

LCQ21: Allocation of public rental housing flats

Following is a question by the Hon Doreen Kong and a written reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (April 10):

Question:

Regarding the allocation of public rental housing (PRH) flats, will the Government inform this Council:

- (1) of the current number of vacant PRH flats, broken down by flats which are (i) "lettable", (ii) "unlettable" and (iii) "under offer"; the reasons for their vacancy and the average vacancy period, as well as the respective allocation processes for types (i) and (iii) flats;
- (2) of the average time required from the issue of the Notices-to-quit by the Hong Kong Housing Authority (HA) to new PRH tenants taking up the flats concerned in the past five years;
- (3) whether it has studied and explored ways to shorten the vacancy period of the PRH flats recovered in (2), such as enabling the new tenants to gain an understanding of the renovations or furniture and equipment left behind by the former tenants, and to sign a document giving consent to accept the present situation of the flats, thereby reducing the alteration works in the flats and shortening the time for handing over the flats;
- (4) of the average time from people waiting for PRH flats being given the first flat offer to being successfully allocated a flat, and the average number of flat offers given to those people;
- (5) of the criteria based on which HA includes PRH flats in the list of flats available for selection (the list) under the Express Flat Allocation Scheme (EFAS); whether HA will continue to conduct normal allocation of such PRH flats after including them in the list and before formally releasing the list for each phase of EFAS, so as to increase the chance of such flats being allocated;
- (6) of the number of flats successfully allocated under EFAS in the past three years and the number of flats under EFAS which have not been selected by PRH applicants all along; given that currently, tenants who are willing to take up PRH flats with "effective vacancy period" of 12 months or more will be granted monthly rent reduction under EFAS, whether the authorities will consider suitably relaxing the 12-month effective vacancy period requirement, so as to expedite the turnover of flats with a longer vacancy period; and

(7) as it is learnt that vacant flats in some old PRH estates (e.g. Choi Hung Estate) which have already been included in redevelopment projects are still undergoing normal allocation, whether the Government has studied the trend of growth of the vacancy rate of such PRH flats as well as their popularity; of the measures in place to increase the successful allocation rate of such flats?

Reply:

President,

In response to the questions raised by the Hon Doreen Kong, our reply is as follows:

(1) The allocation of public rental housing (PRH) flats is an ongoing process. In addition to newly completed flats, domestic flats are recovered from time to time in PRH estates. They will be used for allocation to meet the intended purposes in accordance with the annual allocation plan, such as allocation to PRH applicants on the waiting list, rehousing use for redevelopment projects and various types of transfer exercises including transfer of overcrowded households. During the period from recovery of a PRH flat to its successful allocation, temporary vacancy may arise due to various reasons, such as undergoing renovation or refurbishment works, awaiting replies from applicants under offer, pending re-allocation after refusal of offers by applicants, pooling flats for allocation under transfer schemes, reserving for internal transfer of households on social, medical or compassionate grounds, etc. Hence, the number of vacant PRH flats varies daily. The Housing Authority (HA) will allocate lettable flats to various categories of PRH applicants as soon as possible based on the principle of optimising public housing resources.

As at end December 2023, there were about 816 000 lettable PRH flats under the HA, comprising about 808 000 flats already let, about 4 100 flats under offer in which replies are being awaited from applicants, and about 4 000 lettable vacant flats (among which about 2 000 flats were pending re-allocation of flats that have been offered and refused by applicants, and about 2 000 flats were being reserved to meet designated purposes in accordance with the annual allocation plan, such as various types of transfer exercises including transfer of overcrowded households, etc.), and the vacancy rate (Note) was 0.5 per cent. In addition to lettable PRH flats, there were about 2 700 unlettable PRH flats under the HA, including flats undergoing repairs and recovered Tenants Purchase Scheme flats which had been included in a sale exercise, etc.

(2) Regarding refurbishment of PRH flats, after the tenant moves out, the Housing Department (HD) will conduct a comprehensive inspection of the landlord's provisions in the flat, and will promptly arrange repairs and refurbishment in accordance with the requirements specified under the works contract. The HD will thoroughly carry out major maintenance works that may affect the structural integrity of nearby areas or the building itself, including power supply, water supply, water seepage, etc. In general, the

refurbishment of a vacant flat should be completed within 44 days (key performance indicator). To expedite the allocation of PRH flats, the HA arranges advance allocation of vacant flats undergoing refurbishment to eligible PRH applicants, so that prospective tenants can move in as soon as possible upon completion of the refurbishment works. In addition, the HA has also introduced the Vacant Flat Refurbishment Allowance Scheme (the Scheme) to provide an option during tenants' intake for them to choose to carry out minor repair works by themselves or to have them carried out by HD's vacant flat refurbishment works contractors. The Scheme covers PRH flats with building age of less than 21 years. If prospective tenants choose to carry out refurbishment of the vacant flat by themselves, they will not only be granted an ex-gratia allowance, but will also be able to advance their intake, reducing the vacant period of PRH flats. Regarding the duration between the issuing of a Notice-to-Quit and the successful letting of a PRH flat, the HD does not keep related statistics as it would mainly depend on whether the applicant allocated with the flat accepts the offer.

(3) According to the prevailing arrangements, before the tenant moves out of a flat, the HD will conduct a comprehensive inspection of the fittings and fixtures inside the flat to assess and determine the items that can be retained or should be repaired or replaced. If the fixtures and fittings installed by the outgoing tenant are in good conditions, the HD will generally allow them to be retained without having to be reinstated such that the prospective tenant can choose to keep using them. If the incoming tenant chooses to accept the fixtures and fittings installed by the outgoing tenant, he/she will be responsible for the future repair and maintenance of these fixtures and fittings.

The HD has all along been reviewing the work flow of vacant flat refurbishment. In recent years, to expedite the works progress, a mechanism has been developed such that contractors will be advised in advance of the information of estates in which vacant flats will arise from the purchase of subsidised housing so that the contractors can arrange manpower and materials in a timely manner.

(4) Under the prevailing PRH allocation policy, eligible PRH applicants are entitled to three housing offers. In principle, waiting time for PRH refers to the time taken from the date of registration for PRH of an applicant up to the time when he/she receives the first housing offer. Whether applicants would accept the first housing offer or wait for subsequent offers depends on their personal preference and housing needs. The HD has not kept statistics on the period between the time when an applicant receives the first offer and the time when he/she finally takes up a flat, as well as the average number of housing offers actually received by an applicant.

(5) For less popular flats, the HA will invite eligible applicants who have been waiting for PRH for one year or more to select these flats through the Express Flat Allocation Scheme (EFAS). The EFAS aims to facilitate early intake of PRH flats by PRH applicants and expedite the allocation of less popular PRH flats, with a view to optimising PRH resources. The flats on the "list of flats available for selection" under EFAS are less popular PRH

flats, including flats with "Adverse Environmental Indicators" (e.g. flats in which accidents had taken place), flats with less popular design and flats which have been vacant for some time. Before these flats are included under the EFAS, the HD will continue to allocate these flats to PRH applicants as usual. Once the flats have been included under the list, they will be reserved for allocation by EFAS applicants and will not be allocated to other PRH applicants.

(6) To encourage the taking up of PRH flats with a longer vacancy period and improve the letting rate, starting from 2007, the HA would grant a rent-free period of four months in the form of reduced rent at 50 per cent for eight months, starting from the second calendar month of the tenancy, to tenants taking up flats which have been vacant for 12 months or longer but less than 24 months. For flats which have been vacant for 24 months or above, a rent-free period of six months in the form of reduced rent at 50 per cent for 12 months would be granted.

The figure of successful letting of PRH flats with a longer vacancy period has been rising continuously in recent years following the implementation of the above measures. In the past three years (i.e. 2020-21, 2021-22 and 2022-23), the numbers of successful EFAS applications were 1 074, 1 244 and 1 472 respectively. All flats offered under EFAS were selected, with the final letting rate exceeding 70 per cent, which reflected that the prevailing incentive measures could successfully encourage PRH applicants to take up these flats and hence effectively enhance the turnover of flats.

(7) The number of vacant flats in PRH estates varies daily depending on the circumstances. The HD will complete refurbishment of all recovered PRH flats, including those in older estates, before arranging intake of them by PRH applicants. Statistics show that the vacancy rate of older estates is similar to that of other estates. As mentioned above, to enhance the letting rate, tenants who are willing to take up PRH flats that have been vacant for 12 months or above are provided with rent concession. In addition, the HD will expedite the letting of less popular PRH flats through EFAS to reduce the vacancy rate of PRH. The HA will uphold the principle of optimising PRH resources and arrange the allocation of lettable flats to various categories of PRH applicants as soon as possible, so as to expedite PRH allocation and the turnover of flats.

Note: The vacancy rate is calculated by dividing the number of lettable vacant PRH flats under the HA by the total stock of lettable PRH flats under the HA.