

# Income and asset limits for public rental housing for 2019-20

The following is issued on behalf of the Hong Kong Housing Authority:

The Hong Kong Housing Authority (HA)'s Subsidised Housing Committee (SHC) today (March 15) discussed the outcome of the review of income and asset limits for public rental housing (PRH) for 2019-20, and endorsed the income and asset limits for applicants of different household sizes with effect from April 1 (see table).

"The PRH income and asset limits are reviewed annually in accordance with the established mechanism to keep them in line with the prevailing social and economic conditions. The PRH income and asset limits for 2019-20 will increase by an overall average of 4.2 per cent and 3.1 per cent respectively over those for 2018-19," a spokesman for the HA said.

SHC also endorsed the exclusion of the Working Family Allowance (WFA) from the calculation of PRH applicants' income starting from April 1, 2019.

"SHC considers that as the eligibility for WFA and the monthly amount of WFA received are pegged to the income and working hours of the household in each month, the monthly amount received by the applicant household fluctuates. WFA should hence not be treated in the same way as other government financial subsidies which are provided in fixed amount and on a regular basis. For applicants whose PRH applications were cancelled because their income exceeded the PRH income limit due to inclusion of WFA, they may submit their PRH applications afresh," the spokesman added.

Under the established mechanism, the PRH income limits are derived using a household expenditure approach, which consists of housing costs and non-housing costs, plus a contingency provision. Housing costs measure the costs of renting private accommodation comparable to PRH, and these depend on the differential unit rents of private accommodation per square metre and reference flat sizes (i.e. average space allocated to PRH applicants in the past three years). Non-housing costs are determined with reference to the results of the latest Household Expenditure Survey conducted by the Census and Statistics Department (C&SD), with adjustments made according to the latest movements in the Consumer Price Index (CPI)(A) (excluding housing costs), or the change in the nominal wage index obtained through the Labour Earnings Survey conducted by C&SD, whichever is higher. As regards the PRH asset limits, they are adjusted with reference to movements in CPI(A) over the year.

At the meeting, some members were also concerned that with the upward adjustment to the PRH income and asset limits, the number of households eligible for PRH might increase. They considered that more resources should be devoted to enhancing eligibility checking on PRH applicants, including

random checks on applicants' ownership of properties or other assets in places outside Hong Kong.