

Legislative Council Panel on Housing
Rent Payment for Public Housing Tenants

Purpose

This paper sets out the Government's proposal to pay one month's rent for lower income tenants living in the public rental units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS).

Proposal

2. The Financial Secretary proposed in his 2015-16 Budget a number of one-off relief measures, including paying one month's rent for lower income tenants living in the public rental units of the HA and the HKHS.

3. Specifically, the Government proposes to pay one month's rent in full for tenants of the HA paying normal rent^{1,2}, tenants of the HKHS Group A estates and tenants of Elderly Persons' Flats in the HKHS Group B estates. The measure will not apply to tenants who are required to pay additional rent³ to the HA and tenants living in non-Elderly Persons' Flats of the HKHS Group B estates⁴.

4. We estimate that the Government will pay rent for about 740 000 households, which include about 710 000 HA's households paying normal rent and about 30 000 households of the HKHS Group A estates and Elderly Persons' Flats in the HKHS Group B estates under the measure.

¹ Including tenants of public rental units receiving rent reduction under HA's Rent Assistance Scheme.

² HA's tenants also include HA's licencees. Licencees include mainly those households living in the HA's interim housing. The 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 who are not immediately eligible for PRH.

³ Under HA's "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 asset 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 double net rent plus rates or market rent (whichever is the higher). Net rent refers to the amount of normal rent exclusive of rates. In terms of a PRH flat, additional rent refers to the portion of rent a "well-off tenant" has to pay in excess of what is required from a normal rent paying household.

⁴ As compared to the HKHS Group A estates, Group B estates target at households of relatively higher income.

Financial implication

5. The estimated financial implication for implementing the rent payment proposal is around \$1,146 million, with about \$1,097 million and \$49 million to be paid to the HA and the HKHS 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 funding approval from the Finance Committee (FC) of the LegCo upon passage of the 2015 Appropriation Bill. Subject to FC's approval, according to past experience 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., the HA and the HKHS will take about one and a half months after FC's approval to implement the initiative.

Transport and Housing Bureau
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