

## **Section B**

### **Chapter 7: Policy on Grant of New Tenancy**

The Hong Kong Housing Authority (HA) has implemented the Policy on Grant of New Tenancy (GNT) since 5 February 1999. On the other hand, to ensure that efforts would be focused on allocating public rental housing (PRH) resources to those with more pressing housing needs, the HA's Subsidised Housing Committee (SHC) endorsed the revisions to the "Well-off Tenants Policies" (WTP) and consequential amendments to the Policy on GNT, and relevant implementation details on 9 December 2016 and 14 February 2017 respectively, which have been implemented with effect from 1 October 2017. Furthermore, with a view to safeguarding the rational use of PRH resources, the HA endorsed on 24 May 2023 the enhanced WTP. Thereafter, SHC endorsed tightening of the WTP and rationalising the implementation details on 21 March 2025. Since Policy on GNT adopts the same implementation standard with WTP, the Policy on GNT is also revised accordingly.

Upon the death or moving out (Note 1) of a tenant, the surviving spouse who is an authorized member (AP) of the PRH flat and is residing in the premises may take over the tenancy unconditionally. However, for those households who failed the comprehensive means test (CMT) covering both income and assets (Note 2) but passed domestic property test (DPT) (Note 3) were approved for continuation of PRH tenancies under the WTP due to tenants' receiving/ eligible for receiving Social Welfare Department (SWD)'s Disability Allowance (DA) (Note 4), upon the death or moving out of the concerned tenants, if the households do not have other family members receiving/ eligible for receiving SWD's DA, the concerned households are required to be reassessed their eligibility for continuous living in the PRH flats, including passing the CMT and DPT, even if the applicant for change of tenant is the surviving spouse. Where there is no surviving spouse in the tenancy, the tenancy may be granted to an authorized member (Note 5) who is an AP residing in the PRH flat. However, this household has to undergo a comprehensive means test (CMT) covering both income and assets (Note 2), and the domestic property test (DPT) (Note 3), in order to determine the eligibility for grant of a new tenancy and the level of rent payable.

The following PRH households will be exempted from the CMT and DPT applicable under the GNT Policy:

- (1) households on shared tenancies;
- (2) households who have nominated an elderly member to be the principal tenant under the "Families with Elderly Persons Priority Scheme" (renamed as "Harmonious Families Priority Scheme") before the effective date (i.e. 5 February 1999) of the GNT Policy (Note 6);
- (3) households who have appointed an elderly member to be the principal tenant under the previous "Enhancement Schemes for Sitting Tenants" before the effective date (i.e. 5 February 1999) of the GNT Policy (Note 6);

- (4) households with all family members receiving Comprehensive Social Security Assistance (CSSA);
- (5) households with all family members aged 60 or above;
- (6) compassionate and special cases recommended by the relevant government departments/ organizations;
- (7) households with all family members receiving/ eligible for receiving SWD's Disability Allowance (DA) (Note 4); and
- (8) households with all family members in different combinations of (4), (5) and (7) above.

The GNT policy adopts the income and asset limits used in the WTP for CMT (reviewed annually).

The following limits take effect from 1 April 2025 and are subject to annual review -

<b>Household Size</b>	<b>Income Limits (per month) (2 times the 2025/2026 Public Rental Housing Income Limits)</b>	<b>Income Limits (per month) (3 times the 2025/2026 Public Rental Housing Income Limits)</b>	<b>Income Limits (per month) (5 times the 2025/2026 Public Rental Housing Income Limits)</b>	<b>Net Asset Limits (100 times the 2025/2026 Public Rental Housing Income Limits)</b>
1 person	\$26,180	\$39,270	\$65,450	\$1,310,000*
2 persons	\$40,460	\$60,690	\$101,150	\$2,030,000*
3 persons	\$50,200	\$75,300	\$125,500	\$2,510,000*
4 persons	\$62,000	\$93,000	\$155,000	\$3,100,000
5 persons	\$77,300	\$115,950	\$193,250	\$3,870,000
6 persons	\$90,880	\$136,320	\$227,200	\$4,550,000
7 persons	\$99,860	\$149,790	\$249,650	\$5,000,000
8 persons	\$111,660	\$167,490	\$279,150	\$5,590,000
9 persons	\$123,140	\$184,710	\$307,850	\$6,160,000
10 persons or more	\$134,360	\$201,540	\$335,900	\$6,720,000

\* The net asset limits for 1-person, 2-person and 3-person households with all members aged over 55 are the same as that of a 4-person household, i.e. \$3,100,000

For households who do not have domestic property ownership in Hong Kong and whose total household net asset value does not exceed 100 times the Public Rental Housing Income Limits (PRHILs), if their total household income does not exceed 2 times the PRHILs, they will be granted a new tenancy and pay normal rent. If their total household income falls between 2 and 3 times the PRHILs, they will be granted a new tenancy and pay 1.5 times net rent plus rates. If their total household income falls

between 3 and 5 times the PRHILs, they will be granted a new tenancy and pay double net rent plus rates. For households with family member(s) (not all family members of the household) receiving/ eligible for receiving SWD's DA, they can continue to live in their PRH flats even if their total household income and/ or total household net asset value exceed the relevant limits. However, they will need to pay the corresponding rent (Note 7) based on their income level. For households with domestic property ownership in Hong Kong, they will not be granted a new tenancy and are required to vacate their PRH flats, even if they have member(s) receiving/ eligible for receiving SWD's DA (Note 8).

Households acquiring a new tenancy under the GNT Policy, irrespective of their length of residence in PRH, will be required to declare biennially (Note 9) the occupancy status; and household income and assets pursuant to the WTP, including whether they own any domestic property in Hong Kong, so as to determine the eligibility for continuous renting the PRH and the level of rent payable.

For households with domestic property ownership in Hong Kong/ total household income exceeds 5 times the PRHILs/ total household net asset value exceeds 100 times the PRHILs, or those who choose not to declare household income/ assets/ whether they own any domestic property in Hong Kong, they will not be granted a new tenancy and are required to vacate their PRH flats. Those still in need of accommodation may, before expiry of Notice-to-quit, apply to the HA for a fixed-term licence to stay temporarily in PRH flats they are occupying for a maximum period of 4 months. During the temporary stay, they are required to pay licence fee equivalent to double net rent plus rates or market rent (whichever is higher). Whether during the 4-month licence period or upon the expiry of the licence period, HD will not reassess the households' eligibility for continuous living in the PRH flats and they are required to vacate their PRH flats and move out.

If extra-rent payers can prove that their total household income has dropped below/ between the prescribed PRHILs for a continuous period of 3 months, they may apply for reversion to payment of lower rent. If the drop in total household income is of permanent nature, they may apply immediately.

The implementation of the GNT Policy is also applicable to licensees of interim housing.

### **Tightening Up the WTP**

In order to allocate resources properly, the SHC has endorsed tightening of the WTP on 21 March 2025, 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. PRH tenants with income levels exceeding four times but not five times the PRHILs after two declaration cycles (i.e. four years) must also vacate their flats. As the “Policy on GNT” adopts the same implementation criteria as the WTP, the new rent level will be determined starting from applications received from 1 October 2025 onwards.

- Note 1: Reasons for moving out include admitted into Residential Care Homes for the Elderly, joining the Portable Comprehensive Social Security Assistance Scheme for Elderly Persons Retiring to Guangdong & Fujian Province, joining the Guangdong Scheme and Fujian Scheme, etc.
- Note 2: Total household income does not exceed 5 times the PRHILs and total household net asset value does not exceed 100 times the PRHILs.
- Note 3: Domestic property test (DPT), i.e. the applicant and/ or his/ her family members must not:
- (i) own or co-own any domestic property in Hong Kong or any interest in such kind of property; or
  - (ii) enter into any agreement (including preliminary agreement) to purchase any domestic property in Hong Kong; or
  - (iii) own more than 50% of the shares in a company which directly or through a subsidiary company own any domestic property in Hong Kong; or
  - (iv) be a beneficiary of the estate of any deceased person which includes any domestic property or land in Hong Kong.
- “Domestic properties” include 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.
- Note 4: If the households concerned can submit a Medical Assessment Report issued by the Director of Health or the Chief Executive of Hospital Authority or a registered medical practitioner of a private hospital, certifying that the “disabling condition” of the household member is assessed in accordance with the definition of such a condition under the CSSA Scheme and the Social Security Allowance Scheme in order to substantiate his/ her “disabling condition” is eligible for DA as at the assessment day as specified on the Declaration Form, or if there is a letter issued by SWD which confirms the household member’s eligibility for DA (i.e. indicating that he/ she is permanently eligible for DA or still eligible for DA as at the assessment day as specified on the Declaration Form), the households concerned will be treated as the same as households with members receiving DA.

Note 5: Where there is no surviving spouse in the tenancy, the authorized members registered in the tenancy should follow the sequence below for nomination of a Principal tenant:

- (i) The adult offspring whose spouse and/ or child(ren) has/ have been registered in the tenancy;
- (ii) The adult offspring has been registered in the tenancy;
- (iii) The adult authorized member has been registered in the tenancy.

Note 6: Exemption applies to those cases with the applicant of the new tenancy of which he/ she or his/ her spouse was the applicant of the originated public rental housing (PRH) application.

Note 7: Households whose total household income does not exceed 2 times the PRHILs will be required to pay normal rent; if their total household income falls between 2 and 3 times the PRHILs, they will be required to pay 1.5 times net rent plus rates; if the total household income falls between 3 and 5 times the PRHILs, they will be required to pay double net rent plus rates; if the total household income exceeds 5 times the PRHILs, they will be required to pay double net rent plus rates or market rent (whichever is higher).

Note 8: HA endorsed on 21 March 2025 the proposals of rationalising the implementation details of the WTP with effect from 31 March 2025:

- (i) PRH tenants who have signed an Agreement for Sale and Purchase (ASP) (including a the Preliminary Agreement for Sale and Purchase (PASP)) to purchase a private domestic property or individual members of the household have purchased subsidised sale flats (SSF) with White Form (WF) status (regardless of whether the domestic property is completed or not), 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 and taking possession of the purchased property;
- (ii) During the above period, PRH tenants can continue to pay the prevailing level of rent. However, while waiting for the handover, they must still declare in a timely manner according to the WTP declaration cycle and pay the corresponding level of rent according to their household income level, which is the same as those who have purchased SSF with Green Form (GF) status; and
- (iii) If the tenant (including some of the family members) purchased the flat, regardless of GF or WF status, through the SSF Schemes under HA or Hong Kong Housing Society, HA will not consider them as omitting or refusing to declare the ownership of the subject SSF.

Note 9: First review may be less than 2 years.