

**Memorandum for the Subsidised Housing Committee of
the Hong Kong Housing Authority**

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

PURPOSE

This paper briefs Members on the operation of the Quota and Points System (QPS) and the profile of the non-elderly one-person applicants of public rental housing (PRH).

BACKGROUND

2. The QPS was introduced in September 2005 to rationalise and re-prioritise the allocation of PRH to non-elderly one-person applicants. It was introduced to address the problem brought about by a dramatic upsurge in the number of non-elderly individuals applying for PRH on their own. In July 2007, the Subsidised Housing Committee (SHC) reviewed the operation of the QPS. It agreed that the QPS had a positive impact on the rational allocation of PRH units in favour of more needy applicants and that the QPS should continue.

THE SYSTEM

3. The relative priorities for PRH allocation to applicants under the QPS are determined by the points the applicants received. Points are assigned to the applicants on the basis of their age at the time of submitting the PRH applications, the waiting time and whether they are PRH tenants. In general, the older the applicant and the longer the applicant has waited, the higher the number of points. The higher the number of points accumulated, the earlier an applicant will be offered a PRH flat. The annual allocation quota for non-elderly one-person Waiting List (WL) applicants through the QPS is set at 8% of the number of flats to be allocated to WL applicants, subject to a ceiling of 2 000 units. The main features of the QPS are at **Annex A**. The quotas for ----- 2007/08, 2008/09, 2009/10 and 2010/11 were 1 600, 2 000, 1 960 and 1 760 respectively.

4. The points required for rehousing of QPS applicants in different WL Districts are announced monthly through the HA website and in newspapers for applicants' reference. The points required will change from time to time and vary across Districts, depending on the distribution of points of applicants as well as overall demand and supply of PRH flats in individual Districts.

OVERALL SITUATION

5. There are currently about 145 000 applications on the WL (as at December 2010). Among the WL applicants, there are 60 300 non-elderly one-person applicants under the QPS. Of the 60 300 QPS applicants, 26 700 (44%) are below 30 years old (**Annex B**). In general, there has been an increase in the number of non-elderly one-person applicants, especially those aged below 30 in the last 4 years.

6. In terms of new registration, 43% of all new registrations from April to December 2010 were from non-elderly one-person applicants, as compared with 33% in 2007/08. Among the newly registered non-elderly one-person applicants, the proportion of those aged below 30 increased from 34% in 2007/08 to 56% in April to December 2010 (**Annex C**).

7. A total of 1 593, 1 991, 1 948 and 1 208 applicants were rehoused through the QPS in 2007/08, 2008/09, 2009/10 and 2010/11 (April to December 2010). Apart from rehousing through the QPS, another 767, 772, 554 and 221 applicants under the QPS were rehoused through the Express Flat Allocation Scheme (EFAS) in the four years respectively. Together, QPS applicants rehoused through QPS and EFAS accounted for over 11% of the allocations to WL applicants. Separately, 424, 434, 576 and 412 non-elderly one-person applicants were rehoused through compassionate rehousing in the same four year period. Average waiting time for those rehoused through the QPS is 2.3 years as at December 2010^{Note1}. The age distribution and AWT of those rehoused through the QPS are at **Annex D**.

Note1 In accordance with the established methodology, AWT refers to the average waiting time of those rehoused in the past 12 months, excluding any frozen period during application, for example, when the applicant has not yet fulfilled the residence requirement, the applicant is imprisoned, or the applicant has requested to put his/her application on hold pending arrival of family members for family reunion.

8. According to our administrative record, in the past few years, every year over 5 000 non-elderly one-person applications dropped out of the queue, either as cancellation cases or switching to other application categories. In 2009/10, some 1 600 non-elderly one-person applications were cancelled^{Note2}, and another 3 800 non-elderly one-person applications switched to other application categories.

9. On average, after the 4th year of registration onto the WL, around 20% of the non-elderly one-person applications would be cancelled and around 31% would switch to other application categories (**Annex E**).

SOCIO-ECONOMIC PROFILE OF NON-ELDERLY ONE-PERSON APPLICANTS

10. The socio-economic characteristics of non-elderly one-person applicants are set out below. In analyzing the profile, we will pay particular attention to the younger applicants, i.e. those under the age of 30.

Living Condition and Reason for applying for PRH

11. According to our administrative record (as at December 2010), around 24% of non-elderly one-person applicants under the QPS aged below 30 are PRH residents, as compared to 16% for those aged 30 or above.

12. According to Survey on WL Applicants in 2010, 90% of the non-elderly one-person applicants aged below 30 are living with their family while 65% for those aged 30 or above do so. 81% of the non-elderly one-person applicants aged below 30 apply for PRH because they want to live on their own. Details are at **Annex F**.

Note2 Canceled cases include those who are found to have income and/or asset over the respective limits in detailed vetting, those who unreasonably refused all the three flat offers, and those who withdrew their applications, etc.

Education Background and Economic Condition

13. According to results of the Survey on WL Applicants in 2010, 34% of non-elderly one-person applicants aged below 30 were students at the time of registration. Student applicants without income could satisfy the PRH application criteria for registration onto the Waiting List. Furthermore, around 40% of those aged below 30 received post-secondary education or above. However, it is very likely that these educated young applicants can improve their living condition through future income growth and many will eventually drop out of the QPS or move to the normal waiting list as their family circumstances change.

14. The survey also shows that on the whole, 23% of the non-elderly one-person applicants (31% for those aged below 30) already have income exceeding the prevailing WL income limits. Such cases with income exceeding the WL income limits would likely be captured as cancelled cases when they undergo eligibility vetting prior to allocation when their turn is due.

----- Details about education background and economic condition are at **Annex G**.

Marital Status and Family Background

15. According to findings of the Survey on WL Applicants in 2010, 13% of the non-elderly one-person applicants are married^{Note3}. Separately, 15% of the non-elderly one-person applicants have family members living in the Mainland. Among those with family members living in the Mainland, 53% intend to add their family members into the application when the members come to Hong Kong (**Annex H**). Such applicants are likely to switch to other application category, mainly as family application, in future.

WAY FORWARD

16. The HA's objective is to provide PRH for those who cannot afford private rental accommodation. Given the limited public housing resources, there is a need to give due consideration to and balance the needs of different groups of applicants.

Note3 In general, married applicants must apply for PRH together with their spouse, except for those whose spouse is not living in Hong Kong or has not landed in Hong Kong.

17. We will continue to monitor the operation of the QPS and capture data to facilitate future analysis. It remains our overarching objective to ensure that the limited public housing resources are allocated rationally to those with most pressing housing needs.

INFORMATION

18. This paper is issued for Members' information.

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Key Features of the Quota and Points System (QPS)

Points System

- Points are assigned to applicants based on three determining factors, namely, age of the applicants at the time of submitting their PRH applications, whether the applicants are PRH tenants, and the waiting time of the applicants. 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;
 - (b) 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.
- The QPS applies 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.

Annual Allocation Quota

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 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 applications on the WL**Table 1 : WL and QPS applications¹**

	2007 (as at end Mar 2007)	2008 (as at end Mar 2008)	2009 (as at end Mar 2009)	2010 (as at end Mar 2010)	2010 (as at end Dec 2010)
Overall WL applications	107 300	111 600	114 400	129 100	145 000
Under QPS (% out of overall WL applications)	36 700 (34%)	38 500 (35%)	42 700 (37%)	51 300 (40%)	60 300 (42%)

Table 2 : QPS applications by age¹

Age Group	2007 (as at end Mar 2007)	2008 (as at end Mar 2008)	2009 (as at end Mar 2009)	2010 (as at end Mar 2010)	2010 (as at end Dec 2010)
Below 30	13 400 (37%)	14 500 (38%)	16 400 (38%)	21 000 (41%)	26 700 (44%)
30 - 39	9 500 (26%)	9 800 (25%)	10 600 (25%)	12 600 (25%)	14 200 (23%)
40 - 49	9 200 (25%)	9 200 (24%)	9 700 (23%)	10 800 (21%)	11 600 (19%)
50 or above	4 600 (13%)	5 100 (13%)	6 000 (14%)	6 900 (13%)	7 800 (13%)
Total	36 700 (100%)	38 500 (100%)	42 700 (100%)	51 300 (100%)	60 300 (100%)

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

¹ Source : Administrative record.

Newly registered non-elderly one-person applicants**Table 1 : Newly registered applications¹**

	2007/08	2008/09	2009/10	2010/11 (from Apr to Dec 2010)
Overall WL applications	25 500	34 500	41 900	32 600
Non-elderly 1P applications (% out of overall WL applications)	8 300 (33%)	11 700 (34%)	15 900 (38%)	14 000 (43%)

Table 2 : Newly registered non-elderly one-person applications by age¹

Age Group	2007/08	2008/09	2009/10	2010/11 (from Apr to Dec 2010)
Below 30	2 800 (34%)	4 200 (36%)	7 000 (44%)	7 800 (56%)
30 - 39	1 800 (21%)	2 400 (20%)	3 000 (19%)	2 100 (15%)
40 - 49	2 200 (26%)	2 600 (22%)	2 900 (18%)	2 000 (14%)
50 or above	1 500 (19%)	2 500 (22%)	3 000 (19%)	2 100 (15%)
Total	8 300 (100%)	11 700 (100%)	15 900 (100%)	14 000 (100%)

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

¹ Source : Administrative record.

Rehousing situation of non-elderly one-person applicants

Table 1 : Rehousing of QPS applicants¹

	2007/08	2008/09	2009/10	2010/11 (from Apr to Dec 2010)
Through QPS	1 593	1 991	1 948	1 208
Through EFAS	767	772	554	221

Table 2 : Rehousing of non-elderly one-person applicants through compassionate rehousing¹

	2007/08	2008/09	2009/10	2010/11 (from Apr to Dec 2010)
Through compassionate rehousing	424	434	576	412

Table 3 : Average waiting time and score of applicants rehoused through QPS¹

Age Group	2007/08 (Quota : 1 600)		2008/09 (Quota : 2 000)		2009/10 (Quota : 1 960)		2010/11 (Quota : 1 760) (as at end Dec 2010)	
	No. of Applicants Re-housed	Average Waiting Time (Years)	No. of Applicants Re-housed	Average Waiting Time (Years)	No. of Applicants Re-housed	Average Waiting Time (Years)	No. of Applicants Re-housed	Average Waiting Time (Years)*
30 - 39	11	1.1	24	1.9	11	2.3	24	3.6
40 - 49	392	2.3	580	2.4	433	2.5	450	3.4
50 or above	1 190	1.7	1 387	1.6	1 504	1.6	734	1.7
Total	1 593	1.9	1 991	1.8	1 948	1.8	1 208	2.3

* Refers to those rehoused in the past 12 months.

Note: No applicants aged below 30 were rehoused through QPS during the four years.

¹ Source : Administrative record.

Cancellation and queue switching**Table 1 : Number of cancellation and transfer to other categories of non-elderly one-person applicants¹**

	2007/08	2008/09	2009/10	2010/11 (from Apr to Dec 2010)
Cancelled case	2 500	1 800	1 600	1 300
Transfer to other categories	3 200	3 900	3 800	2 700

Table 2 : Statistics on average cancellation rate and average transfer rate of non-elderly one-person applicants²

Year after registration	Average cancellation rate	Average transfer rate
1st	5.1%	6.2%
2nd	4.9%	7.8%
3rd	5.4%	7.5%
4th	4.6%	9.4%
Cumulative for the first 4 years	20.0%	30.9%

¹ Source : Administrative record.

² The rates are based on the administrative record from 1999 up to end March 2010.

Living condition and reasons for applying PRH

Table 1 : Non-elderly one-person applicants under QPS were PRH residents¹

2007/08			2008/09			2009/10			2010/11 (as at Dec 2010)		
Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
27%	14%	19%	26%	15%	19%	25%	15%	19%	24%	16%	20%

Table 2 : Non-elderly one-person applicants living with family²

	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Living with family	85%	45%	61%	86%	59%	71%	90%	65%	77%

¹ Source: Administrative record.

² Source: 2008 - 2010 Survey on Waiting List Applicants for Public Rental Housing.

Table 3 : Reasons for non-elderly one-person applicants applying PRH¹

	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Want to live on my own / Want to split from existing household	80%	54%	64%	73%	56%	63%	81%	63%	72%
High rent of present accommodation	13%	32%	24%	14%	27%	21%	12%	30%	21%
Small living area of present accommodation	42%	40%	41%	29%	22%	25%	18%	19%	19%
Poor living environment of the present accommodation	11%	21%	17%	4%	13%	9%	4%	10%	7%
Unemployment / Decline in income	10%	24%	18%	6%	16%	12%	3%	7%	5%
Others	#	1%	1%	1%	2%	2%	-	#	#

Less than 0.5%

Note: During the survey, the respondents were asked an open question for the reasons for their applications for PRH. The respondents may give a maximum of two reasons, which are categorized above.

¹ Source: 2008 - 2010 Survey on Waiting List Applicants for Public Rental Housing.

Education background and economic condition

Table 1 : Activity status at registration of non-elderly one-person applicants¹

Activity status at registration	Aged below 30	Aged 30 or above	Overall
Employee/ Employer/ Self-employed	61%	82%	72%
Unemployed	2%	13%	8%
Student	34%	3%	18%
Others (Homemaker / Housewife / Retiree / Awaiting for employment)	2%	2%	2%
Total	100%	100%	100%

Table 2 : Education attainments of non-elderly one-person applicants²

Education Attainment	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Primary School or below	3%	27%	17%	1%	18%	10%	<0.5%	17%	9%
Secondary School	63%	67%	65%	62%	76%	70%	60%	75%	68%
Post-secondary/ Tertiary /above	34%	7%	17%	37%	7%	20%	40%	8%	23%
Overall	100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ Source: 2010 Survey on Waiting List Applicants for Public Rental Housing. The survey did not capture such data in the past.

² Source: 2008 – 2010 Survey on Waiting List Applicants for Public Rental Housing.

Table 3 : Non-elderly one-person applicants with income exceeding prevailing WL income limits³

	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Non-elderly 1P applicants with income exceeding prevailing WL income limits	31%	14%	21%	36%	16%	25%	31%	15%	23%

³ Source: 2008 - 2010 Survey on Waiting List Applicants for Public Rental Housing.

Marital Status of non-elderly one-person applicants

Table 1 Marital Status of non-elderly one-person applicants¹

Marital Status	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Married	8%	35%	24%	8%	26%	18%	7%	19%	13%
Never Married	91%	43%	62%	92%	54%	71%	92%	57%	74%
Divorced / Separated / Widowed	1%	22%	14%	1%	20%	12%	1%	24%	13%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 2 Non-elderly one-person applicants with family members lived in mainland¹

	2008			2009			2010		
	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall	Aged below 30	Aged 30 or above	Overall
Have family members live in Mainland	12%	40%	29%	10%	28%	20%	10%	21%	15%
Intend to add family members in Mainland to the application when they come to HK ²	61%	72%	70%	50%	56%	55%	43%	57%	53%

¹ Source: 2008 - 2010 Survey on Waiting List Applicants for Public Rental Housing.

² For those having family members in Mainland.