

## CONSOLIDATED OPERATING ACCOUNT

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- 3.1** The Consolidated Operating Account consolidates the operating results of the HA's three businesses, i.e. Rental Housing, Commercial and Home Ownership Assistance, and the Net Non-operating Income.
- 3.2** The consolidated operating surplus for 2020/21 shown at [Appendix A](#) is projected at \$11,424 million, mainly representing the net results from the three businesses. As compared to the 2019/20 Revised Budget surplus of \$12,383 million, the decrease in 2020/21 is mainly attributable to:
- (a) the deficit in the Rental Housing Operating Account mainly due to the projected increase in various expenditure items as a result of assumed price level adjustments, while in line with past practice, no rent adjustment is assumed; and
  - (b) the lower surplus in the Home Ownership Assistance Operating Account mainly due to comparatively less number of sale completion of subsidised sale flats and higher construction costs and land costs in the year; partly offset by
  - (c) the higher surplus in the Commercial Operating Account mainly due to the rent concession by the HA to retail and factory tenants from October 2019 to March 2020, and the projected addition of new premises in 2020/21.

- 3.3** The main features of the 2020/21 operating budgets are highlighted below:-

**3.3.1** Rental Housing Operating Account ([Appendix B](#))

The deficit for 2020/21 is projected at \$703 million, a difference of \$843 million comparing to the surplus of \$140 million in 2019/20 Revised Budget. This is mainly due to the projected increase in various expenditure items as a result of assumed price level adjustment, while in line with past practice, no rent adjustment is assumed.

**3.3.2** Commercial Operating Account ([Appendix C](#))

The surplus for 2020/21 is projected at \$1,766 million which is higher than the 2019/20 Revised Budget of \$1,271 million by \$495 million. This is mainly due to the rent concession by the HA to retail and factory tenants from October 2019 to March 2020 and the projected addition of new premises in 2020/21.

**3.3.3** Home Ownership Assistance Operating Account ([Appendix D](#))

The surplus for 2020/21 is projected at \$10,357 million which is lower than the 2019/20 Revised Budget of \$10,947 million by \$590 million. This is mainly due to comparatively less number of sale completion of subsidised sale flats and higher construction costs and land costs in the year.