

HA endorses measures to safeguard rational use of public rental housing resources

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

The Hong Kong Housing Authority (HA) Subsidised Housing Committee (SHC) today (May 24) endorsed a series of new measures to enhance efforts to combat tenancy abuse; enhance the "Well-off Tenants Policies" (WTP) and the "Addition Policy", with a view to safeguarding the rational use of public rental housing (PRH) resources.

"PRH is precious social resources and the HA has all along adopted multipronged and risk-based measures, including preventive detection, in-depth investigation, publicity and education, to comprehensively combat tenancy abuse. The HA has also been committed to addressing the issue of PRH well-off tenants. I am grateful that SHC members, having considered various views carefully, swiftly enhanced the relevant arrangements to further ensure that public housing resources are allocated to those who are in need the most, in response to the calls of the community," said the Chairman of the HA the Secretary for Housing, Ms Winnie Ho.

Enhancing efforts in combating PRH abuse

In regard to enhancing efforts in combating tenancy abuse, members endorsed the following recommendations:

(a) PRH tenants will be required to make declarations every two years that they have continuously resided in the units and complied with the terms in the tenancy agreement regarding occupancy status (e.g. not to sublet the unit or engage in illegal activities in the unit or use the unit for non-domestic purposes) after admission to PRH. Tenants are also required to authorise the HA to check their information with relevant government bureaux/departments (B/Ds) and public/private organisations. Tenants who refuse to make declarations or fail to make declarations within the specified time may have their tenancies terminated;

(b) applicants whose PRH applications are cancelled on the grounds of making false declarations will be barred from reapplying for PRH for a period of five years; and

(c) former PRH tenants whose tenancies are terminated due to making false declarations, breaching any terms of the tenancy agreement, violating the Marking Scheme for Estate Management Enforcement, etc, will not be eligible to apply for PRH for five years instead of two from the date of termination.

Tenants who knowingly give false statements when making declarations are liable to prosecution. If convicted, these tenants may be subject to a fine

and imprisonment.

"The declaration mechanism can enhance tenants' awareness of cherishing public housing resources and reduce the likelihood of tenancy abuse. At the same time, it allows the Housing Department (HD) to check tenants information with relevant B/Ds and public/private organisations. On the other hand, barring those who contravene the requirements from re-applying for PRH for five years will strengthen the deterrent effect," a spokesman for the HA said.

Enhancing WTP

Members also endorsed the following recommendations in relation to WTP:

- (a) PRH tenants will be required to declare to the HD every two years whether the principal tenants and all members of the household own any domestic property in Hong Kong since admission to PRH, and to undertake to declare to the HA after having acquired a domestic property in Hong Kong (within one month of entering into any agreement, including provisional agreements); and
- (b) The period of a Fixed Term Licence will be shortened from a maximum of 12 months to a maximum of four months. The tenant must move out after the four-month period and the HD will not reassess the tenants' eligibility.

Under the WTP, after living in PRH for 10 years, tenants will have to declare both their income, assets and whether they own private domestic properties in Hong Kong in the biennial declarations. If tenants refuse to declare, they have to vacate their flats. PRH households whose family income exceeds five times the prevailing PRH income limits (PRHILs) or whose total household net asset value exceeds 100 times the prevailing PRHILs are required to vacate their PRH flats. While tenants having lived in PRH units for less than 10 years are not required to declare income and assets, they will still have to vacate their PRH units regardless of their length of PRH residency if the HD confirms that they own private domestic properties in Hong Kong upon receiving complaints. Under the WTP, households who are required to vacate their PRH flats but have temporary housing needs may apply for a Fixed-Term Licence to stay in their flats for a period of not more than 12 months counting from the date of tenancy termination, during which a licence fee equivalent to the double net rent plus rates or market rent is charged, whichever is higher.

"Under the existing WTP, tenants having lived in PRH units for less than 10 years are not required to declare whether they own private domestic properties in Hong Kong. To enhance the existing mechanism, we will require PRH tenants to declare to HD every two years whether the principal tenants and all members of the household own any domestic property in Hong Kong since admission to PRH. Tenants who refuse to declare will have their tenancies terminated. Moreover, the principal tenants and all members of the household are required to undertake in the declaration form that they will declare to the HA after having acquired a domestic property in Hong Kong (within one month of entering into any agreement, including provisional agreements). All household member(s) aged 18 or above listed in the declaration form are

required to sign the form to indicate their knowledge of, consent to and compliance with the terms and conditions of the declaration form. Tenants must also authorise the HA to check their information with relevant B/Ds and public/private organisations, and, if found to have given false information, are liable to criminal prosecution. Requiring PRH tenants to sign the declarations and undertakings can enhance their awareness of the requirement and responsibilities for residing in PRH units, which helps further safeguard the rational allocation of PRH resources," the spokesman said.

"This declaration form is the same one as the aforementioned one concerning the policies of combating tenancy abuse. After the new measure comes into effect, principal tenants and all family members will declare in the same declaration form that they have continuously resided in the units, complied with the terms in the tenancy agreement regarding occupancy status, and whether they own domestic properties in Hong Kong," the spokesman added.

Furthermore, since the implementation of the revised WTP in October 2017, the HD has issued Fixed-Term Licences to around 820 well-off tenants, who have to vacate their flats, with more than half (around 460 households) eventually not having to move out of their flats as their income and asset levels fell below the prescribed levels under WTP again or due to other reasons. The spokesman said that shortening the term of Fixed-Term Licences to a maximum of four months could reduce the chance of well-off tenants transferring their assets during the period of temporary residence to avoid having to surrender their flats, which would be more in line with the society's expectation. Upon the expiry of the licence period, the HD will not reassess the tenants' eligibility and they must move out. If there are extenuating circumstances (e.g. sudden loss of income), the tenants concerned may lodge an appeal with the Appeal Board (Housing) regarding the termination of tenancy under the established mechanism.

Enhancing the "Addition Policy"

Members have also revised the "Addition Policy". Under the current "Addition Policy", for elderly tenants (i.e. either the principal tenant or his/her spouse is aged 60 or more): (a) if there is no adult offspring in the tenancy, tenants may apply to add one adult offspring (whether married or not) and his/her family members (if applicable) to the tenancy; (b) if there is already a single adult offspring (unmarried/divorced) in the tenancy, tenants may apply to add at most one single adult offspring (unmarried/divorced) to the tenancy; (c) if there is already a married adult offspring in the tenancy, tenants cannot apply to add any adult offspring (whether married or not) to the tenancy.

Under the revised policy, if there is already adult offspring (irrespective of marital status) in the tenancy, the elderly tenants should not be allowed to apply for adding other adult offspring to the tenancy. If there is no adult offspring in the tenancy, elderly tenants may still apply to add at most one adult offspring (and his/her family members, if applicable).

"We consider it necessary to enhance the relevant policies so as not to enable some people to have a shortcut to PRH, which is unfair to other PRH applicants. Those who have genuine need to do so can still apply for temporary stay to take care of their parents under the existing mechanism," the spokesman said.

The revision to the "Addition Policy" above will not affect the current "Policy on Grant of New Tenancy". According to the current "Policy on Grant of New Tenancy", upon the death or moving out of a principal tenant of a PRH unit, the spouse listed in the tenancy may take over the tenancy unconditionally (i.e. without the need to pass any income or asset test). If there is no surviving spouse listed in the tenancy, one of the authorised family members currently living in the PRH unit (whether he/she is a "late-coming" adult offspring or not) may be granted a new tenancy, as long as the income, asset, and Hong Kong domestic property ownership tests set at levels under WTP are passed.

Implementation date

The above new measures will be effective from October 1, 2023. The new declaration requirement (i.e. for tenants to declare that they have continuously resided in the units, complied with the terms in the tenancy agreement regarding occupancy status and whether they own domestic properties in Hong Kong) will be implemented in batches starting from October 1, 2023. Same as before, tenants who have lived in PRH for 10 years are still required to make declarations to the HD every two years in April or October in accordance with prevailing policies.

"Increasing PRH supply remains the key to addressing PRH demand from the public. At the same time, we must also ensure that PRH resources are not abused but allocated to those in genuine need," the spokesman added.