

*Press December 6, 1995*

**Headline :** *Public views sought on PRH resources allocation*

**Content :** The following is issued on behalf of the Housing Authority:

Members of the public are invited in the next three months to give their views on recommendations made in a consultation document on "Safeguarding Rational Allocation of Public Housing Resources" published by the Housing Authority's Ad Hoc Committee on Private Domestic Property Ownership today (Wednesday).

The Chairman of the Committee, Professor Yeung Yue-man, pointed out that the new policy could be summarized into one objective, two principles, three options and four concessions. As clearly highlighted in the consultation document, the policy has an objective of utilizing public rental housing (PRH) resources effectively and rationally. This can be achieved by promoting home ownership among the well-off tenants and therefore increasing the turn-over of public rental housing units.

"We hope this can meet the housing needs of both rental housing tenants and waiting list applicants," Professor Yeung stressed.

He pointed out that the policy followed two principles -- public housing is a public asset and allocation of public housing subsidy should be in relation to practical needs.

"Rental housing tenants should not enjoy PRH subsidy unconditionally for life as rental housing is an asset of the whole community and not anyone's private asset."

"One of the basic objectives of the Long Term Housing Strategy is the allocation of resources according to needs. Tenants who have the financial ability to look after their own housing needs should not indefinitely receive PRH subsidy," he said.

Professor Yeung said that the Committee proposed three appropriate and reasonable options for tenants who no longer needed PRH subsidy.

"Tenants with income and assets both exceeding the prescribed limits may either enjoy priority in purchasing Home Ownership Scheme (HOS) flats or may apply for the interest-free Home Purchase Loan for buying private properties to improve their living standards. The units vacated will be further allocated to others who are in more urgent housing needs," he said.

"Also, tenants who are not willing to move out may choose to stay in their rental housing units by paying market rent."

"We believe the three options can well satisfy these tenants' practical needs. They are in line with the prevailing trend of distributing overall housing resources rationally and of promoting home ownership among the public." "In addition, tenants with the financial ability will be allowed to make their own choices while cutting down the direct subsidy they receive."

Professor Yeung noted that the Committee had made various arrangements for families in different situations. "We have contemplated four categories for concessions to help those who are in difficulty and to help tenants adapt to the policy," he said.

"First, all tenants receiving Comprehensive Social Security Assistance (CSSA), households on shared tenancies and households whose members all aged 60 or above are exempted from declaring income and assets."

"In addition, tenants paying market rent can revert to paying the lower rent or normal rent if their income or net asset value falls below the prescribed limits for a continuous period of three months."

"Those who disagree with or have complaints against the request for paying market rent may lodge their objection with the Authority's Appeal Panel for an reassessment of their cases."

"Finally, tenants are only required to declare income after 10 years' continuous residence at public rental housing. Double-rent payers will only be required to declare assets one year later for an assessment on whether they have to pay market rent. Since declaration of income, a tenant will have no less than three years to make arrangements for alternative housing before he is required to pay market rent."

For tenants affected by redevelopment, the Committee proposes that tenants who have received formal written rehousing notifications before commencement of the new policy will continue to be exempted from income declaration for 10 years after rehousing.

After implementation of the new policy, tenants affected by the Comprehensive Redevelopment Programme (CRP) will be required to declare income or asset once every two years and to pay rent

according to their income and asset levels. Regardless of whether they own private properties, they will enjoy first priority in buying HOS flats or may apply for the Home Purchase Loan.

"This can avoid an anomalous situation where CRP tenants originally paying market rent in older estates may revert to paying lower rents upon rehousing into a bigger flat with much improved environment," he explained. Professor Yeung said that judging from its objective, principles, options and concessions, the new policy is both considerate and reasonable.

The requirements of declaring assets or paying market rent do not contravene any existing legislations. "Applicants for CSSA are in fact also required to declare similar detailed personal information. The Housing Department is empowered, under the Housing Ordinance, to obtain information it requires from tenants. "There is no question about the legality of the proposals," he said.

"It can be seen from the above that the Committee's recommendations while safeguarding social justice and ensuring a fair allocation of resources, also take full account of the affordability and acceptability by tenants, as well as providing a channel for addressing their grievances."

"The recommendations are not only humane, but also rational and lawful," he stressed.

Professor Yeung said that opinions from the public on the new policy were most welcome. Views in writing may be sent to the Policy Division, Housing Department, Housing Authority Headquarters Building, 33 Fat Kwong Street, Ho Man Tin, Kowloon before March 6, 1996.

Members of the public and concern groups are also welcome to attend public hearings to be held during the consultation period.

The consultation document together with a gist are now available at more than 150 estate offices and all district offices. The Committee has also produced questions and answers leaflets for distribution to public housing tenants.

A flowchart on income/asset declaration cycle, a table of income/net asset limits and a list of declarable assets are at annex I to III. End

Wednesday, December 6, 1995

[Back](#)