

Section A

Chapter 11: Tenants Purchase Scheme

The Hong Kong Housing Authority (HA) has accepted the Government's recommendation to halt the sale of public rental housing (PRH) units under the Tenants Purchase Scheme (TPS) after the last TPS Phase 6B. PRH units in existing TPS estates will continue to be available for sale to sitting tenants.

The 2019 Policy Address proposed that the HA make active preparations with a view to accelerating the sale of the existing unsold flats in the TPS estates. To encourage sitting tenants to purchase the flats they are residing, the HA once provided a 17.5% discount for one year starting from 1 September 2020 to sitting tenants who no longer enjoyed any discount. The HA endorsed in July 2020 putting up recovered TPS flats for sale in the annual Home Ownership Scheme (HOS) and Green Form Subsidised Home Ownership Scheme (GSH) sale exercises to eligible Green Form (GF) applicants.

The HA endorsed in April 2023 tightening of eligibility criteria for GF applicants for subsidised sale flats and the revised eligibility criteria that PRH tenants applying to purchase subsidised sale flats (SSFs) as GF applicants would be subject to the same restrictions on ownership of domestic property in Hong Kong applicable to White Form applicants. The above revised eligibility criteria are implemented with effect from the application commencement date of HOS 2023 onwards, i.e. 31 July 2023. The revised criteria apply to (a) flats put up for sale from HOS 2023 onwards (including HOS and GSH flats, and recovered TPS flats); and (b) flats with premium unpaid in the Secondary Market and TPS flats purchased by tenants residing therein. The HA endorsed in June 2023 regularising the sale of recovered TPS flats and setting the target buyers of recovered TPS flats as those with GF status and eligible applicants of PRH Express Flat Allocation Scheme (EFAS).

Eligibility to Purchase a TPS Flat by Sitting tenants

Sitting tenants of TPS estates can apply to purchase a TPS flat subject to fulfillment of the following conditions -

1. The purchaser must be the tenant or an authorised occupant listed in the tenancy agreement. All authorised occupants listed in the tenancy agreement should be included in the same Letter of Offer.
2. The purchaser must be 18 years of age or above.
3. Spouses of the purchaser and respective authorised occupants must be listed in the same Letter of Offer unless they are lawfully divorced or do not have the right to land in Hong

Kong (Addition to or deletion from the tenancy should be carried out in accordance with current regulations).

4. The purchaser and the authorised occupants listed in the tenancy agreement must not be in breach of any conditions of the existing tenancy agreement.
5. If the purchaser or any of the authorised occupants is served with a Notice to Quit by the HA, the Letter of Offer he/she has submitted will not be accepted even if the tenant has lodged an appeal against the termination of the tenancy. The intention money will be refunded to the purchaser in full without any interest.
6. The Tenant and authorised occupant(s) (including the purchaser) or any of them has/have not, during the period from 24 months preceding the date of the Letter of Offer and up to the date of acceptance of the purchaser's offer by the HA in writing:
 - (i) owned or co-owned any domestic property in Hong Kong or any interest in such kind of property; or
 - (ii) entered into any agreement which is still valid and subsisting (including preliminary agreement) to purchase any domestic property in Hong Kong; or
 - (iii) owned or co-owned more than 50% of the shares in a company which directly or through a subsidiary company owned any domestic property in Hong Kong; or
 - (iv) been a beneficiary of the estate of any deceased person which includes any domestic property or land in Hong Kong; or
 - (v) assigned any domestic property in Hong Kong or any interest in such kind of property in Hong Kong (the date of assignment means the date of execution of the Deed of Assignment); or
 - (vi) withdrawn from any company which owned any domestic property in Hong Kong in which he/she and/or any one or more of them owned or co-owned more than 50% of the shares.

“domestic property” includes any domestic property, uncompleted private domestic property, rooftop structures approved by the Buildings Department, domestic building lots and small house grants approved by the Lands Department in Hong Kong.

7. Household comprising one nuclear family and occupying two rental flats can either choose to purchase or continue to rent the two flats at the same time.
(Note: Each Letter of Offer can only be used for purchasing one flat and two Letters of Offer are required for purchasing two flats.)

8. A household occupying two or more rental flats can purchase two flats at most in the name of the same purchaser and the remaining flats have to be returned to the HA. For a household comprising more than one nuclear family, they may apply for splitting and purchase the flats in the name of different purchasers according to the above requirements; alternatively, the split family can purchase their flat and the other family may continue to rent the remaining flat, provided that the following conditions are fulfilled:
 - (i) the splinter group has to be a whole nuclear family;
 - (ii) the flat to be purchased must be physically separable from those retained on rental terms;
 - (iii) the prevailing splitting criteria of the estate must be fulfilled; and
 - (iv) the splitting arrangement must be approved by the respective District Tenancy Management Office.

9. Tenants paying market rent, ex-TPS owners and any authorised persons in reverted tenancies are not eligible for the special credit.

Eligibility of GF Applicants to Purchase Recovered TPS Flats under HOS and GSH Sale Exercises

Categories of persons eligible for GF status are:

1. Households of PRH units under HA (with the exception of tenants under conditional tenancies, tenants allocated PRH units through the HA's EFAS within three years from the date of commencement of their tenancies or monthly licensees of HA Transitional Rental Housing units);
2. Households of Group A Rental Estates or Elderly Persons Flats under the Hong Kong Housing Society (HKHS) (with the exception of households of Group B Rental Estates, tenants allocated rental units through the HKHS's Express Flat Allocation Scheme for Group A Rental Estates within three years from the date of commencement of their tenancies or monthly licensees of HKHS Transitional Rental Housing units);
3. PRH applicants who have passed the detailed eligibility vetting and holding a valid Green Form Certificate ;
4. Clearees affected in clearance exercises initiated by the Government with PRH eligibility and victims of natural disasters with PRH eligibility;

5. PRH tenant's splitting/divorce cases with PRH eligibility;
6. Urban Renewal Authority clearerees (displaced tenants with PRH eligibility);
7. Former PRH tenants holding a Letter of Assurance issued by the Housing Department whose eligibility for allocation of PRH flat has been established;
8. Persons under Civil Service Public Housing Quota whose eligibility has been established and holding a valid Green Form Certificate; and
9. Recipients of the Rent Allowance for the Elderly Scheme.

Eligibility of Applicants under EFAS Exercises

Recovered TPS flats which remain unsold at the end of an HOS or GSH sale exercise will be put up for sale in the EFAS exercise which immediately follows. The eligibility criteria for buying unsold recovered TPS flats by these applicants follows existing arrangement as listed in the Application Guide for relevant EFAS exercise(s).

TPS flats available for Sale

All rental flats in the estate for sale will be available for purchase, except the following types of flats:

1. flats under the Housing for Senior Citizens Scheme and Small Household Blocks;
2. flats for welfare purposes; and
3. flats with shared facilities (such as toilet, kitchen and main entrance).