

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Subsidised Housing Committee

Operation of the Quota and Points System for Non-elderly One-person Applicants of Public Rental Housing

PURPOSE

This paper reviews the operation of the Quota and Points System (QPS) for non-elderly one-person applicants of public rental housing (PRH).

BACKGROUND

2. In September 2005, the Subsidised Housing Committee (SHC) endorsed QPS to rationalise and re-prioritise the allocation of PRH to non-elderly one-person applicants. QPS has been developed to address the problem brought about by a dramatic upsurge in the number of non-elderly individuals applying for PRH on their own^{Note[1]}. The problem, if unchecked, would greatly undermine the Housing Authority (HA)'s ability to provide housing assistance to families in greater need. Key features of QPS are at **Annex A**.

MAJOR FINDINGS OF THE REVIEW

3. QPS has been in operation for one year. We have conducted a review based on the data available so far and major findings are highlighted below -

Note[1]: Among the 32 300 newly registered applicants in 2004/05, some 14 400 (or 45%) were one-person applicants and amongst these, 11 800 were non-elderly applicants. The corresponding proportion in 1998/99 was only 21%. The proportion of newly registered one-person applicants aged below 35 rose from 12% in 1998/99 to 41% in 2004/05, and some 11.9% of them received post-secondary/tertiary education. The proportion of these applicants aged below 25 also jumped from 3.8% in 1998/99 to 20.6% in 2004/05. 2.7% of the newly registered non-elderly one-person applicants in 2004/05 were students. In addition, 36% of the newly registered non-elderly one-person applicants in 2004/05 were living in PRH.

(a) QPS should have exerted a positive effect in discouraging some individuals who do not have genuine housing need to apply for PRH as -

- the number of newly registered non-elderly one-person applicants applying for PRH has reduced from 5 300 in Q2 of 2005/06 (July to September) to 2 500 in Q4 of 2006/07 (**Annex B**);
- the number of newly registered non-elderly one-person applicants living in PRH has reduced from 1 900 in Q2 of 2005/06 to 300 in Q4 of 2006/07 (**Annex B**); and
- the number of newly registered non-elderly one-person applicants who were below 25 and 35^{Note[2]} reduced respectively from 5 200 and 8 800 in 2005/06 to 2 500 and 4 800 in 2006/07 (**Annex C**).

(b) The overall demand for PRH remains very strong. There are currently over 100 000 applicants on the Waiting List (WL), as compared to the planned average annual production of 15 500 PRH units over the period of 2007/08 to 2011/12. Among the WL applicants, there are over 64 200 family applicants and 36 600 non-elderly one-person live applicants under QPS, with 14 200 being aged 30 or below (**Annex D**). QPS is indispensable if we are to continue to rationally allocate precious housing resources to applicants with more pressing housing need.

(c) Whilst QPS would inevitably lengthen the waiting time for younger one-person applicants, it has a positive effect on the waiting time of one-person applicants in the older age group. In 2006/07, out of 1 323 non-elderly one-person applicants re-housed under the QPS^{Note[3]}, 1 114 were aged above 50, with an average waiting time of 2.1 years. The overall average score and waiting time by age group for non-elderly one-person applicants successfully re-housed under the QPS in 2006/07 is summarised at **Annex E**.

Note[2] : It is also noted that 24.1% of the newly registered non-elderly one-person applicants aged below 35 in 2006/07 were with post-secondary/tertiary education. 9.7% of the newly registered non-elderly one-person applicants in 2006/07 were students.

Note[3] : In addition, 1 026 non-elderly one-person WL applicants who had passed the Comprehensive Means Test (CMT) before endorsement of QPS in September 2005 had also been re-housed during 2006/07.

4. In the light of the foregoing and recognising that the scheme has a positive impact on rationalising the allocation of PRH units in favour of more needy applicants, it is recommended that QPS arrangement for non-elderly one-person WL applicants be continued. We also see it justified to continue with the existing features of QPS which has achieved the intended results of allocating PRH units to applicants with higher points. We will continue to monitor the operation of QPS and seek SHC's endorsement if further improvements are identified.

OTHER RELATED ISSUES

Non-elderly One-person Switching to Family Applications

5. Prior to the implementation of QPS, the number of non-elderly one-person applicants switching to family applications in 2004/05 were 1 800. About 81% of the family members added to the applications were the applicant's spouse or children and 7% were their siblings in 2004/05. The number of non-elderly one-person applicants adding one or more family members to their applications has gone up to 3 400 and 5 200 in 2005/06 and 2006/07 respectively. It is, however, worth noting that the great majority (about 94%) of the family members added were the applicant's spouse or children, and only 2% were their siblings.

Express Flat Allocation Scheme

6. To allow WL applicants who have an urgent housing need to be re-housed in a PRH flat ahead of their normal turn, and to speed up the letting of long-vacant PRH flats, HA has implemented an Express Flat Allocation Scheme (EFAS). Non-elderly one-person applicants under QPS are eligible to apply for EFAS as general WL applicants, with priority in flat selection being given to family applicants, followed by elderly one-person applicants and non-elderly one-person applicants in accordance with their QPS scores. In 2006/07, a total of 1 153 non-elderly one-person applicants were successfully re-housed through EFAS^{Note[4]}. Among those re-housed, 7 were allocated PRH flats, 803 were allocated interim housing converted flats while the remaining 343 were allocated flats of Housing for Senior Citizens (HSC). EFAS has

Note[4]: There were also 2 170 family applicants and 210 elderly one-person applicants getting re-housed through EFAS in 2006/07.

provided a readily available relief channel for those non-elderly one-person applicants facing genuine housing needs to get re-housed to PRH more expeditiously.

FOLLOW UP ON MEMBERS' OTHER CONCERNS

7. In the course of mapping out QPS, SHC had also deliberated the measures of (a) enhancing the arrangements for overcrowding relief and transfer; and (b) revising the flat design for one-person households for complementing the operation of QPS. Subsequently, SHC agreed in November 2005 to allow households with living density below 7 m² internal floor area (IFA) per person to apply for transfer. So far, a total of 1 250 families have benefitted from this relaxation and moved to more spacious units. In addition, the Building Committee approved in March 2006 a new design for one/two-person units with an IFA of 14 m². As regards the “dormitory” type of accommodation such as HSC flats, we note that they have proven to be unpopular among WL applicants.

FINANCIAL AND STAFFING IMPLICATIONS

8. The operation of QPS does not have any additional financial and staffing implications.

PUBLIC REACTION AND PUBLICITY

9. The public and media were largely supportive of SHC's decision to launch QPS in September 2005. While some concern groups may criticise QPS as being discriminatory against the younger individuals, we expect that the community at large would accept the case for continuing with QPS which has helped ensure families with greater housing needs are accorded higher priority while providing a transparent and rational system for allocating PRH to one-person applicants.

ADVICE SOUGHT

10. Members are invited to note the operation of QPS as set out in paragraph 3 and endorse the recommendations set out in paragraph 4.

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Key Features of the Quota and Points System (QPS)

Points System

- Points are assigned to applicants based on two determining factors, namely, age of the applicants at the time of submitting their PRH applications and whether the applicants are PRH tenants. Details are -
 - (a) zero point will be given to applicants aged 18. Three points will be given to those aged 19; six points to those aged 20 and so forth. For applicants living in PRH (including those living in rental housing operated by the Housing Society), 30 points will be deducted; and
 - (b) one additional point will be received when the concerned applicant has waited on the WL for one more month. The relative priority of the applicants on the WL will be determined according to the points he/she has received. The higher the number of points accumulated, the earlier will the applicant be offered a flat.
- QPS will apply to all those non-elderly one-person applicants who have not passed the “Comprehensive Means Test” (CMT) on or before 29 September 2005 and all the new applications received thereafter.

Note: QPS applicants switching to family applicants comprising two or more persons can carry half of their waiting time accumulated, subject to a maximum of 1.5 years. Before the implementation of the QPS, the maximum waiting time that could be carried forward was 3 years.

Annual Allocation Quota

- Analysis of past allocation records shows that, over the 10-year period from 1995/96 to 2004/05, the average percentage of flats allocated to non-elderly one-person applicants on the WL is about 8% of the total number of flats allocated to WL applicants. SHC has therefore decided to set the annual allocation quota for non-elderly one-person WL applicants at 8% of the number of flats to be allocated to WL applicants subject to a ceiling of 2 000 units.

Number of the Newly Registered Non-elderly One-person Applicants

Period	Total No. of WL New Applications	No. of Newly Registered Non-elderly 1P Applicants (as % of Total WL Applications)	No. of Newly Registered Non-elderly 1P Applicants Living in PRH (as % of Total Newly Registered Non-elderly 1P Applicants)
2005/06	40 900	16 000 (39%)	4 600 (29%)
- Q1	9 100	3 600 (40%)	1 200 (34%)
- Q2#	11 200	5 300 (47%)	1 900 (36%)
- Q3	10 800	4 200 (38%)	1 000 (24%)
- Q4	9 800	2 900 (29%)	400 (14%)
2006/07	36 300	11 000 (30%)	1 700 (16%)
- Q1	9 500	2 900 (30%)	400 (13%)
- Q2	10 200	3 000 (30%)	700 (22%)
- Q3	8 800	2 600 (30%)	400 (14%)
- Q4	7 700	2 500 (33%)	300 (13%)

Note: Figures may not add up to total due to rounding

SHC decided to implement QPS at the end of September 2005

Source: Administrative record

Age Distribution of the Newly Registered Non-elderly One-person Applicants

Period	Average age	Age			
		Below 25	%*	Below 35	%*
2005/06	34	5 200	(27%)	8 800	(46%)
- Q1	33	1 200	(27%)	2 100	(47%)
- Q2#	32	2 000	(34%)	3 300	(55%)
- Q3	34	1 300	(25%)	2 200	(43%)
- Q4	36	700	(18%)	1 300	(33%)
06/07	37	2 500	(17%)	4 800	(33%)
- Q1	37	600	(16%)	1 200	(34%)
- Q2	37	600	(15%)	1 200	(31%)
- Q3	37	600	(17%)	1 100	(32%)
- Q4	36	700	(20%)	1 200	(36%)

Note: Figures may not add up to total due to rounding

* % of total newly registered one-person applicants

SHC decided to implement QPS at the end of September 2005

Source: Administrative record

**Number of the Non-elderly One-person Live Applicants under QPS by
Age Group as at end March 2007**

Age Group	No. of Non-elderly 1P Live Applicants under QPS	PRH Residents (as % of Total Number of Live Applicants)
30 or below	14 200 (39%)	3 800 (27%)
31 to 40	9 600 (26%)	1 400 (15%)
41 to 50	8 900 (24%)	900 (10%)
Above 50	4 000 (11%)	300 (9%)
Overall	36 600 (100%)	6 500 (18%)

Note: Figures may not add up to total due to rounding

Source: Administrative record

**Average Score and Average Waiting Time of WL
Non-elderly One-person Applicants Re-housed under QPS by Age Group**

Age Group	No of Applicants Re-housed	Average Waiting Time (Years)	Average Score
30 or Below	0	--	--
31 to 40 [^]	1	5.1	134
41 to 50	208	3.3	129
Above 50 [*]	1 114	2.1	135
Overall	1 323	2.3	134

* Applicants age 58 and 59 are eligible to apply for PRH through various elderly schemes and are not subject to the QPS. However, these applicants could also opt for QPS at their own benefit

[^] The re-housed applicant aged 39

Source: Administrative record