PURPOSE

This paper seeks Members’ advice on the review of, and possible revisions to, the existing policy for adding person(s) to a tenancy (“the addition policy”).

BACKGROUND

2. It is proposed in the Long Term Housing Strategy (LTHS) Review that we should take further measures to ensure that public housing resources are effectively mobilized to help those who have a genuine need for housing assistance, and to ensure a more equitable allocation of these resources. In response to this proposal, Members may wish to review the existing addition policy and consider possible changes to it.

THE ADDITION POLICY

3. The addition policy aims to address the change in the nucleus component of the Waiting List (WL) applicants and sitting tenants, i.e. new births and marriages. To meet the special needs of individual tenants, other relatives may also be added to a tenancy on their individual merits.
Waiting List

4. WL applicants may add family members or other relatives to their applications while they are waiting for their turn of public rental housing (PRH) allocation. Apart from income and other criteria, the eligibility of such households for PRH flats also depends on the ‘majority residence rule’, i.e. in order to be eligible for PRH allocation, over 50% of the household members must be permanent residents of Hong Kong or have been living in Hong Kong for seven years or above.

Public Rental Housing

5. A sitting tenant may add the following persons to the tenancy -

(a) His/her spouse;

(b) His/her new born babies or dependent children under the age of 18;

(c) His/her adult children over the age of 18 on compassionate grounds at the discretion of the estate Housing Manager (HM) (The key consideration for such additions includes financial or social needs of the households concerned. In some cases, the estate HM may recommend temporary stay with the household if addition into the tenancy is not suitable.);

(d) The spouse of his/her married son or daughter provided that he/she has made an undertaking to the effect that -

(i) his/her other children have to leave the PRH flat upon marriage; and

(ii) if any person in the household wants to apply for another PRH flat, the whole family (including the second generation family) shall be included in the WL application unless special approval is given by the estate HM.

The household is eligible for overcrowding relief following addition but it may be required to pay extra rent under the Housing Subsidy Policy (HSP); and
(e) His/her other relatives on their individual merits at the discretion of the estate HM.

**Interim Housing**

6. Existing licencees in Temporary Housing Area (THA) may add members to their households. The types of persons who can be added and the approving conditions are similar to those in PRH as described in paragraph 5 above. THA licencees are eligible for overcrowding relief but are not subject to the HSP.

**CASE FOR REVIEW**

7. The Department has recently conducted two studies to analyze the characteristics of PRH households with additions of new members, and the profile of these additions. Their findings are at Annexes A and B.

8. From the findings of these studies, it is estimated that over 30,000 people are added into our PRH tenancies every year. Given the increasing number of new arrivals from China and the aging population in PRH, there will be an increasing demand on additions to our WL, PRH and THA. Besides, concerns have been raised that the criteria for additions should be made more objective and transparent. There have also been criticisms that allowing one-line continuation of family and asking other married sons/daughters to leave PRH would encourage family splitting.

9. To the Housing Authority (HA), additions will increase the demand for overcrowding relief, hence demand for larger/additional flats. From an equity point of view, if the addition policy is not properly managed, it may be taken as a short-cut to gain access to PRH. Besides, there are concerns that persons who are added on social ground (e.g. for taking care of elderly parents) may stay on in PRH even after the social need ceases to exist, e.g. the elderly parents have passed away.
BASIC PRINCIPLES

10. In reviewing the addition policy, Members may wish to consider the following basic principles -

(a) New immigrant WL applicants should not have an undue advantage on other WL applicants who have resided in Hong Kong for a long period of time;

(b) New additions should not have an undue advantage over the WL applicants. Addition should not be a short-cut to gain access to PRH;

(c) There should be more stringent but objective criteria on addition. Persons who are financially well-off should be debarred from being added to PRH tenancy, or the housing subsidy for them should be reduced;

(d) The policy should take account of the genuine needs of the household. It should not encourage family splitting and should not discourage the young from taking care of the old; and

(e) There should be ways to limit the stay of adult children/grandchildren or relatives who are added to existing tenancies for reasons of e.g. looking after the elderly.

POSSIBLE REVISIONS

Waiting List

11. For WL applicants, they enjoy a great deal of flexibility as they may add new family members to their applications while waiting for their turn of PRH allocation. The main contentious issue is the ‘majority residence rule’ which must be fulfilled before the allocation of PRH flats. Members may wish to note that of the some 90,000 applications vetted in the past three years, about 5,000 did not satisfy the “majority residence rule”. This rule has caused many new immigrants great difficulty. Under the present policy, they are allowed to add their spouses and children under the age of 18 from China into their applications but will only be allocated PRH flats when their spouses and children have stayed in Hong Kong for seven years. There thus appears a
peculiar phenomenon that applicants with new immigrant spouses/children sometimes try to meet the “majority residence rule” by having more children born in Hong Kong while waiting for their turn of PRH allocation.

12. To address this issue, Members may consider relaxing the ‘majority residence rule’. The Department has already relaxed the rule for WL applicants who are elderly couples so that if either one of them has resided in Hong Kong for seven years, they will be eligible for PRH flats when their turns come. Nevertheless, some form of residence requirement may be necessary in order not to give undue advantage to new immigrants over those applicants who have resided in Hong Kong for a long period of time.

Public Rental Housing

13. Members may consider whether the existing policy governing additions to PRH tenancies should be maintained or revised, in particular, with regard to the addition of adult children/grandchildren or relatives. Members should note that some households, especially those single elderly households, may need the care by their adult children/grandchildren or relatives. However, we have to strike a balance in maintaining the equity between these additions and other WL applicants. To prevent these additions from taking over the tenancies and thus bypassing the WL in getting PRH flats, Members may consider imposing on them certain conditions such as requiring these additions to vacate the flats within a limited period after the special circumstances justifying the additions cease to exist and/or making the households subject to the HSP after addition.

Interim Housing

14. Additions to interim housing may be treated in the same way as those in PRH. However, Members may wish to note that some proposals have been made on the provision of interim housing in the LTHS Review.
PUBLIC REACTION

15. We expect that various political and concern groups will urge us to relax the addition policy. However, Members should note that a total relaxation of the addition policy will not only have a substantial impact on the housing commitments on the Housing Authority but also undermines the position of other WL applicants.

DISCUSSION

16. At the next meeting of the Management and Operations Committee to be held on 27 March, Members will be asked to advise -

(a) Whether the existing addition policy should be reviewed;

(b) Whether the basic principles set out in paragraph 11 should be adopted in any such review;

(c) Whether the “majority residence rule” for WL applicants should be relaxed; and

(d) Whether and what changes should be made to the existing policy governing additions to PRH tenancies and THA licences.

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