

立法會
Legislative Council

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Panel on Housing

Meeting on 7 June 2021

**Background brief on Letting Scheme for Subsidised Sale
Developments with Premium Unpaid**

Purpose

This paper provides background information on the Letting Scheme for Subsidised Sale Developments with Premium Unpaid ("the Letting Scheme"), and gives a summary of the views and concerns expressed by Members during relevant discussions in recent years.

Background

2. The Chief Executive's 2017 Policy Address stated that, to alleviate the hardship faced by families on the public rental housing ("PRH") waiting list and the inadequately housed, the Government would facilitate the Hong Kong Housing Society ("HS") in allowing the owners of its subsidised housing to rent out their flats with premium unpaid to needy families on a pilot basis.

3. HS launched the pilot Letting Scheme in September 2018 under which owners who had owned their flats for 10 years or more were allowed to let part of their flats with premium unpaid to PRH applicants. Upon review, HS has formulated enhancement measures for the Letting Scheme, including allowing owners to let the whole flats or individual bedrooms to eligible tenants, or let the flats to specified non-government organizations for sub-letting the flats to eligible tenants. In July 2019, the Hong Kong Housing Authority ("HA") endorsed joining the HS's enhanced Letting Scheme on a trial basis, allowing eligible owners of HA's subsidized sale flats ("SSFs") to join the scheme as well.¹

¹ The 2018 Policy Address (delivered in October 2018) has suggested that, in the light of the operational experience of HS's pilot scheme, HA may consider joining the scheme.

Members' views and concerns

4. The major views and concerns expressed by Members during relevant discussions in recent years are summarized in the ensuing paragraphs.

Response to the scheme

5. Members enquired whether the Administration was satisfied with the implementation of the enhanced Letting Scheme having regard to the number of applications for the scheme,² and whether the relevant authorities would introduce measures to enhance the attractiveness of the scheme.

6. The Administration advised that the enhanced Letting Scheme was open for applications by eligible owners and tenants from November 2019 and December 2019 respectively. The scheme aimed to provide an option to owners who had idle space and wished to make better use of their SSFs to let their flats, and at the same time help alleviate the housing difficulties faced by eligible PRH applicants. Some of the alienation restrictions of the flats concerned were lifted to allow owners to let their flats with premium unpaid under the scheme, and this arrangement was conducive to attracting owners to let their idle space or flats. The Administration had not set hard targets regarding the number of applications made under the scheme. HA and HS would conduct a mid-term review of the effectiveness of the scheme in the light of operational experiences after one year of operation.

Impacts of the scheme on the property rental market

7. Members enquired whether the Administration had assessed the impacts of the implementation of the Letting Scheme on the rental market for subsidized housing (including the supply of flats and levels of rents) and on the overall rent level and rateable value of residential flats in Hong Kong.

² According to the [Administration](#), as at 18 May 2020, HS had received 311 and 506 applications from owners and tenants respectively, among which 230 and 243 applications from owners and tenants respectively had been approved, with three transactions recorded.

8. The Administration advised that the Letting Scheme which allowed eligible SSF owners to let their flats with premium unpaid might increase the potential supply of SSFs in the rental market. However, whether the actual supply would increase, and the extent of increase if any, would depend on the number of owners that participated in the Letting Scheme eventually. The rental levels of individual SSF estates and the overall rental market were affected by a number of factors, including the overall supply and demand in the rental market, the economic environment and affordability of the tenants. Therefore, at the moment, it would be difficult to assess how the launch of the enhanced Letting Scheme might impact on the rental levels of SSFs and Hong Kong's overall residential market as well as the rateable values.

Council question

9. A Council question on the Letting Scheme was raised at the Council meeting of 6 November 2019. The Council question and the Administration's reply are hyperlinked in the **Appendix**.

Latest development

10. The Administration and HS will brief the Panel on the latest implementation progress of the Letting Scheme at the meeting on 7 June 2021.

Relevant papers

11. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
3 June 2021

Appendix

Letting Scheme for Subsidised Sale Developments with Premium Unpaid

List of relevant papers

Council/Committee	Date of meeting	Papers
Panel on Housing	29 October 2018	Administration's paper on Housing-related Initiatives in the Chief Executive's 2018 Policy Address and Policy Agenda (LC Paper No. CB(1)14/18-19(01)) Minutes of meeting (LC Paper No. CB(1)798/18-19)
Council	6 November 2019	Council question on Letting Scheme for Subsidised Sale Developments with Premium Unpaid
Panel on Housing	17 December 2020	Administration's paper on Housing-related Initiatives in the Chief Executive's 2020 Policy Address and Policy Address Supplement (LC Paper No. CB(1)293/20-21(07))