

(Translation)

香港特別行政區政府

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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28 May 2020

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,

**Panel on Housing**

**Letter from Hon Andrew WAN Siu-kin  
on the 2020 Rent Review of Public Rental Housing**

I refer to your letter of 5 May 2020 enclosing Hon Andrew WAN's letter dated 29 April 2020 regarding the 2020 rent review of public rental housing (PRH). The Hon Member proposes to freeze the PRH rent for a year in view of the prevailing economic situation and review the PRH rent after one year. Our reply is as follows.

It has been the Hong Kong Housing Authority (HA)'s established policy to set the PRH rent at a reasonable and affordable level.

The existing PRH rent adjustment mechanism is stipulated under Section 16A of the Housing Ordinance, which came into effect on 1 January 2008. HA is required to adjust the PRH rent in strict accordance with the stipulated mechanism. According to Section 16A of the Housing Ordinance, HA shall conduct a PRH rent review every two years and adjust the PRH rent according to the change in the income index between the first and second

periods covered by the review. The income index is computed by the Commissioner for Census and Statistics. If HA is satisfied that the income index for the second period is higher than the income index for the first period by more than 0.1%, the rent shall be increased by the rate of the increase of the income index or 10%, whichever is less; and if HA is satisfied that the income index for the second period is lower than the income index for the first period by more than 0.1%, the rent shall be reduced by the rate of reduction of the income index. There is no floor for the rate of reduction.

Based on the above statutory framework, the next PRH rent review will be conducted in mid-2020. As in past years, when HA's Subsidised Housing Committee conducts the PRH rent review, it will consider various factors (including the growth in tenants' income and their affordability in rent payment, whether the Government has provided other relief measures, and the overall economic situation, etc.) in deciding whether to provide assistance to PRH tenants through measures such as rent waiver.

HA will also continue to offer targeted short term assistance in the form of rent reduction to tenants who are facing temporary financial hardship through its Rent Assistance Scheme (RAS). Under RAS, eligible tenants will be granted either 25% or 50% rent reduction depending on their household income. For tenants with long term financial difficulties, they may apply to the Social Welfare Department for the Comprehensive Social Security Allowance (CSSA) Scheme. The CSSA payment in most CSSA cases has already included a rent allowance which is sufficient to fully cover the PRH rent. In view of the tough economic environment, the Government has also allocated funding to HA twice to pay rent for lower income PRH tenants for a total of two months this year. In addition, HA has further put in place a temporary relief measure this month. PRH tenants with rent arrears due to financial difficulties may apply to HA, and HA will consider withholding the issuance of Notice to Quit from May to October 2020.

Yours sincerely,

(Original signed)

( Jenny Y H CHAN )  
for Secretary for Transport and Housing