

Chapter 8

Housing

The government's policy objectives are to provide public rental housing for low-income families to meet their basic housing needs; provide subsidised sale flats to enhance the housing ladder; and maintain the healthy and steady development of the residential property market.

The Secretary for Housing oversees housing matters and serves as the ex officio Chairman of the Hong Kong Housing Authority.

The Housing Authority is a statutory body which develops and implements public housing programmes. Its vision is to provide affordable public rental housing (PRH) to low-income families with housing needs, and to provide subsidised sale flats (SSF) to help low- to middle-income families achieve home ownership.

Headed by the Permanent Secretary for Housing/Director of Housing, the Housing Department is the Housing Authority's executive arm in building and managing Hong Kong's public housing estates. The Housing Bureau monitors the private residential property market, facilitates homebuyers' access to full and accurate information and oversees policy for the regulation of estate agents.

As at the fourth quarter of 2024, there were about 3,033,900 flats in Hong Kong, comprising about 866,500 public rental units¹, 454,900 SSF² and 1,712,100 private sector flats. About 29 per cent and 15 per cent of the population lived in public rental units and SSF respectively.

The 2024-25 estimate for public housing expenditure was about \$54.1 billion, or 6.5 per cent of the total public expenditure.

Housing Policy

The government provides PRH, mainly through the Housing Authority, to low-income families who cannot afford private rental accommodation. The authority also provides SSF to low- to middle-income families with home ownership aspirations.

Under the authority's Housing Construction Programme, as at December, about 18,000 PRH/Green Form Subsidised Home Ownership Scheme (GSH) units and 11,300 other SSF were expected to be completed in 2024-25 and about 97,700 PRH/GSH units and 45,400 other SSF were expected to be completed over a five-year period from 2025-26 to 2029-30.

The government strives to enhance the housing ladder through providing different types of SSF, including flats under GSH, the Home Ownership Scheme (HOS) and Starter Homes for Hong Kong Residents projects, to address the home ownership aspiration of families with different incomes.

On private housing, the government's policy is to maintain healthy and steady development of the residential property market.

¹ Comprising public rental housing and interim housing flats under the Housing Authority and rental flats under the Hong Kong Housing Society.

² Excluding flats provided by the Urban Renewal Authority.

Long Term Housing Strategy

The government's Long Term Housing Strategy (LTHS) adopts supply-led and flexible principles, and establishes three major strategic directions: to provide more PRH units and ensure the rational use of existing resources; to provide more SSF, expand the forms of subsidised home ownership and facilitate market circulation of existing stock; and to stabilise the residential property market through steady land supply and appropriate demand-side management measures, and promote good sales and tenancy practices for private residential properties.

Under the strategy, the government updates the long-term housing demand projection annually and presents a rolling 10-year housing supply target to capture social, economic and market changes over time.

Following a review to mark the 10th anniversary of the government's promulgation of the LTHS in 2024, the Housing Bureau reaffirmed that the supply-led and flexible principles would continue to be adopted; and would gradually avert the supply-demand imbalance in accordance with the major strategic directions. With a view to providing more PRH units and SSF, it put forward the following three directions for refinement: to continue adopting the supply-led and flexible principles to increase housing supply; to enhance the housing ladder to promote home ownership among young people; and to safeguard the rational use of PRH resources and encourage PRH tenants to move up the housing ladder.

In October, the government announced that sufficient land has been identified to meet the public housing supply target of 308,000 units for the 10-year period from 2025-26 to 2034-35, with the public-private split of new housing supply maintained at 70:30 or a supply target of 132,000 units for private housing.

In the next 10 years, the Housing Authority will work towards a 60:40 ratio as a planning basis for the construction of PRH/GSH and other SSF. Correspondingly, the public housing supply target of 308,000 units will comprise 185,000 units for PRH/GSH and 123,000 units for other SSF.

To better meet the home ownership aspirations of young people and further enhance the housing ladder, the authority will review the existing policies related to SSF.

Some 43,200 flats were completed in 2024, comprising about 24,300 private residential flats (excluding village houses) and about 18,900 public housing flats.

Cash Allowance Trial Scheme

The Cash Allowance Trial Scheme supports eligible general applicant households and relieves the pressure on families who have waited for PRH allocation for a prolonged period of time. As at year end, around \$5.4 billion in cash allowances had been disbursed to around 108,000 households.

Light Public Housing

To fill the short-term public housing gap and improve the living conditions and quality of life of people living in inadequate housing as soon as possible, Light Public Housing (LPH) is built under a government-led approach. The target is to complete the construction of about 30,000 units before 2027-28.

The first LPH units, at Yau Pok Road in Yuen Long and Choi Hing Road in Ngau Tau Kok, providing a total of about 4,440 units, are anticipated for completion and intake progressively from the first quarter of 2025.

Transitional Housing

Transitional housing aims to provide short-term accommodation for those in need by making better use of short-term vacant land and premises. The government has implemented the provision of over 21,000 transitional housing units, exceeding the original target of 20,000 units. As at end-2024, about 18,400 units had been made available for application by those with imminent housing needs, and the remaining some 2,700 units will be available within the next two years.

Tackling the Issue of Subdivided Units

The Task Force on Tackling the Issue of Subdivided Units was established in 2023, and its reports and findings were submitted to the Chief Executive in August and September respectively. As announced in the 2024 Policy Address, a system on renting subdivided units (SDUs) in residential buildings will be put in place through legislation, under which only up-to-standard SDUs will be recognised as Basic Housing Units (BHUs) and allowed to be rented out, so as to ensure the provision of reasonable and safe living conditions in relevant SDUs. A two-month stakeholder consultation on the proposed regulatory regime on BHUs was launched in December.

Tenancy control on SDUs has been implemented through Part IVA of the Landlord and Tenant (Consolidation) Ordinance from early 2022, providing tenants with much-needed security of tenure and protecting them from being overcharged for public utilities and unwarranted rent increases on tenancy renewal, without unduly compromising the private property rights of landlords.

Public Rental Housing

At the fourth quarter of 2024, about 2.16 million people, or 29 per cent of the population, were living in 866,500 public rental units of the Housing Authority and Hong Kong Housing Society³.

Application and Allocation

At the fourth quarter of 2024, there were about 118,600 general applicants and 86,200 non-elderly one-person applicants under the Quota and Points System (QPS). The

³ The Hong Kong Housing Society is an independent, not-for-profit organisation. One of its major functions is to provide subsidised housing to target groups at affordable rents and prices.

average waiting time⁴ for general applicants who were housed to PRH in the past 12 months was 5.3 years.

General applicants are allocated PRH units according to the order of their registrations, family size and choice of districts. For non-elderly one-person applicants under the QPS, their priority is determined by the total points accumulated on the basis of applicants' age at the time of application, their waiting time and whether they are already living in PRH. All applicants must meet the eligibility criteria.

About 29,700 PRH units were allocated in 2024, comprising about 23,300 units for general applicants and non-elderly one-person applicants under the QPS, and 4,100 units for existing tenants for various types of transfers. The remaining 2,300 units were allocated to others, such as applicants for compassionate rehousing and families affected by government clearance actions, fire, natural disasters and emergencies. Applicants may be allocated PRH earlier by opting for less popular flats under the Express Flat Allocation Scheme. About 1,400 households benefited from this scheme in 2024.

Elderly single people can apply for PRH under the Single Elderly Persons Priority Scheme, or apply with other elderly people under the Elderly Persons Priority Scheme. These schemes grant priority to eligible elderly applicants over ordinary family applicants. The average waiting time for elderly one-person applicants was 3.4 years at the fourth quarter of 2024. Families are encouraged to live with their elderly relatives in PRH estates.

The Housing Authority launched the Families with Newborns Allocation Priority Scheme from 1 April. Under the scheme, PRH family applications with babies born on or after 25 October 2023 and aged one or below would be credited with a waiting time of one year. As at end-December 2024, about 3,300 households benefited from this scheme.

Rental Level and Assistance

The Housing Authority's policy is to set affordable PRH rents. Its rents cover rates and management and maintenance costs, and ranged from \$539 to \$6,295 (with an average of \$2,525) per month at the fourth quarter of 2024. The rents are reviewed every two years and rent adjustments are based on changes in tenants' overall household incomes. The latest adjustment was a 10 per cent increase effective from 1 October 2024. Considering the socio-economic circumstances, the extent of the rent increase, impact on the PRH tenants and the Housing Authority's financial position, the authority endorsed a special concessionary measure for PRH tenants which waived the extra rent payable for the first three months following the rent adjustment. To ensure the rational use of the authority's financial resources, 'well-off tenants' are not included in this concessionary measure. The next rent review will be conducted in mid-2026.

⁴ Waiting time refers to the time taken between registration for PRH and first flat offer, excluding any frozen period during the application period, such as when the applicant has not yet fulfilled the residence requirement, requested to put the application on hold pending the arrival of family members for a family reunion, or is imprisoned.

Tenants facing temporary financial difficulties are granted rent reductions of 25 or 50 per cent under the Housing Authority's Rent Assistance Scheme. At the fourth quarter of 2024, about 21,540 households were recipients.

The Housing Authority's Well-off Tenants Policies⁵ help focus PRH resources on those with more pressing housing needs by levying additional rent on better-off tenants. At the fourth quarter of 2024, about 42,260 households paid additional rent. To combat tenancy abuse and safeguard the rational use of PRH resources, the policy was enhanced in 2023, requiring PRH tenants and their family members to declare once every two years whether they own any domestic property in Hong Kong (excluding all-elderly households with all family members aged 60 or above), whether they have retained regular and continuous residence in their PRH flat, and whether they have complied with the terms of the tenancy agreement regarding occupancy status.

Innovation and Technology in Public Housing Development

The Housing Authority continues to develop the Project Information Management and Analytics Platform to assist and enhance decision-making processes and managerial efficiency during the different stages of public housing development projects. Starting from next year, the authority will progressively apply the platform in new public housing projects, to enhance speed, quality, efficiency and construction site safety by project management digitalisation and adopting three-dimensional digital maps and virtual digital models.

The authority has developed the second generation Modular Integrated Construction (MiC 2.0), and a mock-up has been constructed to examine the buildability of the new design. The authority plans to make wider use of MiC 2.0 and will streamline the on-site installation procedures to safeguard construction safety.

Maintaining Public Housing Stock

Schemes for Maintenance

The Housing Authority adopts a comprehensive strategy to maintain the quality of its public housing stock and has introduced various maintenance and rejuvenation programmes to match the life cycle of PRH estates, ensuring their structural safety, providing timely maintenance within PRH flats and upgrading estate facilities to meet the residents' needs. To further enhance the sense of well-being of public housing residents, the authority has implemented pilot projects in existing estates to adopt and apply the design concepts of the Well-being Design Guide in the improvement projects of estates. These pilot projects include façade beautification and minor estate improvement works, landscape improvement works, and theme-based improvement works. The related programmes not only provide a safe and

⁵ Well-off Tenants Policies is an umbrella term for the Housing Authority's Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources. They require PRH households who have lived in PRH for 10 years to make regular declarations regarding income, assets and whether they own private domestic properties in Hong Kong. Those who own private domestic properties in Hong Kong, whose family income exceeds five times the prevailing PRH Income Limits (PRHILs), whose net household assets exceed 100 times the prevailing PRHILs, or who refuse to make a declaration must vacate their PRH units.

pleasant living environment for the residents, but also sustain the lifespan and economic value of the public housing stock.

Redevelopment of Wah Fu Estate

In March, the Housing Authority announced the clearance of Phase 1a of the redevelopment of Wah Fu Estate, and in December, the advanced schedule for clearance and rehousing of Phase 3 of the redevelopment. The five reception sites are progressing as scheduled, of which three have commenced construction and two are in the detailed design stage.

The authority continues to engage the Wah Fu community and provide updates of the redevelopment. It launched the Wah Fu Living Room which serves as a one-stop service station to provide a multi-functional space for exhibitions, holding events and the community service team office.

Redevelopment of Choi Hung Estate

In the study for the redevelopment of Choi Hung Estate, four guiding principles were established based on views collected from government bureaux and departments, community engagement workshops, non-governmental organisations and returned questionnaires. The Choi Hung Living Room was established to showcase redevelopment related information.

The Housing Authority announced the clearance and rehousing arrangements for Phase 1 in December. The reception site is progressing as scheduled, with construction due to commence in the first quarter of 2025.

The Well-being Design Guide

In September, the Housing Authority launched the Well-being Design Guide to provide a reference for the future design of new public housing estates and the improvement works of existing estates. The guide consists of eight concepts, interpreted into over 50 strategies and more than 170 design components. To promote the concept of well-being design and strengthen community cohesion, the Housing Bureau and the authority organised the Estate Festival from 7 to 15 September, featuring events such as community art projects and symposiums.

The authority also selected five existing public rental housing estates as pilot projects for implementing well-being design concepts. Over the next five years, these estates will undergo research and the implementation of further enhancement measures to create a more well-being oriented living environment.

Home Ownership

Tenants Purchase Scheme

PRH tenants in the 39 existing Tenants Purchase Scheme (TPS) estates can buy flats in which they reside. As at the fourth quarter of 2024, around 154,570 TPS flats had been sold. Recovered TPS flats were put up for sale in HOS/GSH sale exercises. A new batch of recovered TPS flats has been put up for sale under the Sale of HOS Flats 2024.

Green Form Subsidised Home Ownership Scheme

The GSH aims to help relatively better-off Green Form applicants⁶ move up the housing ladder. Flat selection for the Sale of GSH Flats 2023, comprising about 2,400 new GSH flats, was completed in November 2024.

Home Ownership Scheme

In October, applications were invited for the Sale of HOS Flats 2024 involving more than 7,100 new flats and balloting was held in December. Eligible applicants will be invited for flat selection from the second quarter of 2025.

Starting from the Sale of HOS Flats 2024, the authority reserves a quota of about 40 per cent of the new flats for balloting and priority flat selection by eligible applicants of the Families with Newborns Flat Selection Priority Scheme, as well as the Priority Scheme for Families with Elderly Members in each SSF sale exercise. Family applicants of SSF sale exercises with babies born on or after 25 October 2023 will be eligible if their children are aged three or below on the closing day of the application of a particular sale exercise.

White Form Secondary Market Scheme

The White Form Secondary Market Scheme (WSM) addresses the home ownership aspirations of White Form applicants⁷. To support young people to buy SSF, it was announced in the 2024 Policy Address that starting from the next WSM exercise, WSM 2024, the quota will increase by 1,500, all of which will be allocated to young family applicants and young one-person applicants aged below 40.

Starter Homes for Hong Kong Residents Projects

Starter Homes for Hong Kong Residents projects aim to help higher-income persons who are not eligible for the HOS but cannot afford private sector housing meet their home ownership aspirations. The Urban Renewal Authority's first two projects provided 753 units and the government is taking forward a few other projects, which will provide some 5,000 units in total.

Private Sector Housing

Demand-side management measures, designed to curb short-term speculation activities and reduce external demand, had been gradually introduced since 2010. With gradual improvements in the housing demand-supply situation, and considering the overall economic situation, the government abolished all such measures, including the Special Stamp Duty, Buyer's Stamp Duty and New Residential Stamp Duty, with effect from 28 February.

In October, the maximum loan-to-value ratio for residential properties was adjusted to 70 per cent, regardless of the value of the properties, whether the properties are for self-use or held by

⁶ Green Form applicants are mainly PRH tenants, and PRH applicants who have passed the detailed eligibility vetting and obtained a Green Form Certificate.

⁷ White Form applicants are households that are not PRH tenants and meet the eligibility criteria for buying SSF.

companies, and whether the purchasers are first-time home buyers, while the maximum debt servicing ratio was adjusted to 50 per cent.

Sale of First-hand Residential Properties

The Residential Properties (First-hand Sales) Ordinance and the work of the Sales of First-hand Residential Properties Authority enhance the transparency and fairness in sales of first-hand homes, strengthen consumer protection and provide a level playing field for vendors. In 2024, the authority's staff examined about 25,520 sales-related documents and made about 630 inspections of sales offices and show flats.

Estate Agents

The practice and conduct of estate agents, who handle the vast majority of residential property transactions, are governed by the Estate Agents Ordinance and its subsidiary legislation. Individuals or companies working as estate agents must obtain a licence from the Estate Agents Authority, which also promulgates best practices and promotes consumer education. At year end, there were about 38,480 individual and 3,970 corporate licence holders.

Websites

Hong Kong Housing Authority/Housing Department: www.housingauthority.gov.hk

Hong Kong Housing Society: www.hkhs.com

Housing Bureau: www.hb.gov.hk