

Hong Kong Housing Authority approves extension of rent concessions for eligible non-domestic tenants

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

To tie in with the Government's latest relief measures announced by the Financial Secretary in February 2023 to ease the operating pressures of businesses, the Hong Kong Housing Authority (HA)'s Commercial Properties Committee (CPC) today (June 27) approved to extend the rent concession for the HA's eligible non-domestic tenants/licensees and carpark users for the monthly parking of commercial vehicles for another six months from July 1 to December 31, 2023, but with the amount of concession reduced from 75 per cent to 50 per cent.

The CPC also approved that the HA's tenants/licensees may continue to apply to the HA for a 100 per cent rent concession for the period during which their operations at the premises concerned are required to be closed under anti-epidemic regulations and directions of the Government.

"The same coverage as endorsed by the CPC earlier will continue to apply during this round of extended rent concession period. The grant of rent concessions for supermarkets/superstores, convenience stores, personal stores and fresh/chilled/frozen food stores up to a maximum of 50 per cent will be subject to tenants' applications and production of proof of sales drops," a spokesman for the HA said.

"To assist small businesses, the said requirement is not applicable to shop premises let to individuals, and all shop stalls irrespective of whether they are let to companies or individuals. In other words, tenants/licensees of these premises will continue to enjoy the 50 per cent rent concession in the same way as other eligible HA non-domestic tenants/licensees," he said.

In view of the positive outlook of Hong Kong's economy on the recovery path to normalcy, members also endorsed to cease the transitional arrangement in dealing with the tenancy renewal of retail and factory tenancies starting from July 1, 2023. Instead, normal tenancy renewal arrangements will be resumed and monthly licences at existing rents will no longer be granted.

It is estimated that around 8 200 of the HA's non-domestic tenants/licensees, including about 2 700 retail tenants/licensees; 1 230 factory tenants/licensees; tenants/licensees of some 80 advertising signboards and some 40 tenancies of bus kiosks; and about 4 100 carpark users, will benefit from the extension of rent concessions.

The CPC has earlier approved multiple rounds of rent concessions for the HA's eligible retail, factory and non-domestic tenants, following the

Government's measures to support enterprises and relieve people's financial burden.

The rent foregone for the 50 per cent rent concession for six months is estimated to be around \$496 million.

The maximum total rent foregone for rent concessions granted by the HA to its eligible non-domestic tenants/licensees for the 51-month period from October 1, 2019 to December 31, 2023, is estimated to be around \$5,220 million.