

# LCQ10: Accelerating the sale of flats in Tenants Purchase Scheme estates

Following is a question by the Hon Lau Kwok-fan and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (February 26):

Question:

The Chief Executive mentioned in last year's Policy Address that the Government would propose that the Hong Kong Housing Authority (HA) make active preparations to accelerate the sale of about 42 000 flats that remain unsold in the 39 Tenants Purchase Scheme (TPS) estates. On matters relating to TPS estates, will the Government inform this Council:

(1) given that the existing Marking Scheme for Estate Management Enforcement is not applicable to tenants of the unsold flats in the TPS estates, whether the Government will consider requesting HA to formulate a separate marking scheme applicable to such tenants; if so, of the details; if not, the reasons for that;

(2) whether it will consider re-launching the Mutual Exchange Scheme so that those tenants of non-TPS estates who intend to purchase a flat in TPS estates may be matched against those tenants of TPS estates who do not mind moving to other estates; if so, of the details; if not, the reasons for that; and

(3) whether it will consider, by drawing reference from the Flat for Flat Pilot Scheme for Elderly Owners implemented by the Hong Kong Housing Society, allowing owners of flats of TPS estates, after selling their premium-unpaid flats, to buy again another premium-unpaid flat in the subsidized sale flats secondary market, with a view to speeding up the circulation of flats of TPS estates; if so, of the details; if not, the reasons for that?

Reply

President,

Our reply to Hon Lau Kwok-fan's question is as follows:

(1) Same as other private properties, estates under Tenants Purchase Scheme (TPS estates) are governed by the Building Management Ordinance, the relevant Government leases and Deeds of Mutual Covenant. In respect of property management, all TPS estates have formed their own Owners' Corporations (OCs) and appointed their own property management companies to manage the common areas and facilities of their estates. The Hong Kong Housing Authority (HA), as the owner of the unsold flats in TPS estates, is one of the owners of these estates.

Hence, HA can only regulate misdeeds committed by the tenants in the

rental units of TPS estates (e.g. throwing objects from heights) with the Marking Scheme for Estate Management Enforcement (Marking Scheme). If tenants commit these behaviors in the common areas of TPS estates, as these areas fall under the management of OCs, HA cannot regulate them with the Marking Scheme. Even if HA sets another marking scheme specifically for tenants in TPS estates, it would still not be feasible to comprehensively implement such a scheme due to the same reason.

Currently, although the misdeeds (e.g. littering, wax-boiling, smoking, spitting, and illegal gambling, etc.) of TPS tenants in the common areas of the estates are not regulated under the Marking Scheme, they are still subject to the regulation of relevant law provisions. In addition, HA representatives have been advising the OCs on estate management issues and encouraging the OCs and their estate management agents to report the misdeeds committed by tenants and others in common areas to relevant Government departments for following up.

(2) In 2019 Policy Address, the Chief Executive proposed that HA make active preparations with a view to accelerating the sale of the around 42 000 unsold flats in the 39 TPS estates. In this regard, we will first consult the Subsidised Housing Committee of HA, inviting Members to endorse the freezing of the letting of flats recovered from TPS estates. In the long term, aside from putting up recovered TPS flats for sale, we also need to draw up other measures to expedite the sale of TPS flats, including those currently leased to sitting tenants. Measures that we can consider may include but are not limited to developing a special program to transfer out tenants who do not intend purchase their TPS flats to non-TPS estates. We plan to consult the views of the Legislative Council Panel on Housing on how to accelerate the sale of unsold flats in TPS estates in the first quarter this year.

As for the Mutual Exchange Scheme, HA introduced the scheme in 1976, under which public rental housing tenants interested in swapping their residential units might exchange accommodation with other tenants. Applicants were matched against each other based on their household size, choice of estate, flat size, etc. Subsequently, due to the low successful matching rate, HA ceased to accept new applications for the scheme in February 2004 and terminated the scheme in 2006.

(3) To further facilitate the circulation of subsidised sale flats (SSFs), the Hong Kong Housing Society (HKHS) launched the "Flat for Flat Pilot Scheme for Elderly Owners" on a trial basis on October 14, 2019, so that eligible owners aged 60 or above who have owned HKHS' SSFs for at least ten years with premium not yet paid can sell their original flat and then buy a smaller one in HA's or HKHS' Secondary Market. As the pilot scheme has just been rolled out, it remains premature at the moment to extend the scope of the scheme. HKHS will review the effectiveness of the pilot scheme in one year's time after the launch.