

LCQ3 : Support for tenants in inadequate housing

Following is a question by the Hon Vincent Cheng Wing-shun and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (November 21):

Question:

According to the 2016 Population By-census, the number of people residing in inadequate housing was as high as 210 000. The findings of a recent survey with households in inadequate housing as targets revealed that 80 per cent of the respondents were waiting for public housing, and one-third of them had been waiting for over five years. The support measures that the respondents most hoped the Government to provide were (in descending order): building more public housing, disbursing a rent subsidy and increasing supply of transitional housing. Regarding the provision of support for tenants in inadequate housing, will the Government inform this Council:

(1) how the Government supports community organisations in taking forward transitional housing projects; whether it will make public a list of government lands suitable for building transitional housing, and establish a dedicated fund to support the building of transitional housing;

(2) given that the Hong Kong Housing Authority has planned, by making reference to the relevant practice of the Hong Kong Housing Society, to allow owners of its subsidised sale flats with premium unpaid to sublet their flats, of the details of the plan, including whether the owners may let the entire flats; and

(3) given that at present, the Community Care Fund grants a rent subsidy only to CSSA recipients living in rented private housing, whether the Government will provide a rent subsidy or similar type of support to those tenants in inadequate housing who are not receiving CSSA?

Reply:

President,

In the face of the current demand-supply imbalance in housing and high property prices and rents, some low-income households may have to rent inadequate accommodation. The Government is greatly concerned about the housing difficulties faced by the public and has been actively increasing housing land supply in the short, medium and long term through a multi-pronged approach, so as to fundamentally solve the housing problems in the long run.

As pointed out by the Chief Executive in the 2018 Policy Address, the

Government would allocate more land for public housing development, and has committed that 70 per cent of the housing units on Government's newly developed land would be for public housing. The Transport and Housing Bureau (THB) will take into account the views of the community on the ratio of public and private housing in updating the housing supply target for the next ten-year period (i.e. 2019/20 to 2028/29) under the Long Term Housing Strategy.

As mentioned in Hon Vincent Cheng's question, public rental housing (PRH) is the fundamental solution to addressing the housing needs of many households living in inadequate housing. Based on the estimate as at September 2018, the total public housing production in the five-year period from 2018/19 to 2022/23 is about 100 800 units, comprising some 74 600 units of PRH/Green Form Subsidised Home Ownership Scheme. This five-year housing production forecast represents a steady increase as compared with the previous four five-year periods.

Apart from striving to increase housing supply, the Government has adopted various measures to alleviate the housing difficulties faced by the grassroots households. After consulting the Development Bureau and the Labour and Welfare Bureau, I now reply to Hon Cheng's question as follows:

(1) The 2017 Policy Address stated that the current-term Government would think out of the box to facilitate the implementation of various short-term community initiatives to increase the supply of transitional housing, with a view to alleviating the hardship faced by families on the PRH waiting list and the inadequately housed. A Task Force under THB will provide coordinated support and, upon consulting relevant bureaux and departments, provide appropriate assistance and facilitation according to the needs of the proposed items. These include offering advice on administrative or statutory procedures and assisting application for funding support. For example, the Community Housing Movement (CHM) operated by the Hong Kong Council of Social Service has introduced multiple projects. The CHM has been receiving subsidies from the Community Chest of Hong Kong and the Social Innovation and Entrepreneurship Development Fund to support its operation expenses. The Modular Social Housing Scheme on a private site on Nam Cheong Street in Sham Shui Po has also obtained funding support from the Community Care Fund.

The "GeoInfo Map" website of the Lands Department provides by district the basic information of a total of 850 vacant government sites which are available for short-term tenancy application by non-government organisations (NGOs) for community purposes, including transitional housing. Whether an individual site is suitable for transitional housing depends on its land use zoning and actual site conditions including its topography, technical constraints or infrastructural facilities required.

The Development Bureau plans to consult the Legislative Council's Panel on Development by the end of this month and then seek the approval of the Finance Committee for the allocation of \$1 billion funding to provide subsidies to NGOs in relation to works costs incurred by them in making effective use of vacant government sites for various short-term non-profit

making community purposes. Projects with policy support given by the Task Force under THB and that make use of vacant government sites to provide transitional housing are also eligible to apply.

(2) The Hong Kong Housing Society (HKHS) launched the Letting Scheme for Subsidised Sale Developments with Premium Unpaid in September 2018. The Scheme allows eligible owners to sublet bedrooms in their flats with premium unpaid to specific tenants (i.e. family and elderly applicants who have been waiting for PRH for three years or more, and non-elderly one-person applicants who have been waiting for PRH for six years or more), with a view to improving the latter's housing situation before PRH allocation. Participating owners must have owned their flats for at least ten years. Also, each flat must have at least two bedrooms, one of which the owner must keep for their own residence. HKHS is reviewing the Scheme and collecting views from the public, and will fine-tune the operational details as and when necessary.

The 2018 Policy Address has suggested that, in the light of the operational experience of the Scheme, the Hong Kong Housing Authority (HA) may consider joining the Scheme. HA will work closely with HKHS with a view to deliberating and considering the timing and specific arrangements for joining the Scheme.

(3) Different government departments have all along been providing appropriate assistance to grassroots households from different perspectives including housing, social welfare, community support, etc. through different policies and measures. For example, eligible persons may apply for early allocation of PRH units through Compassionate Rehousing or Express Flat Allocation Scheme. The Comprehensive Social Security Assistance Scheme provides a safety net for those who are unable to support themselves financially to meet their basic needs. Other recurrent cash schemes, such as the Working Family Allowance Scheme and the Work Incentive Transport Subsidy Scheme, also provide financial support to low-income households.

We are concerned that in the midst of the present tight housing supply, rent subsidy may prompt the landlords to increase rent, thereby indirectly turning the rent subsidy into additional rent, leaving the tenants with no effective assistance. Furthermore, providing recurrent rent subsidy to a selected group of tenants may increase the demand for rented accommodation, thereby triggering a rise in rental level and increasing the burden of households who are unable to receive the subsidy due to various reasons.

The continued increase in housing supply remains the fundamental solution to the problems of surging housing price and rent caused by insufficient supply. The Government will continue to work closely with the community to expedite the construction of public housing, so as to effectively address the housing needs of the society.