

HA approved to freeze letting of recovered TPS flats

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

The Hong Kong Housing Authority (HA) Subsidised Housing Committee (SHC) today (March 10) approved to freeze the letting of recovered flats from Tenants Purchase Scheme (TPS) estates with effect from tomorrow (March 11), with a view to putting up these flats for sale later.

"Putting up recovered TPS flats for sale can accelerate the sale of unsold TPS flats, so as to further address the persistently strong demand for subsidised sale flats on the one hand and help resolve the estate management and maintenance problems arising from mixed ownership in TPS estates on the other," a spokesman for the HA said.

He added that, before putting up recovered TPS flats for sale, the HA would need to consider and decide on a number of issues including the relevant target buyers, pricing mechanism and alienation restrictions, and sales approach.

"Views of the Members of the Legislative Council Panel on Housing regarding how to accelerate the sales of unsold TPS flats will also be sought at its meeting on March 30 this year. Having taken into account these views, as well as those of SHC Members, we will put up recommendations for SHC's consideration as soon as possible, aiming to make available these recovered TPS flats for sale in end-2020 or early 2021 tentatively," the spokesman said.

He further said that, in the longer term, aside from putting up recovered TPS flats for sale, the HA might also need to draw up other measures to expedite the sale of TPS flats, including those currently leased to sitting tenants. Measures that can be considered may include, but are not limited to, providing additional incentives to sitting tenants to purchase their flats, and developing a special programme to transfer out tenants with no intention to purchase their flats to other non-TPS estates.

In the 2019 Policy Address, the Chief Executive proposed that the HA make active preparations with a view to accelerating the sale of the unsold flats in the 39 TPS estates. In the past five years, the HA has recovered around 1 200 rental flats from TPS estates annually through normal course and sold around 3 100 flats to sitting TPS tenants each year on average.

As at end-December 2019, around 41 000 flats (i.e. around 22 per cent) of the 184 000 TPS flats put up for sale remained unsold. The sales rate of each TPS estate varies, ranging from around 45 to 93 per cent.