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Panel on Housing

Meeting on 5 July 2021

**Background brief on New Initiative on
Full Rent Exemption for Elderly Under-occupation
Households in Public Rental Housing Estates**

Purpose

This paper provides background information on the Hong Kong Housing Authority ("HA")'s New Initiative on Full Rent Exemption for Elderly Under-occupation Households ("the Initiative"), and gives a summary of the views and concerns expressed by Members during relevant discussions in recent years.

Background

2. To ensure the effective use of public rental housing ("PRH") resources, HA has put in place an under-occupation ("UO") policy to require a household with living space exceeding the prescribed UO standard to move to another PRH unit of an appropriate size. However, households with elderly members aged 70 or above are excluded from the UO list and are not required to move to a smaller PRH unit.

3. The 2018 Policy Address suggested that HA consider launching a new initiative whereby UO households whose family members are all aged 70 or above are allowed to enjoy lifetime full rent exemption upon transferring to smaller, new or refurbished units. According to the Administration, this initiative aimed to provide a rent-free housing option for all-elderly households to transfer to other smaller units, and to save living expenses under the rent-free transfer, and would help increase the supply of larger units for allocation to households awaiting PRH allocation with more family members.

4. HA launched the Trial Scheme for Full Rent Exemption for Elderly Under-occupation Households ("the trial scheme") in December 2019. Under the trial scheme, HA granted lifetime full rent exemption to UO households, whose family members were all aged 70 or above, upon their transfer to suitably-sized flats. Eligible households would be given a maximum of three housing offers of new or refurbished units in the residing estate or an estate in the same District Council district. They would also be provided with Domestic Removal Allowance.¹

Members' views and concerns

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

Effectiveness of the Initiative

6. Members enquired whether the Initiative was well received, and whether the scheme could effectively meet the needs of elderly tenants and facilitate better utilization of PRH resources.

7. The Administration advised that the scheme could effectively make use of existing public housing resources to increase the supply of larger units for households of larger family size who were awaiting PRH allocation. In view of the favourable response, HA regularized the trial scheme in December 2020; extended its coverage to elderly households with family members all aged 70 or above living in Housing for Senior Citizens of Type I Design and non-self-contained Converted-One-Person units; and widened the district choice from the same DC district to the same PRH Application District (i.e. Urban, Extended Urban (including Tung Chung), New Territories and Islands (excluding Tung Chung)). Up to end-April 2021, HA had approved about 340 applications under the trial/regularized scheme. Among them, 72 households had accepted allocation.

Eligibility for the scheme

8. In view that PRH households with elderly members aged between 60 and 69 were placed at the end of the UO list for transfer, some Members suggested that HA should exclude UO households with all elderly members aged between 65 and 69 from the UO list and allow

¹ Government's [press release](#) dated 9 June 2021

them to enjoy lifetime full rent exemption if they were willing to transfer to smaller units. The Administration advised that HA would consider the suggestion as part of the review of the Initiative.

Council questions

9. Council questions on issues related to the Initiative were raised at the Council meetings of 23 October 2019 and 9 June 2021. The Council questions and the Administration's replies are hyperlinked in the **Appendix**.

Latest development

10. The Administration will brief the Panel on the latest progress of the Initiative at the meeting on 5 July 2021.

Relevant papers

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

Council Business Division 1
Legislative Council Secretariat
30 June 2021

Appendix

New initiative on Full Rent Exemption for Elderly Under-occupation Households in Public Rental Housing Estates

List of relevant papers

Council/Committee	Date of meeting	Papers
Panel on Housing	29 October 2018	Administration's paper (LC Paper No. CB(1)14/18-19(01))
Council	23 October 2019	Council question on rents of newly built public rental housing flats
Panel on Housing	28 April 2020	Minutes of meeting (LC Paper No. CB(1)910/19-20)
Panel on Housing	17 December 2020	Administration's paper (LC Paper No. CB(1)293/20-21(07))
Council	9 June 2021	Council question on transfer of under-occupation public rental housing households