

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Profile of Households in Public Housing

PURPOSE

This paper presents the updated socio-economic characteristics of households in public housing and changes in the living conditions of newly rehoused households.

BACKGROUND

2. In formulating and reviewing housing policies and schemes, certain basic information and data are frequently used for reference. Among these, information on the socio-economic characteristics of households in public housing and their living conditions is of major interest. This paper presents the findings of the current round of an annual survey conducted during the period from January to February 1997 regarding household size, household income, living density, rent and rent to income ratio among public rental housing (PRH) and Home Ownership Scheme (HOS) households.

FINDINGS

3. The major findings of the survey are summarized below -

A. HOUSEHOLD CHARACTERISTICS

Household Size and Composition

- (a) The average size of PRH households was 3.8 persons, same as in 1995/96.
- (b) The average size of HOS households was 3.6 persons, down from 3.8 persons in 1995/96.
- (c) The majority of the PRH (69%) and HOS (77%) households comprised one family nucleus, i.e. married couples with or without never-married children or single parent households. 14% of PRH and 11% of HOS households comprised one extended family nucleus, i.e. a family nucleus with other related persons. 6% of PRH and 7% of HOS households comprised two or more family nuclei. The rest were 1p households (8% for PRH and 3% for HOS) and non-family-nucleus households (3% for PRH and 2% for HOS).

Living Density

- (d) The median living density of PRH households was 8.4 sq. m. IFA per person, as compared to 8.3 sq. m. in 1995/96. PRH households living in new flats between one and two years old had a larger living area of 10.8 sq. m. IFA per person.
- (e) The median living density of the HOS households was 12.9 sq. m. IFA, similar to 12.7 sq. m in 1995/96.

Household Income

- (f) Based on the results of General Household Survey (GHS) conducted in the fourth quarter of 1996, the median monthly income of PRH households was \$13,000, representing an increase of 8.3% from \$12,000 in 1995/96. The median income was \$20,000 for HOS households which was the same as in 1995/96.

Rent and Rent-to-Income Ratio (RIR) of PRH Households

- (g) According to the results of GHS for the fourth quarter of 1996, the median rent paid by PRH households was \$1,200 and the corresponding RIR was 8.9%.
- (h) The median rent paid by additional rent paying households was \$1,900, compared to \$1,530 in 1995/96. Their median RIR was 7.1%, compared to 6.6% in 1995/96.

Mortgage Payment and Mortgage to Income Ratio (MIR)

- (i) Among the HOS households with outstanding mortgage for HOS flats, the median monthly mortgage payment was \$4,200, as compared to \$3,500 in 1995/96.
- (j) Their median MIR was 20.4%, which varied from 14.4% for those having lived in HOS flats for five or more years to 32.4% for those having lived in HOS flats for less than two years.

B. CHANGES IN LIVING CONDITIONS OF NEWLY REHOUSED HOUSEHOLDS

4. This section presents the changes in the living conditions and housing cost of households recently rehoused into PRH and HOS flats. The analysis included only households who have lived in their current accommodation for less than four years.

Changes in living condition after rehousing

PRH Households

- (a) 44.1% of the newly rehoused households in PRH also lived in PRH before rehousing. 30.6% previously lived in private permanent housing.
- (b) Most (80.6%) of the newly rehoused households in PRH said that their living conditions as a whole had improved after rehousing. Improvements in the following aspects are worth noting -
 - (i) The majority (86.8%) were now living in larger flats. The median living space of newly rehoused households increased significantly from 4.7 sq. m. IFA to 10.9 sq. m. IFA per person.
 - (ii) 42.1% previously lived in non-self-contained flats, temporary structures or shared accommodations.
- (c) Overall, 62.4% of the newly rehoused households in PRH spent a higher proportion of their incomes on rent. Their median rent to income ratio increased from 6.7% to 11.4%. Households who previously lived in private permanent housing experienced a marked reduction in their median RIR, a decrease from 23.0% to 10.4%.
- (d) 21.1% of the newly rehoused PRH households claimed that they had applied for HOS before rehousing.

- (e) Among the newly rehoused PRH households who did not consider to buy HOS before rehousing, the main reasons were “affordability” (89.9%), and “the rent of PRH flat was cheap” (17.7%). Their median household income was \$10,000.

HOS Households

- (f) 54.4% of the newly rehoused households in HOS lived in PRH before rehousing. 32.6% previously lived in private permanent housing.
- (g) The majority (75.7%) of the newly rehoused households in HOS said that their living conditions as a whole had improved after moving into the HOS flats. In fact, most (90.4%) were now living in larger flats. Their living space increased significantly from 7.4 sq. m. IFA to 13.6 sq. m. IFA per person.
- (h) Among households newly rehoused into HOS, their median monthly mortgage payment was \$5,830 and the corresponding MIR was 27.3%. For those HOS households who previously lived in rental flats in private housing, their MIR was 26.1%. They were now spending a higher proportion of their income on housing than before rehousing (previous median RIR being 20.8%).

C. HISTORICAL COMPARISON

5. The comparison of the findings on the socio-economic characteristics of PRH and HOS households of the survey conducted in 1996/97 with those of the previous surveys is presented in graphic form in the
_____ **Annex.**

INFORMATION

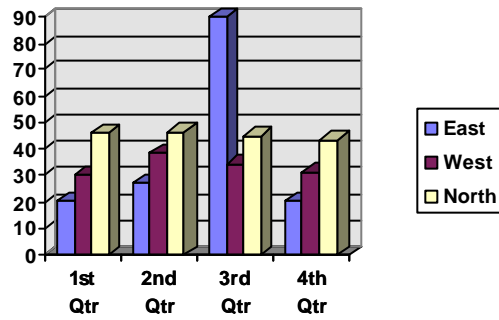
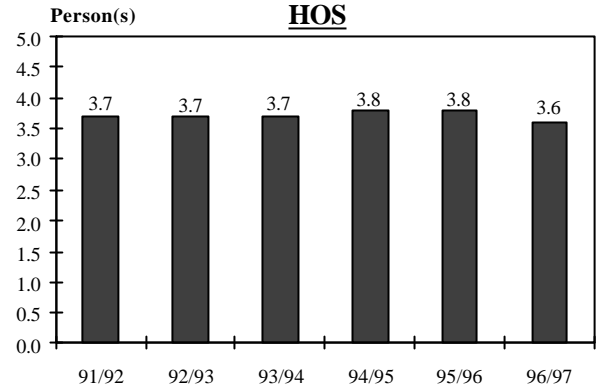
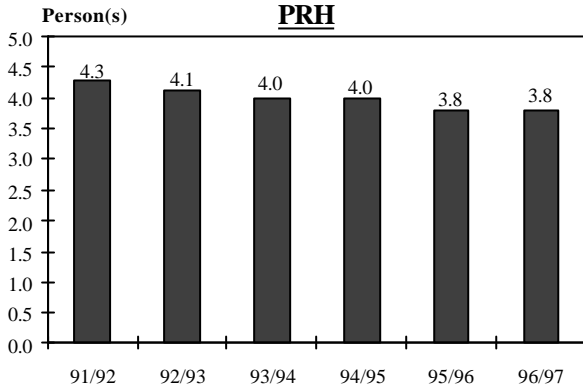
6. This paper is circulated for Housing Authority Members' information.

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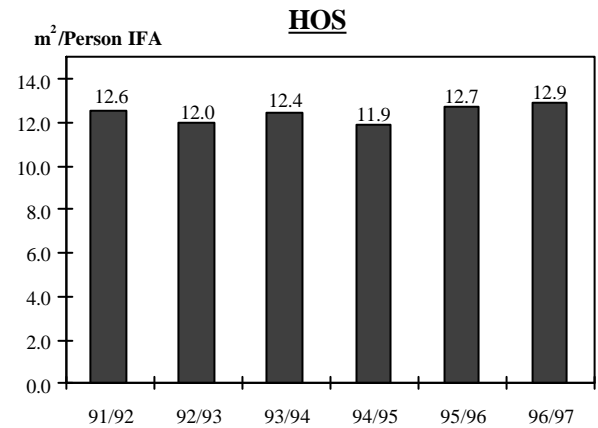
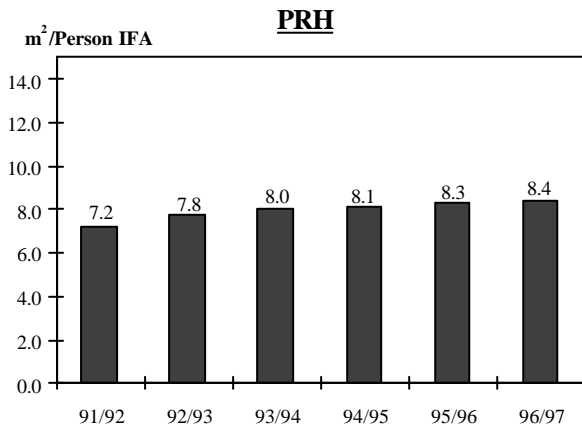
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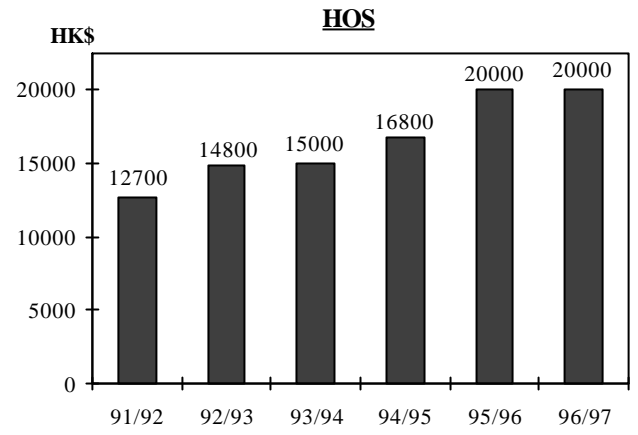
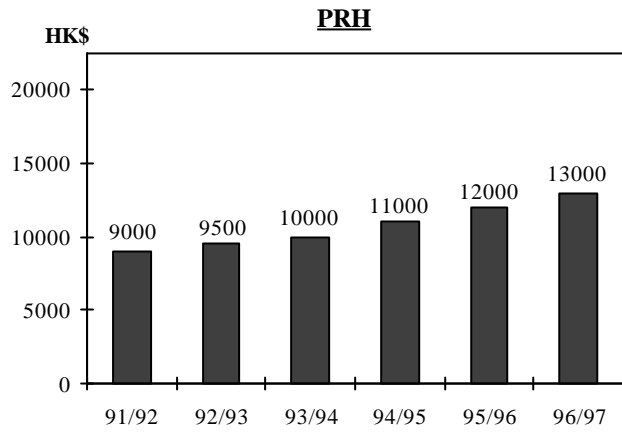
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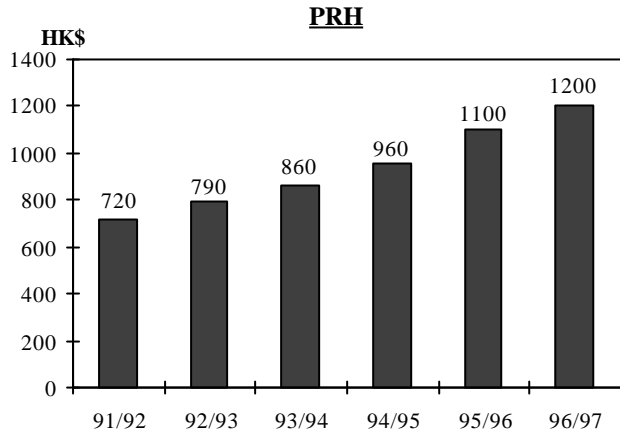
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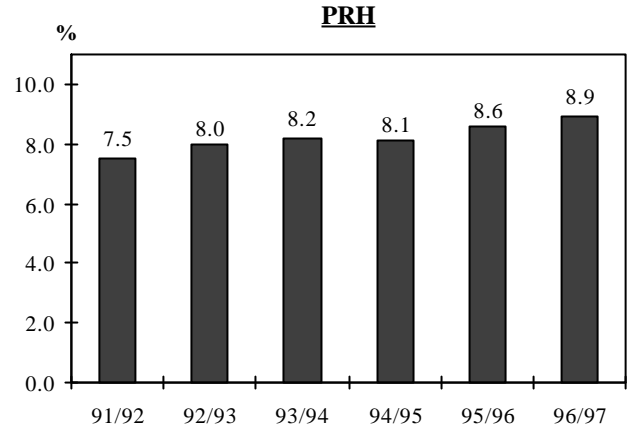
Median Household Income



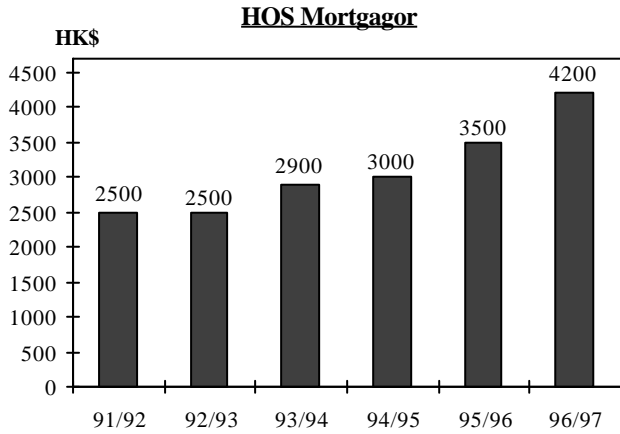
Median Monthly Rent



Median Rent-to-income Ratio



Median Monthly Mortgage Repayment



Median Mortgage-to-income Ratio

