

Legislative Council Panel on Housing
Supplementary Information

Purpose

In response to the request for supplementary information made by Members at the Legislative Council (LegCo) Panel on Housing meeting on 5 February 2018, this note provides the relevant information.

Implementation of the revised “Well-off Tenants Policies”

Staffing and financial implications

2. The Housing Authority (HA) has all along been handling some 200 000 declarations made by public rental housing (PRH) households annually under the “Well-off Tenants Policies”. To facilitate the implementation of the revised “Well-off Tenants Policies”, the Housing Department (HD) has simplified the declaration procedures and conducts risk-based random checking on information furnished by households. These measures have helped reduce the need for additional staffing resources. At the same time, HD has stepped up publicity to enhance PRH households’ awareness of the revisions and to help the concerned households in making the necessary declarations. 11 body-shopped personnel have been engaged since the latter half of 2017 for handling the increased publicity work arising from the revised “Well-off Tenants Policies”. The relevant staffing expenditure is around \$2.9 million per year. HD meets the publicity expenses for promoting effective use of PRH resources (including combating tenancy abuse and the “Well-off Tenants Policies”) by existing resources.

3. HA will closely monitor the additional workload that may arise during the declaration cycle in April 2018. Additional staffing resources will be sought as and when necessary in accordance with the established procedures.

Consultation on revisions to the “Well-off Tenants Policies”

4. 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 –

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)?

During the public consultation, a majority of the respondents supported the “Well-off Tenants Policies”. Most of them called for a further tightening up of the Policies in order to ensure the rational use of PRH resources. Those who supported a further tightening up of the Policies indicated support for the above measures, including revising the “two pillars” system to a “one pillar” system. Besides, there were also opposing views on the Policies.

5. Among those who opposed the “Well-off Tenants Policies”, individual respondents contended that the “Well-off Tenants Policies” had forced grown-up children of households to move out of PRH, against the Government’s policy to encourage younger members of a family to look after the elderly. There were also suggestions that HA should review the “Well-off Tenants Policies” with a view to encouraging children to live with their parents. There were also respondents who considered that further incentives should be provided for “well-off tenants” to vacate their flats.

6. In light of public’s views on the “Well-off Tenants Policies”, HA’s Subsidised Housing Committee (SHC) had an in-depth discussion in October 2014 and considered possible preliminary options to refine the “Well-off Tenants Policies”. 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. 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.

7. In deriving the income and asset limits under the revised “Well-off Tenants Policies”, HA has taken into consideration whether such households would be able to take care of their own housing needs. Take a four-person household as an example, five times of the PRH income limits (PRHILs) is at \$133,450 (calculated using the 2016-17 PRHILs). 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 (calculated using the 2016-17 PRHILs). Households with assets at 100 times of the PRHILs should be able to purchase subsidised sale flats (SSFs) recently launched by HA.

8. The “Well-off Tenants Policies” are not applicable to households whose members are all aged 60 or above. 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. In addition, taking into account that some families may need to rely on lump-sum retirement benefits received upon retirement to meet their needs, SHC endorsed a more lenient approach for such households at its meeting on 14 February 2017, i.e., allow households to deduct lump-sum retirement benefits received under mandatory provident fund schemes, occupational retirement schemes and civil service pension schemes during calculation of total assets.

9. During the review of the Green Form Subsidised Home Ownership Scheme (GSH) pilot project King Tai Court in January 2018, HA has also considered giving priority to “well-off tenants” during flat selection to increase the incentive for them to surrender their PRH units. However, as both “well-off tenants” and “non-well-off tenants” will have to surrender their PRH units to HA after buying SSFs, HA considered it not equitable to give further priority to “well-off tenants”. HA is also uncertain on the impact of this incentive.

10. Furthermore, in the past few years, HA has strived to provide opportunities for home ownership for Green Form (GF) buyers through the Home Ownership Scheme (HOS) and the GSH pilot. Pre-sale of the new batch of some 4 400 HOS flats was launched in March 2018. HA also endorsed regularising the GSH in January 2018. The sale of the next GSH project will be launched in around the end of 2018, providing GF buyers, including “well-off tenants”, an alternative avenue for home ownership.

Transport and Housing Bureau
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