



Housing

Housing Policy: Housing policy in Hong Kong is formulated, co-ordinated and monitored by the Secretary for Housing, Planning and Lands. The former Housing Bureau and the former Housing Department merged on July 1, 2002 to form the re-constituted Housing Department which integrates the policy and operational responsibilities in the provision of public housing.

In November 2002, the Secretary for Housing, Planning and Lands delivered a Statement on Housing Policy. It clarified the Government's housing objectives and strategies, as well as introduced a series of measures to help achieve those objectives. The housing policy announced under the Statement is premised on three major guiding principles: —

- The focus of the Government's subsidised housing policy should be on the provision of assistance to low-income families who cannot afford private rental accommodation.
- The Government should minimise its intervention in the private property market.
- The Government should maintain a fair and stable operating environment for the private property market by ensuring adequate land supply and provision of efficient supporting infrastructure.

Private Sector Housing and Consumer Protection: The private sector has an important role to play in meeting the housing needs of the community. At the end of December 2005, private residential stock (excluding village housing) amounted to about 1.34 million units. The Government's policy is to minimise intervention in the private property market and to maintain a fair and stable environment to facilitate the healthy development of the private property market. The Government also publishes on a regular basis statistics on private housing supply in the primary market to enhance transparency.

To restore the free operation of the private rental market, the Government has removed obsolete legislative provisions on security of tenure for domestic tenants.

To better protect the interests of genuine home buyers, the Estate Agents Authority (EAA) was set up to license estate agents and to regulate their practices, following the enactment of the Estate Agents Ordinance in May 1997.

To ensure that essential information is provided to prospective purchasers of uncompleted residential properties, the Real Estate Developers Association of Hong Kong (REDA) has set up a self-regulatory regime under which its members need to provide adequate and accurate information in sales brochures in accordance with the REDA's guidelines. There is close liaison between the REDA, the Government, the Consumer Council and the EAA to keep the regime of self-regulation under review and to identify scope for further improvement in the light of operational experience.

Public Housing Providers: The Hong Kong Housing Authority (HKHA) is a statutory body established in 1973 responsible for implementing the majority of Hong Kong's public housing programmes. The Hong Kong Housing Society (HKHS) is an independent non-profit-making organisation established in 1948, providing specific categories of public housing to help meet the housing needs of the community.

Public Rental Housing: The provision of assistance to those in genuine housing need continues to lie at the heart of the Government's housing policy. As at 31 December 2005, about 2.13 million people (31 per cent of the population lived in public rental housing (PRH) estates. The stock was about 720 300.

The Government would continue to assist those who cannot afford adequate accommodation in the private market through the public rental housing programme. It is committed to maintaining the average waiting time at around three years. At the end of 2005, there were about 94 100 applications on the Waiting List. The average waiting time for PRH was two years.

We have implemented the following measures to ensure that public rental flats are allocated to people in genuine need: —

- A Waiting List is operated for the allocation of new or refurbished public rental flats to eligible applicants in accordance with the order of registration. To be eligible, applicants must undergo comprehensive means tests covering both income and net assets, have at least seven years' residence in Hong Kong and possess no private domestic property;
- Public rental tenancies cannot be passed on automatically from one generation to the next. When a tenant passes away, a new authorised person (other than the surviving spouse) is subject to a comprehensive means test; and
- Long-term tenants (i.e. those who have stayed in public rental housing for 10 or more years) with income and assets exceeding prescribed limits are required to pay additional rent or vacate their flats.

Public housing rent levels are determined on the basis of tenants' ability to pay. The principle of affordability is translated by the HKHA into appropriate median rent to income ratio (MRIR) ceilings for its estates. The Housing Ordinance places a cap on the overall MRIR of public housing tenants at 10 per cent when rent adjustments are made, and restricts the frequency of rent adjustment to no more than once every three years.

Subsidised Home Ownership: Since 1978, over 433 000 subsidised flats have been sold to households of low and middle income groups at discounted prices under the Government's various subsidised home ownership

schemes, including the Home Ownership Scheme (HOS) and the Private Sector Participation Scheme (PSPS) and the Tenants Purchase Scheme (TPS) introduced by the HKHA.

Given the significant changes undergone in the economy and property market over the past few years, the Government believes that home ownership should essentially be a matter of personal choice and affordability. It has come to the view that it should withdraw from its previous role as direct provider of subsidised sale flats and refrain from competing with the private residential market. Accordingly, HKHA has ceased the sale and construction of HOS and PSPS flats, terminated the Home Assistance Loan Scheme and identified means of disposal for the surplus subsidised sale flats. The sale of public rental housing units under the TPS will also be halted after Phase 6.

Interim Housing: Interim housing provides accommodation to people who are rendered homeless for one reason or another, but are not eligible for permanent public housing.

Housing for Elderly People: At the end 2005, about 598 900 people aged 60 or above live in public housing

flats, representing 56 per cent of the elderly population in Hong Kong. The Government will continue to give elderly people in need priority access to public housing through various allocation schemes. For elderly singleton, their waiting time is maintained at two years on average. The HKHS has launched a pilot Senior Citizen Residences Scheme which provides purpose-built housing with integrated health care facilities on a "lease-for-life" basis to eligible senior citizens in the middle income group.

Squatters: The number of squatters and squatter structures has been reduced in recent years through rehousing and clearance programmes. The criteria for rehousing squatters upon clearance have been relaxed. Since December 2002, families who have resided in registered squatter structures for two years and met the prescribed income and assets limits are rehoused in public rental flats. Squatters who wish to move out voluntarily can apply for public housing through the General Waiting List. For squatters who wish to stay put, the Government provides and maintains basic facilities in the existing squatter area under the Squatter Area Improvement Programme to ensure that safety and hygiene standards are met.