

**THE HONG KONG HOUSING AUTHORITY**

**Memorandum for the Home Ownership Committee**

**Statistical Analysis on Subsidized Home Ownership Schemes**

**PURPOSE**

This paper presents a statistical analysis on both the profiles of housing stock and residents under the Housing Authority (HA)'s subsidized home ownership schemes.

**BACKGROUND**

2. Over the years, the HA has been facilitating wider home ownership in Hong Kong. It has introduced a number of subsidized home ownership schemes, which include-

- (a) The Home Ownership Scheme (HOS) was introduced in 1978 to provide sale flats for the middle income households at discounted prices. The Private Sector Participation Scheme (PSPS) was an extension of the HOS which drew the resources of the private sector in flat production;
- (b) The Home Purchase Loan Scheme (HPLS) started in 1988 to provide loans to eligible households for home purchase in the private sector and the HOS Secondary Market;
- (c) The HOS Secondary Market Scheme was introduced in 1997. It allows HOS owners to sell their flats to HA rental tenants from the third year after the first assignment of their flats without premium repayment;

- (d) The Tenants Purchase Scheme (TPS) commenced in early 1998. It gives an opportunity for sitting tenants to buy their flats at affordable prices;
- (e) In mid-1998, the Mortgage Subsidy Scheme was launched to facilitate tenants affected by the Comprehensive Redevelopment Programme to opt for home purchase through the provision of mortgage subsidies; and
- (f) In 1999, the Buy-or-Rent Option (BRO) was introduced to enable public rental housing (PRH) applicants to buy new public housing flats with mortgage subsidies.

3. Among these schemes, the HOS and the PSPS have the longest history and also have the largest number of beneficiaries. This paper provides a statistical analysis on the profiles of housing stock and residents under these two major schemes.

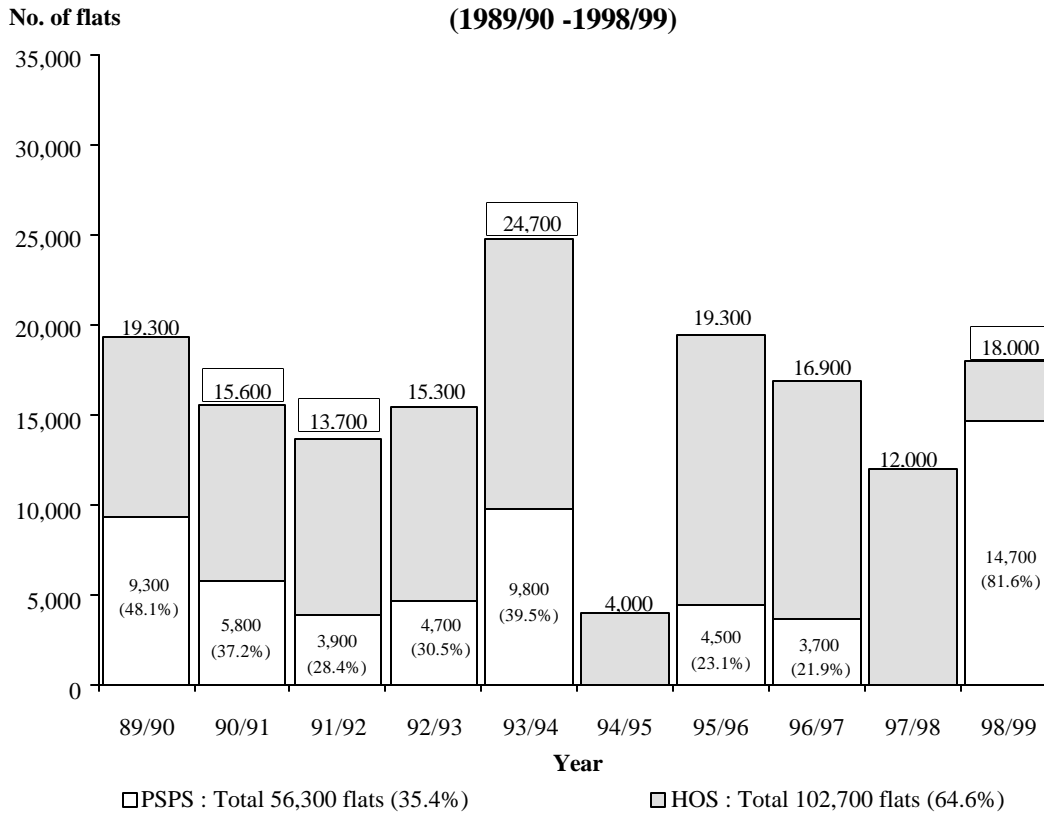
## **PROFILE FOR HOUSING STOCK**

4. Regarding the housing stock, we shall analyze the production pattern, location, design and flat mixes of HOS/PSPS flats up to early 1999.

## Production

5. Up to March 1999, about 275,000 HOS/PSPS flats (including forward sales) had been sold to eligible households. This included 86,000 PSPS flats (31.2%). A total of 159,000 HOS/PSPS flats were produced from 1989/90 to 1998/99, of which, 56,300 flats (35.4%) were PSPS flats. On average, about 15,900 HOS/PSPS flats were produced annually in this ten-year period. The production peak was in 1993/94. Figure 1 below shows the annual flat production from 1989/90 to 1998/99 <sup>Note 1</sup>.

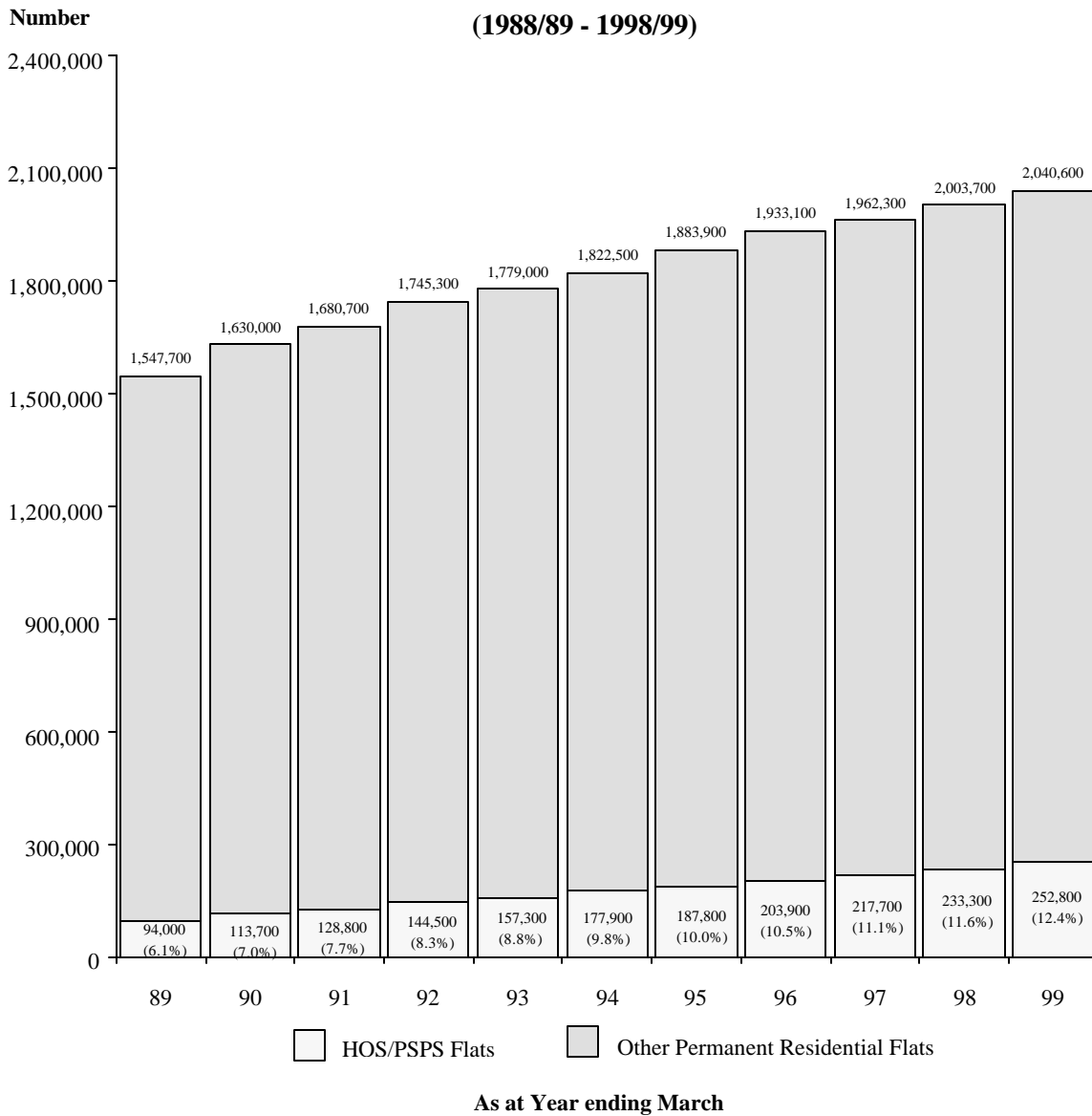
**Figure 1 Annual Production of HOS/PSPS Flats  
(1989/90 -1998/99)**



<sup>Note 1</sup> Source : Housing Department Administrative Records

6. In the past 10 years, HOS/PSPS flats accounted for an increasing proportion in terms of the overall permanent residential housing stock. As at end 1988/89, 6.1% of the total stock was HOS/PSPS flats. The proportion increased to 12.4% as at end 1998/99 <sup>Note 2</sup> (Figure 2).

**Figure 2 Proportion of HOS/PSPS Flats in the Permanent Residential Housing Stock (1988/89 - 1998/99)**

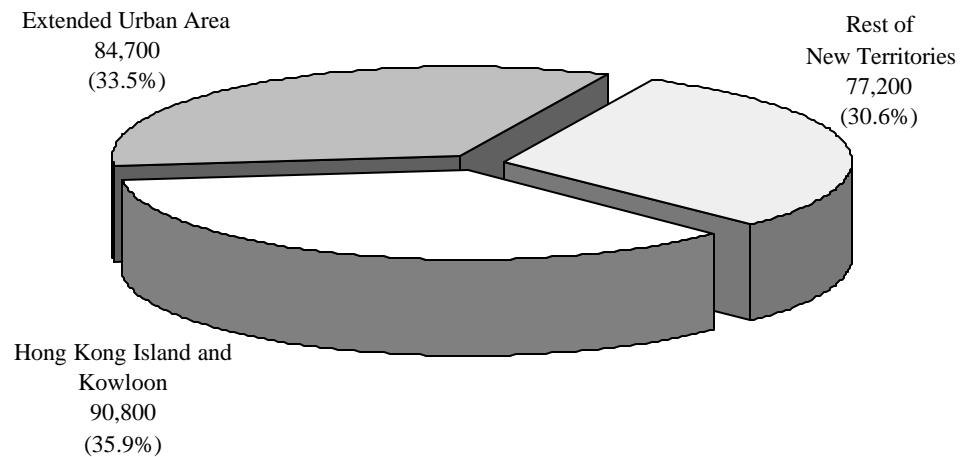


<sup>Note 2</sup> Source : Housing Department Administrative Records

## Location

7. Nearly 70% of HOS/PSPS flats were built in the urban and extended urban areas <sup>Note 3</sup>. About 30% were found in the rest of the New Territories <sup>Note 4</sup> (Figure 3).

**Figure 3 Distribution of HOS/PSPS Flats by Region  
(As at 1st quarter 1999)**



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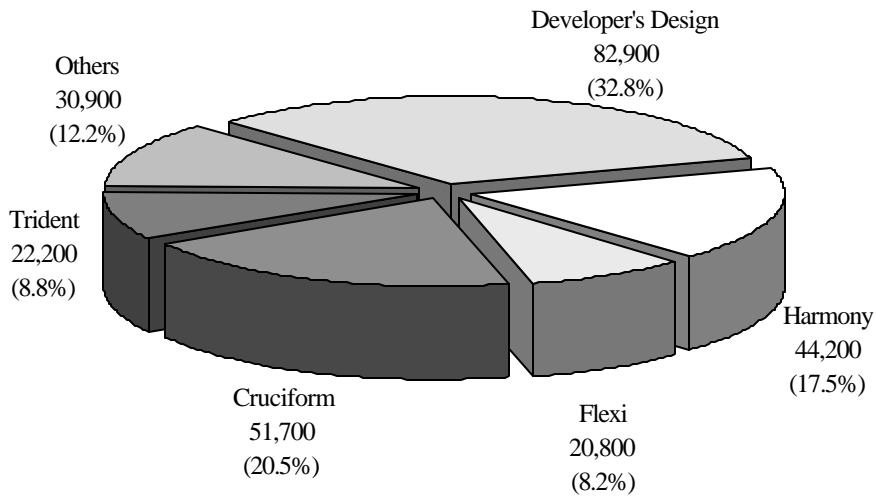
<sup>Note 3</sup> Extended urban area includes Tsuen Wan, Kwai Tsing, Shatin, Ma On Shan, Tsueng Kwan O and Tung Chung.

<sup>Note 4</sup> Source : Housing Department Administrative Records

## Design

8. About one third (32.8%) of these flats, predominantly PSPS flats, were designed by developers. For the HA's standard designs, Cruciform (20.5%) and Harmony (17.5%) dominated <sup>Note 5</sup> (Figure 4).

**Figure 4 Distribution of HOS/PSPS Flats by Block Design  
(As at 1st quarter 1999)**

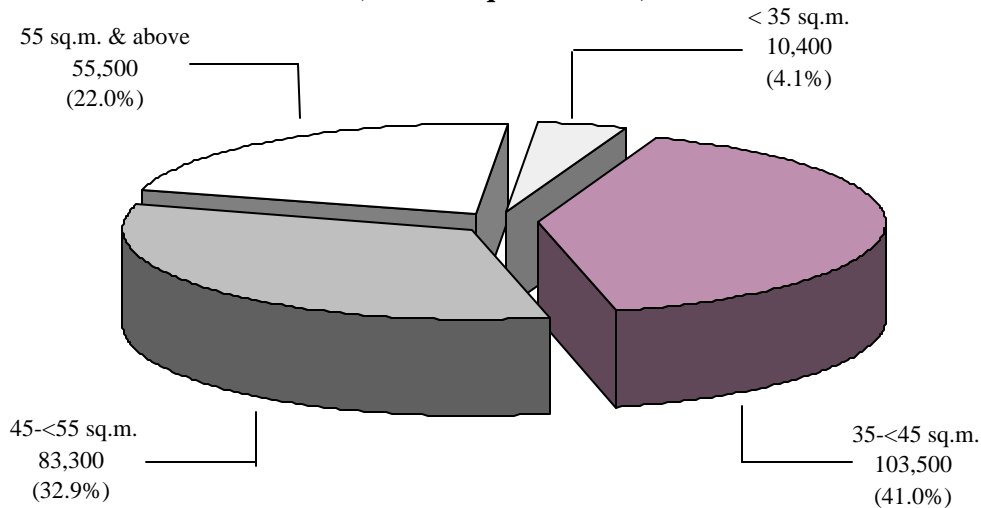


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<sup>Note 5</sup> Source : Housing Department Administrative Records

9. About 74% of HOS/PSPS flats were medium-sized flats which ranged from 35m<sup>2</sup> Saleable Floor Area (SFA) to 54.9m<sup>2</sup> SFA <sup>Note 6</sup> (Figure 5).

**Figure 5 Distribution of HOS/PSPS Flats by Flat Size  
(As at 1st quarter 1999)**



## PROFILE OF HOS RESIDENTS

10. In this section, we shall analyze the occupancy position, previous residence background, household size, income, age distribution and occupational characteristics of our HOS/PSPS residents as at early 1999.

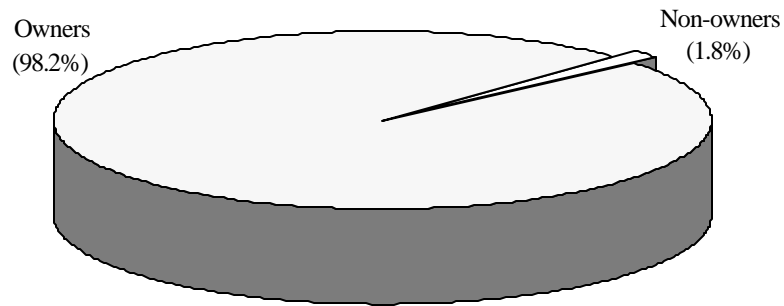
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<sup>Note 6</sup> Source : Housing Department Administrative Records

## Occupancy Position

11. As at January 1999, 98.2% of households in HOS/PSPS flats were owner-occupiers <sup>Note 7</sup> (Figure 6).

**Figure 6 Proportion of Owner-occupiers in HOS/PSPS Flats  
(As at January 1999)**



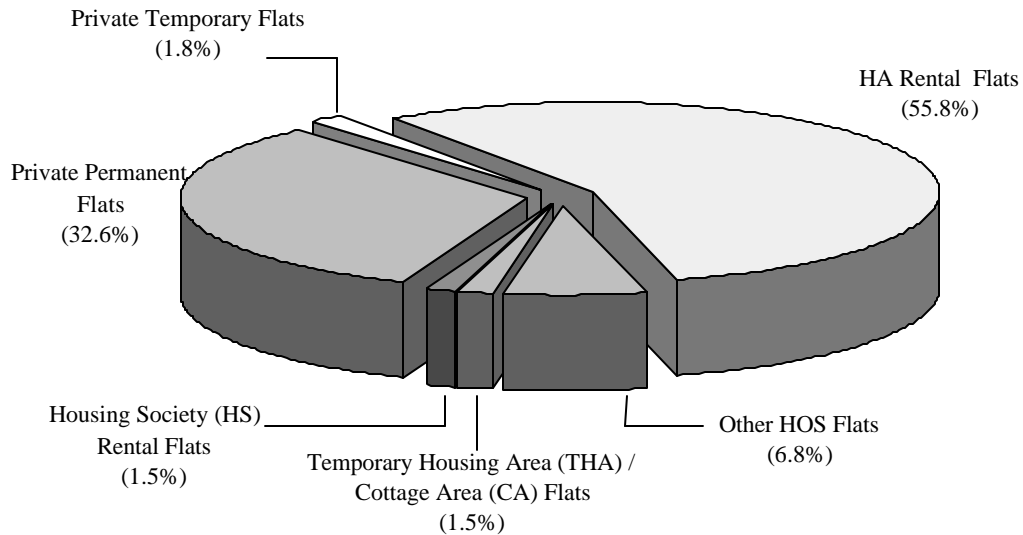
<sup>Note 7</sup> Source : 1998/99 Public Housing Recurrent Survey



## Residence background

12. To encourage tenants' mobility, the majority of HOS/PSPS flats are sold to Green Form applicants i.e. mainly sitting tenants. At present, the allocation ratio for Green Form and White Form applicants <sup>Note 8</sup> is 6 : 4. As at January 1999, about 56% of HOS/PSPS households were previously HA rental tenants <sup>Note 9</sup> (Figure 7).

**Figure 7 Previous residence of HOS/PSPS households**  
(As at January 1999)

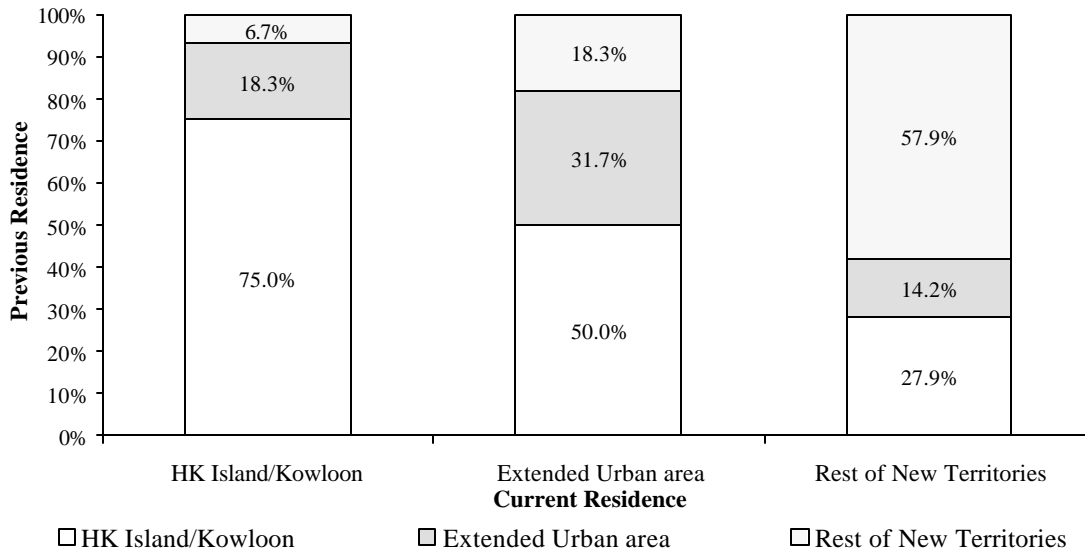


<sup>Note 8</sup> White Form applicants include mainly households from the private sector or public sector housing residents who plan to split from their present households without surrendering their public housing units.

<sup>Note 9</sup> Source : 1998/99 Public Housing Recurrent Survey

13. 75% of HOS households in the urban area previously lived in the same region. This proportion is higher than those of households living in the extended urban area and the rest of the New Territories respectively <sup>Note 10</sup> (Figure 8).

**Figure 8 Previous Residence Region of HOS/PSPS Households' (As at January 1999)**

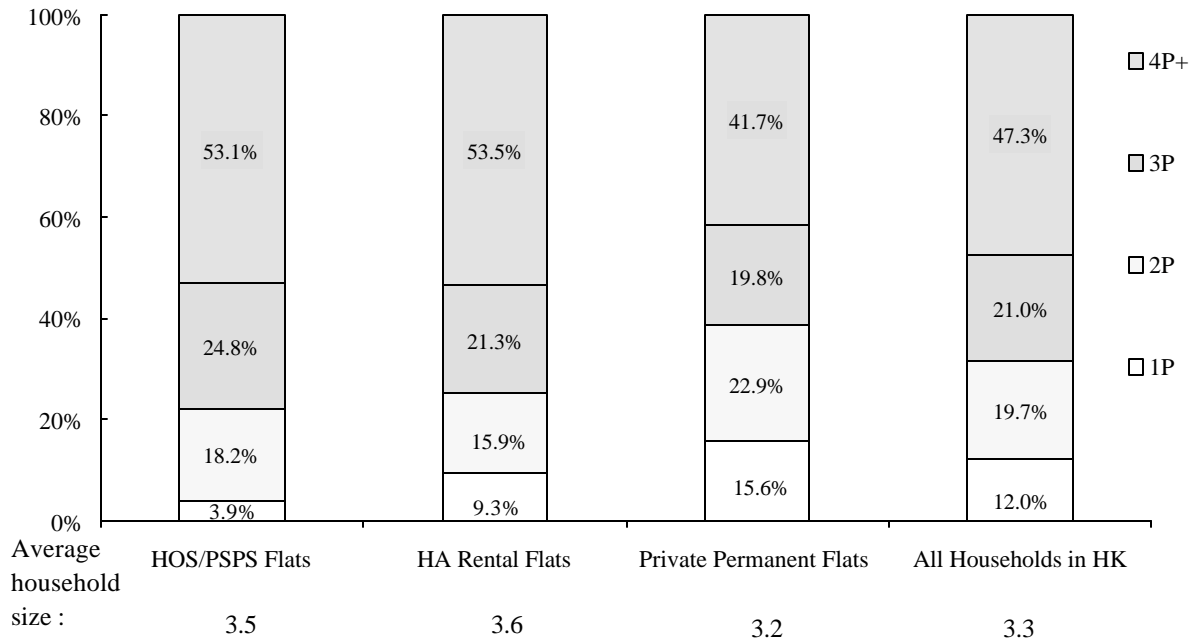


<sup>Note 10</sup> Source : 1998/99 Public Housing Recurrent Survey

## Household Size

14. The average household size of HOS/PSPS households was 3.5 persons. The corresponding household sizes in private permanent housing and overall Hong Kong were 3.2 and 3.3 persons respectively <sup>Note 11</sup> (Figure 9).

**Figure 9 Household Size Distribution by Housing Type**  
(As at 1st quarter 1999)

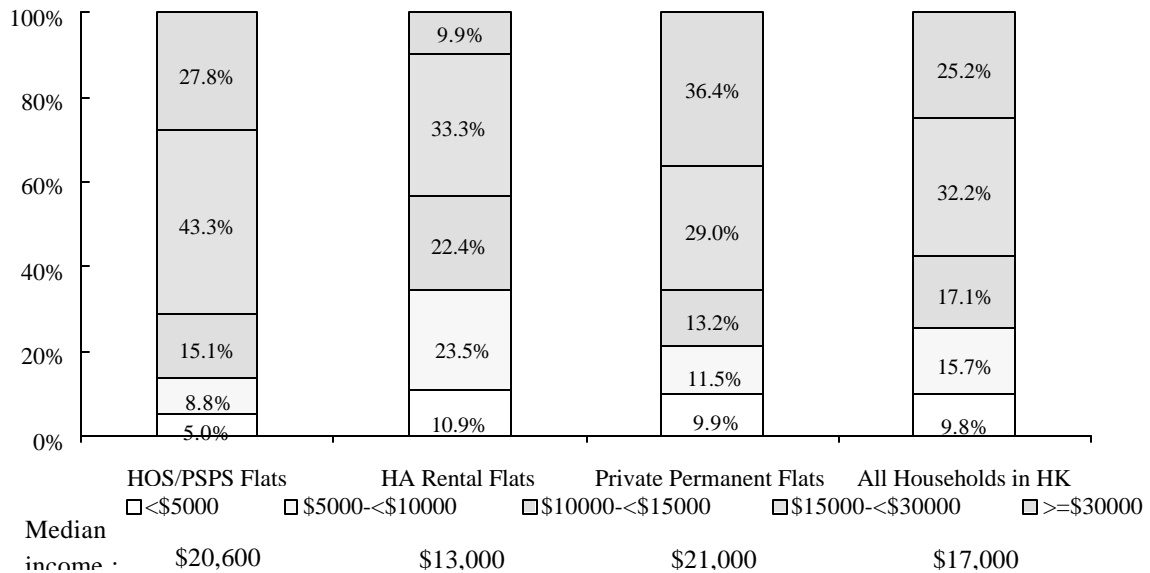


<sup>Note 11</sup> Source : General Household Survey

## Income

15. The median monthly household income of HOS/PSPS households stood at \$20,600 which was comparable to that of \$21,000 for households in private permanent housing. It was much higher than that of \$13,000 for households in HA rental flats <sup>Note 12</sup> (Figure 10).

**Figure 10 Household Income Distribution by Housing Type  
(As at 1st quarter 1999)**

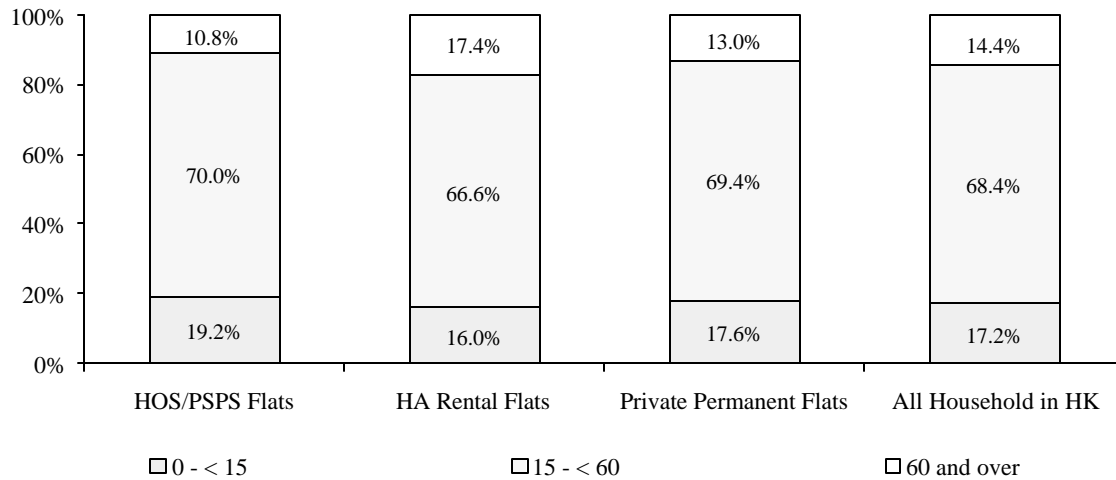


<sup>Note 12</sup> Source : General Household Survey

## Age

16. About 11% of HOS/PSPS residents were of age 60 or above. This was significantly lower than that of HA rental tenants which was 17.4%. The corresponding figures for private permanent housing residents and the overall population were 13% and 14.4% respectively. On the other hand, the proportion of children aged under 15 was higher among HOS/PSPS residents <sup>Note 13</sup> (Figure 11).

**Figure 11 Age Distribution of Residents by Housing Type**  
(As at 1st quarter 1999)

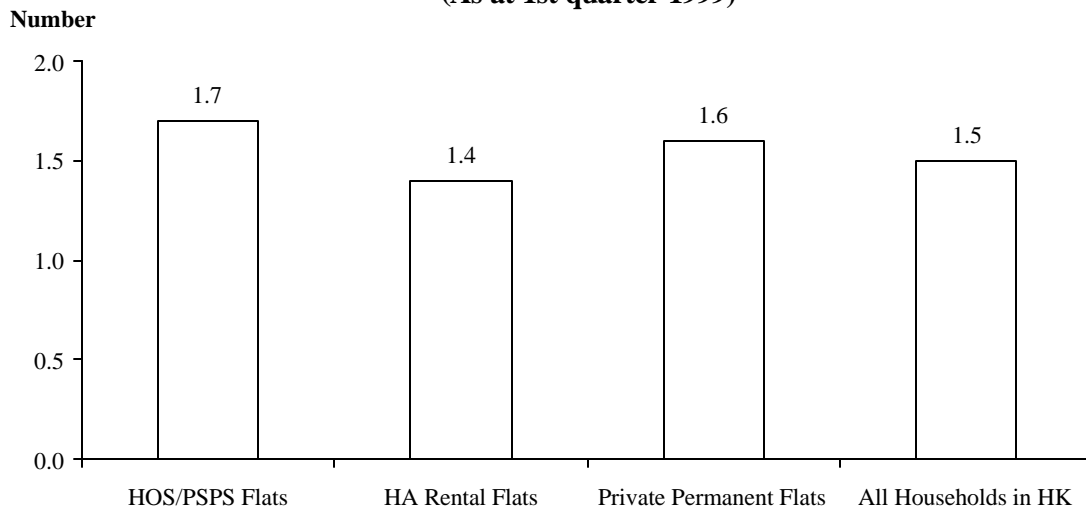


<sup>Note 13</sup> Source : General Household Survey

## Occupational Position

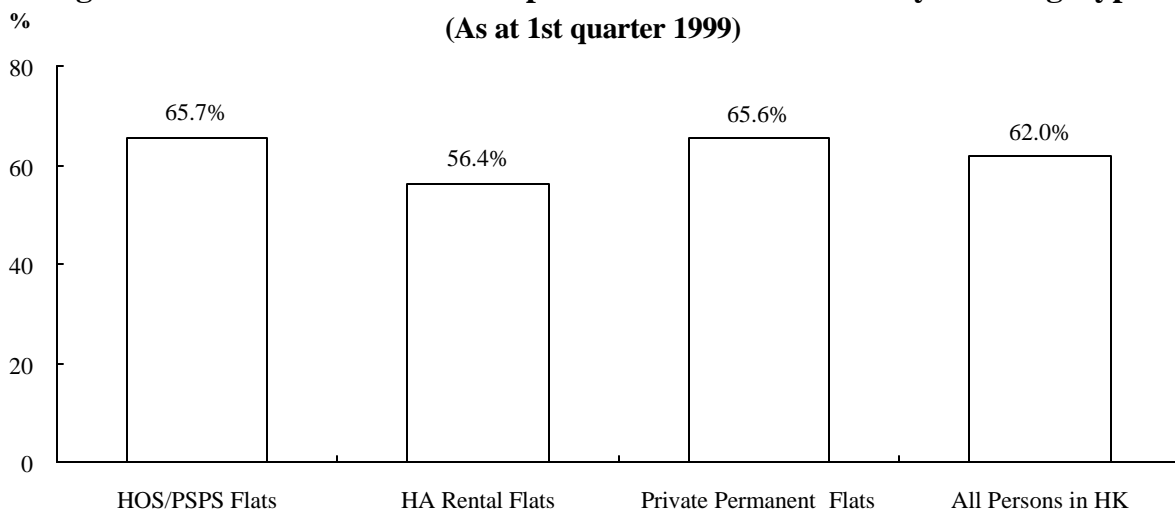
17. The average number of employed persons per HOS household was 1.7 persons which was higher than those of 1.4 persons for HA rental tenants and 1.6 persons for private permanent housing residents<sup>Note 14</sup> (Figure 12).

**Figure 12 Average Number of Employed Persons Per Household**  
(As at 1st quarter 1999)



18. The labour force participation rate of HOS residents was 65.7%. It was comparable to that of 65.6% for private permanent housing residents but higher than that of 56.4% for HA rental tenants<sup>Note 15</sup> (Figure 13).

**Figure 13 Labour Force Participation Rate of Residents by Housing Type**  
(As at 1st quarter 1999)

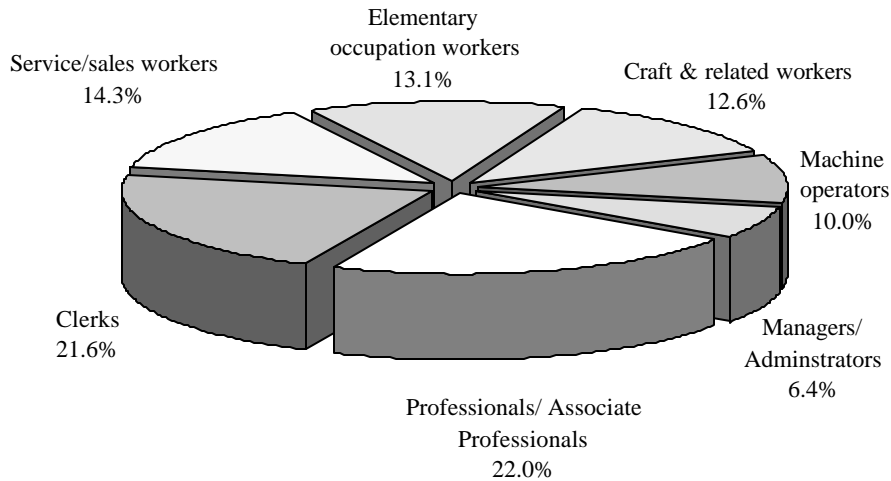


19. Amongst the employed population within HOS/PSPS residents,

Note 14 and 15 Source : General Household Survey

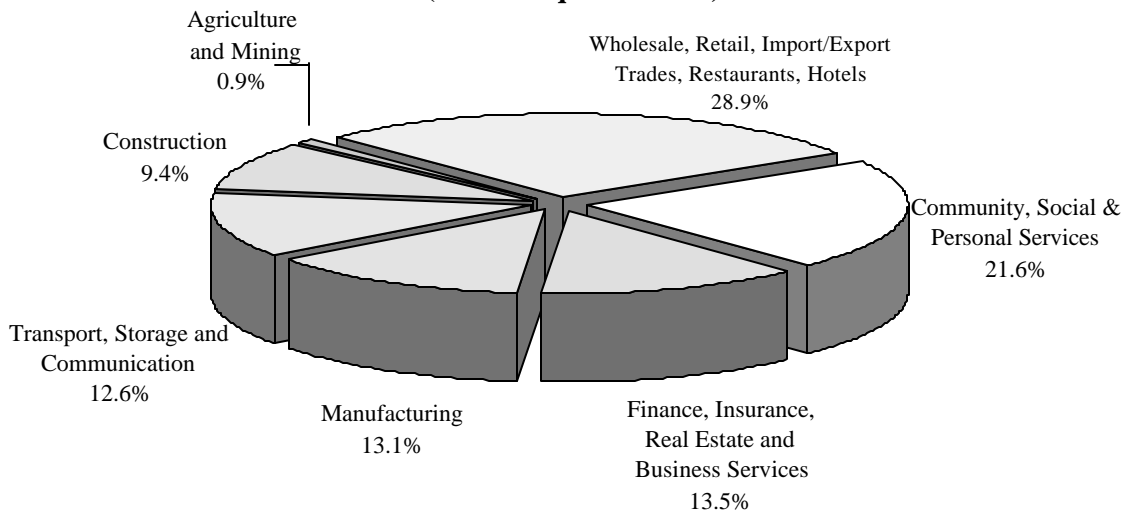
22% were professionals and associate professionals, 21.6% were clerks, 12.6% were craft and related workers, and 13.1% were elementary occupation workers <sup>Note 16</sup> (Figure 14).

**Figure 14 Distribution of Employed Population in HOS/PSPS by Occupation  
(As at 1st quarter 1999)**



20. Analyzed by industry, about 29% were employed in wholesale, retail and import and export trades, restaurants and hotels services, 21.6% in the community, social and personal services <sup>Note 17</sup> (Figure 15).

**Figure 15 Distribution of Employed Population in HOS/PSPS by Industry  
(As at 1st quarter 1999)**



## INFORMATION

<sup>Note 16 and 17</sup> Source : General Household Survey

21. This paper is for Members' information.

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File Ref. : HD 2363/2 III

Date : 3 February 2000