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Housing Society Safeguards Rational Use of Public Housing Resources with Measures to Combat Tenancy Abuse and Enhanced "Well-off Tenants Policy"

With prudence being one of its core values, the Hong Kong Housing Society (HKHS) is committed to safeguard rational use of public housing resources. In response to the strong demand for public housing, HKHS will implement a series of tightened measures to combat tenancy abuse, including enhancements to the "Well-off Tenants Policy" (WTP). Most of the measures will be implemented from 1 December this year, while the enhanced WTP will come into effect on 1 April 2024. In October, HKHS has put up relevant notice in all of its rental estates, and individual letters were also sent to inform tenants who have signed tenancy agreement with WTP clauses.

HKHS Director (Property Management) Sanford Poon said, "Public housing is precious social resources. The Housing Society is committed to ensuring that public housing resources are allocated in a fair and rational manner to those in genuine need. After review, measures of two main targets will be implemented by phases in short-, Short-term measures mainly cover immediate and medium- and long-terms. strengthened effort in combating abuse of public housing, such as a shortened period of non-occupation or not retaining continuous residence will be allowed. Those whose tenancies have been terminated due to breaches of tenancy agreement will be barred from re-applying for public rental housing for a period of five years. Medium-term measures include expanding the coverage WTP, and requiring more frequent declarations from WTP tenants on domestic property ownership and continuous residence. In addition, WTP tenants are required to authorise the Housing Society for checking and verifying their information with government departments as well as public and private organisations. The Housing Society will explore to extend the WTP to all of its tenants in the long run."

HKHS is currently managing a total of about 30,000 rental estate units. The following 10 measures will be implemented in three phases:

<u>Tightened measures to combat abuse of public housing</u> (Effective from 1 December 2023 and applicable to all HKHS rental estate)

- 1. For tenants of HKHS rental estates, non-occupation or not retaining regular and continuous residence are considered as tenancy abuse. Starting from 1 December, such situations of over three months will be considered as tenancy abuse.
- 2. Tenants who fail to comply with the requirement of the "Take Over Tenancy Policy" or the WTP will be required to surrender their flats. Households with temporary housing need can apply to HKHS for a Fixed Term Licence to live in the rental flats, with the maximum length of stay reduced from 12 months to four

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months under the new measures, during which HKHS will not reassess the tenants' eligibility.

- 3. Under the new measures, former HKHS tenants and all of their family members aged 18 or above at the time of tenancy termination due to making false declarations or breaching any terms of the tenancy agreement will not be allowed to re-apply for public rental housing for a period of five years starting from the day after tenancy termination. In addition, households with unsettled arrears of their former public rental housing flat will be barred from flat allocation. HKHS will report the above relevant tenant information to the Hong Kong Housing Authority in a joint effort to combat tenancy abuse.
- 4. HKHS is also in discussion with the Lands Department to make use of the property search system to proactively check and verify any ownership of domestic property by its tenants.

Enhanced "Well-off Tenants Policy" (Effective from 1 April 2024)

HKHS has launched the WTP since 1 September 2018, which requires concerned tenants to declare their income and assets on a regular basis, with dedicated personnel and a "central audit team" conducting follow-up actions and investigation. Tenants who are proven to have abused public housing or owned any domestic property in Hong Kong will have their tenancies terminated.

- 5. Starting from 1 April next year, HKHS will expand the coverage of the current WTP to all tenants who have to sign new tenancy agreements, including but not limited to existing tenants whose tenancy will be taken over by the spouse or flat transfer for any reasons such as redevelopment, under-occupation, overcrowding, "Cross Generation Living Scheme", etc.
- 6. The declaration arrangements will also be revised. Under the current policy, tenants are required to declare whether the tenants and all family members own any domestic property in Hong Kong after living in the rental flats for five years. Upon flat occupation for 10 years, tenants are required to make the second declaration, and thereafter declare biennially on domestic property ownership, household income and assets. Under the new policy, all tenants who have signed tenancy agreements with WTP clauses are required to declare whether the tenants and all family members own any domestic property in Hong Kong every two years upon tenancy commencement. For any changes of family status during their tenancy, biennial declaration will be imposed irrespective of the length of occupation.

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- 7. The new measures also require households and all family members to declare to HKHS within one month after acquiring a domestic property in Hong Kong (including entering into any agreement) and to surrender their rental flats.
- 8. The new measures also required tenants to make declarations every two years that they have continuously resided in the units and are complied with the terms in the tenancy agreement regarding occupancy status, such as not to assign or sublet the unit; not to engage in illegal activities in the unit or use the unit for non-domestic purposes.
- 9. Tenants are required to authorise HKHS to check and verify their information with government departments and public / private organisations to ensure the eligibility of tenants.
- 10. In the long run, HKHS will consider extending the WTP to all tenants of its rental estates.

HKHS has adopted a multi-pronged approach to monitor the occupancy status of tenants by means of regular home visits and proactive follow-up on reported abuse cases etc. Special attention will also be given to cases that may involve non-occupation and low utility consumption such as water and electricity. In the long run, the home visit management system will also be digitised to facilitate monitoring.

With respect to investigation, HKHS will regularise home visit arrangements during non-office hours, has stepped up efforts in raising awareness through tenant education, and expanded reporting channels, including the introduction of an e-form on HKHS's website, to facilitate the report of suspected abuse of public rental housing resources.

HKHS reiterates that tenants who are proven to have abused public housing, refuse or fail to make declarations will have their tenancies terminated, and the tenants are required to surrender their flats. Those who knowingly give false statement when making declarations are liable to prosecution. An appeal mechanism has been set up by HKHS for flat recovery cases. Tenants can lodge appeal to the HKHS's Appeal Panel within 15 calendar days after the date on which the "Notice-to-Quit" has been issued.

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