

Income and asset limits for public rental housing for 2021-22

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee (SHC) today (March 15) discussed the outcome of the review of income and asset limits for public rental housing (PRH) for 2021-22, and endorsed the proposed income and asset limits for applicants of different household sizes which will take effect from April 1 (see table).

"The PRH income and asset limits are reviewed annually according to an established mechanism. If an adjustment is to be made strictly in accordance with the established formula, the PRH income limits for 2021-22 for one-person, two-person and five-person households will increase, while those for households with three persons, four persons and six persons to 10 persons or above will decrease," a spokesman for the HA said.

"However, taking into consideration the unprecedented COVID-19 pandemic and the resulting very challenging economic situation, in particular the livelihood of low-income families who are target groups for PRH and have been seriously affected, the SHC considered that exceptional treatment was warranted. With reference to past experience, the SHC endorsed a freeze of the income limits for households with three persons, four persons, and six persons to 10 persons or above at the existing levels; and an increase in the PRH income limits for one-person, two-person and five-person households. On the whole, there is an increase of 0.3 per cent on average over the 2020-21 level. Based on the same considerations, the SHC also endorsed a freeze of the PRH asset limits for all household sizes at the existing levels," the spokesman said.

Under the established mechanism, PRH income limits are derived using a household expenditure approach, which consists of housing costs and non-housing costs, plus a 5 per cent contingency provision. Housing costs, which measure the costs of renting a private flat comparable to PRH, depend on the differential unit rents of private accommodation per square metre and reference flat sizes (i.e. average space of flats allocated to PRH applicants in the past three years). Non-housing costs are determined with reference to the results of the latest Household Expenditure Survey conducted by the Census and Statistics Department, and adjusted in the intervening years by the latest movements in the Consumer Price Index (CPI)(A) (excluding housing costs), or the change in the nominal wage index as the income factor, whichever is higher. The PRH asset limits are adjusted with reference to movements in CPI(A) over the year.