

\* *Teacher's version P.19-21*

(Activity 5: Rents of public housing and private housing in Hong Kong)

**Task 1: Study the following information and discuss the questions below.**

**Rental of private and public housing in Hong Kong:**

1. The rent of a private housing estate is based on the following:
  - a. The location.
  - b. Public facilities provided in the estate.
  - c. Location of the flat in the building (including orientation and view).
  - d. Size of and household facilities provided in the flat.
  - e. The change of rent in accordance with the contract between the owner and the tenant.
  
2. The rent of a flat of a public housing estate owned by the Housing Authority (HA) has the following features:
  - a. The rent depends on the size of the flat, location, age and type of the housing estate.
  - b. The very low-income families receiving Comprehensive Social Security Assistance do not need to pay the rent. (The Welfare Department pays the rent for them.)
  - c. Tenants in temporary financial hardship can apply for rent assistance under the Rent Assistance Scheme. The successful applicants only have to pay 50% of the rent for a maximum of six months.
  - d. Tenants with high income/asset value need to pay double rent or even market rent.
  - e. The average waiting time for an eligible application is about two years. The HA may review the rent every two years. The maximum increment is 10% of the existing rent.

**Discussion Questions:**

Q.1 Do you think the rent is more efficiently charged for private flats than that for the public flats? Explain your answer.

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Q.2: (It is an optional question and may be left for group work)

Given that providing public housing is a means of evening post-tax post-social transfer income distribution, if you were the Chairperson of HA, what would you consider in setting the rent of public flats?

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