

(Translation)

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The Government of the Hong Kong Special Administrative Region

運輸及房屋局

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Transport and Housing Bureau

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29 March 2017

Mr Derek Lo
Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Mr Lo,

**Legislative Council Panel on Housing
Meetings on 15 November 2016, 9 January 2017 and
Special Meeting on 24 January 2017**

I enclose (i) at **Annex 1** the supplementary information requested by Members at the meeting on 15 November 2016; and (ii) at **Annex 2** the supplementary information requested by Members at the meeting on 9 January 2017 and the special meeting on 24 January 2017.

Yours sincerely,

(Original Signed)

(Jerry Cheung)

for Secretary for Transport and Housing

**Legislative Council Panel on Housing
meeting on 15 November 2016**

Supplementary Information

PURPOSE

At the Legislative Council Panel on Housing meeting on 15 November 2016, Members requested supplementary information on issues related to the taking forward of public housing developments. This paper provides the relevant information.

**REQUESTS FROM THE LOCAL COMMUNITIES ON PUBLIC
HOUSING DEVELOPMENTS**

2. In the course of taking forward public housing developments, it is our established practice to maintain communication with local communities and other stakeholders in a proactive manner, and to address their requests and secure their support. Common issues of concerns and requests by local communities and District Councils (DCs) during such consultations process include-

- i) Provision of more community facilities such as community halls, indoor recreation centres, government clinics, etc., and commercial facilities such as wet markets;
- ii) Provision of public transport facilities such as public transport terminals/interchanges and footbridges; and more vehicle parking spaces;
- iii) Adverse impact on traffic, air ventilation and visual amenity caused by the development projects;
- iv) Adverse impact on the values of properties in adjacent areas as a result of the development projects;
- v) Reprovisioning of existing facilities affected by the development projects, whether of permanent or temporary nature;
- vi) Redevelopment of existing aged public housing estates in peripheral areas;

- vii) Objection to infill or high-rise developments; and
- viii) Disclosure and consultation for all public housing developments/residential developments in the same district in a comprehensive, instead of piecemeal manner.

3. Where possible, we endeavor to address the requests from local communities and would make corresponding adjustments to the planning requirements and planning designs of projects concerned, for instance-

- i) Choi Wing Road project: At the Kwun Tong DC meeting in May 2014, in response to members' request for a wet market, we subsequently revised the project design to accommodate an additional wet market. We have reported to DC's Housing Committee in January 2015.
- ii) Tseung Kwan O Area 65C2 project: Sai Kung DC members requested more car parking spaces, welfare facilities and a community hall at the DC meeting in November 2014. After numerous discussions with relevant government departments and lobbying with DC members, we revised the carparking ratio of that project to increase parking spaces. Besides, we have also added several welfare facilities, which mainly provide providing services to the elderly, families, youth and children, as well as a community venue in the form of an activity centre. The first two items were reported to the Sai Kung DC in July 2015, while the last item was reported through written reply to Sai Kung DC Chairman and members in August 2015.

4. Nevertheless, there are cases where we are unable to address the requests from the local communities, for instance-

- i) Hiu Ming Street project: Kwun Tong DC members requested us to improve the pedestrian linkage from Hiu Ming Street via Tsui Ping North Estate (an estate under the Tenants Purchase Scheme) to Kwun Tong MTR station. Therefore, the Civil Engineering and Development Department (CEDD) proposed to build an escalator within the boundary of the estate, for facilitating pedestrians to walk from Hiu Ming Street to Kwun Tong MTR station. However, the Incorporated Owners (IO) of Tsui Ping North Estate

considered that the proposal might increase pedestrian flow and had concerns over insurance liability, increased management/maintenance costs, etc., and in turn opposed this proposal. The Housing Department (HD) will attempt to liaise with the IO again with the view to resolving such issues. The proposed escalator is yet to be implemented.

- ii) North West Kowloon Reclamation Site 1 (East) project: Sham Shui Po DC members requested a pedestrian linkage to the new waterfront. However, after detailed study and discussion with relevant government departments, it was decided that the elevated walkway system from Cheung Sha Wan MRT station to Nam Cheong MTR station would not be pursued. The project was presented and explained the above at Sham Shui Po DC in February 2016. During the planning stage of the project, the Hong Kong Housing Authority had considered setting up pedestrian networks for its public housing estates in the district, but it might not be practicable to connect such network with private developments. We had already provided elevated pedestrian network to connect adjoining public housing developments as far as practicable. DC members raised no strong objection.

CLINIC IN KWUN TONG DISTRICT

5. According to the information provided by Food and Health Bureau (FHB), a clinic is proposed to be built at the junction of Pik Wan Road and Ko Chiu Road. HD and FHB are proactively studying the feasibility of integrating the clinic and public housing development as a composite design at the site of 0.7 hectare. The site is subject to various development constraints and is adjacent to reservoir area, therefore, substantial site formation works is required and extension of the site to Ko Chiu Path is also being considered. Since the site is subject to various technical difficulties, the works is estimated to be completed in 2026-27.

THE PLANNING OF THE HUNG SHUI KIU NEW DEVELOPMENT AREA

6. According to the “Hung Shui Kiu New Development Area Planning and Engineering Study” by CEDD and the Planning Department, the proposed public-private housing ratio is 51:49. According to the “Recommended Outline Development Plan” of the new development area, the new development area will have various civic, as well as government, institution and community facilities, including kindergartens, schools, sports grounds, community halls, clinics and markets, etc., to serve the future residents of the new development area and the residents in nearby areas.

**Housing Department
Transport and Housing Bureau
March 2017**

Legislative Council Panel on Housing

Meeting on 9 January 2017 and Special Meeting on 24 January 2017

Supplementary Information

Purpose

At the Panel on Housing meeting on 9 January 2017 and the special meeting on 24 January 2017, Members passed three motions in relation to the Long Term Housing Strategy (LTHS) and the revision of “Well-off Tenants Policies”, and requested the Government to provide supplementary information regarding the revision of “Well-off Tenants Policies”. This paper provides the relevant information.

Long Term Housing Strategy

2. At the Panel meeting on 9 January 2017, Members passed two motions in relation to LTHS, requesting the Government to –

- (a) adjust the split between public and private housing supply from the current ratio of 60:40 to 70:30 or above; and revise the supply of housing units under the Long Term Housing Strategy to provide at least 35 000 public housing units annually, as so to alleviate the housing demand in society; and
- (b) revise LTHS to include the policy objective of "flat allocation within three years on average" as one of the housing demand components in its projection of future construction targets, so as to ensure that the production of public rental housing (PRH) could at least enable eligible applicants on the waiting list for PRH to receive the first flat offer within three years on average.

3. The Government announced the LTHS in December 2014 and adopted the supply-led and flexible principles. Under such principles, the Government updates the long term housing demand projection annually, and presents a rolling ten-year housing supply target in order to capture social, economic and market changes over time and to make timely adjustment where necessary. This housing supply target has already covered different types of housing demands within the ten-year period.

4. As stated in the LTHS Annual Progress Report 2016¹ (Progress Report), the housing supply target for the ten-year period from 2017-18 to 2026-27 is 460 000 units, with the split between public-private housing supply maintained at 60:40, which means that the supply target for public housing is 280 000 units. In order to balance the continued demand of the grassroots for PRH and the home ownership aspirations of low-to-middle income families, the Government maintains the target of providing 200 000 PRH units and 80 000 subsidised sale units.

5. In terms of flat production, as mentioned in the Progress Report, assuming that all sites identified can be smoothly delivered on time for housing development, the Government has identified land for the construction of about 236 000 public housing units for the ten-year period from 2017-18 to 2026-27. There is a gap with the ten-year supply target. The Government and the Hong Kong Housing Authority (HA) will continue to maintain close liaison to secure sites suitable for public housing developments and will consider how best to utilise the secured sites. We will also endeavour to streamline the required planning and land procedures, and to shorten the land resumption and clearance processes. HA will seek to optimise the development potential of each and every site and increase public housing production, as long as planning parameters and infrastructural capacity permit and the impact to the environment is not unacceptable.

¹ LC Paper No. CB(1)350/16-17(01).

Suggestion to revise the public/private housing ratio to further increase the public housing supply

6. The key consideration behind maintaining the new public/private housing supply ratio at 60:40 is to underline the Government's commitment in increasing public housing supply, while ensuring the stable and healthy development of the private market. Since land supply is limited, if the proportion of public housing out of the total new housing supply is further raised, it will inevitably reduce the supply of private housing and exert pressure on prices and rents in the private residential market. This may in turn increase the number of households which can no longer afford to purchase or rent private units. Therefore, we must be cautious in considering any suggestion to revise the relevant ratio in order to strike a balance between public and private housing development.

Suggestion to include the PRH waiting time target in the long term housing demand projection

7. There are four key areas in the projection of new housing demand under LTHS, namely, net increase in the number of households, households displaced by redevelopment, inadequately housed households, and miscellaneous factors². As mentioned in paragraph 2.12 of the LTHS, the housing demand so projected should have already covered all the PRH demand. For PRH applicants who are currently living in PRH, subsidised sale flats or private units and wish to form separate households of their own, their housing demand has been covered in the projection of "net increase in number of households". For PRH applicants who are living in units affected by redevelopment projects, their housing demand has been covered in the projection of "households displaced by redevelopment". For PRH applicants who are inadequately housed (such as those living in subdivided units), their housing demand has been covered in the projection of "inadequately housed households".

² Miscellaneous factors include households with only mobile residents who are occupying private permanent living quarters; non-local students who may take up accommodation in Hong Kong; and buyers from outside Hong Kong who may purchase flats without channeling them back to the market.

8. It is the objective of the Government and HA to provide PRH to low-income families who cannot afford to rent private accommodation, with the target of providing the first flat offer to general applicants (i.e. family and elderly one-person applicants) at around three years on average. However, incorporating the target of “providing the first flat offer at around three years on average” in the long term housing demand projection may not provide any reliable estimate. First, the target only applies to PRH general applicants. It is not applicable to non-elderly one-person applicants under the Quota and Points System. Moreover, since the number of general applicants is affected by various factors such as the applicants’ economic situations, family conditions and personal preferences, it is not possible to make any accurate projection of the housing demand of PRH general applicants among all kinds of housing demand in the coming ten years.

9. Furthermore, the current long term housing demand projection aims to reflect the number of new housing units that should be provided to meet the new housing needs within the projection period. However, from the angle of PRH supply, in addition to newly built units, recovered units are also an important source of supply to satisfy PRH demand. Based on past experience, through the surrender of PRH units by existing tenants and enforcement actions taken against tenancy abuse, on average there are a net gain of about 7 000 recovered units each year which could be re-allocated to PRH applicants. The fact that some PRH tenants will purchase the new Home Ownership Scheme flats will also help recover more PRH units. In other words, we do not rely solely on new PRH units as projected in the total housing supply target to satisfy demand. If we include the target of providing the first flat offer for the PRH general applicants at around three years on average in the long term housing demand projection, we would inevitably over-estimate both the demand and the supply target.

Revision of “Well-off Tenants Policies”

Consultation on the Revision of “Well-off Tenants Policies”

10. At the special meeting on 24 January 2017, Members passed a motion requesting HA, before deciding whether to implement the “Well-off Tenants Policies” under a single-track approach, to conduct a territory-wide consultation exercise on the subject under one single topic.

11. In recent years, there have been repeated and thorough discussions in the community on whether and how the “Well-off Tenants Policies”³ should be refined. In its Consultation Document published in 2013, the LTHS Steering Committee recommended HA to review the “Well-off Tenants Policies” and raised the following specific question –

“Question 16: Do you think that the “Well-off Tenants Policies” should be reviewed and updated (by, for example, shortening the initial income declaration period and the subsequent income and asset declaration period; requiring tenants to move out of PRH when either their income or asset level exceeds the respective limits; or setting an additional criterion on top of the existing income and asset limits criteria to require tenants to vacate their units when their income exceeds a certain threshold, regardless of their asset level)?”

³ HA’s Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources are commonly referred to as the “Well-off Tenants Policies”. In gist, under the existing “Well-off Tenants Policies”, after living in PRH for ten years, households are required to declare their income biennially. Those with household income equivalent to two to three times of the PRH income limits (PRHILs) are required to pay 1.5 times net rent plus rates. Those with household income exceeding three times of the PRHILs are required to pay double net rent plus rates. Households paying double net rent plus rates have to declare their assets at the next declaration cycle and thereafter on a biennial basis. Households exceeding the prescribed income and asset limits (income exceeding three times of the PRHILs and asset exceeding 84 times of the PRHILs) are required to vacate their PRH units within 12 months, during which double net rent plus rates or market rent, whichever is the higher, is charged. Households (a) whose members are all aged 60 or above; or (b) with all members receiving Comprehensive Social Security Assistance; or (c) who are on shared tenancies are exempted from the “Well-off Tenants Policies”.

12. During the three-month territory-wide public consultation conducted in 2013, representatives of the LTHS Steering Committee and the Transport and Housing Bureau attended over 50 meetings with members of the public and concern groups to gauge public's views. These included six open fora for the general public, concern groups and other stakeholders; meetings with 18 District Councils; meetings of the LegCo Subcommittee on LTHS; meeting with deputations arranged by the Subcommittee; meeting with HA; and other meetings and fora upon invitation from stakeholders and concern groups. In concluding the comments received during the public consultation exercise, the LTHS Steering Committee noted that there were relatively more supporting views in the society for revising the "Well-off Tenants Policies", and there were also views in support of revising the "two pillars" system to a "one pillar" system. On the other hand, there were also opposing views on the Policies. The LTHS Steering Committee considered that HA should take such views into consideration in its overall review of the "Well-off Tenants Policies".

13. In addition, in its Report No. 61 published in October 2013, the Audit Commission recommended HA to review the "Well-off Tenants Policies" in order to further ensure the rational allocation of limited public housing resources. During subsequent discussion, the LegCo Public Accounts Committee agreed that the Housing Department (HD) should take a more proactive approach to recover PRH units from "well-off tenants" in order to vacate more PRH units to families in need and to ensure that PRH resources are distributed in a fair manner.

14. Subsequently, HA's Subsidised Housing Committee (SHC) had an in-depth discussion on "Well-off Tenants Policies" in October 2014 and considered possible preliminary options to refine the "Well-off Tenants Policies". Relevant work was also reported in the "LTHS Implementation Milestones as at December 2014" published by the Government. Since each option had its own pros and cons, SHC considered then that more deliberations were needed, and hence no decision was made. Nonetheless, SHC requested HD to further examine the subject and provide options for further discussion.

15. In light of the increasing demand for PRH, SHC considers that while making the best efforts to increase PRH supply, it is necessary to examine ways to better utilise PRH resources at the same time to ensure that efforts would be focused on allocating PRH resources to those with more pressing housing needs. SHC first arranged an informal discussion session on 24 October 2016 to exchange views; then examined the relevant issues and endorsed the principles in refining the “Well-off Tenants Policies” at the meeting of 31 October 2016; and subsequently endorsed the specific amendments to the “Well-off Tenants Policies” at its meeting of 9 December 2016.

16. In light of the comments from SHC and the Panel, HD has further examined the implementation details of the “Well-off Tenants Policies”, and submitted specific proposals to SHC. SHC endorsed the implementation details of the revised “Well-off Tenants Policies” at its meeting of 14 February 2017. The revised “Well-off Tenants Policies” will be implemented starting from the declaration cycle in October 2017. The basic principles and implementation details of the revised Policies are at **Appendix 1**. SHC’s discussion paper and the relevant press release are at **Appendices 2** and **3**.

17. To conclude, the current revisions to the “Well-off Tenants Policies” have fully taken into account comments made by various stakeholders during the public consultation exercise and the numerous rounds of discussions conducted in the past years. It is certainly not a hasty decision. As a matter of fact, both supporting and opposing views on the revisions to the “Well-off Tenants Policies” expressed in the community are similar to the comments raised in the past few years. Therefore, it is not necessary to conduct another round of public consultation, or defer the implementation of the revised “Well-off Tenants Policies”.

Implementation of the Revised “Well-off Tenants Policies”

18. To implement the revised “Well-off Tenants Policies”, HD needs to upgrade its computer system and carry out relevant preparatory work (e.g. designing new income and asset declaration forms, preparing relevant guidelines and informing PRH tenants of the revised policies, etc.) The above work would take about six months. HA has already taken into account the time required to complete the aforementioned tasks when the decision to implement the revised “Well-off Tenants Policies” starting from the declaration cycle in October 2017 was made.

19. In addition, at present, income/asset declarations under the “Well-off Tenants Policies” are conducted in April and October each year. Over 200 000 households are required to conduct biennial declaration each year, among which only around 1 000 households fall under the declaration cycle in October. With the involvement of fewer households, implementing the revised “Well-off Tenants Policies” starting from the declaration cycle in October 2017 will enable HD to better handle and assess the operation of the revised Policies, and to further refine the implementation details if necessary for a smoother operation in declaration cycles involving more households.

20. As mentioned above, the current revision to the “Well-off Tenants Policies” concludes the discussions over the past few years, and is not a hasty decision. Despite the controversies involved, in light of the increasing demand for PRH, HA is obliged to ensure the rational allocation of PRH resources. Revising the “Well-off Tenants Policies” will convey a clear message to the community that PRH resources should be allocated to those with more pressing housing needs. This will also help enhance the effectiveness of the “Well-off Tenants Policies” in the long run.

Transportation and Housing Bureau
March 2017

Basic Principles and Implementation Details
of the Revised “Well-off Tenants Policies”

The Subsidised Housing Committee under the Hong Kong Housing Authority endorsed amendments to the “Well-off Tenants Policies” after detailed discussion at its meeting of 9 December 2016, and subsequently endorsed relevant implementation details at its meeting of 14 February 2017. Details are as follows -

I. Basic Principles

- (a) public rental housing (PRH) tenants with household income exceeding five times of PRH income limits (PRHILs), **or** with assets exceeding 100 times of PRHILs should vacate their flats;
- (b) tenants with private domestic property ownership in Hong Kong should vacate their flats, irrespective of their levels of income or assets;
- (c) for tenants who do not have private domestic property ownership in Hong Kong and whose household income and assets do not exceed the levels in (a) above, if their household income is equivalent to two to three times of the PRHILs, they will still be required to pay 1.5 times net rent plus rates. If their household income is equivalent to three to five times of the PRHILs, they will be required to pay double net rent plus rates. Households that are required to vacate their PRH units but have a temporary housing need may apply for a fixed-term licence to stay in PRH for a period of not more than 12 months, during which a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, will be charged;

- (d) after living in PRH for ten years, tenants will be required to declare both their income and assets in the biennial declarations, including whether they own any private domestic property in Hong Kong. If tenants choose not to declare their household income or assets, they will need to vacate their flats. Even though tenants with less than ten years' residence do not need to declare their income and assets, if HD receives complaints and found that they own private domestic property in Hong Kong, they are required to vacate their flats irrespective of their length of residence in PRH;
- (e) households whose members are all aged 60 or above; or with all members receiving Comprehensive Social Security Assistance; or are on shared tenancies will continue to be exempted from the "Well-off Tenants Policies";
- (f) households with all member(s) receiving Social Welfare Department's Disability Allowance will also be exempted from the revised "Well-off Tenants Policies". For households with member(s) (i.e. not all members) receiving Disability Allowance, they can continue to live in their PRH units even if their household income or assets exceed the relevant limits. However, they will need to pay the corresponding additional rent based on their income level. However, for households with private domestic property in Hong Kong, they will still be required to vacate their PRH units even if they have member(s) receiving Disability Allowance; and
- (g) the revised "Well-off Tenants Policies" will be implemented starting from the declaration cycle in October 2017.

II. Implementation Details

- (a) Arrangements concerning income and asset declaration -
 - (i) simplify the arrangements for completion of declaration forms; and
 - (ii) conduct risk-based random checking on the information furnished by households.

- (b) In calculating asset limits -
 - (i) deduct lump-sum retirement benefits received under mandatory provident fund schemes, occupational retirement schemes and civil service pension schemes from the calculation; and
 - (ii) deduct lump-sum insurance claims and statutory compensations received due to death of family members in the tenancy, and claims under critical illness insurance policies received by family members under the tenancy from the calculation.

- (c) An Assistant Director of HD can exempt households from the "no-domestic-property" requirement on a discretionary basis if the households fulfill the following conditions -
 - (i) acquired interest in private domestic properties through operation of law; but
 - (ii) are not in a position to dispose of such interest; and
 - (iii) are unable to reside in the premises.

- (d) Exempting households which have purchased subsidised sale flats using Green Form status from surrendering their PRH units until they take over the property purchased, and can continue to pay the prevailing level of rent during the interim period. For households which have purchased subsidised sale flats using White Form status or purchased private domestic property, HD will issue Notice-to-Quit to the households concerned, requiring them to return their PRH units irrespective of whether the property purchased has been completed.

2. Consequential amendments will also be made to other arrangements which currently adopt the same income/asset limits and relevant criteria as the “Well-off Tenants Policies”. This includes the Policy on Grant of New Tenancy, tenancy management arrangements and arrangements involving additional PRH resources, as well as arrangements in handling applications for addition of household members. In respect of application for addition of household members, in future, for addition of a tenant’s spouse, or the spouse and children under the age of 18 of a married offspring of the tenant (provided that the married offspring is an authorised member under the tenancy), the arrangement will be aligned such that the households concerned will be required to comply with both the no-domestic-property requirement and the income and asset limits under the refined “Well-off Tenants Policies”.

Memorandum for the Subsidised Housing Committee of the Hong Kong Housing Authority

Revised “Well-off Tenants Policies” – Implementation Details

PURPOSE

This paper sets out options for Members’ consideration regarding the implementation details of the revised “Well-off Tenants Policies”^{Note 1}; and reports on views of the Legislative Council (LegCo) Panel on Housing on the revised “Well-off Tenants Policies” and the Housing Department (HD)’s response.

BACKGROUND

2. Subsidised Housing Committee (SHC) endorsed the principles in revising the “Well-off Tenants Policies” at its meeting of 31 October 2016, and subsequently endorsed the following amendments at its meeting of 9 December 2016 –

Note 1 The Hong Kong Housing Authority (HA)’s Housing Subsidy Policy (HSP) and the Policy on Safeguarding Rational Allocation of Public Housing Resources (SRA) are commonly referred to as the “Well-off Tenants Policies”. In gist, under the existing “Well-off Tenants Policies”, after living in public rental housing (PRH) for ten years, households are required to declare their income biennially. Those with household income equivalent to two to three times of the PRH income limits (PRHILs) are required to pay 1.5 times net rent plus rates. Those with household income exceeding three times of the PRHILs are required to pay double net rent plus rates. Households paying double net rent plus rates have to declare their assets at the next declaration cycle and thereafter on a biennial basis. Households exceeding the prescribed income and asset limits (income exceeding three times of the PRHILs and asset exceeding 84 times of the PRHILs) are required to vacate their PRH units within 12 months, during which double net rent plus rates or market rent, whichever is the higher, is charged. Households (a) whose members are all aged 60 or above; or (b) with all members receiving Comprehensive Social Security Assistance (CSSA); or (c) who are on shared tenancies are exempted from the “Well-off Tenants Policies”.

- (a) PRH tenants with household income exceeding five times of the PRHILs, or with assets exceeding 100 times of PRHILs should vacate their flats;
- (b) tenants with private domestic property ownership in Hong Kong should vacate their flats, irrespective of their levels of income or assets;
- (c) for tenants who do not have private domestic property ownership in Hong Kong and whose household income and assets do not exceed the levels in (a) above, if their household income is equivalent to two to three times of the PRHILs, they will still be required to pay 1.5 times net rent plus rates; if their household income is equivalent to three to five times of the PRHILs, they will be required to pay double net rent plus rates. Households that are required to vacate their PRH units but have a temporary housing need may apply for a fixed-term licence to stay in PRH for a period of not more than 12 months, during which a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, is charged;
- (d) after living in PRH for ten years, tenants will have to declare both their income and assets in the biennial declarations, including whether they own any private domestic property in Hong Kong. If tenants choose not to declare their household income or assets, they will need to vacate their flats. Even though tenants with less than ten years' residence do not need to declare their income and assets, HD will carry out investigation upon receipt of complaints. Those found to own private domestic property in Hong Kong will need to vacate their flats, irrespective of their length of residence in PRH;
- (e) households whose members are all aged 60 or above, or with all members receiving CSSA, or who are on shared tenancies will continue to be exempted from the "Well-off Tenants Policies"; and
- (f) implementing the revised "Well-off Tenants Policies" starting from the declaration cycle in October 2017.

3. SHC considered that the implementation arrangements for the revised "Well-off Tenants Policies" should be handled with care, and requested

HD to further examine the implementation details and submit specific proposals to SHC.

VIEWS OF THE LEGCO PANEL ON HOUSING AND THE GENERAL PUBLIC

4. We briefed the LegCo Panel on Housing on HA's measures to maximise the rational use of PRH resources at its meeting of 9 January 2017, including the amendments to the "Well-off Tenants Policies". LegCo Panel on Housing subsequently arranged a special meeting on 24 January for deputations to express their views on the revised "Well-off Tenants Policies".

5. At the two meetings of the LegCo Panel on Housing, both supporting and opposing views on the revisions to the "Well-off Tenants Policies" were expressed. While LegCo Members and members of the public generally considered it necessary to ensure the rational allocation of PRH resources, some LegCo Members and individuals objected and voiced concerns over the amendments to the "Well-off Tenants Policies". Views/suggestions raised during the meetings of the LegCo Panel on Housing and HD's response are summarised at **Annex**. The LegCo Panel on Housing also passed the following non-binding motion at its meeting of 24 January 2017 –

"This Panel strongly requests the Housing Authority, before deciding the implementation or otherwise of the Well-off Tenants Policies under a single-track approach, to conduct a territory-wide consultation exercise on the subject under one single topic."

CONSULTATION ON THE "WELL-OFF TENANTS POLICIES"

6. There have been repeated and thorough discussions on whether and how the "Well-off Tenants Policies" should be refined in the community in recent years. As stated in Paper No. SHC 53/2016, in its Consultation Document published in 2013, the Long Term Housing Strategy (LTHS) Steering Committee recommended HA to review the "Well-off Tenants Policies" and raised the following specific question in the Consultation Document –

“Question 16: Do you think that the “Well-off Tenants Policies” should be reviewed and updated (by, for example, shortening the initial income declaration period and the subsequent income and asset declaration period; requiring tenants to move out of PRH when either their income or asset level exceeds the respective limits; or setting an additional criterion on top of the existing income and asset limits criteria to require tenants to vacate their units when their income exceeds a certain threshold, regardless of their asset level)?”

7. During the three-month territory-wide public consultation conducted in 2013, representatives of the LTHS Steering Committee and the Transport and Housing Bureau attended over 50 meetings with members of the public and concern groups to gauge public’s views. These included six open fora for the general public, concern groups and other stakeholders; meetings with 18 District Councils; meetings of the LegCo Subcommittee on LTHS; meeting with deputations arranged by the Subcommittee; meeting with HA; and other meetings and fora upon invitation from stakeholders and concern groups. In concluding the comments received during the public consultation exercise, the LTHS Steering Committee noted that there were relatively more supporting views in the society for revising the “Well-off Tenants Policies”, and there were also views in support of revising the “two pillars” system to a “one pillar” system. On the other hand, there were also opposing views on the Policies. The LTHS Steering Committee considered that HA should take such views into consideration in its overall review of the “Well-off Tenants Policies”.

8. In addition, the Audit Commission recommended HA to review the “Well-off Tenants Policies” in its Report No. 61 published in October 2013. During subsequent discussion, the LegCo Public Accounts Committee also agreed that HD should take a more proactive approach to recover PRH flats from “well-off tenants”, in order to vacate more PRH units to families in need and to ensure that PRH resources are distributed in a fair manner.

9. Subsequently, SHC had an in-depth discussion on “Well-off Tenants Policies” in October 2014 and considered possible preliminary options to refine the “Well-off Tenants Policies” (Paper No. SHC 58/2014 refers). Relevant work was also reported in the “LTHS Implementation Milestones as at December 2014” published by the Government. Since each option had its own pros and cons, SHC considered then that more deliberations were needed, and

hence no decision was made. Nonetheless, SHC requested HD to further examine the subject and provide options for further discussion. Thereafter, SHC arranged an informal discussion session on 24 October 2016 to exchange views; and only endorsed revisions to the “Well-off Tenants Policies” after discussion on 31 October and 9 December 2016.

10. To conclude, the current revisions to the “Well-off Tenants Policies” have fully taken into account comments made by various stakeholders during the public consultation exercise and the numerous rounds of discussions conducted previously. In fact, both supporting and opposing views on the revisions to the “Well-off Tenants Policies” expressed during the above two meetings of the LegCo Panel on Housing are similar to the comments raised in the community in the past few years.

WHETHER THE IMPLEMENTATION OF THE REVISED “WELL-OFF TENANTS POLICIES” SHOULD BE DEFERRED

11. As endorsed by SHC at its meeting on 9 December 2016, the revised “Well-off Tenants Policies” will be implemented starting from the declaration cycle in October 2017. However, there are still views that HA should defer the implementation of the revised “Well-off Tenants Policies”. To implement the revised “Well-off Tenants Policies”, HD needs to upgrade its computer system and carry out relevant preparatory work (for example, designing new income and asset declaration forms, preparing relevant guidelines and informing PRH tenants of the revised policies, etc.). The above work would take about six months. The decision to implement the revised “Well-off Tenants Policies” starting from the declaration cycle in October 2017 has already taken into account the time required to complete the aforementioned tasks.

12. At present, income/asset declarations under the “Well-off Tenants Policies” are conducted in April and October each year. Over 200 000 households are required to conduct biennial declaration each year, among which only around 1 000 households fall under the declaration cycle in October. With the involvement of fewer households, implementing the “Well-off Tenants Policies” starting from the declaration cycle in October 2017 will enable HD to better handle and assess the operation of the revised Policies. This will in turn enable HD to further refine the implementation details if necessary for a smoother operation in declaration cycles involving more households.

13. As stated above, there have been repeated and thorough discussions on whether and how the “Well-off Tenants Policies” should be refined since 2013. The current amendment exercise essentially concludes the discussions over the past few years, and is certainly not a hasty decision. Despite the controversies involved, in light of the increasing demand for PRH, HA is obliged to ensure the rational allocation of PRH resources. The amendments to the “Well-off Tenants Policies” will convey a clear message to the community that PRH resources should be allocated to those with more pressing housing needs. This will also help enhance the effectiveness of the “Well-off Tenants Policies” in the long run.

14. On the other hand, both SHC and LegCo Panel on Housing are concerned about the implementation details of the revised “Well-off Tenants Policies”, including how to simplify the income and asset declaration arrangements and how to address households’ practical needs. We have looked into the relevant arrangements and prepare the following options for Members’ consideration.

OPTIONS ON IMPLEMENTATION DETAILS

(a) Arrangements concerning income and asset declaration

Simplifying declaration procedures

15. At present, after living in PRH for ten years, households are required to declare their income biennially. Only those with income exceeding three times of the PRHILs are required to declare their assets^{Note 2} at the next declaration cycle and thereafter on a biennial basis. To verify the accuracy of the information furnished by households, for income declaration, HD conducts preliminary vetting of the information in the declaration forms. If HD has doubts on the information furnished or upon receipt of complaints, the households concerned will be contacted for clarification, who may be asked to provide documentary proof of income and other related information. Where necessary, they will be invited to attend interviews to ascertain the income data declared. HD also selects cases randomly for rigorous vetting. As for asset

Note 2 Items required to be declared by households include land, landed properties, vehicles, taxi/public light bus licences, investments, bank deposits and cash, and business undertakings.

declaration, **all cases** are subject to rigorous vetting. The tenant and all household members aged 18 or above are required to attend interviews to provide more information/documents to ascertain the declared details.

16. Under the revised “Well-off Tenants Policies”, after living in PRH for ten years, households will be required to declare their income, assets and whether they own any private domestic property in Hong Kong at the same time. Since over 200 000 households are required to conduct biennial declaration each year, there are views that HA should simplify the declaration procedures to minimise disturbances to the households concerned. This will also obviate the need for HD to employ a large number of extra staff to cope with the additional workload. In view of these comments, if Members agree that the income and asset declaration arrangements and HD’s follow-up work should be simplified, Members may consider the arrangements as detailed in paragraphs 17 and 18 below.

(i) At the stage of completing declaration forms

17. At the stage of completing declaration forms –

- (a) households will first declare if they own any private domestic property in Hong Kong. If affirmative, they will no longer need to fill in their income details or declare their asset level (as they will be required to vacate their PRH units irrespective of their levels of income or assets);
- (b) for households with no private domestic property in Hong Kong, they will be required to fill in their income details (e.g. monthly salary). No supporting documents will be required at this stage. This is consistent with the current practice; and
- (c) concerning assets, households will only be required to **declare whether or not** their assets exceed 100 times of the PRHILs. Neither detailed information nor supporting documents will be required at this stage.

(ii) At the stage of HD’s vetting of information declared

18. HD will follow the current practice by carrying out preliminary vetting of the income details stated in the declaration forms and asking the

households concerned for clarification or to provide documentary proof where necessary. At the same time, since households will be required to declare their income, assets and whether they own any private domestic property in Hong Kong concurrently in future, to ensure cost-effectiveness, HD will **conduct risk-based random checking on the information furnished by households**. If HD has doubts on the information furnished or upon receipt of complaints, the households concerned will be contacted for clarification. They may be asked to provide documentary proof of income and other related information, or may be invited to attend interviews if necessary, to confirm the information furnished. HD will constantly review and adjust the checking strategy and items for checking to increase deterrence and effectiveness.

19. The effectiveness of the aforementioned risk-based random checking will inevitably be lower than that of a full checking of all declarations received. However, random checking strikes a reasonable balance between the effective implementation of the “Well-off Tenants Policies” and the minimisation of disturbances to households. It is also more cost-effective.

(iii) Facilitating households in completing the declaration forms

20. As stated in Paper No. SHC 68/2016, to ensure that PRH tenants are aware of the revised “Well-off Tenants Policies”, we will distribute information relating to the “Well-off Tenants Policies” upon signing of the tenancy agreement. For existing tenants, they will be informed of the revised “Well-off Tenants Policies” through various existing channels. We will also upload the principles of the revised “Well-off Tenants Policies”, frequently asked questions and sample declaration forms onto HD’s homepage for households’ reference.

Privacy of individuals

21. There are suggestions that household members should be allowed to declare their income/assets separately to safeguard their privacy. In fact, under the existing “Well-off Tenants Policies”, individual household members can already choose to declare their income and assets separately, although household income and net assets are still calculated on the basis of the whole family. If individual household members fail to return the declaration forms, the households concerned will be treated as choosing not to make their declaration. Households choosing not to declare their income will be required to pay double net rent plus rates and declare their assets in the next declaration cycle.

Households choosing not to declare their assets will need to vacate their PRH units.

22. We recommend continuing with the existing arrangements by allowing individual family members to declare their income and assets separately. However, **if family members choose to declare separately, each member will then need to fill in detailed information on their assets** (instead of only declaring whether or not their assets exceed 100 times of the PRHILs) for HD to assess whether the family's level of assets exceed the prescribed limits (but no supporting documents will be required at this stage). In future, if individual household members fail to return the declaration forms, the relevant households will be treated as choosing not to make their declaration. Households choosing not to declare their income and/or assets will be required to vacate their PRH units.

(b) Calculation of asset limits

23. There are views that the asset limits under the revised "Well-off Tenants Policies" are insufficient for PRH tenants to achieve home ownership. As stated in Paper No. SHC 68/2016, in deriving the asset limits under the revised "Well-off Tenants Policies", SHC has taken into consideration selling prices of flats in the Sale of Home Ownership Scheme (HOS) Flats 2016. Ping Yan Court in Yuen Long accounts for about 91% of the flats sold under the Sale of HOS 2016. Based on the average selling price of a flat with a saleable area (SA) of 40 m², the asset limit would be at around 80 times of the PRHILs (calculated using the 2016-17 PRHIL of a four-person household at \$26,690). As for Ka Shun Court in Sha Tin, it accounts for about 9% of the flats sold under the Sale of HOS Flats 2016. Based on the average selling price of a flat with an SA of 40 m², the asset limit would be at around 110 times of the PRHILs (calculated using the 2016-17 PRHIL of a four-person household). Apart from HOS, SHC also examined the case of King Tai Court, the Green Form Subsidised Home Ownership Pilot Scheme project at San Po Kong with pre-sale launched in October 2016. Adopting the same method of calculation above, the asset limit would be at around 91 times of the PRHILs.

24. SHC considered that households with assets at 80 times of the PRHILs should be able to purchase subsidised sale flats recently launched by HA. Since the "Well-off Tenants Policies" will be changed to a "one pillar" system, a more lenient approach has already been adopted by setting the asset limits at 100 times of the PHRILs. These households should be able to take

care of their own housing needs. To further respond to the community's views on the calculation of asset limits, options on how to handle lump-sum retirement benefits as well as lump-sum insurance claims and statutory compensations are set out in paragraphs 25-29 below for Members' consideration.

Lump-sum retirement benefits

25. There are views that some households may need to rely on lump-sum payments such as retirement benefits to sustain their future living. The "one pillar" principle will impose pressure on these households as such payments will be counted as a part of their assets. Our assessment is as follows.

26. Concerning lump-sum retirement benefits to be received upon retirement, as stated in Paper No. 68/2016, "Well-off Tenants Policies" are not applicable to households whose members are all aged 60 or above. In addition, having regard to the need of those approaching retirement age to rely on their savings and assets to meet their ends, the asset limits for one-person to three-person households with all members aged over 55 are the same as that of a four-person household.

27. Under the revised "Well-off Tenants Policies", households with either income or assets exceeding the relevant limits will be required to vacate their PRH units. Yet, some families may need to rely on lump-sum retirement benefits received upon retirement to meet their ends. If Members consider that a more lenient approach should be adopted for households receiving lump-sum payment upon retirement, the lump-sum retirement benefits received under mandatory provident fund schemes, occupational retirement schemes and civil service pension schemes may be deducted during the calculation of total assets. As for long service payment and severance payment, they should be calculated as part of the assets under normal condition. However, if the long service payment/severance payment is being offset^{Note 3} during the withdrawal of retirement benefits, such long service payment/severance payment would be treated as part of the retirement benefits and will be deducted from the

Note 3 At present, the Employment Ordinance (Chapter 57) enables employer who is liable to pay an employee long service payment/severance payment to offset the payment with the accrued benefits derived from the employers' contributions made to a mandatory provident fund scheme or an occupational retirement scheme. The long service payment/severance payment offset was originally part of the retirement benefits.

calculation of assets.

Insurance claims

28. As stated in Paper No. SHC 68/2016, compensation for loss of earning power due to injuries sustained at work or in traffic and other accidents may be deducted from the value of households' assets. Some Members are concerned about the arrangements for households receiving insurance claims (and other forms of compensation) due to the death/critical illnesses suffered by family members. In case a household member under the tenancy passes away, the remaining family members may need to rely on the insurance claims/statutory compensations^{Note 4} to meet their ends. On the other hand, some households may receive claims under critical illness insurance policies for payment of relevant medical expenses. If Members consider that a more lenient approach should be adopted for such lump-sum payments, Members may consider allowing the deduction of insurance claims and statutory compensations received due to death of family members in the tenancy and claims under critical illness insurance policies received by family members under the tenancy from the calculation of total assets. However, as stated above, setting the revised asset limits at 100 times of the PRHILs is already a lenient arrangement. Further relaxing the calculation of total assets, by allowing households to deduct lump-sum retirement benefits, insurance claims and statutory compensations may be seen as being too generous to PRH tenants.

29. Furthermore, if Members consider that lump-sum retirement benefits, insurance claims and statutory compensations should be deducted from the calculation of total assets, Members would also need to consider the amount of deduction for such one-off payments in subsequent declaration cycles. If Members consider that a simpler method should be adopted, we may consider allowing the continuing deduction of such payments in full in subsequent declaration cycles. However, households may have consumed part of payments received between the two declaration cycles. Deducting the payment in full may be seen as being too lenient.

Note 4 Covering compensations to relevant persons or family members under relevant Hong Kong legislation, e.g. Employees Compensation Ordinance (Chapter 282), Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360), Occupational Deafness (Compensation) Ordinance (Chapter 469), etc.

(c) Arrangements for households with disabled member(s)

30. As stated in paragraph 28 above, under the existing policies, compensation for loss of earning power due to injuries sustained at work or in traffic and other accidents may be deducted from the value of households' assets. In addition, CSSA households (including those with disabled members) are also exempted from the "Well-off Tenants Policies".

31. There are views that certain households may need to look after their disabled family members. This would result in such households not being able to take up income-earning jobs, and would also need to rely on their savings to meet their ends. If Members consider that a more lenient approach should be adopted for households with disabled member(s), we may consider exempting households with member(s) receiving Social Welfare Department's Disability Allowance (including Normal Disability Allowance and Higher Disability Allowance) from the "Well-off Tenants Policies". HD does not keep any statistics on the number of households with members receiving the Disability Allowance. However, as a reference, as at December 2016, there were about 27 200 households with disabled member(s)^{Note 5}, accounting for around 3.6% of all PRH households. Among them, 300 households were paying additional rent under the existing "Well-off Tenants Policies" and should be able to take care of their own housing needs. Other households may consider the above exemption arrangement to be unfair. A compromised approach is to allow households with member(s) receiving the Disability Allowance to continue to live in their PRH units even if their household income or assets exceed the relevant limits, i.e. they would not need to vacate their units. However, if their household income exceeds the prescribed limits, they would still need to pay additional rent under the "Well-off Tenants Policies". In other words, if their household income is equivalent to two to three times of the PRHILs, they will be required to pay 1.5 times net rent plus rates; if their household income is equivalent to three to five times of the PRHILs, they will be required to pay double net rent plus rates. Households with income exceeding five times of the PRHILs will be required to pay double net rent plus rates or market rent, whichever is higher. On the other hand, for households with private domestic property in Hong Kong, as their housing needs have already been met, they will still be required to vacate their PRH units under the revised "Well-off Tenants Policies", even if they have member(s) receiving the Disability Allowance.

Note 5 Based on HD's administrative records. However, HD does not have statistics on the number of such households with member(s) receiving the Disability Allowance.

(d) Arrangements concerning households with private domestic property ownership in Hong Kong and are required to vacate from PRH

32. Under the revised “Well-off Tenants Policies”, households with private domestic property ownership in Hong Kong will be required to vacate their PRH units. There are views that certain households may only have partial ownership of a property, and the size of private domestic properties owned by some PRH households may even be smaller than their existing PRH units.

33. The definition of “private domestic property” follows that under the eligibility criteria for PRH applicants and the purchase of HOS flats using White Form (WF) status. Whether the flat is wholly owned and the size of the flat are not relevant considerations. On the other hand, for PRH applications^{Note 6} and arrangements involving additional PRH resources^{Note 7}, if the applicants –

- (a) acquired interest in private domestic properties through operation of law (e.g. upon a divorce, inheritance);
- (b) but are not in a position to dispose of such interest (e.g. because their interest is minimal or consensus cannot be reached with other interested parties); and
- (c) unable to reside in the premises,

an Assistant Director of HD may exempt such applicants from the “no-domestic-property” requirement.

34. If Members consider that a more lenient approach should be adopted for households with partial ownership of domestic properties and who are unable to dispose of such interest, reference may be made to the above discretionary arrangement, i.e. for households which meet the criteria in paragraph 33(a), (b) and (c) above, subject to the approval of an Assistant Director of HD, they may be exempted from the “no-domestic-property” requirement and will not be required to vacate their PRH units. However,

Note 6 Apart from fulfilling the PRH income and asset limits, applicants also have to comply with the “no-domestic-property” requirement.

Note 7 The households concerned have to comply with the “no-domestic-property” requirement and the PRH income and asset limits.

following current arrangements, such households will still be required to declare the income generated from the relevant properties and their net asset value for HD to assess whether the households' income and asset levels exceed the prescribed limits. If relevant households' income or assets ultimately exceed the prescribed limits, they will still be required to vacate their PRH units.

(e) Temporary accommodation arrangements for households awaiting the completion of subsidised sale flat/private domestic property purchased

35. As endorsed by SHC at its meeting of 9 December 2016, the definition of private domestic property ownership encompasses the case of entering into any agreement to purchase any domestic property in Hong Kong (irrespective of whether the property has been completed or not). Some Members were concerned about the temporary accommodation arrangements for households awaiting the completion of the subsidised sale flat/private domestic property purchased.

36. At present, households using Green Form (GF) status to purchase subsidised sale flats are not required to surrender their PRH units until they take over the property purchased, during which time they will continue to pay the prevailing level of rent. Upon taking over of the flats purchased, they shall immediately submit a Notice-to-Quit to HD for terminating the tenancy/fixed-term licence of the current flats within 60 days. They shall return their PRH units in vacant possession to HA on or before the day the tenancy/fixed-term licence is terminated. Tenants/licencees who are unable to return their PRH units within the specified period have to submit an application in advance to HD for an extension of stay up to 30 days.

37. Households with private domestic property ownership in Hong Kong are required to vacate their PRH units under the revised "Well-off Tenants Policies", as PRH should be provided to low-income families who cannot afford private rental housing. Households with private domestic property ownership in Hong Kong in theory no longer require HA to use public resources to meet their housing needs. However, there are views that requiring such households to vacate their PRH units before the completion of the property purchased may bring inconveniences to the households concerned.

38. In view of the above comments, Members may wish consider the following options –

- (a) **Option 1:** A more lenient approach is to extend the current arrangement applicable to PRH households which have purchased subsidised sale flats using GF status (see paragraph 36 above) to the revised “Well-off Tenants Policies”. In other words, if households declare to have purchased domestic property in Hong Kong which has yet to be completed (irrespective of whether the property is a subsidised sale flat purchased using GF or WF status; or whether the property purchased is a private domestic property), they will not be required to surrender their PRH units until they take over the property purchased, and can continue to pay the prevailing level of rent during the interim period. However, the above arrangement may result in certain households which have purchased domestic property to continue staying in their PRH units for a prolonged period of time, thus affecting the effectiveness of the “Well-off Tenants Policies”; or
- (b) **Option 2:** Another possible option is to continue with the existing practice, i.e. households which have purchased subsidised sale flats using GF status are not required to surrender their PRH units until they take over the property purchased, and can continue to pay the prevailing level of rent during the interim period (see paragraph 36 above). However, for households which have purchased subsidised sale flats using WF status or purchased private domestic property, HD will issue Notice-to-Quit to the households concerned, requiring them to return their PRH units, irrespective of whether the property purchased has been completed. In practical terms, after HD has issued a Notice-to-Quit, households that have a temporary housing need may apply for a fixed-term licence to stay in PRH for a period of not more than 12 months (see paragraph 40 below). In other words, the households concerned are not required to vacate their PRH units immediately, and should have sufficient time to seek alternative accommodation.

39. For households which have purchased domestic property after HD issued Notice-to-Quit pursuant to the “Well-off Tenants Policies” or other relevant policies (see paragraph 41 below), they are required to surrender their PRH units in accordance with the existing policies.

40. Households that are required to vacate their PRH units but have a temporary housing need may apply for a fixed-term licence to stay in PRH for a

period of not more than 12 months, during which a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, is charged. Extension of the fixed-term licence will not normally be considered. However, under very special circumstances (e.g. the households have purchased subsidised sale flat/private domestic property during the relevant period and are awaiting the completion of the property purchased), Chief Manager/Management may extend the period of temporary stay on a discretionary basis.

OTHER RELEVANT POLICIES

41. SHC also endorsed consequential amendments to other arrangements which currently adopt the same income/asset limits and relevant criteria as the “Well-off Tenants Policies” at its meeting of 9 December 2016. They include the Policy on Grant of New Tenancy (GNT)^{Note 8}, tenancy management arrangements^{Note 9} and arrangements involving additional PRH resources^{Note 10}, as well as arrangements in handling applications for addition of household members. Regarding the application for addition of household members, for addition of a tenant’s spouse, or the spouse and children under the age of 18 of a married offspring of the tenant (provided that the married offspring is an authorised member under the tenancy), the arrangement will be aligned in future such that the households concerned will be required to comply with both the “no-domestic-property” requirement and the income and asset limits under the revised “Well-off Tenants Policies”.

Note 8 According to the GNT policy, upon the death or moving out of a principal tenant, if there is no surviving spouse, a new tenancy may be granted to other authorised family members living in the PRH flat, provided that the prescribed limits under the “Well-off Tenants Policies” can be met.

Note 9 Including the Territory-wide Overcrowding Relief Transfer exercise, the Living Space Improvement Transfer Scheme and transfer of tenants occupying converted one-person flats. The households concerned have to comply with the “no-domestic-property” requirement and the income and asset limits under the “Well-off Tenants Policies”.

Note 10 Including household splitting and divorce cases. At present, the households concerned have to comply with the “no-domestic-property” requirement and the PRH income and asset limits. The households concerned will also be required to make biennial declaration pursuant to the “Well-off Tenants Policies” in future irrespective of their length of residence in PRH.

42. Under the existing GNT policy, households are required to declare their income and assets in details and submit relevant documentary proof for HD's vetting. As for tenancy management arrangements, arrangements involving additional PRH resources and applications for additional household members, households concerned are required to declare their income and assets in details and submit documentary proof for HD's vetting. They are also required to declare if they own any private domestic property in Hong Kong. For approved cases, households are required to make biennial declaration pursuant to the "Well-off Tenants Policies" in future.

43. We recommend continuing with the existing arrangements, i.e. households will be required to declare whether they own any private domestic property in Hong Kong and provide detailed information regarding their income and assets during application. They will also be required to submit relevant documentary proof for HD's vetting. HD will conduct random checking on the information furnished by households. For approved cases, households will be required to make biennial income and asset declaration pursuant to the "Well-off Tenants Policies" in future (see paragraph 17 above).

FINANCIAL, STAFFING AND INFORMATION TECHNOLOGY IMPLICATIONS

44. Each year, over 200 000 households are required to undergo declaration under the "Well-off Tenants Policies". Most of them submit declaration forms during the cycle in April, while some 1 000 households submit declaration forms during the declaration cycle in October. As the declaration cycle in October 2017 only involves some 1 000 households, this would not entail too many additional staffing requirements. However, the April declaration cycle involves a large number of households. In the longer run, apart from simplifying declaration procedures (see paragraph 17 above) and conducting risk-based random checking on the information furnished by households (see paragraph 18 above), HD would require extra staff to handle the additional workload arising from the amendments to the "Well-off Tenants Policies". We will make reference to the experience at the declaration cycle in October, and re-prioritise work in other areas before seeking additional staffing resources in accordance with the established procedures.

45. On the other hand, we need to proceed with preparatory and publicity work for implementing the revised "Well-off Tenants Policies". HD

will arrange body-shopped personnel to assist in carrying out the relevant duties. We will also need to upgrade the existing computer system, and the relevant expenditure will be absorbed by existing resources.

IMPLEMENTATION AND PUBLICITY

46. SHC endorsed the implementation of the revised “Well-off Tenants Policies” starting from the declaration cycle in October 2017 at its meeting of 9 December 2016 (see paragraph 2(f) above). Corresponding amendments to GNT, tenancy management arrangements, etc. will also be implemented on 1 October 2017. With reference to past experience, the declaration cycle will largely be as follows –

September 2017	HD to issue declaration forms to households concerned
Before end-November 2017	Households to return the declaration forms
December 2017 – July 2018	HD to process the declaration forms and conduct random checking
End-August 2018	HD to issue Notice-to-Quit to households concerned

DECLASSIFICATION

47. We will declassify the paper, which will be made available to the public at the HA homepage, the Department’s library and through the Departmental Access to Information Officer.

DISCUSSION

48. At the SHC meeting on 14 February 2017, we will invite Members to –

- (a) note the views of members of the LegCo Panel on Housing on the revised “Well-off Tenants Policies” (paragraphs 4-5 above);
- (b) consider the arrangements regarding the declaration of income and assets (paragraphs 15-22 above);
- (c) consider the options in calculating asset limits (paragraphs 25-29 above);
- (d) consider the arrangements applicable to households with disabled member(s) (paragraphs 30-31 above);
- (e) consider the arrangements for households with private domestic property in Hong Kong who are required to vacate from PRH (paragraphs 32-34 above);
- (f) consider the temporary accommodation arrangements for households awaiting the completion of subsidised sale flat / private domestic property purchased (paragraphs 35-40 above);
- (g) consider the consequential arrangements for other relevant policies (paragraphs 41-43 above); and
- (h) declassify the paper (paragraph 47 above).

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Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies” and HD’s Response

Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”	HD’s Response
<p>1. The current revisions to the “Well-off Tenants Policies” lacks consultation.</p>	<ul style="list-style-type: none">● As stated in Paper No. SHC 53/2016, there have been repeated and thorough discussions on whether and how the “Well-off Tenants Policies” should be refined in the past few years.● During the public consultation on the Long Term Housing Strategy (LTHS) in 2013, the LTHS Steering Committee had invited public views on the following question – <i>Do you think that the “Well-off Tenants Policies” should be reviewed and updated (by, for example, shortening the initial income declaration period and the subsequent income and asset declaration period; requiring tenants to move out of public rental housing (PRH) when either their income or asset level exceeds the respective limits; or setting an additional criterion on top of the existing income and asset limits criteria to require tenants to vacate their units when their income exceeds a certain threshold, regardless of their asset level)?</i>

<p style="text-align: center;">Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”</p>	<p style="text-align: center;">HD’s Response</p>
	<p>The LegCo Subcommittee on LTHS also had discussion on the “Well-off Tenants Policies” and arranged meeting with deputations. During the public consultation, there were more supporting views in the society for revising the “Well-off Tenants Policies”, and there were also views in support of revising the “two pillars” system to a “one pillar” system. On the other hand, there were also opposing views on the Policies.</p> <ul style="list-style-type: none"> ● The Audit Commission recommended HA to review the “Well-off Tenants Policies” and the various parameters under the policies for further improvements, and encourage better-off PRH tenants to return their PRH flats to HA for allocation to applicants with more pressing housing needs. The LegCo Public Accounts Committee also agreed that HD should take a more proactive approach to recover PRH flats from “well-off tenants”, in order to vacate more PRH units to families in need and ensure PRH resources are distributed in a fair manner. ● SHC had an in-depth discussion on whether and how the “Well-off Tenants Policies” should be refined in October 2014 and considered various possible

Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”	HD’s Response
	<p>preliminary options (Paper No. SHC 58/2014 refers). Since each option had its own pros and cons, SHC considered that more deliberations were needed, and hence no decision was made. Nonetheless, SHC requested HD to further examine the subject and submit options for further discussion.</p> <ul style="list-style-type: none">● Regarding the current revisions to the “Well-off Tenants Policies”, during the informal discussion session on 24 October 2016, SHC Members noted the acute supply-demand situation of PRH and considered that despite the controversies involved, there was a need to review the “Well-off Tenants Policies” to ensure that limited PRH resources are allocated to those with genuine need. SHC reviewed the relevant issues at the meeting of 31 October 2016 and laid down a number of principles. Subsequently, SHC endorsed the specific amendments to the “Well-off Tenants Policies” at its meeting of 9 December 2016. During that period of time, the revisions to the “Well-off Tenants Policies” was widely discussed and reported in the community and the media. HD also received the public’s comments and enquiries on the “Well-off Tenants Policies”

Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”	HD’s Response
	<p>and replied each enquiry individually.</p> <ul style="list-style-type: none"> ● The current amendment exercise essentially concludes the discussions over the past few years, and is certainly not a hasty decision.
<p>2. The effectiveness of the revised “Well-off Tenants Policies” in recovering more PRH flats for allocation to PRH applicants is doubtful. It may not help reduce the average waiting time (AWT)^{Note 1}.</p>	<ul style="list-style-type: none"> ● As stated in Paper No. SHC 68/2016, refinements to the “Well-off Tenants Policies” will not have an immediate effect in reducing the AWT in the short term. The supply-led principle under the LTHS remains the key to resolving the supply-demand problem of PRH. ● The income and asset limits under the revised “Well-off Tenants Policies” are different from the existing ones. Furthermore, under existing policies, not all households are required to declare private domestic property ownership in Hong Kong. It is therefore difficult for HD to estimate the number of PRH flats that may be recovered as a result

Note 1 Waiting time refers to the time taken between registration for PRH and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The AWT for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

<p style="text-align: center;">Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”</p>	<p style="text-align: center;">HD’s Response</p>
	<p>of the refinement measures.</p> <ul style="list-style-type: none"> ● PRH flats are precious public resources. In light of the increasing demand for PRH, HA has to ensure that we can better allocate PRH resources to applicants with more pressing need and also make the relevant policies more equitable. ● SHC concurs with the above principles, and have thus reviewed the priorities of various demands for PRH and made corresponding changes. The amendments to the “Well-off Tenants Policies” convey a clear message to the society that PRH resources should be allocated to those with more pressing housing needs. This will also help enhance the effectiveness of the “Well-off Tenants Policies” in the long run.
<p>3. The “Well-off Tenants Policies” would have labeling effect on better-off PRH tenants and create schism between PRH tenants and applicants.</p>	<ul style="list-style-type: none"> ● As mentioned above, revisions to the “Well-off Tenants Policies” will not have an immediate effect in reducing the AWT in the short term. The supply-led principle under the LTHS remains the key to resolving the supply-demand problem of PRH. ● Nonetheless, PRH units are precious public resources. Apart from making the best efforts to

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	<p>increase PRH supply, HA should also ensure that efforts would be focused on allocating PRH resources to those with more pressing housing needs.</p> <ul style="list-style-type: none"> ● HA is obliged to ensure the rational allocation of PRH resources, regardless of the supply of PRH flats. This move does not seek to label any particular groups of tenants or to create schism between PRH tenants and applicants.
<p>4. In view of public views on the “Well-off Tenants Policies”, it is suggested that HA defer the implementation of the revised “Well-off Tenants Policies”. The revised “Well-off Tenants Policies” should not be implemented hastily starting from the declaration cycle in October 2017.</p>	<ul style="list-style-type: none"> ● As stated above, there have been repeated and thorough discussions on whether and how the “Well-off Tenants Policies” should be revised since 2013. ● At present, income/asset declarations under the “Well-off Tenants Policies” are conducted in April and October each year. Over 200 000 households are required to conduct biennial declaration each year, among which only around 1 000 households fall under the declaration cycle in October. With the involvement of fewer households, implementing the “Well-off Tenants Policies” starting from the declaration cycle in October 2017 will enable HD to better handle and assess the

Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”	HD’s Response
	<p>operation of the revised Policies. This will enable HD to further refine the implementation details if necessary for a smoother operation in declaration cycles involving more households.</p> <ul style="list-style-type: none">● To implement the revised “Well-off Tenants Policies”, HD needs to upgrade its computer system and carry out relevant preparatory work (for example, designing new income and asset declaration forms and preparing relevant guidelines). The above work would take about six months. At the same time, HD will also inform PRH tenants of the revised policies. The decision to implement the revised “Well-off Tenants Policies” starting from the declaration cycle in October 2017 has already taken into account the time required to complete the aforementioned tasks.● Having regard to the arrangements for the existing “Well-off Tenants Policies”, taking the declaration cycle in October 2017 as an example, HD will issue letters to the households concerned, reminding them to complete and return the declaration forms by end-November for HD to verify the accuracy of the information furnished. If households are

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	<p>required to vacate their PRH units (by virtue of their income or asset exceeding the prescribed limits, ownership of private residential properties in Hong Kong, or choosing not to declare), HD will issue Notice-to-Quit to the tenants concerned in end-August 2018.</p> <ul style="list-style-type: none"> ● There is still over half a year before October 2017. HD will inform new and existing tenants of the revised “Well-off Tenants Policies” through various channels to ensure that they are aware of the revised policies.
<p>5. Under the revised “Well-off Tenants Policies”, households concerned would be required to declare their income, assets and whether they own any private domestic property in Hong Kong concurrently, which may bring disturbances to the households. HA should simplify the future income and asset declaration arrangements.</p>	<ul style="list-style-type: none"> ● Concrete options on simplifying the income and asset declaration arrangements are set out in paragraph 17 of the paper.
<p>6. The asset limits under the revised “Well-off Tenants Policies” are insufficient for “well-off tenants” to achieve home ownership.</p>	<ul style="list-style-type: none"> ● As stated in Paper No. SHC 68/2016, in deriving the asset limits under the revised “Well-off Tenants Policies”, SHC has taken into consideration the selling prices of flats in the Sale of Home Ownership Scheme (HOS) Flats 2016 and the Green Form

<p style="text-align: center;">Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”</p>	<p style="text-align: center;">HD’s Response</p>
	<p>Subsidised Home Ownership Pilot Scheme project at San Po Kong. Households with assets at 80 times of the PRHILs should be able to purchase subsidised sale flats recently launched by HA. Since the “Well-off Tenants Policies” will be changed to a “one pillar” system, a more lenient approach has been adopted by setting the asset limits at 100 times of the PHRILs. These households should be able to take care of their own housing needs.</p> <ul style="list-style-type: none"> ● To further respond to the community’s views on the calculation for asset limits, some options on the handling of lump-sum retirement benefits; lump-sum insurance claims and statutory compensations are set out in paragraphs 25-29 of the paper.
<p>7. The revised “Well-off Tenants Policies” would force younger family members who are originally living with their own elderly parents to remove themselves from the tenancy. This is contrary to the spirit of inter-generational harmony.</p>	<ul style="list-style-type: none"> ● Take a four-person household as an example, five times of the PRHILs is at \$133,450. PRH households with such a level of income are within the top 4% four-person households in terms of income in Hong Kong. On the other hand, 100 times of the PRHILs is \$2,670,000. Households with assets at 100 times of the PRHILs should be able to purchase subsidised sale flats recently launched by HA.

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	<p>Such households should be able to care of their own housing needs.</p> <ul style="list-style-type: none"> ● Choosing to delete individual family members from the tenancy is a personal decision of the household and the family members concerned.
<p>8. Under the revised “Well-off Tenants Policies”, certain households with income exceeding three times of the PRHILs and assets exceeding 84 times of the PRHILs may continue to stay in their current flat.</p>	<ul style="list-style-type: none"> ● If households with income and assets exceeding the prescribed income and asset limits under the existing “Well-off Tenants Policies” (i.e. income exceeding three times of the PRHILs and asset exceeding 84 times of the PRHILs) are also required to vacate their PRH units, this would undoubtedly be more stringent than the current proposal. However, this may invite even stronger resistance from PRH tenants. ● In deciding to move from a “two pillars” system to a “one pillar” system, SHC has also decided not to retain the original income and asset levels. One of the considerations is to simplify the relevant arrangements under the policies and to avoid red tapes. This will also facilitate better understanding of the amendments by existing tenants. In fact, as at end-September 2016, there were only around 50 households who

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	<p>had exceeded the prescribed income and asset limits under the existing “Well-off Tenants Policies” and were paying market rent. If their income or assets exceed the new levels under the revised “Well-off Tenants Policies” in future, they will still be required to vacate their PRH units. Even if they are not required to vacate their PRH units in future, taking into account the small number of such cases, this would not have significant impact on the effectiveness of the “Well-off Tenants Policies”.</p>
<p>9. The “Well-off Tenants Policies” would be changed from a “two pillars” system to a “one pillar” system. Families with members who have received lump-sum retirement benefits may need to vacate their PRH units as their assets may exceed the prescribed asset limits, even though they may no longer have regular income in future to meet their needs.</p>	<ul style="list-style-type: none"> ● Concerning options for the treatment of lump-sum retirement benefits received by households or their family members under the revised “Well-off Tenants Policies”, please refer to paragraphs 25-27 of the paper.
<p>10. The “Well-off Tenants Policies” would be changed from a “two pillars” system to a “one pillar” system. Families with members who own vehicles or who operate transportation business with taxi/public light bus licences may need to vacate their PRH units as</p>	<ul style="list-style-type: none"> ● Under the existing “Well-off Tenants Policies”, the value of vehicles should be covered in the total assets, calculated by the purchase price of vehicles net of the outstanding hire purchase repayments and depreciation. As for the net value of licences, it is

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<p>their assets may exceed the prescribed asset limits, even though their income do not exceed the prescribed limits.</p>	<p>determined by the market price net of the outstanding hire purchase repayments. The calculation of total asset value is consistent with that for PRH application and purchase of HOS flats using WF status. The above method of calculation will continue to be adopted.</p>
<p>11. Regarding the requirement for households with private domestic property ownership in Hong Kong to vacate their PRH units –</p> <p>(i) households which own other forms of assets with equivalent value will not be required to vacate their PRH units. This is unfair to households which are required to vacate their PRH units due to their private domestic property ownership in Hong Kong;</p> <p>(ii) the property owned by some households may not match their needs/be suitable for living in due to its size or for other reasons; and</p>	<ul style="list-style-type: none"> ● As stated in Paper No. SHC 53/2016, PRH should be provided to low-income families who cannot afford private rental housing. Hence, households with private domestic property ownership in Hong Kong in theory should no longer require HA to use public resources to meet their housing need. ● The definition of private domestic property ownership in Hong Kong follows that under the eligibly criteria for PRH application and purchase of HOS flats using WF status. This definition has been adopted for years. The value, size or other conditions of the property concerned are not relevant under the definition.

Views/Suggestions of Members of the LegCo Panel on Housing on Refinements to the “Well-off Tenants Policies”	HD’s Response
<p>(iii) some may acquire interest in a private domestic property through inheritance. However, they only have minimal interest in the property and are unable to reside in it. HA should take into account their housing needs under the “Well-off Tenants Policies”.</p>	<p>● At present, for PRH applications^{Note 2} and arrangements involving additional PRH resources^{Note 3}, if the applicants fulfill certain criteria, Assistant Director of HD may exempt such applicants from the no-domestic-property requirement. We have accordingly re-visited the corresponding arrangements under the revised “Well-off Tenants Policies”. See paragraphs 32-34 of the paper for details.</p>

Note 2 Apart from fulfilling the PRH income and asset limits, applicants also have to comply with the no-domestic-property requirement.

Note 3 The households concerned have to comply with the no-domestic-property requirement and the PRH income and asset limits.

Press Releases

Implementation details of the revised "Well-off Tenants Policies" and the introduction of a frozen period for family applicants currently living in public rental housing

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee (SHC) endorsed at the meeting today (February 14) the implementation details of the revised "Well-off Tenants Policies". SHC also endorsed the introduction of a frozen period for family applicants currently living in public rental housing (PRH).

In light of the increasing demand for PRH, SHC considered that while making the best efforts to increase PRH supply, it is necessary to examine ways to better utilise PRH resources at the same time to ensure that efforts would be focused on allocating PRH resources to those with more pressing housing needs. SHC examined the relevant issues at the meeting of October 31, 2016 and expressed in-principle views.

SHC subsequently endorsed amendments to the "Well-off Tenants Policies" at its meeting on December 9, 2016:

1. PRH tenants with household income exceeding five times of PRH income limits (PRHILs), or with assets exceeding 100 times of PRHILs should vacate their flats;
2. PRH tenants with private domestic property ownership in Hong Kong should vacate their flats, irrespective of their levels of household income or assets;
3. for tenants who do not have private domestic property ownership in Hong Kong and whose household income and assets do not exceed the levels in (1) above, if their household income is equivalent to two to three times of the PRHILs, they will still be required to pay 1.5 times net rent plus rates; if their household income is equivalent to three to five times of the PRHILs, they will be required to pay double net rent plus rates. Households that are required to vacate their PRH units but have a temporary housing need may apply for a fixed-term licence to stay in that PRH for a period of not more than 12 months, during which a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, is charged;
4. after living in PRH for ten years, tenants will have to declare both their income and assets in the biennial declarations, including whether they own any private domestic property in Hong Kong. If tenants choose not to declare their household income or assets, they will need to vacate their flats. Even though tenants with less than ten years' residence do not need to declare their income and assets, the Housing Department (HD) will carry out investigation upon receipt of complaints. Those found to own private domestic property in Hong Kong will need to vacate their flats, irrespective of their length of residence in PRH;
5. households whose members are all aged 60 or above, or with all

members receiving Comprehensive Social Security Assistance, or who are on shared tenancies will continue to be exempted from the "Well-off Tenants Policies"; and

6. implementing the revised "Well-off Tenants Policies" starting from the declaration cycle in October 2017.

SHC considered that the implementation arrangements for the revised "Well-off Tenants Policies" should be handled with care, and requested HD to further examine the implementation details and submit specific proposals to SHC. In light of Members' views, HD has looked into the relevant arrangements. At the meeting today, SHC further discussed the relevant implementation details and endorsed the implementation of the following arrangements:

1. Arrangements concerning income and asset declaration:

(i) simplify the arrangements for completion of declaration forms; and

(ii) conduct risk-based random checking on the information furnished by households.

2. In calculating asset limits:

(i) deduct lump-sum retirement benefits received under mandatory provident fund schemes, occupational retirement schemes and civil service pension schemes from the calculation; and

(ii) deduct lump-sum insurance claims and statutory compensations received due to death of family members in the tenancy, and claims under critical illness insurance policies received by family members under the tenancy from the calculation.

3. Exempt households with all member(s) receiving Social Welfare Department's Disability Allowance from the revised "Well-off Tenants Policies". For households with member(s) (not all members of the household) receiving Disability Allowance, they can continue to live in their PRH units even if their household income or assets exceed the relevant limits. However, they will need to pay the corresponding additional rent based on their income level. For households with private domestic property in Hong Kong, they will still be required to vacate their PRH units, even if they have member(s) receiving Disability Allowance.

4. An Assistant Director of HD can exempt households from the "no-domestic-property" requirement on a discretionary basis if they fulfill the following conditions:

(i) acquired interest in private domestic properties through operation of law;

(ii) but are not in a position to dispose of such interest; and

(iii) unable to reside in the premises.

5. Exempting households which have purchased subsidised sale flats using Green Form status from surrendering their PRH units until they take over the property purchased, and can continue to pay the prevailing level of rent during the interim period. For households which have purchased subsidised sale flats using White Form status or purchased private domestic property, HD will issue Notice-to-Quit to the households concerned, requiring them to return their PRH units, irrespective of whether the property purchased has been completed.

At the meeting today, SHC also endorsed the introduction of a frozen period for family applicants currently living in PRH.

Family applicants currently living in PRH have relatively less pressing needs for another PRH unit when compared with applicants living in private rental accommodation (especially those living in "sub-divided units"). Hence, SHC decided that starting from April 1, 2017, if all household members in a family application are currently living in PRH (whether from the same or from different PRH tenancies), the relevant application would be frozen for one year.

To avoid applicants deliberately evading the system at the time of registration, SHC agreed that once an application was frozen, the frozen period imposed would not be adjusted or cancelled on account of any subsequent addition/deletion of household members in the application, or deletion of household members from the existing PRH tenancy. Even if an application needs not be frozen at the time of registration, if the application subsequently meets the criteria for freezing due to addition/deletion of household members, or addition of household members in a PRH tenancy, the application concerned will still need to be frozen for one year.

According to the current policy, when non-elderly one-person applications under the Quota and Points System (QPS) switch to family applications, half of their waiting time under QPS will be credited to the family application, up to a maximum of 18 months. SHC agreed that for those non-elderly one-person applications which switch to family applications and have to be frozen in accordance with the new arrangement, if their waiting time which will not be counted under the current policy is less than one year, their family applications will be further frozen to add up to one year in total. If their waiting time which will not be counted under the current policy is one year or more, their family applications will not be further frozen. On the contrary, for a family application which has been frozen for one year on the date of registration, should one of the household members currently living in PRH subsequently switches to non-elderly one-person application, 30 points will be deducted as required under the QPS. However, the registration date of his/her previous family application before being frozen will be used as the basis for calculating his/her waiting time points and age points under the QPS.

Applications registered prior to the implementation date of the frozen period arrangement will not be affected by the new arrangement. Applications under the "Single Elderly Persons Priority Scheme", "Harmonious Families Priority Scheme" and "Elderly Persons Priority Scheme" will also be exempted. To prevent potential abuse of this exemption, SHC also agreed that if an application has been frozen for one year under the new arrangement in its capacity as an ordinary family application, even if the application subsequently switches to one under the "Harmonious Families Priority Scheme", the frozen period imposed earlier will not be cancelled as a result.

"The above arrangements will not reduce the average waiting time (note) for PRH in the short term. The supply-led principle under the Long Term Housing Strategy remains the key to resolving the supply-demand problem of PRH. However, in light of the increasing demand for PRH, it is necessary for us to examine whether we can better allocate PRH resources to applicants with more pressing need and also make the relevant policies more equitable," a spokesman for HA said.

Note: Waiting time refers to the time taken between registration

for PRH and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc). The average waiting time for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

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