



LegCo Panel on Housing Meeting on 2 December 2019

Hong Kong Housing Society Rent Adjustment of Rental Estates and Rent Assistance Scheme

1. Background information

- 1.1 As indicated in Appendix 1, there are a total of 32,641 units in 20 rental estates under Hong Kong Housing Society (HKHS), housing around 83,000 residents.
- 1.2 Rental units fall into two groups, A and B. Group A caters for the lower-income families while Group B targets families of relatively higher income. Apart from the regular rental units, HKHS also provides some 900 Elderly Persons Flats in nine of its estates for the senior citizens at concessionary rent. For most of the estates, the concessionary rent is around 40%-70% of the rent of regular rental unit of the same estate.
- 1.3 In recent years, the operating and repair costs of the rental estates keep increasing and the consumer price index is on the rise. The salary index has also gone up due to the minimum wage policy. Moreover, to improve the quality of living of the residents, substantial resources are required for repair and maintenance as well as improvement works on the ageing rental estates. As ten of these rental estates are over 40 years old, it is also necessary to plan and prepare for redevelopment in the long run.
- 1.4 For fiscal year 2019/2020, a projected deficit is anticipated in rental estates operation.

2. Rent Adjustment

- 2.1 Domestic rents are reviewed every two years. Rent adjustment is mainly based on the operating costs which include the following specific factors:
 - rental income must be sufficient to cover the recurrent management expenses, tenancy administration costs, Rates (if inclusive in rent) and Government Rents; and
 - provision for major improvement works, repair and maintenance
- 2.2 Besides, other economic statistics (such as the inflation rate and salary index), affordability of tenants, etc. are taken into account in the rent review.
- 2.3 The existing mechanism has been adopted for years and considered effective. With reference to the household income changes and the market rents, rent increases of

HKHS in the past years were merely equivalent to the inflation in the relevant two-year term as tabled below.

Year	Rent Increase by HKHS
2010	3%
2012	6%
2014	8%
2016	8%
2018	8%

3. Rent Assistance Scheme (RAS)

3.1 The RAS was launched in September 2018. It aims to help tenants with temporary financial difficulties to pay rent. Eligible applicants will be granted 50% rent reduction for 2 years. The eligibility will be checked every 2 years to determine whether the tenants could continue to receive the rent assistance.

3.2 Eligibility criteria

- The total household asset is not exceeding the application waiting list asset limit of the rental estates and the total household income is below 50% of the application waiting list income limit of the rental estates **Appendix 2**; and
- All household members do not own any domestic property in Hong Kong; and
- All household members are not receiving rent allowance under the Comprehensive Social Security Assistance (CSSA) Scheme; and
- The households fulfill the prevailing minimum occupancy requirement of the rental flats; and
- Occupancy position of the households in the tenancies is in order.

3.3 Points to note

3.3.1. New households living in Group B estates or Group A rental blocks completed after 2006 have to live in the flat for 2 years before they are eligible to apply for rent assistance (except transfer cases).

3.3.2. Households living in Group B estates or Group A rental blocks completed after 2006 would only be granted rent assistance for a maximum cumulative period of 48 months. After receiving rent assistance for 2 years, if the households still have financial difficulties, they are required to move

to Group A rental flats completed before 2006 ^{Note 1-3}. After flat transfer, the households could submit new applications for rent assistance if they are still in need.

3.4 As at Oct 2019, 549 households (1.8%) are benefitting from the RAS.

Encl. Appendix 1 – List of HKHS Rental Housing Estates
Appendix 2 - Income and Asset Limits of Rent Assistance Scheme

Hong Kong Housing Society
28 November 2019

¹ Households living in Ying Hoi House of Sha Tau Kok Chuen are required to move to suitable flats in Block 1 to 51 of Sha Tau Kok Chuen.

² Households living in Group B estates are ineligible to have Green Form Status to apply for purchasing any subsidized housing after moving to Group A estates for the first 2 years.

³ Households with all members aged 65 or above are exempted from flat transfer.

香港房屋協會出租屋邨名單
HKHS Rental Estates Portfolio

甲類出租屋邨名稱 Name of Rental Estates	地區 Location	單位數目 Number of Flats
1. 明華大廈 Ming Wah Dai Ha	筲箕灣 Shau Kei Wan	2,516
2. *健康村第三期 Healthy Village Ph. III	北角 North Point	763
3. 勵德邨 Lai Tak Tsuen	大坑 Tai Hang	2,675
4. 觀龍樓 Kwun Lung Lau	堅尼地城 Kennedy Town	2,341
5. 漁光村 Yue Kwong Chuen	香港仔 Aberdeen	1,144
6. 家維邨 Ka Wai Chuen	紅磡 Hung Hom	1,676
7. 樂民新村 Lok Man Sun Chuen	土瓜灣 To Kwa Wan	3,674
8. 真善美村 Chun Seen Mei Chuen	馬頭圍 Ma Tau Wai	1,027
9. 觀塘花園大廈 Kwun Tong Garden Estate	牛頭角 Ngau Tau Kok	4,922
10. 滿樂大廈 Moon Lok Dai Ha	荃灣 Tsuen Wan	947
11. 祈德尊新邨 Clague Garden Estate	荃灣 Tsuen Wan	553
12. 祖堯邨 Cho Yiu Chuen	葵涌 Kwai Chung	2,543
13. 偉景花園 Broadview Garden	青衣 Tsing Yi	448
14. 乙明邨 Jat Min Chuen	沙田 Sha Tin	3,747
15. 茵怡花園 Verbena Heights	將軍澳 Tseung Kwan O	971
16. 對面海邨 Tui Min Hoi Chuen	西貢 Sai Kung	302
17. 翠塘花園 Lakeside Garden	西貢 Sai Kung	234
18. 沙頭角邨 Sha Tau Kok Chuen	沙頭角 Sha Tau Kok	802
小計 Sub-total		31,285
乙類出租屋邨名稱 Name of Rental Estates	地區 Location	單位數目 Number of Flats
19. *健康村第一期 Healthy Village Ph. I	北角 North Point	426
20. 駿發花園 Prosperous Garden	油麻地 Yau Ma Tei	663
21. 寶石大廈 Bo Shek Mansion	荃灣 Tsuen Wan	267
小計 Sub-total		1,356
總數 Total		32,641

備註 Remarks: * 健康村(包括甲類及乙類出租屋邨) Healthy Village (incl. Group A & B Rental Estates)

Income and Asset Limits of Rent Assistance Scheme (with effect from 1 April 2019)**Group A Rental Estates**

No of persons	Total monthly household income less than the following amount	Maximum total household asset limits
1	\$5,915	\$257,000
2	\$9,345	\$350,000
3	\$11,505	\$470,000
4	\$14,620	\$530,000
5	\$17,640	\$630,000
6	\$19,405	\$660,000
7	\$22,275	\$680,000
8	\$24,910	\$713,000
9	\$27,470	\$788,000
10 or above	\$29,975	\$849,000

Group B Rental Estates

No of persons	Total monthly household income less than the following amount	Maximum total household asset limits
1	\$9,345	\$257,000
2	\$14,620	\$350,000
3	\$17,640	\$470,000
4	\$22,275	\$530,000
5 or above	\$27,470	\$849,000

Elderly Persons' Flats

No of persons	Total monthly household income less than the following amount	Maximum total household asset limits
1	\$7,450	\$257,000
2	\$9,345	\$350,000
3	\$11,505	\$470,000

- Note: (1) If all member(s) of a household is/are aged 60 or above, the total net asset limits for the household will double the amount as shown in the above table.
- (2) For 2-person household, if the household composition is a couple and the tenant is aged 60 or above, the total net asset limits for the household will double the amount as shown in the above table.