

Housing Authority endorses tightening of "Well-off Tenants Policies" and review of implementation details

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

The Hong Kong Housing Authority (HA) Subsidised Housing Committee (SHC) endorsed today (March 21) the tightening of "Well-off Tenants Policies" (WTP) and the rationalisation of some of the implementation details.

"The Chief Executive announced in the 2024 Policy Address that the WTP of public rental housing (PRH) will be tightened up, by raising the additional rent and lowering the income limit of well-off tenants. In this connection, the HA has reviewed various arrangements to expedite the circulation of PRH flats and encourage upward mobility of well-off tenants," a spokesman for the HA said.

Tightening up the WTP

Under the existing WTP, PRH tenants who have resided in PRH for 10 years or more are required to declare biennially their income, assets and whether they own domestic properties in Hong Kong. Households whose family income exceeds five times the prevailing PRH income limits (PRHILs) or with a total household net asset value exceeding 100 times the prevailing PRHILs or who have domestic property ownership in Hong Kong (applicable to all PRH households regardless of their length of residence in PRH), or refuse to make declaration should vacate their PRH flats. PRH households who do not have domestic property ownership in Hong Kong and whose household income exceeds two times and not more than three times the prevailing PRHILs, will be required to pay 1.5 times net rent plus rates; if their household income exceeds three times and not more than five times the prevailing PRHILs, they will be required to pay double net rent plus rates. These tenants may continue to reside in their PRH flats.

Raising the additional rent for well-off tenants

In order to allocate resources properly, the SHC has endorsed reducing the subsidies for well-off tenants by raising their additional rents. Households whose family income exceeds two times and not more than three times the prevailing PRHILs will be required to pay 2.5 times net rent plus rates; households whose family income exceeds three times and not more than four times the prevailing PRHILs will be required to pay 3.5 times net rent plus rates; households whose family income exceeds four times and not more than five times the prevailing PRHILs will be required to pay 4.5 times net rent plus rates. For details, please refer to the Annex.

"With the increase in additional rents for well-off tenants, average

rent to total household income of well-off tenants will account for about 11 per cent. While this is still much lower than the median rent-to-income ratio of 31.5 per cent for households renting private residential flats, it is comparable to general PRH tenants, which is more reasonable," the spokesman said.

The new additional rent level will take effect from the declaration cycle in October this year, and the first batch of well-off tenants will pay rent in accordance with the new additional rent level on October 1, 2026.

Adjusting the threshold for vacating PRH flats

The SHC also endorsed that PRH tenants with income levels exceeding four times but not five times the PRHILs after two declaration cycles (i.e. four years in total) must also vacate their flats.

"This adjustment will not affect tenants whose financial condition has just begun to improve, and it will also enable better-off PRH tenants to make early arrangements for vacating their PRH flats to ensure the proper use of public housing resources," the spokesman said.

Encourage upward mobility of well-off tenants

The SHC also endorsed the suggestions below:

(a) Starting from the next home ownership scheme (HOS) sale exercise, adjust the quota allocation ratio of Green Form (GF) and White Form (WF) to 50:50;

(b) Well-off tenants who are paying additional rents (irrespective of the rent level) can retain their GF status for four years after voluntarily moving out from their flats. The new arrangements will be implemented from October 1, 2025; and

(c) Explore the introduction of new arrangements in the sale exercise of subsidised sale flats (SSF) in helping well-off tenants stand a better chance of purchasing flats that they desire and increase their chances of success in home ownership. Details will be announced and implemented when the next HOS sales exercise is launched.

"Under the whole package of enhancements to the WTP, we have on the one hand reduced the subsidy for well-off tenants, and at the same time increased their chances of success in purchasing SSF. This aligns with the principles and vision of the HA in optimising the use of public housing resources and encouraging upward mobility," the spokesman said.

Rationalising the implementation details of the WTP

Arrangements for PRH tenants who have purchased domestic properties in Hong Kong

Under the prevailing arrangements, if an individual member of a PRH

tenancy purchased an SSF using WF status or purchased private domestic property, the HA will issue a Notice To Quit to the tenant concerned for the surrender of the PRH flat, irrespective of whether or not the property concerned has been completed. As for the GF applicants, they do not need to vacate their flat before taking possession of the purchased property and can continue to pay the prevailing level of rent.

To encourage and enable the upward mobility of PRH tenants and with the completion of more SSFs in the future, the SHC endorsed:

(a) For PRH tenants who have signed an Agreement for Sale and Purchase (ASP) (including a Preliminary Agreement for Sale and Purchase (PASP)) to purchase a private domestic property, or individual members of the household have purchased an SSF with WF status (regardless of whether the domestic property is completed or not), the HA will continue to allow them to rent their existing PRH flats until their surrender of the PRH flats or deletion of the subject member from the tenancy after assignment;

(b) During the above period, PRH tenants can continue to pay the prevailing level of rent, which is the same as those who have purchased SSF with GF status. However, while waiting for the handover, they must still make declarations in a timely manner according to the WTP declaration cycle and pay the corresponding level of rent according to their household income level; and

(c) If the tenant (including some of the family members) purchased the flat, regardless of GF or WF status, through the SSF Schemes under the HA or the Housing Society, the HA will not consider them as omitting or refusing to declare the ownership of the subject SSF property even if they have not made separate declarations to the HA.

"Tenants have the responsibility to truthfully declare to the HA when they have entered into an ASP (including a PASP) or purchased any domestic property in Hong Kong (including an uncompleted domestic property), the expected date of handover and the date of successful completion of sale and purchase. The HA shall also be informed immediately of any adjustments to the relevant dates," the spokesman emphasised.

Enhancing the declaration arrangements of the WTP

Under the existing declaration form under the WTP, all household members of a PRH tenancy are required to declare jointly whether they own any domestic property in Hong Kong, and all members of the household are jointly responsible for the truthfulness and accuracy of the contents of the declaration. The SHC endorsed the enhancement direction of the declaration arrangement. The HA will require each family member to declare individually whether they own any domestic property in Hong Kong under the WTP declaration, so as to identify those who has made false declarations for the purpose of taking enforcement measures. The member who has made false declarations will be subject to a five-year debarment for the application of PRH and liable to prosecutions.

Measures related the rationalisation of the implementation details of the WTP, will be implemented from March 31, this year onwards. "Policy on Grant of New Tenancy" and "Tenancy Management Policies" adopt the same implementation criteria as the WTP, and the relevant policies will also be implemented on the same date.