 395	0.2	45	0.2	
Wah Ming Estate		1 992	0.3	68	0.3	
Wah Sum Estate		1 465	0.2	56	0.2	
Yung Shing Court		1 690	0.3	59	0.2**	
12. SAI KUNG		Choi Ming Court	2 774	0.4	99	0.4
		Hau Tak Estate	4 152	0.6	150	0.6
	Kin Ming Estate	6 975	1.0	249	1.0	
	King Lam Estate	1 810	0.3	68	0.3	
	Ming Tak Estate	1 502	0.2	53	0.2	
	Po Lam Estate	2 199	0.3	78	0.3	
	Sheung Tak Estate	5 480	0.8	195	0.8	
	Tsui Lam Estate	1 876	0.3	64	0.3	
13. SHATIN	Chun Shek Estate	2 096	0.3	70	0.3	
	Chung On Estate	2 764	0.4	99	0.4	
	Heng On Estate	1 176	0.2	48	0.2	
	Hin Keng Estate	929	0.1	31	0.1	
	Hin Yiu Estate	789	0.1	37	0.2**	
	Kwong Yuen Estate	1 598	0.2	56	0.2	
	Lee On Estate	3 587	0.5	131	0.5	
	Lek Yuen Estate	3 158	0.5	110	0.5	
	Lung Hang Estate	4 303	0.6	159	0.7**	
	Mei Lam Estate	4 037	0.6	148	0.6	
	Mei Tin Estate	5 434	0.8	195	0.8	
	Pok Hong Estate	1 359	0.2	51	0.2	
	Sha Kok Estate	6 155	0.9	228	1.0**	
	Shek Mun Estate	366	0.1	11	0.0**	
Sun Chui Estate	6 541	1.0	237	1.0		
Sun Tin Wai Estate	3 348	0.5	123	0.5		

District *	Name of Estate	Actual Households		Sampled Households		
		No.	%	No.	%	
	Wo Che Estate	6 190	0.9	221	0.9	
	Yiu On Estate	1 291	0.2	47	0.2	
14. TAI PO	Fu Heng Estate	2 112	0.3	78	0.3	
	Fu Shin Estate	2 703	0.4	94	0.4	
	Kwong Fuk Estate	6 129	0.9	220	0.9	
	Tai Wo Estate	2 370	0.4	86	0.4	
	Tai Yuen Estate	4 663	0.7	165	0.7	
	Wan Tau Tong Estate	802	0.1	30	0.1	
	15. TSUEN WAN	Cheung Shan Estate	1 584	0.2	58	0.2
Fuk Loi Estate		3 083	0.5	108	0.5	
Lei Muk Shue (1) Estate		2 286	0.3	76	0.3	
Lei Muk Shue (2) Estate		4 209	0.6	153	0.6	
Lei Muk Shue Estate		3 866	0.6	139	0.6	
Shek Wai Kok Estate		6 267	0.9	229	1.0**	
16. TUEN MUN	Butterfly Estate	5 226	0.8	193	0.8	
	Fu Tai Estate	5 010	0.8	178	0.7**	
	Kin Sang Estate	662	0.1	25	0.1	
	Leung King Estate	3 322	0.5	122	0.5	
	On Ting Estate	4 933	0.7	180	0.8**	
	Po Tin Estate	6 199	0.9	224	0.9	
	Sam Shing Estate	1 722	0.3	58	0.2**	
	Shan King Estate	6 555	1.0	232	1.0	
	Tai Hing Estate	8 159	1.2	292	1.2	
	Tin King Estate	1 109	0.2	40	0.2	
	Wu King Estate	4 291	0.6	158	0.7**	
	Yau Oi Estate	8 851	1.3	317	1.3	
	17. YUEN LONG	Grandeur Terrace	4 065	0.6	143	0.6
		Long Ping Estate	4 788	0.7	178	0.7
Shui Pin Wai Estate		2 327	0.3	90	0.4**	
Tin Chak Estate		3 938	0.6	142	0.6	
Tin Ching Estate		3 568	0.5	124	0.5	
Tin Heng Estate		5 705	0.9	205	0.9	
Tin Shui (1) Estate		4 534	0.7	164	0.7	
Tin Shui (2) Estate		3 139	0.5	111	0.5	
Tin Tsz Estate		3 271	0.5	118	0.5	
Tin Wah Estate		3 595	0.5	130	0.5	
Tin Yan Estate		5 295	0.8	189	0.8	
Tin Yat Estate		3 295	0.5	120	0.5	
Tin Yiu (1) Estate		4 547	0.7	163	0.7	
Tin Yiu (2) Estate		3 780	0.6	142	0.6	
Tin Yuet Estate		4 068	0.6	146	0.6	
<b>OVERALL</b>		666 993	100.0	24 000	100.0	

\* The estates are grouped according to 17 districts for easy reference. There are no PRH estates in Wan Chai district.

\*\* Chi-square tests were conducted to compare the actual overall distribution of the sample and that of the tenancy records by district and by estate. The results indicated that the differences between the actual and sampled distribution are insignificant.

\*\*\* Lower Ngau Tau Kok (2) Estate in Kwun Tong District was demolished in early 2010 and hence not included in Annex C2.

Note: Statistically, the sample distribution tallies with the actual distribution by design of the proportionate stratified systematic sampling method. That is, the sample effectively reflects the distribution of all PRH tenants by district and by estate.

**Annex C2**

**Comparison of distribution of Households by district and estate between  
sampling units and overall distribution in the second period (2011)**

	District *	Name of Estate	Actual Households		Sampled Households	
			No.	%	No.	%
1.	<b>CENTRAL &amp; WESTERN</b>	Sai Wan Estate	628	0.1	23	0.1
2.	<b>EASTERN</b>	Chai Wan Estate***	1 484	0.2	55	0.2
		Fung Wah Estate	402	0.1	15	0.1
		Hing Man Estate	1 947	0.3	67	0.3
		Hing Tung Estate	2 094	0.3	73	0.3
		Hing Wah (1) Estate	2 241	0.3	78	0.3
		Hing Wah (2) Estate	3 418	0.5	121	0.5
		Hong Tung Estate	449	0.1	18	0.1
		Model Housing Estate	654	0.1	19	0.1
		Oi Tung Estate	3 819	0.6	135	0.6
		Siu Sai Wan Estate	5 975	0.9	214	0.9
		Tsui Lok Estate	318	0.0	9	0.0
		Tsui Wan Estate	642	0.1	21	0.1
		Wan Tsui Estate	3 555	0.5	126	0.5
		Yiu Tung Estate	5 118	0.7	178	0.7
		Yue Wan Estate	2 120	0.3	69	0.3
3.	<b>SOUTHERN</b>	Ap Lei Chau Estate	4 279	0.6	153	0.6
		Lei Tung Estate	2 732	0.4	96	0.4
		Ma Hang Estate	894	0.1	31	0.1
		Shek Pai Wan Estate	5 152	0.7	176	0.7
		Tin Wan Estate	3 069	0.4	104	0.4
		Wah Fu (1) Estate	4 733	0.7	157	0.7
		Wah Fu (2) Estate	4 284	0.6	155	0.6
		Wah Kwai Estate	1 135	0.2	42	0.2
4.	<b>KOWLOON CITY</b>	Ho Man Tin Estate	4 650	0.7	160	0.7
		Hung Hom Estate	1 168	0.2	44	0.2
		Ma Tau Wai Estate	2 041	0.3	69	0.3
		Oi Man Estate	6 211	0.9	215	0.9
		Sheung Lok Estate	333	0.0	18	0.1**
5.	<b>KWUN TONG</b>	Choi Fook Estate***	2 643	0.4	94	0.4
		Choi Ha Estate	619	0.1	14	0.1
		Choi Tak Estate***	2 789	0.4	97	0.4
		Choi Ying Estate	3 966	0.6	138	0.6
		Hing Tin Estate	529	0.1	19	0.1
		Kai Tin Estate	2 235	0.3	76	0.3
		Kai Yip Estate	4 103	0.6	142	0.6
		Ko Cheung Court	1 790	0.3	59	0.2**
		Ko Yee Estate	1 152	0.2	40	0.2
		Kwong Tin Estate	2 231	0.3	77	0.3
		Lam Tin Estate	2 958	0.4	104	0.4
		Lei Yue Mun Estate	3 153	0.5	110	0.5
		Lok Wah North Estate	2 919	0.4	105	0.4
		Lok Wah South Estate	6 673	1.0	233	1.0
		Lower Ngau Tau Kok (2) Estate	N.A.	N.A.	N.A.	N.A.
		On Tin Estate	719	0.1	22	0.1
		Ping Shek Estate	4 484	0.6	152	0.6
Ping Tin Estate	5 428	0.8	187	0.8		
Po Tat Estate	7 359	1.1	254	1.1		



District *	Name of Estate	Actual Households		Sampled Households	
		No.	%	No.	%
	Sau Mau Ping Estate	11 944	1.7	417	1.7
	Sau Mau Ping South Estate	3 859	0.6	135	0.6
	Shun Lee Estate	4 331	0.6	151	0.6
	Shun On Estate	2 928	0.4	101	0.4
	Shun Tin Estate	6 798	1.0	233	1.0
	Tak Tin Estate	2 162	0.3	75	0.3
	Tsui Ping North Estate	3 377	0.5	116	0.5
	Tsui Ping South Estate	4 599	0.7	160	0.7
	Upper Ngau Tau Kok Estate	6 537	0.9	228	1.0**
	Wan Hon Estate	960	0.1	32	0.1
	Wo Lok Estate	1 887	0.3	66	0.3
	Yau Lai Estate	6 527	0.9	230	1.0**
	Yau Tong Estate	3 528	0.5	121	0.5
	6. SHAM SHUI PO	Chak On Estate	1 755	0.3	62
Fortune Estate		2 082	0.3	73	0.3
Fu Cheong Estate		5 906	0.9	204	0.9
Hoi Lai Estate		4 883	0.7	170	0.7
Lai Kok Estate		2 798	0.4	98	0.4
Lai On Estate		1 337	0.2	46	0.2
Lei Cheng Uk Estate		1 392	0.2	44	0.2
Nam Cheong Estate		795	0.1	32	0.1
Nam Shan Estate		2 607	0.4	89	0.4
Pak Tin Estate		8 366	1.2	293	1.2
Shek Kip Mei Estate		4 856	0.7	168	0.7
So Uk Estate		1 030	0.1	44	0.2**
Tai Hang Tung Estate		1 956	0.3	68	0.3
Un Chau Estate		6 050	0.9	211	0.9
7. WONG TAI SIN	Choi Fai Estate	1 301	0.2	47	0.2
	Choi Hung Estate	7 332	1.1	259	1.1
	Choi Wan (1) Estate	5 708	0.8	202	0.8
	Choi Wan (2) Estate	2 879	0.4	99	0.4
	Chuk Yuen North Estate	1 428	0.2	50	0.2
	Chuk Yuen South Estate	5 860	0.8	200	0.8
	Fu Shan Estate	1 552	0.2	60	0.3**
	Fung Tak Estate	1 395	0.2	49	0.2
	Lok Fu Estate	3 576	0.5	122	0.5
	Lower Wong Tai Sin (1) Estate	1 808	0.3	61	0.3
	Lower Wong Tai Sin (2) Estate	6 504	0.9	228	1.0**
	Mei Tung Estate	1 342	0.2	45	0.2
	Shatin Pass Estate***	282	0.0	8	0.0
	Tsz Ching Estate	7 930	1.1	278	1.2**
	Tsz Hong Estate	1 994	0.3	67	0.3
	Tsz Lok Estate	6 114	0.9	217	0.9
	Tsz Man Estate	1 939	0.3	65	0.3
	Tung Tau (1) Estate	660	0.1	22	0.1
	Tung Tau (2) Estate	2 542	0.4	89	0.4
	Upper Wong Tai Sin Estate	4 748	0.7	168	0.7
Wang Tau Hom Estate	5 725	0.8	199	0.8	
8. YAU TSIM MONG	Hoi Fu Court	2 765	0.4	87	0.4
9. ISLANDS	Cheung Kwai Estate	454	0.1	16	0.1
	Fu Tung Estate	1 635	0.2	57	0.2
	Kam Peng Estate	246	0.0	9	0.0
	Lung Tin Estate	359	0.1	11	0.0**
	Nga Ning Court	415	0.1	14	0.1

District *	Name of Estate	Actual Households		Sampled Households		
		No.	%	No.	%	
	Ngan Wan Estate	418	0.1	16	0.1	
	Yat Tung (1) Estate	5 522	0.8	193	0.8	
	Yat Tung (2) Estate	6 120	0.9	214	0.9	
10. KWAI TSING	Cheung Ching Estate	4 793	0.7	170	0.7	
	Cheung Fat Estate	1 378	0.2	46	0.2	
	Cheung Hang Estate	4 309	0.6	151	0.6	
	Cheung Hong Estate	8 102	1.2	282	1.2	
	Cheung On Estate	1 470	0.2	52	0.2	
	Cheung Wang Estate	4 240	0.6	146	0.6	
	Easeful Court	509	0.1	19	0.1	
	High Prosperity Terrace	757	0.1	25	0.1	
	Kwai Chung Estate	13 477	2.0	469	2.0	
	Kwai Fong Estate	6 210	0.9	217	0.9	
	Kwai Hing Estate	365	0.1	15	0.1	
	Kwai Luen Estate***	451	0.1	17	0.1	
	Kwai Shing East Estate	6 183	0.9	218	0.9	
	Kwai Shing West Estate	5 159	0.7	177	0.7	
	Lai King Estate	4 152	0.6	147	0.6	
	Lai Yiu Estate	2 777	0.4	95	0.4	
	On Yam Estate	5 213	0.8	183	0.8	
	Shek Lei (1) Estate	4 757	0.7	165	0.7	
	Shek Lei (2) Estate	7 406	1.1	252	1.1	
	Shek Yam East Estate	2 341	0.3	81	0.3	
	Shek Yam Estate	2 633	0.4	89	0.4	
	Tai Wo Hau Estate	7 333	1.1	255	1.1	
	Tsing Yi Estate	816	0.1	35	0.1	
	Wah Lai Estate	1 429	0.2	50	0.2	
	11. NORTH	Cheung Wah Estate	2 225	0.3	77	0.3
		Ching Ho Estate	7 060	1.0	249	1.0
Choi Yuen Estate		4 983	0.7	177	0.7	
Ka Fuk Estate		1 961	0.3	72	0.3	
Tai Ping Estate		360	0.1	14	0.1	
Tin Ping Estate		1 329	0.2	46	0.2	
Wah Ming Estate		1 922	0.3	64	0.3	
Wah Sum Estate		1 465	0.2	52	0.2	
Yung Shing Court		1 703	0.2	58	0.2	
12. SAI KUNG	Choi Ming Court	2 778	0.4	92	0.4	
	Hau Tak Estate	4 137	0.6	143	0.6	
	Kin Ming Estate	6 961	1.0	244	1.0	
	King Lam Estate	1 775	0.3	57	0.2**	
	Ming Tak Estate	1 488	0.2	51	0.2	
	Po Lam Estate	2 112	0.3	74	0.3	
	Sheung Tak Estate	5 493	0.8	193	0.8	
	Shin Ming Estate***	833	0.1	33	0.1	
	Tsui Lam Estate	1 826	0.3	63	0.3	
13. SHATIN	Chun Shek Estate	2 110	0.3	71	0.3	
	Chung On Estate	2 756	0.4	96	0.4	
	Heng On Estate	1 081	0.2	38	0.2	
	Hin Keng Estate	864	0.1	33	0.1	
	Hin Yiu Estate	789	0.1	24	0.1	
	Kwong Yuen Estate	1 513	0.2	54	0.2	
	Lee On Estate	3 582	0.5	128	0.5	
	Lek Yuen Estate	3 177	0.5	111	0.5	
	Lung Hang Estate	4 304	0.6	151	0.6	
	Mei Lam Estate	4 043	0.6	142	0.6	

District *	Name of Estate	Actual Households		Sampled Households	
		No.	%	No.	%
	Mei Tin Estate	5 463	0.8	191	0.8
	Pok Hong Estate	1 309	0.2	42	0.2
	Sha Kok Estate	6 176	0.9	216	0.9
	Shek Mun Estate	1 942	0.3	62	0.3
	Sun Chui Estate	6 542	0.9	231	1.0**
	Sun Tin Wai Estate	3 354	0.5	109	0.5
	Wo Che Estate	6 198	0.9	214	0.9
	Yan On Estate***	913	0.1	31	0.1
	Yiu On Estate	1 226	0.2	41	0.2
14. TAI PO	Fu Heng Estate	2 037	0.3	70	0.3
	Fu Shin Estate	2 634	0.4	87	0.4
	Kwong Fuk Estate	6 131	0.9	210	0.9
	Tai Wo Estate	2 255	0.3	76	0.3
	Tai Yuen Estate	4 671	0.7	164	0.7
	Wan Tau Tong Estate	737	0.1	24	0.1
15. TSUEN WAN	Cheung Shan Estate	1 594	0.2	54	0.2
	Fuk Loi Estate	3 086	0.4	104	0.4
	Lei Muk Shue (1) Estate	2 285	0.3	76	0.3
	Lei Muk Shue (2) Estate	4 209	0.6	148	0.6
	Lei Muk Shue Estate	3 868	0.6	132	0.6
	Shek Wai Kok Estate	6 285	0.9	213	0.9
16. TUEN MUN	Butterfly Estate	5 242	0.8	179	0.7**
	Fu Tai Estate	5 015	0.7	177	0.7
	Kin Sang Estate	634	0.1	24	0.1
	Leung King Estate	3 230	0.5	114	0.5
	On Ting Estate	4 976	0.7	176	0.7
	Po Tin Estate	6 579	1.0	230	1.0
	Sam Shing Estate	1 765	0.3	56	0.2**
	Shan King Estate	6 538	0.9	227	0.9
	Tai Hing Estate	8 287	1.2	287	1.2
	Tin King Estate	1 072	0.2	36	0.2
	Wu King Estate	4 292	0.6	147	0.6
	Yau Oi Estate	8 981	1.3	316	1.3
	17. YUEN LONG	Grandeur Terrace	4 075	0.6	144
Long Ping Estate		4 684	0.7	163	0.7
Shui Pin Wai Estate		2 343	0.3	89	0.4**
Tin Chak Estate		3 965	0.6	137	0.6
Tin Ching Estate		6 104	0.9	209	0.9
Tin Heng Estate		5 727	0.8	203	0.8
Tin Shui (1) Estate		4 540	0.7	158	0.7
Tin Shui (2) Estate		3 143	0.5	112	0.5
Tin Tsz Estate		3 262	0.5	116	0.5
Tin Wah Estate		3 632	0.5	126	0.5
Tin Yan Estate		5 313	0.8	184	0.8
Tin Yat Estate		3 310	0.5	114	0.5
Tin Yiu (1) Estate		4 562	0.7	157	0.7
Tin Yiu (2) Estate		3 791	0.5	133	0.6**
Tin Yuet Estate		4 086	0.6	145	0.6
<b>OVERALL</b>		690 047	100.0	24 000	100.0

\* The estates are grouped according to 17 districts for easy reference. There are no PRH estates in Wan Chai district.

\*\* Chi-square tests were conducted to compare the actual overall distribution of the sample and that of the tenancy records by district and by estate. The results indicated that the differences between the actual and sampled distribution are insignificant.

\*\*\*Denotes new estates completed after 2009 and hence not included in **Annex C1**.

Note: Statistically, the sample distribution tallies with the actual distribution by design of the proportionate stratified systematic sampling method. That is, the sample effectively reflects the distribution of all PRH tenants by district and by estate.

**Annex D1**

**Distribution of Households excluded from  
the Computation of Income Index in the First Period**

<b>Household Size</b>	<b>No. of sampling units (a)</b>	<b>Well-off tenants (b)</b>	<b>Other households with high outlying income (c)</b>	<b>CSSA households (d)</b>	<b>Sampling units for computation of the income index (e)</b>	<b>No. of households after grossing up<sup>(2)</sup> (f)</b>	<b>Weighting after grossing up<sup>(2)</sup> (g)</b>
<b>1P</b>	3 923	46	182	1 782	1 893	51 919	11.061%
<b>2P</b>	5 423	146	217	1 454	3 514	98 886	21.067%
<b>3P</b>	5 988	304	55	959	4 526	128 365	27.347%
<b>4P</b>	5 672	292	65	708	4 391	126 384	26.925%
<b>5P or above</b>	2 994	151	26	464	2 157	63 838	13.600%
<b>Overall</b>	24 000	939	545	5 367	16 481 <sup>(1)</sup>	469 393	100%

(1) Figures are calculated by excluding the well-off tenants, other households with high outlying income, CSSA households, and invalid sampling units, etc (including deceased tenants and those who terminated their tenancies, etc) from the sample size.

(2) After discounting the well-off tenants, other households with high outlying income, CSSA households and invalid sampling units, etc, we have used a grossing up method to calculate the number of PRH households of different sizes. The proportion of PRH households of each size would be used as weights to compute the monthly average household income of PRH tenants as a whole.

**Distribution of Households excluded from  
the Computation of Income Index in the Second Period**

<b>Household Size</b>	<b>No. of sampling units (a)</b>	<b>Well-off tenants (b)</b>	<b>Other households with high outlying income (c)</b>	<b>CSSA households (d)</b>	<b>Sampling units for computation of the income index (e)</b>	<b>No. of households after grossing up (2) (f)</b>	<b>Weighting after grossing up (2) (g)</b>
<b>1P</b>	4 111	43	180	1 886	1 970	56 156	11.581%
<b>2P</b>	5 703	119	173	1 562	3 783	109 648	22.614%
<b>3P</b>	6 103	346	82	980	4 590	134 033	27.643%
<b>4P</b>	5 401	261	78	642	4 220	125 684	25.921%
<b>5P or above</b>	2 682	112	30	437	1 948	59 357	12.242%
<b>Overall</b>	24 000	881	543	5 507	16 511 <sup>(1)</sup>	484 879	100%

(1) Figures are calculated by excluding the well-off tenants, other households with high outlying income, CSSA households, and invalid sampling units, etc (including deceased tenants and those who terminated their tenancies, etc) from the sample size.

(2) After discounting the well-off tenants, other households with high outlying income, CSSA households and invalid sampling units, etc, we have used a grossing up method to calculate the number of PRH households of different sizes. The proportion of PRH households of each size would be used as weights to compute the monthly average household income of PRH tenants as a whole.

As stipulated in Section 16A(8) of the Housing Ordinance, “adjusted mean monthly household income” refers to the mean monthly income of tenants assessed on the basis of the distribution of the household size of those tenants over the first period. Hence for this rent review, the set of weights in column (h) in **Annex D1** will be used instead of column (h) in this Annex for computing the adjusted overall mean monthly household income. The set of weights in column (h) of this Annex will be used in the next rent review exercise.

**Report on Quality Check on Survey Data and  
Computation of Income Index for the Second Rent Review  
Performed by the Census and Statistics Department**

In accordance with Section 16A(7)(b) of the Housing Ordinance, the Commissioner for Census and Statistics shall compute the income index for the purpose of the rent review. Data for computing the income index is obtained from the “Survey on Household Income of Public Rental Housing (PRH) Tenants” (the Income Survey) conducted by the Housing Authority (HA).

**Quality checks on the income data**

2. The Census and Statistics Department (C&SD) has implemented a range of quality check measures to ensure impartiality, objectiveness and accuracy during the data collection and data processing of the Income Survey. The purpose is to evaluate and confirm the data quality of the Income Survey including representativeness of the samples, correctness of the declared income data and accuracy of data input.

3. A summary of the quality checks on the income data performed by C&SD for the first period (i.e. 2009) and the second period (i.e. 2011) of the second rent review is given in Table 1.

4. Based on evidence obtained in the quality checks, C&SD concludes that the survey data accurately reflect the household income of PRH tenants in both 2009 and 2011. The survey data can be used to compute the income index for PRH tenants for the second rent review.

**Computation of income index for the second rent review**

5. In accordance with Section 16A of the Housing Ordinance, C&SD has computed for the second rent review the mean monthly household income for the first period (i.e. 2009) and the mean monthly household income for the second period (i.e. 2011) with reference to the distribution of households by size in 2009 using the data of the Income Surveys for the respective years. The results are presented in Tables 2 and 3 respectively. The income index for PRH tenants in

both 2009 and 2011 is also computed and presented in the tables. For ease of reference, the mean monthly household income for 2011 computed with reference to the distribution of households by size in 2009 will be referred to as the “adjusted mean monthly household income for 2011” in Table 3.

Census and Statistics Department

14 May, 2012



**Quality Checks Performed by Census and Statistics Department**

No.	Check	Description	Checking Results
(1)	Evaluation of the representativeness of the sample in terms of household size and geographical distribution	<ul style="list-style-type: none"> <li>● The samples of PRH households selected in 2009 and 2011 were studied and compared with the overall distribution of the tenancy records of the Housing Department (HD) of the respective years by household size and by district and estate.</li> <li>● Statistical tests were conducted and the results showed that the distribution of the samples was basically the same as that of the tenancy records, and hence the samples of the Income Survey in both 2009 and 2011 were representative.</li> </ul>	<p>Conclusion: Check in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> <li>● Distribution of the sample was statistically comparable to that of tenancy records.</li> </ul>
(2)	Correctness of declared income data against documentary proof	<ul style="list-style-type: none"> <li>● A 5% sample of households who had declared income were randomly selected by C&amp;SD for the check.</li> <li>● The HD then requested these households to submit income documentary proof to support that the information declared was true and correct.</li> <li>● To verify whether the checking by HD was carried out properly, C&amp;SD randomly selected those cases checked by HD to see if the checking was in order.</li> </ul>	<p>Conclusion: Check in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> <li>● No tenants knowingly made false statements in the Income Survey.</li> <li>● The differences between the declared income data and the data obtained from documentary proof, which had been suitably rectified for inclusion in the computation of income index, were of very small and similar magnitudes in 2009 and 2011, hence had virtually no impact on the computation of income index.</li> </ul>

No.	Check	Description	Checking Results
			<ul style="list-style-type: none"> <li>● No irregularities on the checking performed by HD were found.</li> </ul>
(3)	Accuracy of data input by HD	<ul style="list-style-type: none"> <li>● A double data entry approach, i.e. the same set of data was input into the computer by two staff members separately, was implemented. The two sets of data were then compared and matched with each other for verification to avoid manual input errors.</li> <li>● A 2% sample was randomly selected by C&amp;SD for checking the accuracy of data input performed by HD.</li> </ul>	<p>Conclusion: Check in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> <li>● A few data input errors had been spotted, which had been suitably rectified before their inclusion in the computation of income index, but the magnitude was negligible and they had virtually no impact on the computation of the income index.</li> </ul>
(4)	Evaluation of data validation conducted by HD	<ul style="list-style-type: none"> <li>● Consistency checks were performed by HD by using a computer programme on the inputted data so as to identify those data in need of further clarification with the households concerned.</li> <li>● C&amp;SD carried out an independent round of data validation and checks using its own computer programme to see if HD had verified all those cases in need of further clarification with the households concerned.</li> </ul>	<p>Conclusion: Check in order</p> <p>Remarks:</p> <ul style="list-style-type: none"> <li>● HD had confirmed / clarified all cases in need of further clarification with the households concerned before preparing the dataset for computation of income index by C&amp;SD.</li> </ul>

**Table 2 of Annex E**

**Mean Monthly Household Income of PRH Tenants  
in the First Period of the Second Rent Review <sup>[Note]</sup>**

<b>Household size</b>	<b>Mean monthly household income</b>	<b>% Distribution of household size (weights)</b>
1-person	\$4,258	11.061%
2-person	\$8,521	21.067%
3-person	\$13,876	27.347%
4-person	\$17,265	26.925%
5-person or above	\$21,101	13.600%
		<b>100.0%</b>

**Overall mean monthly household income                      \$13,579**

Computed as follows:

$$\begin{aligned} & \$4,258 \times 11.061\% + \$8,521 \times 21.067\% + \$13,876 \times 27.347\% + \$17,265 \times 26.925\% + \\ & \$21,101 \times 13.600\% \\ = & \mathbf{\$13,579} \end{aligned}$$

**Index for the first period is set at 100.**

**Note:**

**Please note that income figures in the above table have been rounded to the nearest integer and the weights presented in percentage have been rounded to the nearest three decimal places. Such arrangement is solely for presentation purpose. In practice, income figures and weights are all computed by the default number of decimal places in the computer system.**

**Table 3 of Annex E**

**Adjusted Mean Monthly Household Income of PRH Tenants  
in the Second Period of the Second Rent Review <sup>[Notes]</sup>**

<b>Household size</b>	<b>Mean monthly household income</b>	<b>% Distribution of household size (weights of the first period)</b>
1-person	\$4,687	11.061%
2-person	\$10,022	21.067%
3-person	\$15,942	27.347%
4-person	\$20,246	26.925%
5-person or above	\$24,583	13.600%
		<b>100.0%</b>

**Overall adjusted mean monthly household income** **\$15,784**

Computed as follows:

$$\$4,687 \times 11.061\% + \$10,022 \times 21.067\% + \$15,942 \times 27.347\% + \$20,246 \times 26.925\% + \$24,583 \times 13.600\%$$

$$= \mathbf{\$15,784}$$

**Index for the second period**

$$= \$15,784 / \$13,579 \times 100$$

$$= \mathbf{116.24}$$

**Notes:**

**Please note that income figures in the above table have been rounded to the nearest integer and the weights presented in percentage have been rounded to the nearest three decimal places. Such arrangement is solely for presentation purpose. In practice, income figures and weights are all computed by the default number of decimal places in the computer system.**

**In accordance with Section 16A of the Housing Ordinance, the HA shall increase or reduce the PRH rent by the rate of change of the income index if the income index for the second period is higher or lower than that of the first period by more than 0.1%. The computation on the rate of change is based on the default number of decimal places in the computer system. In order to show with certainty whether the rate of change is more than 0.1%, the income index is rounded to the nearest two decimal places.**

**The Rent Assistance Scheme**

Eligibility Criteria

The HA offers assistance to PRH tenants facing temporary financial difficulties through the Rent Assistance Scheme (RAS). Non-elderly households whose income levels meet the two different sets of thresholds will be eligible for rent reduction of either 25% or 50%. Elderly households meeting the eligibility criteria are eligible for rent reduction of 50%. The detailed criteria are as follows –

	<b>Non-elderly Households</b>		<b>Elderly Households ( All members aged 60 or above )</b>
<b>Rent Reduction</b>	<b>50%</b>	<b>25%</b>	<b>50%</b>
<b>Income</b>	(a) <50% WLIL  or  (b) RIR>25%  or  (c) 50% - <70% WLIL <u>and</u> RIR>15%	(a) 50% - <70% WLIL  or  (b) RIR >18.5% - 25%	(a) <70% WLIL  or  (b) RIR>18.5%

WLIL = Waiting List Income Limits

RIR = Rent-to-Income Ratio

Administrative Arrangements

2. The HD actively renders assistance to eligible tenants via the following actions –

- (a) Upon receipt of the application form and requisite information, the HD will complete the processing of applications and notify the tenants within two weeks;

- (b) For applications received before the 15<sup>th</sup> of each month, rent assistance is provided with retrospective effect for that month (by crediting the tenants' rent account);
- (c) The HD widely publicizes the RAS through various channels, e.g. the radio, Housing Channel, EMAC newsletter, etc.; and
- (d) The HD also reminds tenants with rent arrears on the availability of the RAS by mail. In this respect, the HD in particular reaches out to households with elderly and disabled members. The HD highlights in the reminder that staff of the HD stand ready to assist the elderly and disabled households in their RAS applications where necessary.