

Income and asset limits for public rental housing for 2022-23

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 14) discussed the outcome of the review of income and asset limits for public rental housing (PRH) for 2022-23, and endorsed the proposed income and asset limits for applicants of different household sizes which will take effect from April 1, 2022 (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 2022-23 for all household sizes will decrease, with an overall reduction of 2.8 per cent as compared with the 2021-22 level," a spokesman for the HA said.

"Given the unprecedented COVID-19 pandemic and the resulting very challenging economic situation, special consideration is warranted in setting the 2022-23 PRH income limits. In particular, the livelihood of low-income families, who are target groups for PRH, has been seriously affected. In light of the unique circumstances, the SHC considered that exceptional treatment is justified. With reference to past practice, the SHC endorsed freezing the income limits for all household sizes at the existing (2021-22) levels. In addition, the SHC also endorsed an increase of 2.5 per cent for the PRH asset limits for all household sizes in accordance with the established mechanism," 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.