

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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29 June 2021

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,

**Follow-up Questions on LC Paper No. CB(1)962 / 20-21(04)**

Regarding Hon. Tony Tse's letter to Legislative Council Panel on Housing dated 8 June 2021, the reply from the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) is as follows:

Rent comparison

According to HS' review report on the Letting Scheme for Subsidised Sale Developments with Premium Unpaid (Letting Scheme), as at end-April 2021, the monthly rent of the 64 successful rental transactions under the enhanced Letting Scheme ranged from \$500 to \$15,000 (with sizes ranging from around 210 ft<sup>2</sup> to 650 ft<sup>2</sup>), and the median was \$8,000. For private residential flats of comparable size, the median monthly domestic households rent was \$13,000. This figure was based on the private household sampling survey conducted by the Census and Statistics Department in 2021 Q1, involving around 2 000 samples. Since these two figures (i.e. \$8,000 and \$13,000) are both medians and the flats under comparison are of comparable sizes, their calculations are consistent with each other statistically.

Rent control

While the policy objective of providing subsidised sale flats (SSFs) is to

provide affordable homes to low- to middle-income families, facilitating the circulation of SSFs has also been one of the key directions of the Government's housing policy and HA's work. It is stated in the Long Term Housing Strategy promulgated in 2014 that in order to facilitate the circulation of SSFs, it is necessary to make better use of existing SSF resources by allowing more people to have access to SSFs, either with or without premium paid.

It has always been the policy of HA and HS to allow SSF owners to re-sell their flats without payment of premium after a certain period of time at a freely negotiated price to designated persons. HA launched the Secondary Market Scheme (SMS) in 1997, under which SSF owners are allowed to sell their flats with premium unpaid to Green Formers at freely negotiated price two years after the first assignment. The SMS was subsequently open to a restricted number of White Formers as well under the White Form Secondary Market Scheme, which was regularised in 2017. HS has also implemented the Flat-for-Sale Secondary Market since 1997 for its SSFs. Allowing SSF owners who have bought their flats for 10 years to let their flats with premium unpaid to designated persons at a freely negotiated price under the enhanced Letting Scheme should therefore be seen as an extension of the existing SSF Secondary Market policy, allowing owners to sell or let their flats with premium unpaid under prescribed circumstances and conditions. The policy objective of the Letting Scheme is to better utilise public housing resources by providing an option for SSF owners to make better use of their flats and for families in need of affordable rental housing.

Furthermore, since only SSF owners who have owned their flats for 10 years or more are eligible to apply under the Letting Scheme, this has already struck a balance between preventing owners from seeking rental return within a short period of time and better utilising public housing resources.

In fact, 63 out of 64 (i.e. around 98%) transactions were at or below \$13,000. Furthermore, among the tenants interviewed by HS who had previously occupied the entire flats in private market, 70% indicated that they enjoyed fairly the same or lower rent under the enhanced Letting Scheme, with savings ranging from around 4% to 52%. The above has shown that the rents paid by tenants are affordable to them while acceptable to owners. If we control the level of rent, prospective owners may be deterred from participating in the Letting Scheme, which may in turn undermine the effectiveness of the scheme and will be counter-productive.

Yours sincerely,

( Original Signed )

( Samuel HC LAI )

for Secretary for Transport and Housing

CC : The Hong Kong Housing Society  
(Attn: Mr. Peter OR / General Manager (Sales & Marketing))