

# Extension of rent concession period approved for HA's retail and factory tenants

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

The Hong Kong Housing Authority (HA)'s Commercial Properties Committee (CPC) today (March 2) approved to extend the 50 per cent rent concession for its retail and factory tenants for six months from April 1 to September 30, 2020, in line with the Government's relief measures.

The Financial Secretary announced on February 26 the reduction of rentals by 50 per cent for another six months from April 1, 2020 for eligible tenants of government properties and government land, among others.

"A total of about 2 450 retail and 3 300 factory tenants will benefit from the rent concession. The rent concession does not include rates and air-conditioning charges," a spokesman for the HA said.

To tie in with the Government's relief measures, the CPC endorsed in September and October last year the arrangements for the granting of a 50 per cent rent concession for the HA's retail and factory tenants for six months from October 1, 2019, to March 31, 2020.

The total rent forgone for the 12-month rent concession is estimated at about \$778 million.

"The arrangements endorsed previously will continue to apply during the extended rent concession period. The rent concession will apply to all eligible tenancies that are in force during the concession period. There will be no rent concession for tenancies that are under a rent-free period during the concession period," the spokesman said.

"We will continue to adopt a flexible approach in dealing with retail and factory tenancies due to expire during the extended rent concession period as a transitional arrangement," he added.

"To enable the tenants to continue their use and occupation of the premises upon expiry of the existing tenancies, licences will be granted at the existing rent while pending agreement on the new rent for the new tenancies. Upon finalisation of the new rent for the new tenancy, it will take retrospective effect from the original effective date of the new tenancy and the licence fee paid shall be applied to the payment of rent under the new tenancy. This arrangement will allow more time for both the HA and the tenants to grasp additional market information for consideration and decision making."