

Legislative Council Panel on Housing

Rent Payment for Public Housing Tenants

Purpose

This paper sets out the Government's proposal to pay two months' rent for tenants living in the public rental housing (PRH) units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS).

Proposal

2. To help ease the community's burden, the Financial Secretary (FS) proposed in his 2013-14 Budget a series of one-off measures, including paying two months' rent for households living in the PRH units of the HA and the HS.

3. Specifically, FS proposed that the Government pay two months' rent in full for tenants/licencees¹ of HA paying normal rent, tenants of HS Group A estates and tenants of Elderly Persons' Flats in HS Group B estates. Under the proposal, HA tenants/licencees paying additional rent² and non-Elderly Persons' Flats tenants of HS Group B estates³ will also be covered. To ensure the rational allocation of public housing resources, for HA tenants/licencees paying additional rent, the Government will pay on their behalf their net rent for two months. Similarly, for non-Elderly Persons' Flats tenants of HS Group B estates, the Government will pay on their behalf two-thirds of their net rent for two months.

¹ Licencees include mainly those households living in HA's interim housing. HA's interim housing is transit accommodation offered to people who are deprived of their living accommodation as a result of natural disasters, Government clearance operations or enforcement actions, and are not immediately eligible for PRH. Households paying market rent under the Policy of Safeguarding Rational Allocation of Public Housing Resources are also regarded as licencees of HA.

² Under the "Well-off Tenants Policies", households living in PRH for ten years are required to declare their household income and thereafter biennially. Those with a household income exceeding the prescribed income limits are required to pay 1.5 times or double net rent plus rates as appropriate. PRH households with total household income and net assets value both exceeding the prescribed income and asset limits are required to vacate their PRH flats. If tenants have difficulties in moving out the flat by the specified date, they may apply for a licence from the HA to temporarily stay in their PRH flats for a period of not more than 12 months, during which they need to pay a licence fee equivalent to the double net rent plus rates or market rent (whichever is the higher). Net rent refers to rent exclusive of rates.

³ These estates target families of relatively higher income as compared to HS Group A estates.

4. We estimate that more than 740 000 households, which include about 710 000 HA tenants/licencees and about 33 000 tenants of HS Group A and Group B estates, will benefit from the proposal.

Financial implication

5. The estimated financial implication for implementing the rent payment proposal is around \$2,150 million. About \$2,054 million and \$96 million will be paid to the HA and the HS respectively.

Implementation

6. As the proposal is administrative in nature, no legislative amendment is required. After consulting the Legislative Council (LegCo) Panel on Housing, we will seek the necessary funding approval from the Finance Committee (FC) of the LegCo upon the passage of the 2013 Appropriation Bill. Subject to FC's approval, and taking into account the time needed for preparatory work, including computer system adjustment, verification of tenancy records and adjustment of auto payment with banks, etc., it is expected that HA tenants/licencees and HS tenants will not be required to pay all or part of the rent/licence fees for the months of August and September 2013.

Transport and Housing Bureau
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