

申訴專員公署
Office of The Ombudsman



主動調查行動報告
Direct Investigation Operation Report

當局收回、翻新及重新編配公屋單位的安排
**Government's Arrangements for Recovery, Refurbishment
and Reallocation of Public Rental Housing Flats**

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Executive Summary

Direct Investigation Report

Government’s Arrangements for Recovery, Refurbishment and Reallocation of Public Rental Housing Flats

Introduction

Public rental housing (“PRH”) is precious social resources, the demand for which has always been very keen. The current-term Government has been making every effort to increase PRH supply to meet people’s housing needs, and its efforts are delivering tangible results. The average waiting time for PRH has reduced from 6.1 years before the current-term Government to 5.3 years as at the end of December 2024. Public housing resources should be optimised and properly allocated to those with genuine needs. On the part of PRH tenants, they are obliged to comply with the tenancy terms and should not leave their flat idle or sublet it to others.

2. Apart from increasing the supply of PRH by building more public housing estates, the Government has continued to recover flats and refurbish them for reallocation to PRH applicants. In the past five years¹, the Housing Department (“HD”) and the Hong Kong Housing Society (“HKHS”) had recovered 15,700 and 1,100 PRH flats respectively on average each year. Upon recovering PRH flats, HD and HKHS will promptly refurbish the flats and arrange for reallocation so as to shorten the waiting time for PRH.

Our Findings

3. We notice that since the current-term Government has stepped up its efforts to combat abuse of PRH, and more PRH tenants have surrendered their flats after purchasing subsidised sale flats, HD has adopted enhancement measures to accelerate reallocation of recovered PRH flats after refurbishment. Among others, HD has set up a mechanism to provide contractors with information about the housing estates where there will be vacant flats in advance, so that the contractors can make prior arrangements for the materials and manpower required for refurbishment works. HD also implemented the revised Vacant Flat Refurbishment Allowance Scheme in November

¹ HD uses a financial year while HKHS uses a calendar year in compilation of statistics.

2024 to extend the coverage of the scheme to all vacant units regardless of the age of the flat. Tenants who choose to join the scheme can complete the in-take formalities in advance.

4. The Ombudsman initiated this direct investigation operation to examine in detail relevant work of HD and HKHS including the specific procedures for refurbishing recovered PRH flats for reallocation, the workflow of recovering PRH flats, and the disposal of items left in PRH flats by previous tenants. Based on our findings, we have the following comments and recommendations.

Procedures for Recovering Flats of Deceased Singleton Tenants Should Be Improved

5. According to the current procedures, HD and HKHS will attempt to contact the relatives of singleton PRH tenants after their death to seek the relatives' assistance in clearing and vacating the flat before it is surrendered. In case no relative is available to do so, HD and HKHS will recover the flat by issuing a Notice-to-Quit ("NTQ"). Our investigation reveals that there is no mention in the prevailing guidelines of HD and HKHS of any time frames for surrender of the flat by relatives, or the procedures for following up on cases where the relatives cannot be reached.

6. There is a case where a singleton tenant of an HD housing estate passed away, and the respective estate office allowed her daughter to clear the tenant's belongings in the flat concerned. Nevertheless, the estate office had neither given the tenant's daughter a deadline for surrender of the flat nor explained what actions HD would take after the deadline (including that the items left in the flat might be discarded). The daughter mistakenly believed that she could keep the flat until she voluntarily surrendered it. As the office could not reach her despite a number of calls made, the office recovered the flat. By the time she learned that the flat was recovered, the estate office had already disposed of the items left inside.

7. In our opinion, it is reasonable that the estate office allows time for relatives of tenants to clear the tenants' belongings. Nevertheless, HD should revise its guidelines to set reasonable time frames for the relatives of singleton tenants and explain the follow-up actions to be taken after the prescribed deadline. This could allow the relatives to clear the items left in the flats while ensuring that the flats concerned will not be idled for too long in case HD cannot reach the relatives. HKHS should make reference to HD's procedures for recovering the flats of singleton tenants after their death and review its handling procedures and improve the relevant guidelines.

HKHS Should Review Procedures for Disposing of Items Left by Previous Tenants

8. According to the current procedures, HKHS staff and the bailiff officer will enter a flat recovered by way of legal proceeding for checking and counting the items left inside. Afterwards, a notice will be posted outside the flat notifying related parties that they can claim the items found in the flat within 7 days from the posting of the notice. For PRH tenants moving out after being issued an NTQ, if they only return the keys to the estate office but fail to clear their flat, HKHS staff will also check and count the items left in their flat and post a notice to inform the previous tenant or other related parties that they can go to the estate office to claim those items within 14 days. During the aforementioned 7-day and 14-day periods, HKHS will not move those items to the estate office or other places but leaving them in the flat concerned. HKHS explained that such arrangement is based on the consideration that there might be property or belonging of others inside the flat.

9. In our opinion, there is room for improvement in such arrangements. Under the aforesaid circumstances, HKHS recovers possession of the flat by going through relevant legal proceeding. Based on the terms of the tenancy agreement between HKHS and the tenant, HKHS has no obligation to keep the items left in the flat given that such items are deemed as discarded after HKHS has recovered possession of the flat. Hence, such arrangements may hinder the progress of HKHS' refurbishment and reallocation of recovered flats.

10. In this regard, HKHS should make a comprehensive review of the current procedures for handling items left by tenants and seek legal advice where necessary. After the review, if HKHS still sees the need to temporarily keep the items found in the recovered flat, it should consider moving them to other places to avoid affecting the turnover of flats.

HKHS Should be Proactive and Decisive in Handling Cases Involving Tenants' Failure to Surrender Their Flat

11. There is a case where a tenant of an HKHS housing estate assigned a representative in March 2021 to take over the keys of a subsidised sale flat he purchased. The tenant alleged that he could not surrender the original flat by the end of two calendar months from taking over of the keys (i.e. on or before 31 May 2021) as required because he was locked down in a place outside Hong Kong during the outbreak of COVID-19. However, it was not until November 2021, which was six months later, that HKHS

recovered the flat concerned. During the period, HKHS and the tenant's son had maintained communication as regards the handling of items in the flat. In our view, such passive handling amounts to conniving at the tenant's behaviour. On the premise that public resources should be optimised, HKHS should specify a time frame for surrender of flats and recover the flats in a decisive manner by taking prompt recovery action against those who fail to surrender their flat on time or provide the justification for their failure to do so.

HD Should Explore Feasibility of Expediting Recovery of PRH Flats after Issuing NTQs

12. According to the current procedures, HD will issue a Notice to Occupier and an Eviction Notice to the tenant or occupier of a PRH flat whose tenant fails to surrender the flat by the prescribed deadline in the NTQ issued by HD. The notices serve the purpose of giving the tenant or occupier 7-day and 21-day notice to vacate and surrender the flat. If the tenant or occupier still fails to surrender the flat upon expiry of the aforesaid 30 days' notice in total, HD will take action to recover the flat.

13. There is a case where a tenant who breached the tenancy terms due to failure to continuously residing at the PRH flat concerned. In August 2022, HD issued an NTQ to terminate the tenancy of the flat. During its investigation, HD also found that the tenant had leased out the flat. The tenant appealed against the NTQ. In November 2022, the Appeal Panel (Housing) rejected the appeal. HD then resumed the recovery action and issued two Notices to demand surrender of the flat by the occupier on or before 28 December 2022. There were some signs showing that the tenant continued to breach the tenancy terms and lease out the flat to make profit before the deadline of HD's recovery of the flat subsequent to the issuance of NTQ.

14. We consider that HD should be flexible and effective in handling cases, taking into consideration the actual situation of each case (especially in cases involving continuous abuse of public housing). For example, HD does not have to complete the procedures for issuing above-mentioned notices before recovering the flat concerned, or the Department can set the deadline according to the actual situation. HD should explore how the procedures for handling cases involving tenants' failure to surrender their flat upon expiry of the deadline prescribed in the NTQ can be improved. It should also maintain close communication with members of the Appeal Panel (Housing) and give due consideration to various proposals for improvement to facilitate the smooth decision making process of the Appeal Tribunal.

HKHS Should Review Requirement of Issuance of Refurbishment Works Order within 14 Days after Recovering a Flat and Create a Monitoring Mechanism

15. After a tenant moves out, HD will inspect the PRH flat and issue a refurbishment works order to the contractor within 3 days. Previously, HKHS had not set any requirement as to when a works order should be issued. After the launch of our direct investigation operation in early 2024, HKHS set the requirement of issuing the order within 14 days after recovering a flat, which is the general practice of estate offices of various housing estates in these few years to inspect a flat within 14 days after its recovery.

16. In our opinion, HKHS' existing requirement of issuing such order within 14 days might raise doubts among members of the public as to whether it is reasonable. Such practice of HKHS is also contrary to the reasonable expectation of PRH applicants that the Government would enhance the speed and effectiveness to accelerate the turnover of PRH flats. HKHS should carefully review the existing arrangements and make revision as appropriate to enhance efficiency. Besides, it should create a monitoring mechanism to ensure that its staff will adhere to the requirements in performing their duties.

HD and HKHS Should Explore Setting of Target for Reallocation Arrangement after Recovery of PRH Flats Where Feasible

17. While the refurbishment works are in progress, HD and HKHS will start in parallel the arrangements for reallocating the vacant flats to eligible PRH applicants. Nevertheless, the authorities do not have any internal guidelines or indicators in place to provide a time frame for reallocation of recovered flats. Moreover, HD's computer system does not include a function or an option for checking the time required for reallocation of PRH flats after their recovery, or a monitoring function for the same purpose.

18. We believe that PRH applicants could have more time preparing for the in-take if HD and HKHS could arrange reallocation of recovered flats as soon as practicable. In case the prospective tenant does not accept the offer of a recovered flat, the authorities may proceed with the next eligible applicant on the waiting list. We recommend that HD and HKHS explore setting of target for reallocation arrangement after recovery of PRH flats where feasible, and enhance the computer system to add functions of data

collection, statistics compilation and analysis so as to improve the efficiency of daily management.

HKHS Should Explore Feasibility of Shortening Refurbishment Period of Recovered Flats

19. At present, the key performance indicators of HD and HKHS for refurbishing a vacant PRH flat are 44 days and 60 days respectively. We have noticed that in recent years, 92% of HKHS' refurbishment works (involving 1,923 units) completed within 60 days. The number of PRH flats whose refurbishment works completed in 61 days to 90 days reduced from 89 in 2022 to 27 in 2024. We consider that HKHS should target at excellence and make a comprehensive review of the workflow and standards of refurbishment works of vacant PRH flats so as to speed up work progress and shorten the refurbishment period.

20. Furthermore, HKHS should consider introducing a scheme similar to HD's Vacant Flat Refurbishment Allowance Scheme to simplify the process for refurbishment works, hence optimal utilisation of HKHS' resources and minimal wastage.

Other Business Relating to Recovery of PRH Flats and Areas for Improvement

HKHS Should Consider Following HD's Example in Issuing a Letter of Assurance to Tenants Who Surrender Their Flat Due to Admission to Residential Care Homes or Imprisonment

21. Unlike HD's arrangements, HKHS only offers a Letter of Assurance to elderly tenants who surrender their flat after joining the Portable Comprehensive Social Security Assistance Scheme for Elderly Persons Retiring to Guangdong and Fujian Province, the Guangdong Scheme and the Fujian Scheme to offer accommodation in PRH for those elderly tenants if they return to Hong Kong in future provided that they can satisfy the prevailing eligibility criteria for PRH applications. Such arrangements are not applicable to tenants who move out for admission to residential care homes or because of imprisonment.

22. Elderly tenants may hesitate over admission to a residential care home due to worries about adaptability. If the Government makes available accommodation in PRH for them in future, it will address their concern and encourage them to receive proper care in residential care homes. On the other hand, public housing resources will be

better utilised and PRH flats so vacated can be reallocated to other families with housing needs. For tenants departing from PRH due to imprisonment, offering them assurance of public housing can help them reintegrate into society after their release from the prison.

23. We consider that HKHS should actively consider extending the coverage of issuance of Letters of Assurance to include tenants admitting to a residential care home or serving a sentence.

HKHS Should Re-examine Arrangements for Tenants' Surrender of Their PRH Flat After Acquiring Other Forms of Subsidised Housing

24. For tenants having acquired other forms of subsidised housing under the Hong Kong Housing Authority and HKHS (such as subsidised sale flats and transfer), they are required to surrender their original flat within 60 days from a prescribed date. Tenants of HD's housing estates may apply for extended stay, the period of which should not exceed 30 days. During the extended stay, tenants are required to pay an occupation fee. In our opinion, such requirement can prevent abuse of HD's discretion. Relevant requirements of HKHS are, however, different from HD's in that HKHS' tenants may apply for late surrender of their original flat and the maximum extension is 60 days, during which the tenants do not need to pay any additional fee.

25. We find it unreasonable that HKHS' tenants may apply for extended stay of a longer period, which is 30 days more than the extension granted by HD, and the extended stay of 60 days in total does not incur any occupation fee or additional cost. On the basis of fairness and optimisation of public housing resources, HKHS should make reference to HD's practice and adopt the same requirements in handling tenants' applications for extended stay.

It Is Necessary to Improve Communication with Tenants And Require Tenants to Provide Contact Information Other Than Telephone Numbers

26. Our case studies reveal that HD's estate offices were unable to contact the tenants or their relatives for the purpose of recovering the flats and handling items left in the flats in a timely manner despite a number of telephone calls made.

27. For better communication with tenants and their emergency contact persons (for singleton tenants), we consider that HD and HKHS should improve relevant

arrangements by requesting tenants and their emergency contact person to provide an email address as the electronic correspondence so that the authorities can contact them when necessary.

Our Recommendations

28. Overall, The Ombudsman has made 19 recommendations:

Recommendations to HD

- (1) improve the procedures for recovering the flats of deceased singleton tenants and revise the relevant guidelines;
- (2) strengthen staff training on recovery of flats of deceased singleton tenants to enhance staff's understanding of the revised workflow;
- (3) explore how the procedures for handling cases involving tenants' failure to vacate and surrender their flat upon expiry of the deadline prescribed in the NTQ can be improved;
- (4) maintain close communication with members of the Appeal Panel (Housing) and give due consideration to various proposals for improvement to facilitate the smooth decision making of the Appeal Tribunal;
- (5) explore setting of target for reallocation arrangement after recovery of PRH flats where feasible;
- (6) enhance the computer system to add functions of data collection, statistics compilation and analysis so as to improve the efficiency of refurbishment and reallocation of recovered PRH flats; and
- (7) improve communication with tenants and their emergency contact persons, requesting that tenants provide an email address to facilitate communication.

Recommendations to HKHS

- (8) make reference to HD's procedures for recovering the flats of deceased singleton tenants and revise the relevant guidelines;
- (9) arrange staff training after revising the guidelines on handling the tenancy matters of deceased singleton tenants;
- (10) re-examine the procedures for handling items left in PRH flats by previous tenants;
- (11) to be more proactive and decisive in handling cases of failure to surrender PRH flats;
- (12) explore appropriate revision of relevant arrangements to shorten the time frame for issuance of the refurbishment works order after recovery of a flat to less than 14 days to enhance efficiency, and create a monitoring mechanism;
- (13) re-examine the process of reallocation of recovered flats and explore setting of target for reallocation arrangement after recovery of PRH flats where feasible;
- (14) improve the computer system for statistical analysis to effectively collate information on refurbishment and reallocation of recovered PRH flats for better efficiency;
- (15) review the workflow and standards of refurbishment works of vacant PRH flats so as to speed up work progress and shorten the refurbishment period;
- (16) consider introducing a scheme similar to HD's Vacant Flat Refurbishment Allowance Scheme and study the feasibility;
- (17) consider following HD's example in issuing a Letter of Assurance to offer PRH accommodation to tenants who surrender their flat due to admission to residential care homes or imprisonment when they have housing needs in future;

- (18) re-examine the arrangements for tenants' surrender of their PRH flats after acquiring other forms of subsidised housing, and
- (19) request that tenants and their emergency contact persons provide an email address to facilitate communication.

Office of The Ombudsman
February 2025

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1

INTRODUCTION

BACKGROUND

1.1 Public rental housing (“PRH”) is precious social resources, the demand for which has always been very keen. The current-term Government has been making every effort to increase PRH supply to meet people’s housing needs, and its efforts are delivering tangible results. The average waiting time for PRH has reduced from 6.1 years before the current-term Government to 5.3 years as at the end of December 2024. Public housing resources should be optimised and properly allocated to those with genuine needs. On the part of PRH tenants, they are obliged to comply with the tenancy terms and should not leave their flats idle or sublet it to others.

1.2 Apart from increasing the supply of PRH by building more public housing estates, the Hong Kong Housing Authority (“HKHA”) and the Hong Kong Housing Society (“HKHS”) recover PRH flats due to various reasons (such as tenants passing away, moving into residential care homes, purchasing subsidised sale flats, purchasing property from the private market, or breaching the terms of tenancy agreement or voluntarily terminating the tenancy and surrendering their flats) and reallocate those flats. In 2023/24, HKHA allocated about 23,600 PRH flats, of which around 19,700 were recovered flats and 3,900 were newly built. In recent years, HKHS has been reallocating recovered PRH flats due to the absence of newly built public housing estates. In 2024, HKHS recovered a total of 1,100 flats. Moreover, in 2024, HKHS made available, Chung Yuet Lau, a newly completed elderly housing block with 64 flats, for transfer of elderly tenants with the aim of vacating the elderly tenants’ original flats for reallocation to applicants in need on the waiting list of PRH.

1.3 The current-term Government has spared no effort to combat PRH abuse through various enhancement measures. Its determination, effort and achievement are commendable. The number of recovered PRH flats is expected to be increasing as the authorities have stepped up their efforts to combat PRH abuse, and implemented enhancement measures for subsidised sale flats together with gradual increase in the supply of subsidised sale flats.

1.4 Upon recovering PRH flats, HKHA and HKHS will refurbish the flats and concurrently arranges advance allocation of the flats undergoing refurbishment to PRH applicants. The time taken by HKHA to refurbish vacant flats depends on the scope and complexity of works. At present, the performance indicator for completion time of refurbishing a flat is an average of 44 days. The Office of The Ombudsman has noticed that, over the past three years, the average time taken to refurbish a vacant flat has been close to this performance indicator. Nevertheless, refurbishment works have occasionally taken more than 100 days to complete, with one case lasting as long as 197 days. HKHS’s performance indicator for such refurbishment is 60 days. Whether the process of recovering and refurbishing PRH flats by HKHA and HKHS is proper and efficient will directly affect whether families on the waiting list for PRH can be rehoused to PRH as soon as possible.

1.5 Furthermore, with the authorities’ enhanced efforts to combat tenancy abuse, the number of appeals from tenants of flats to be recovered has increased. Under the current procedures, the recovery of a PRH flat is suspended during an appeal. The Office is concerned about whether the appeal workflow and procedures can be improved and expedited.

1.6 On the other hand, the Office has received from time to time complaints alleging that the authorities have failed to properly dispose of items left in PRH flats by previous singleton tenants, particularly those who passed away or could not be located. For example, allegedly, the authorities discarded right away the items left in the flats without contacting the tenants concerned or their relatives, and without obtaining the tenants’ prior consent.

1.7 Against this background, The Ombudsman initiated a direct investigation operation against the Housing Department (“HD”), as the executive arm of HKHA, and HKHS pursuant to section 7(1)(a)(ii) of The Ombudsman Ordinance (Cap. 397) on 19 September 2024.

SCOPE OF INVESTIGATION

1.8 The scope of this direct investigation operation covers:

- the arrangements for and workflow of recovering PRH flats;

- handling of items left in PRH flats by previous tenants;
- the procedures for tenants' appeal against the Notice-to-quit ("NTQ");
- the arrangements for and workflow of flat refurbishment and reallocation; and
- any areas for improvement.

PROCESS OF INVESTIGATION

1.9 On 19 September 2024, the Office announced the launch of this direct investigation operation and invited views from members of the public on the topic.

1.10 On 14 January 2025, we issued a draft investigation report to HD and HKHS for comment. Their responses reached the Office on 12 and 14 February 2025 respectively. Upon considering and duly incorporating their comments, we completed this report on 18 February 2025.

2

RECOVERING PRH FLATS AND DISPOSING ITEMS LEFT IN THE FLATS

2.1 Currently, HD and HKHS manage around 810,000 and 30,000 PRH flats respectively. In addition to building new estates to increase housing supply, HD and HKHS continue to recover and refurbish PRH flats for reallocation to PRH applicants.

2.2 In general, HD and HKHS will recover a PRH flat under the following circumstances:

- (1) the tenant voluntarily surrenders the flat (such as having purchased a private flat, moving into a residential care home, etc);
- (2) the tenant surrenders the flat upon transferring to another flat or acquiring a subsidised sale flat; and
- (3) the tenant's flat is recovered after the tenant has been issued an NTQ on grounds of breach of tenancy agreement (HD and HKHS) or housing policy (HD), or for other reasons.

2.3 Based on the terms of the tenancy agreement between the Department and tenants, and the Housing Ordinance (Cap. 283), HD handles termination of tenancy and recovering of PRH flats.

2.4 HKHS is not empowered by any legislation. It can only manage tenancy matters in accordance with the terms of tenancy agreement and bring the case before the court to recover a PRH flat where necessary.

2.5 Between 2019/20 and 2023/24, HD recovered between 13,900 and 19,600 PRH flats each year, averaged at 15,735 flats per year (see **Table 1**). As at November of 2024/25, HD recovered about 14,300 PRH flats.

**Table 1: Number of PRH flats recovered by HD
(From 2019/20 to 2024/25)**

Year	No. of PRH flats recovered				Total
	Flats surrendered voluntarily by tenants (such as having purchased a private flat, moving into a residential home, etc.)	Flats surrendered upon tenants' purchase of subsidised sale flats or due to flat transfer		Flats recovered by issuance of an NTQ on grounds of breach of tenancy terms, or housing policies, or for other reasons	
		Flats surrendered after purchasing a subsidised sale flat	Flats surrendered after successfully transferring to another flat [@]		
2019/2020	4,508	5,351	4,002	1,265	15,126
2020/2021	5,192	3,996	3,609	1,218	14,015
2021/2022	5,283	3,202	4,178	1,224	13,887
2022/2023	7,754	2,862	3,511	1,947	16,074
2023/2024	7,207	6,423	3,570	2,373	19,573
2024/2025 (As at November)	5,291	4,216	3,022	1,722	14,251
Total	35,235	26,050	21,892	9,749	92,926

[@] Tenants who surrendered their flats due to transfer would be allocated another PRH flat. Hence, the total number of recovered flats was not equal to the number of units available for allocation to PRH applicants.

2.6 Between 2020 and 2024, HKHS recovered approximately 790 to 1,670 PRH flats each year, averaging around 1,100 per year (see **Table 2**).

**Table 2: Number of PRH flats recovered by HKHS
(Between 2020 and 2024)**

Year	No. of recovered flats [@]			
	Flats surrendered voluntarily by tenants	Flats surrendered by tenants due to transfer or upon purchase of subsidised sale flats	Flats recovered after issuance of an NTQ on grounds of breach of tenancy terms, or tenancy policies, or for other reasons	Total
2020	338	434	13	785
2021	415	1,241	18	1,674
2022	492	357	19	868
2023	508	451	30	989
2024	571	420	38	1,029
Total	2,324	2,903	118	5,345

[@] Some recovered flats were excluded from reallocation as they were frozen for some reasons, such as redevelopment of housing estates.

PRH FLATS SURRENDERED VOLUNTARILY BY TENANTS

HD

2.7 The tenancy agreement requires that tenants who wish to surrender the tenancy voluntarily shall notify HKHA in writing at least one calendar month¹ in advance, with the tenancy ending on the last day of a calendar month, and vacate and surrender the flat to HD on or before the date of termination of the tenancy agreed by both parties. Tenants are required to complete the notification form of moving-out which sets out the reason for surrender of tenancy and the effective date. Prior to surrendering the flat, the tenants should reinstate the original fixtures and fittings and remove those added by them at their own expense, and clear the flat of all furniture, sundries and refuse, or otherwise bear the expense for the necessary cleansing and repair services plus any administrative costs incurred. In case the tenants fail to settle the aforementioned charges, HD may recover the amount of money from the rental deposit of the flat.

¹ To expedite flat recovery, HKHA has adopted a more flexible and lenient approach regarding the notice period for surrender of flats by tenants. In practice, a minimum notice period of 14 days is accepted.

HKHS

2.8 HKHS adopts similar tenancy surrender procedures as HD. Tenants intending to surrender their tenancy must provide at least one month's written notice to the respective estate office to complete the necessary formalities, and the tenancy must end on the last day of the month. Tenants should complete the Notice of Termination, stating the reason for surrender, the effective date and a new correspondence address.

2.9 Tenants are required to vacate and surrender their flats to HKHS on or before the prescribed date in the Notice of Termination. They should reinstate the original fixtures and fittings of the flats and remove all the fixtures added, and clear the flats of all furniture, sundries and refuse. In case the tenants fail to settle the aforesaid matters, HKHS may recover the costs for the necessary cleansing and maintenance as well as the administrative cost incurred from the rental deposit of the flat.

Issuing Letters of Assurance of Future Accommodation in PRH for Certain Types of Tenants that Moved Out Voluntarily

2.10 Under the prevailing housing policy of HKHA, when recovering PRH flats from tenants who have not breached any tenancy terms but voluntarily surrendered their flats (except for cases of shared tenancy) in the following circumstances, HD may issue a letter of assurance ("LA") to the tenants, assuring them that they will be offered PRH accommodation should future housing needs arise, provided they meet the prevailing eligibility criteria for PRH application and comply with other conditions specified in the LA. Such circumstances include, inter alia:

- (1) admission to residential care home for the elderly;
- (2) joining the Portable Comprehensive Social Security Assistance Scheme ("PCSSA Scheme") for Elderly Persons Retiring to Guangdong and Fujian Province², the Guangdong Scheme ("GD Scheme") and the

² The PCSSA Scheme aims to provide cash assistance to eligible elderly recipients of Comprehensive Social Security Assistance ("CSSA") who choose to take up permanent residence in Guangdong or Fujian. The eligibility criteria for the scheme include that the applicant must be living in Guangdong or Fujian while receiving the cash assistance and that if the applicant is a PRH tenant with no other family members registered on the tenancy, he or she must surrender his or her PRH flat before departing from Hong Kong.

Fujian Scheme (“FJ Scheme”)³; and

- (3) departure from PRH due to imprisonment.

2.11 At present, HKHS only issues LAs to elderly tenants who have surrendered their flats for joining the schemes mentioned in **paragraph 2.10(2)** to assure them that they will be offered a suitable PRH flat when they move back to Hong Kong provided they meet the prevailing eligibility criteria for application for HKHS’s rental housing.

SURRENDER OF PRH FLATS UPON ACQUISITION OF OTHER FORMS OF SUBSIDISED HOUSING

HD

2.12 Under HKHA’s prevailing housing policy, PRH tenants who have acquired other forms of subsidised housing of HKHA or HKHS (such as purchasing subsidised sale flats of HKHA and HKHS, transferring to HKHA’s other PRH units and other forms of subsidised housing) are required to surrender their original PRH units to HD within 60 days counting from the following date:

- (a) the date of commencement of new PRH tenancies; or
- (b) the date of taking over keys of the subsidised flats purchased or the 10th working day from the date of signing of the deed of assignment of the flat purchased, whichever is earlier; or
- (c) the date of signing of deed of assignments of the flats purchased under HKHA’s Home Ownership Scheme (“HOS”) Secondary Market Scheme or HKHS’s Flat-for-Sale Scheme Secondary Market.

2.13 The households concerned may apply for an extended stay for a maximum of 30 days, during which they are required to pay an occupation fee equivalent to triple

³ The GD Scheme and the FJ Scheme under the Social Welfare Department’s Social Security Allowance Scheme offer two types of allowance, namely Old Age Allowance and Old Age Living Allowance, to provide monthly cash allowance for eligible Hong Kong residents who choose to reside in Guangdong or Fujian. The schemes require that if the applicant is a PRH tenant with no other family members registered on the tenancy, he or she must surrender his or her PRH flat before departing from Hong Kong.

net rent plus rates⁴. If they are already paying market rent, they will have to pay market rent or triple net rent plus rates, whichever is higher.

2.14 Between 2021/22 and 2023/24, a total of 23,700 tenants⁵ had surrendered their PRH flats to HD upon acquiring a subsidised sale flat or transferring to another PRH flat. Among them, approximately 9,400 tenants (about 40%) applied for an extended stay. On average, surrender of PRH flats took 53 days to complete.

HKHS

2.15 There are similar requirements for HKHS's housing. Tenants having acquired subsidised housing under HKHA or HKHS should surrender the original flat to HKHS within two calendar months from the dates prescribed in **paragraph 2.12**, and the tenancy must end on the last day of the month. Compared with HD's requirements, tenants of HKHS with sufficient and reasonable justification can apply for an extension of a maximum of 60 days to surrender their flats, and they are **not required** to pay any extra occupation fee during the extended stay.

FLATS RECOVERED AFTER ISSUANCE OF NTQ ON GROUNDS OF BREACH OF TENANCY TERMS, OR HOUSING POLICIES, OR FOR OTHER REASONS

HD

Issuance of NTQ

2.16 Where a PRH tenant violates any tenancy condition or housing policies, HD will terminate the lease by serving an NTQ⁶ to give the tenant at least one month's

⁴ Under HKHA's "Well-off Tenants Policies" ("WTP"), households who own domestic properties in Hong Kong, or whose total household income or total household net asset value exceeds the prescribed limit, or who fail to declare their income and assets should vacate their PRH flats. In case of temporary housing need after the issuance of NTQ, the tenants may apply for a Fixed Term Licence ("FTL") to stay in the concerned PRH flat, during which a licence fee equivalent to the double net rent plus rates or market rent, whichever is higher, is charged.

⁵ Among which, 1,300 tenants had surrendered their PRH flats upon signing the deed of assignment of the subsidised sale flats or taking over the keys of the flats purchased.

⁶ HKHA may terminate any lease otherwise, by giving such notice to quit before the deadline provided for in the lease or 1 month's notice to quit, whichever has the longer deadline.

notice to quit pursuant to section 19(1)(b) of the Housing Ordinance. For tenants who are required to surrender their flats but fail to do so in other circumstances (e.g. singleton tenants who pass away without relatives to help surrender their flats (see **para. 2.26**)), and tenants failing to surrender their original flats by the prescribed deadline after acquiring subsidised sale flats or transferring to other PRH flats (see **para. 2.12**), HD will recover the flats by issuing NTQs on the merits of individual cases.

2.17 By virtue of the Housing Ordinance, tenants may lodge an appeal in writing to the Appeal Panel (Housing) not later than 15 days after the issuance date of the NTQ (see **Chapter 3** for details of such appeal). HD will suspend recovering the flats during the appeal.

Recovery of PRH Flats

2.18 In case a tenant does not lodge an appeal and fails to vacate and surrender the flat by the deadline specified in the NTQ, HD will examine the actual situation (for instance whether the PRH flat concerned is still occupied) and consider issuing a Notice to Occupier demanding the occupier to vacate and surrender the flat within 7 days. Where the flat remains occupied upon expiry of 7-day notice, HD will issue an Eviction Notice, demanding the occupier to cease using the flat within 21 days. If the occupier fails to voluntarily surrender the flat by the deadline, HD will take action to recover the flat. If the flat is found to be unoccupied or vacant after issuance of the NTQ, HD will not issue the two aforementioned notices and will proceed directly to recover the flat.

2.19 Generally speaking, recovery of PRH flats is handled by two Housing Officers. Where resistance from the occupier is expected prior to the eviction, HD will arrange an Assistant Housing Manager and two Housing Officers during the flat recovery action. Depending on individual circumstances, HD will consider the necessity to engage the Social Welfare Department (“SWD”), the Police or the Central Mobile Operations Unit⁷ under the headquarters of HKHA for assistance.

2.20 Between 2021/22 and 2024/25 (as at July), there were 4,406 cases where HD had issued an NTQ on grounds of breach of tenancy terms or housing policies and the tenant concerned did not lodge an appeal. Among those cases, recovery of the flat concerned required more than 60 days after the expiry of NTQ in 374 cases (8.5%).

⁷ HD has established a Special Task Force to support enforcement actions in the daily management of public housing estates, including hawker control, combating illegal parking, and eviction operations.

HD explained that there were many reasons why those cases required a longer period of flat recovery, which included tenants requesting extra time for clearance of items in the flat due to special circumstances (such as death, imprisonment, hospitalisation, admission to a residential care home, etc.), cases where SWD had recommended suspension or deferral of flat recovery, and closure of the flat for investigation by the Police (see **Table 3**).

Table 3: Cases where recovery of the flat required more than 60 days after the expiry of the NTQ (From 2021/22 to 2024/25)

Year	Reasons (No. of cases)					Total
	Fixed Term Licence (“FTL”) granted ⁸	Extra time was required for clearance of the flat concerned due to special circumstances (such as death, imprisonment, hospitalisation, admission to a residential care home)	Cases with SWD’s recommendations (including suspension or deferral of recovery of flats, pending assessment of eligibility of compassionate rehousing, waiting for transitional housing, etc.)	Closure of flats for investigation by the Police	Others (including waiting for reply from other departments, being affected by anti-epidemic measures during the outbreak of COVID-19)	
2021/22	22	35	9	11	71	148
2022/23	40	20	26	23	24	133
2023/24	19	17	17	14	14	81
2024/25 (As at July)	0	5	1	3	3	12

⁸ Subject to **Note 4** and the effective WTP prior to October 2023, the validity period of an FTL should not exceed 12 months. Under the enhanced WTP introduced by HKHA on 1 October 2023, one of the measures is to shorten the maximum period of an FTL to 4 months, the tenant must move out upon expiry of the four-month period.

HKHS

Issuance of NTQs

2.21 Where a tenant has involved in serious breaches of tenancy condition or tenancy policies, or failed to surrender the flat when required to under other circumstances (where singleton tenants pass away without relatives to help surrender their flats, tenants fail to surrender their flats by the prescribed deadline after acquiring other forms of subsidised housing, etc.), HKHS will issue an NTQ to demand that the tenant move out of the flat concerned. HKHS will give at least one month's notice to the tenant in writing, requiring the latter to vacate and surrender the flat to HKHS. The tenant has the right to lodge an appeal to the Appeal Panel within 15 days from the date of issuance of the NTQ (details about appeal are set out in **Chapter 3**). For tenants having lodged an appeal, HKHS will suspend the procedures for recovering their flats.

Recovery of Flats by Bringing Cases to The Court

2.22 In case a tenant does not appeal against the NTQ but fails to surrender the flat concerned on or before the expiry of the tenancy period, HKHS will issue an overdue notice regarding the tenant's failure to surrender the flat on time, demanding immediate surrender of the flat by the tenant or occupier concerned. As its ambit is not covered by the Housing Ordinance, HKHS has to bring a case to the court for recovery of the flat under the Landlord and Tenant (Consolidation) Ordinance in the event of the tenant's refusal to surrender the flat after the issuance of the overdue notice. HKHS will take such action within 7 days from the issuance of the overdue notice. The details of HKHS's general procedures for assigning a lawyer to bring a case for flat recovery to the court (applicable to straightforward and uncontended cases) are explained in the **Appendix**.

2.23 Upon the grant of a writ of possession by the court, HKHS staff will take action together with a bailiff and a lawyer representative to recover the flat. If prior assessment concludes that the occupier may resist the recovery action or be uncooperative, HKHS staff will consider contacting the social worker responsible for the case beforehand to request assistance at the scene as well as informing the Police of the arrangements for the recovery action.

2.24 HKHS pointed out that the processing time of flat recovery cases through legal action depends on various factors such as whether the respondent will defend his

or her case and the grounds of defence, and the court’s scheduling of hearing. Moreover, in case HKHS applies for the recovery of flat to be handled by a bailiff, the time required depends on the schedules of the bailiff. Normally, the whole legal proceedings take more than 90 days.

2.25 Between 2020 and 2024, 48 out of the total number of 118 cases where the flat concerned was recovered by means of NTQs involved legal action (see **Table 2**).

RECOVERING A FLAT AFTER THE DEATH OF A SINGLETON TENANT

2.26 Both HD and HKHS will recover the flats of singleton tenants after they pass away. According to the prevailing procedures, where there is no relative, executor or administrator of the deceased tenant to surrender the flat on the deceased tenant’s behalf, HD and HKHS will recover the flat by following the procedures for issuing an NTQ.

HD

2.27 Upon learning that a singleton PRH tenant passed away, HD will try to contact his or her relative or executor or administrator to request their assistance in vacating and surrendering the flat to HD. According to the prevailing work procedures and guidelines, if the flat concerned is not occupied by others and the keys of the flat are returned by the deceased tenant’s relatives so that there is no need for forced entry, HD will, pursuant to section 19(1)(aa) of the Housing Ordinance⁹, terminate the lease of the flat. Otherwise, HD will issue an NTQ under section 19(1)(b) of the ordinance (see **Note 6**) and recover the flat after the lapse of the deadline specified in the NTQ.

2.28 Where the flat concerned is not occupied by others or has been idled after the issuance of an NTQ, HD will not issue any Notice to Occupier or Eviction Notice when the NTQ expires (see **para. 2.18**) but recover the flat right away.

⁹ “...the Authority may terminate any lease without notice, if, in the opinion of the Authority, no person authorized under the lease to occupy the land or part thereof occupies the land or part thereof”

HKHS

2.29 On its part, HKHS will first attempt to contact the relatives of the deceased tenant to seek their assistance in clearing and vacating the flat for surrender to HKHS. Where no relative is available to do so, HKHS will send the NTQ to the administrator of the deceased's estate and check with the Probate Registry to confirm whether there is any agent for the deceased tenant. If there is an agent, HKHS will serve a writ of summons to the agent via a lawyer, requesting surrender of the flat on behalf of the deceased tenant. In case of no reply, HKHS's lawyer will write to the Official Solicitor's Office and take legal action upon expiry of the NTQ by bringing the case to the court for recovering the flat.

DISPOSING OF ITEMS LEFT BY PREVIOUS TENANTS

HD

2.30 By virtue of the requirements in the Housing Ordinance and the powers conferred, HD disposes of the items left by tenants in PRH flats after their moving out. Relevant provisions in the ordinance include:

- (1) HKHA may take possession of any property found on the land from which the tenant has left following the termination of his lease (section 24(1)).
- (2) HKHA shall post, on or near the premises or place where the property is or was situated, a notice setting out details of any property of which it has taken possession and shall, in such notice, call upon any claimant to submit his claim to the property within such time as specified in the notice (section 24(2)).
- (3) HKHA may refuse to return any property of which it has taken possession unless it is satisfied that the claimant is the owner of the property (section 24(3)).
- (4) If the property concerned is not claimed within the time specified, or HKHA refuses to return it to any person, such property shall become the property of HKHA free from the rights of any person and may be disposed of by HKHA by sale or otherwise (section 24(5)).

HKHS

2.31 HKHS's ambit is not subject to the Housing Ordinance. The powers of HKHS over any item or property left in a flat after the tenant's moving out are clearly defined in the terms of the tenancy agreement established between HKHS and the tenants, including that:

- (1) Any property or item left in the flat upon expiry or early termination of the tenancy shall be deemed as discarded. HKHS has the absolute discretion to remove or dispose of such property or item in any manner which HKHS regards as appropriate, and the costs incurred shall be covered by the tenant.
- (2) HKHS shall bear no responsibility for any property or item removed or disposed of or make no compensation to the tenant for such property or item. Under no circumstances shall HKHS have the duty to return such property or item to the tenant or bear any responsibility for the value of such property or item to the tenant.

Items Left by Tenants Voluntarily Terminating The Tenancy

HD

2.32 It is stipulated in the tenancy agreement that the tenant must vacate and reinstate the flat by returning all original fixtures and fittings provided by HKHA in full and intact, and clear all unwanted furniture, sundries and refuse before surrendering the flat. Tenants who fail to do so will have to pay HKHA the costs for cleaning and maintenance services plus administration charges. On the day the tenant surrenders his or her flat, estate office staff will conduct a final check of the flat with the tenant to ensure that the flat is reinstated to its original condition and that all unwanted furniture, sundries and refuse are cleared. In case there is any item left in the flat, estate office staff will arrange for clearance and charge the tenant for the costs incurred. Where the facilities and installations in the flat are in good condition, do not pose safety hazards or affect the building structure, and comply with legal requirements, HD will generally retain them for new tenants to decide whether to continue using them so as to minimise waste.

2.33 HD pointed out that as the tenant voluntarily surrendered the tenancy and completed the formalities for returning the flat, any items left behind within the flat will be regarded as having been voluntarily discarded by the tenant, rather than being discovered by HD during the recovery of the flat. Hence, HD will not handle such item(s) in accordance with relevant provisions of the Housing Ordinance (see **para. 2.30**).

HKHS

2.34 HKHS pointed out that its rights to the items left by the tenant in the flat upon termination of the lease have been defined in the tenancy agreement. Hence, it is not necessary to initiate any legal proceedings or engage a bailiff to execute a court order for handling such item(s).

2.35 On the day the tenant surrenders his or her flat, estate office staff will conduct a final check of the flat with the tenant. The staff will inform the tenant of clearance arrangement regarding any items found in the flat and deduct the cleaning costs from the rental deposit.

Items Found When Recovering Flats

2.36 Should tenants refuse to surrender their flats after being issued an NTQ, HD will take flat recovery operation (see **para. 2.18**) while HKHS will bring the cases to the court (see **para. 2.22**) to recover the flats. HD and HKHS will handle items found in those flats in the following manner.

HD

2.37 According to HD's guidelines, HD staff will examine the items in the flat and determine whether the items are "refuse" to be discarded based on the actual situation. For example, stale food that stinks or food that turns stale easily. HD staff will take photographs of any other items found and move them to the estate office for storage. Such items will be recorded in the notice "Items in the possession of Hong Kong Housing Authority". The notice will be posted outside the flat, notifying any claimants that they may apply to retrieve the items within 14 days from the date of the notice. For flats recovered after the death of singleton tenants, the items inside the flat can only be claimed by the deceased tenants' administrator or the executor.

2.38 Items not claimed by the deadline shall become HKHA's properties (see **para. 2.30(4)**), and the respective estate office can dispose of them by means of sale by auction, or by giving them to charities or welfare organisations, or discarding them. The estate office will keep documents or items of sentimental value such as identification document, birth certificate, bank passbooks and family photographs for seven years.

HKHS

2.39 On the day the operation for recovery of flat is carried out, the estate office staff and the bailiff officer will enter the flat with the writ of possession issued by the court. The bailiff officer will check the items in the flat and record them in the list of items while the estate office staff will take photographs of the status of those items.

2.40 According to HKHS, although it has the absolute discretion to take any property or item left in the flat as discarded, it cannot rule out the possibility that there might be property or item belonging to other persons or family members. Therefore, the estate office will post a notice outside the flat to inform related parties that the court has ruled that HKHS can recover the flat and that related persons may contact HKHS's lawyer representative to claim the items in the flat within 7 days from the posting of such notice. Meanwhile, HKHS will leave those items in the flat and will not move them to the estate office or other place for temporary storage.

2.41 Besides, HKHS noted that some tenants move out of their flats after being issued an NTQ for breaches of tenancy agreement, tenancy policies or other reasons. They simply return the keys to the estate office without clearing the items in the flat. In handling these cases, the estate office will send two staff members to the flat in the presence of an independent third party¹⁰. Upon checking and counting the items, the estate office staff will post a notice to inform the previous tenant or related persons to go to the estate office within 14 days for arrangement for claiming the items in the flat. The estate office will also try to reach the previous tenant by the contact information available so that the latter can claim his or her items. Meanwhile, those items will remain in the flat.

¹⁰ HKHS usually invites people who are serving the estate or are familiar with the district where the estate is situated or housing matters as the independent third party, such as the respective District Council Member or a member of the respective resident association.

2.42 Where those items are not claimed by the aforesaid deadlines, HKHS will consider applying for a court order to sell the items by auction depending on their value in order to cover the loss of rent. As for items having only very low value or no value, HKHS will give them to charitable or non-profit-making organisations, or discard them. Moreover, the estate office will send any identification documents found to relevant government departments while items with sentimental value such as family photographs will be kept for two years.

2.43 For cases involving deceased singleton tenants, only the agent and the administrator of the deceased's estate or the executor can claim the items inside the flat by the specified deadline. Where the items remain unclaimed by the deadline, the estate office will write to the above-mentioned parties informing them that those items will be discarded or disposed of by other appropriate means.

3

APPEAL AGAINST NOTICE-TO-QUIT GIVEN

HKHA'S APPEAL MECHANISM

3.1 The Appeal Panel (Housing) (“AP (Housing)”), not being part of HKHA, is an independent statutory body established under the Housing Ordinance to determine appeals lodged against the termination of lease agreements between HKHA and its tenants.

3.2 In accordance with section 20(1) of the Housing Ordinance, where an NTQ has been given under the ordinance, the tenant may appeal to AP (Housing) not later than 15 days after the NTQ is issued. Where the chairman of AP (Housing) is satisfied that the tenant is unable to appeal by reason of ill-health, absence or other cause thought sufficient by the chairman, he may permit an appeal to be made on behalf of the tenant by a person authorised under the lease to occupy the flat.

3.3 A notice of hearing, together with a summary of facts prepared by HKHA, will be sent to the appellant by the Panel not less than 14 days before the date of hearing. The appellant may appear in person at the hearing, or may be represented by a counsel, solicitor or any person authorised by him or her provided that a written notice of such representation is given to the AP (Housing) Secretariat not less than seven working days before the date of hearing.

3.4 An appeal is heard by an appeal tribunal composed of three AP members. The hearing of an appeal shall be in public except in special circumstances. At a hearing, HKHA representatives will state the background of the case and the reasons for terminating the lease or issuing the NTQ, after which the appeal tribunal and the appellant may put questions to HKHA representatives. The appellant will then give his/her grounds of appeal, and the appeal tribunal and HKHA representatives may put questions to the appellant. After all parties have finished their statements and questions, the appeal tribunal will order the appellant, HKHA representatives and any bystanders to leave and proceed to deliberate and determine the appeal in private.

3.5 If an appellant does not appear and is not represented at an appeal hearing, the appeal tribunal may, if satisfied that the notice of hearing has been given to him or her, proceed to hear the appeal in the absence of the appellant or adjourn the hearing.

3.6 An appeal tribunal may decide to confirm, amend, suspend or cancel the NTQ. Its decision shall be final, and the appellant and HKHA will normally be notified of the tribunal’s decision in writing within 14 days after the date of hearing.

3.7 Between 2021 and 2024, each year, AP (Housing) received 722, 1,054, 1,378 and 1,846 appeals respectively, and the determinations of appeals heard are set out in **Table 4**.

**Table 4: AP (Housing)’s Determinations
(Between 2021 and 2024)**

Year	Determination			
	NTQ confirmed	NTQ amended [@]	NTQ cancelled	Total
2021	103 (44%)	87 (37%)	43 (19%)	233
2022	309 (48%)	278 (44%)	52 (8%)	639
2023	595 (59%)	347 (34%)	72 (7%)	1,014
2024	726 (65%)	232 (21%)	154 (14%)	1,112

[@] If a tenant meets the conditions specified by AP, the NTQ will be cancelled.

3.8 To expedite the processing of appeal cases, AP (Housing) streamlined the processing procedures in mid-2022 and has since then increased the number of hearings, by simplifying the verification of appellants’ identity and arranging additional hearing sessions on weekday evenings and Saturday mornings. From 2023/24 onwards, the number of AP (Housing) members has also increased substantially by nearly 20% from about 100 to 120. The average time taken by AP (Housing) to decide on an appeal upon receipt of it had reduced significantly from 4 months in 2022 to 2.5 months in 2023, and further reduced to less than 2 months in the first half of 2024.

HKHS' APPEAL MECHANISM

3.9 To ensure effective allocation of public housing resources to those in need, HKHS has implemented the “Well-off Tenants Policy” (“WTP”)¹¹ since 1 September 2018 and set up a review panel to review the appeals against NTQs issued for non-compliance with the WTP. In September 2023, HKHS revised the functions of the review panel and renamed it as “Appeal Panel” (hereinafter referred to as “HKHS AP” for ease of illustration). HKHS AP, comprising members from the management of HKHS’s different divisions/sections, is responsible for determining the appeals lodged by tenants against the termination of their tenancies through NTQs, as well as making an independent and final decision on each case.

3.10 An appeal should be lodged in writing within 15 days from the issue date of the NTQ. If a tenant is unable to lodge the appeal personally due to ill-health, absence from Hong Kong, etc., HKHS AP may consider permitting a household member listed on the tenancy agreement to lodge an appeal on behalf of the tenant provided that the supporting documents are submitted.

3.11 Upon accepting an application for appeal, HKHS AP will convene a timely meeting which does not require the presence of the appellant. HKHS AP may decide to “confirm”, “withdraw” or “suspend”¹² the NTQ.

3.12 HKHS AP received six appeals between September 2018 and December 2024. The average time taken to complete deliberation on an appeal upon receipt of it was approximately 1.5 months (see **Table 5**).

¹¹ Under the policy, new tenants of HKHS’s rental estates, household members being granted new tenancies under “Take Over Tenancy Policy” and tenants entering into new tenancy agreements due to all kinds of transfer are required to declare their household income, assets and domestic property ownership in Hong Kong in their respective declaration cycle. If a tenant’s total household income and assets exceed the prescribed limits, or if a tenant owns any domestic property in Hong Kong, he or she is required to move out of his or her flat.

¹² For affirming the decision of NTQ, HKHS will sign a new tenancy agreement containing WTP clauses with an ex-tenant, if the ex-tenant complies with the conditions specified by HKHS AP during the suspension period.

**Table 5: Appeals received by HKHS AP
(Between 2018 and 2024)**

Case	Reason for issuing NTQ	Date of receipt of the appeal	Date of the appeal hearing	Result of the appeal
1	Rent in arrears	11 December 2023	18 January 2024	NTQ confirmed and executed
2	The flat was occupied by the tenant's son after the tenant had passed away	14 March 2024	Not Applicable [@]	
3	The tenant made a false declaration	2 April 2024	16 May 2024	NTQ confirmed and executed
4	The tenant made a false declaration	5 April 2024	16 May 2024	NTQ confirmed and executed
5	The tenant made a false declaration	24 May 2024	16 July 2024	NTQ suspended
6	The household income exceeded the limit for taking over of tenancy after the death of the original tenant	25 November 2024	17 January 2025	NTQ confirmed and executed

[@] HKHS AP did not accept appeals lodged by persons not listed in the tenancy agreement. The flat concerned was subsequently recovered by way of legal action.

4

REFURBISHMENT AND REALLOCATION OF FLATS

4.1 Upon recovering PRH flats, HKHA and HKHS will refurbish the flats (except those located in housing estates scheduled for redevelopment) and concurrently arrange for flat reallocation to PRH applicants. Efficient recovery and refurbishment of PRH flats, along with early allocation, can shorten the time for housing those families on the PRH waiting list, thereby enhancing the sense of happiness and contentment of members of the public.

HD'S ARRANGEMENTS AND PROCEDURES

Inspection of Flats Prior to Tenants' Moving Out

4.2 According to the current arrangements, prior to a tenant's moving out of the flat that he or she surrenders voluntarily, HD will conduct a thorough inspection of the facilities and installations therein, including any fixtures and fittings installed by the tenant. Where the facilities and installations are in good condition, do not pose safety hazards or affect the building structure, and comply with legal requirements, HD will generally retain them for new tenants to decide whether to continue using them so as to minimise waste. If the new tenant accepts the allocation of the flat, he or she must sign an undertaking agreeing to take over the installations and fittings left by the previous tenant and to assume responsibility for the repair and maintenance. If the new tenant does not accept these terms, it will be regarded as a refusal to accept the allocation.

Vacant Flat Refurbishment Allowance Scheme

4.3 According to HD, although it undertakes refurbishment works as soon as possible after recovering flats, most tenants would prefer to move in promptly, and redo some of the works completed by HD before moving in. The Department introduced the Vacant Flat Refurbishment Allowance Scheme in 1998 to provide tenants with an

allowance if they agreed to carry out minor refurbishment works themselves after signing the tenancy agreement. This allowed tenants to move in earlier and receive an allowance for the refurbishment costs while enabling HD to allocate resources more effectively and reduce renovation costs. For flats requiring only minor repairs, tenants opting to undertake the works themselves may receive a refurbishment allowance equivalent to three months' rent.

4.4 In 2004, HD conducted a review and revised the scope of the refurbishment allowance to cover all vacant flats aged less than 21 years. Prospective tenants may choose to have HD's contractors carry out 'painting and related works' and 'minor repairs' (such as repairing kitchen, bathroom or balcony doors, door frames and ironmongeries), or receive an allowance equivalent to three to five months' rent. Prospective tenants receiving the allowance must take responsibility for minor repairs within one year. Between 2021/22 and 2023/24, each year approximately 74% of prospective tenants opted to receive the refurbishment allowance.

4.5 HD revised the scheme in August 2024 (the revised allowance scheme was implemented in the fourth quarter of 2024). In addition to extending the scope of allowance to all recovered flats regardless of age, prospective tenants opting for the refurbishment allowance are only responsible for "painting and related works". As contractors can generally complete "painting and related works" within seven days, prospective tenants who opt for the refurbishment allowance can generally be arranged to complete the in-take formalities about seven days earlier.

Carrying Out and Monitoring Refurbishment Works

4.6 HD's key performance indicator for refurbishment works is to complete them within 44 days on average, including the time required for HD to issue works orders to contractors, for contractors to carry out refurbishment works, and for the Department to inspect and accept the works. Upon a tenant vacating a flat and completing the termination of tenancy, HD will conduct a thorough inspection of the flat within three days and issue a works order to the contractor. Depending on the number of items requiring actions, the duration of refurbishment works will generally not exceed 35 days. Between 2019/20 and 2022/23, the average time required for refurbishing vacant flats consistently met this target (see **Table 6**).

**Table 6: Number of HD’s refurbishment works orders
and time required on average
(From 2019/20 to 2023/24)**

Year	No. of Works Orders [@]	Time required on average
2019/20	15,090	42 days
2020/21	13,956	38 days
2021/22	13,768	39 days
2022/23	16,759	43 days
2023/24	20,020	54 days

[@] As the refurbishment works orders for some flats recovered at year-end will only be issued in the following year, and certain recovered flats require more extensive or complex repair works, refurbishment cannot be completed within the same year. Consequently, the number of refurbishment works orders in individual years may differ from the number of recovered flats.

4.7 HD noted that the number of vacant flats undergoing refurbishment is subject to various factors, including flat transfers, in-takes of subsidised sale flats, and stepped up efforts by the Department to combat abuse of public housing. Consequently, the number of vacant flats in some estates may surge abruptly within a short period, resulting in failure to meet refurbishment targets. Taking the year 2023/24 as an example, the number of vacant flats requiring refurbishment in some estates surged sharply within a short period due to a significant number of PRH tenants surrendering their flats after acquiring subsidised housing (at least 3,000 more cases than in previous years). The average time required for refurbishing vacant flats then increased to approximately 54 days during that year.

4.8 HKHA continues to refine the arrangements for refurbishing vacant flats to expedite both refurbishment and public housing allocation. Relevant measures include:

- (1) revision of Vacant Flat Refurbishment Allowance Scheme in August 2024 to allow more prospective tenants to opt for refurbishment allowance and to complete the in-take formalities earlier (see **para. 4.5**);
- (2) establishment of a mechanism to notify contractors at least three months in advance of housing estates where units become vacant due to

acquisition of subsidised housing, so that contractors can pre-arrange materials and manpower;

- (3) requesting contractors to give priority to vacant flats already accepted by prospective tenants and expedite the works progress. Conversely, where individual flats remain unallocated as no applicants have accepted them, HD will schedule refurbishment works for those flats at a later stage.

4.9 Between 2021/22 and 2023/24, nearly 50,000 PRH flats had been recovered. 752 of those recovered flats required over 100 days for refurbishment (i.e. less than 2%), of which the works of 46 flats (i.e. less than 0.1%) were completed within 151 to 197 days, with one exceptional case taking 197 days. As regards this particular case with the longest duration, HD explained that between May and November 2023, the regional works contractor involved had to manage refurbishment works for approximately 560 flats aged between 38 and 61 years (doubling the number during the same period in 2022). The primary reason for this sudden surge in volume was that a large number of PRH tenants vacated their flats around the same period to acquire subsidised housing. Those vacated PRH flats happened to be located in the areas covered by the contractor concerned. Coupled with the fact that those flats had a relatively older average age, they required more extensive repairs, leading to the aforementioned exceptional circumstances. Furthermore, due to the persistent labour shortage in the construction industry, the contractor concerned was unable to recruit sufficient additional personnel within a short timeframe to handle the rapidly increasing workload. As a result, refurbishment works for vacant flats exceeded the standard timeframe.

4.10 HD will arrange for inspection and acceptance immediately after the contractor completes the works, with the target of completing the arrangements within four days while the actual time required depends on various factors such as the number of flats requiring refurbishment during the same period, and the scope and complexity of the works for individual flats.

4.11 HD shall draw up a refurbishment works schedule for each vacant flat, setting estimated completion dates for each key stage. The Department's works personnel shall conduct regular inspections and checks on the flats to oversee construction quality and progress.

Allocation of Flats to PRH Applicants

4.12 In accordance with the current internal procedures, if recovered flats in a housing estate do not need to be reserved for other purposes, such as carrying out works or arranging internal transfers, and excluded from allocation to PRH applicants, the respective estate office shall update the computer records of tenancy termination within five working days after flat recovery and notify HD's Allocation Section. While the refurbishment works are in progress, HD will simultaneously reallocate the vacant flats to eligible PRH applicants to accelerate both the allocation and turnover of flats. At present, HD has no internal guidelines or indicators requiring the Allocation Section to allocate flats to PRH applicants within a certain number of days after recovery. HD's computer system also lacks a pre-set function or an option for checking the time required for each flat from recovery to reallocation, or a monitoring function, such as automatically alerting staff to follow up if a recovered flat remains unallocated after a certain number of days.

4.13 HD explained that the Allocation Section has all along adhered to the principle of optimal utilisation of public housing resources and allocated PRH flats in accordance with established policies and plans to accommodate the needs of various categories of applicants. HD has always managed to immediately allocate available flats to PRH applicants upon completion of refurbishment works. The Department further pointed out that HKHA has established a number of monitoring mechanisms for PRH allocation and vacant flats, including reporting annually to HKHA's Subsidised Housing Committee on the actual PRH allocation results of the previous year and compiling estimates for the next year's allocation. Relevant documents are available on HKHA's website for public information. Moreover, HKHA publishes information on the average waiting time for PRH every quarter and updates the progress of PRH allocation monthly on its website and in newspapers. HKHA has also established key performance indicators for the vacancy rate of PRH. Members of the public may refer to relevant information on HKHA website. Furthermore, HKHA monitors the flat allocation by reviewing relevant data in its computer system, such as flats available for allocation but not yet allocated.

4.14 In HD's opinion, HKHA allocates PRH in accordance with the existing allocation policy and established procedures, and it has effectively enhanced allocation efficiency and effectiveness. As mentioned in **paragraph 4.6** above, the key performance indicator of HD for refurbishing works is to complete them within 44 days on average. That includes the time required for the Department to issue works orders

to contractors, for contractors to carry out refurbishment works, and for the Department to inspect and accept the works. To expedite the allocation of PRH, HKHA will simultaneously reallocate vacant flats undergoing refurbishment works to eligible PRH applicants. Successful applicants will be issued an offer letter once the refurbishment works orders have been issued. Upon completion of the refurbishment works, the successful applicants will be able to move into their flats immediately. Therefore, the time required for reallocating recovered flats to PRH applicants does not affect the time that applicants can move into the flats. Since the allocation process will be coordinated with the refurbishment works and completed during the course of the works, HD considers it unnecessary to set a separate performance indicator for the interval between flat recovery and reallocation to PRH applicants.

4.15 HD further explained that although its computer system does not have a pre-set function or an option for checking the time required for reallocation of PRH flats after their recovery, or a related monitoring function, the Allocation Section would start to allocate flats to PRH applicants promptly after the refurbishment works order has been issued, and issue offer letters to the successful applicants. HKHA has closely monitored the overall vacancy and allocation progress of PRH, and reviewed from time to time relevant data in the computer system, and regularly monitored flat allocation by compiling reports. It has also optimised the computer system in a timely manner to enhance efficiency in flat allocation, thereby enabling PRH applicants to move into flats as soon as practicable.

4.16 HD will issue offer letters to eligible PRH applicants who have been allocated a flat. Applicants will have approximately 10 days to consider whether to accept the offer. Site visits will be arranged for prospective tenants to understand the condition of the flat so that they can decide whether to accept the allocation and opt for the refurbishment allowance (see **para. 4.3**). During the site visits, HD staff will inform prospective tenants of the scope of refurbishment works and the expected completion date. If prospective tenants accept the allocation, HD staff will notify them separately to complete the in-take formalities after the refurbishment works are completed. Where the allocation is declined, HD will continue to allocate the flats to other eligible PRH applicants.

HKHS' ARRANGEMENTS AND PROCEDURES

Inspections Prior to Tenants' Moving Out

4.17 Estate office staff will inspect the flat on the day the tenant vacates it. Generally speaking, HKHS requires tenants to remove all internal additions or alterations upon termination of tenancy. Nevertheless, in individual cases, staff may assess whether such fittings are suitable for retention for the new tenant based on such factors as safety, hygiene, legal requirements, and the condition of the fittings. Should the new tenant agree to accept the fittings left by the previous tenant, they must sign a 'consent form for retention of fittings left by previous tenant'. In case the new tenant declines to accept them, HKHS will not allocate another flat to the new tenant but will have the fittings removed before the tenancy commences, and reinstate the original fittings provided by HKHS as necessary.

Carrying Out and Monitoring Refurbishment Works

4.18 Previously, HKHS had no established guidelines or indicators in place regarding the schedule for estate offices to conduct on-site inspections and issue refurbishment works orders to contractors after recovery of flats. Based on works records from recent years, estate offices usually conducted inspections and issued works orders within 14 days after recovery of flats.

4.19 Following the preliminary inquiry initiated by the Office in early 2024 as part of this direct investigation operation, HKHS reviewed the relevant circumstances and required estate offices to issue refurbishment works orders within 14 days after recovery of flats. According to information provided by HKHS, of the 798 refurbishment works orders issued in 2024 for recovered PRH flats requiring refurbishment, approximately 743 (93%) were issued after staff's inspections within 14 days after recovery of flats. The longest delay recorded was 45 days after flat recovery.

4.20 Under the contracts signed between HKHS and contractors, contractors must complete refurbishment works within 60 days of the works order being issued. Once the works commence, HKHS staff will conduct timely inspections of the refurbished flats. In the event of delays or substandard work quality, contractors will be required to rectify the issues, expedite the progress, and repair any substandard areas.

4.21 Between 2022 and 2024, HKHS issued refurbishment works orders for a total of 2,212 recovered flats. Of these, 2,087 flats completed the refurbishment works (excluding 125 flats where contractors had not yet reported completion and the construction period had not yet reached 60 days). Approximately 92% of the refurbishment works (involving 1,923 units) were completed within 60 days¹³ (see **Table 7**). The main reasons for failure to meet the time frame for refurbishment works in other flats included: approved extensions due to works spanning the Chinese New Year holiday period, contractor’s delays, material delivery delays caused by the pandemic, and adverse weather conditions.

**Table 7: Number of HKHS’s flats refurbished and the time required
(Between 2022 and 2024)**

Year	No. of refurbished flats	No. of refurbishment works completed within 60 days (Percentage)
2022	651	560 (86%)
2023	763	717 (94%)
2024	798	646 (96%) [@]

[@] As of 20 January 2025, excluding 125 flats for which the contractors have not yet reported completion of works and the works period has not yet reached 60 days.

Allocation of Flats to PRH Applicants

4.22 Currently, HKHS has no established guidelines in place providing the interval between the recovery of flats and reallocation to PRH applicants on the waiting list. Normally, HKHS staff will wait until the refurbishment works have reached the mid-stage before initiating the allocation process.

4.23 HKHS will notify in writing the first eligible PRH applicant in the order of the waiting list. Successful applicants may generally contact the estate office to arrange an initial inspection of the flat, and they must complete the relevant reply slip within seven days to confirm acceptance of the offer. Where the first eligible applicant on the waiting list declines the offer, HKHS will allocate the flat to the next eligible applicant on the waiting list.

¹³ In 2024, the average duration of refurbishment works was 52 days.

5

CASE STUDIES

5.1 Apart from examining the pertinent complaints received, the Office has, in this direct investigation operation, also reviewed the relevant working guidelines and manuals provided by HD and HKHS as well as other related case records to gain an understanding of the follow-up actions taken by HD and HKHS on the recovery of PRH flats.

Case (1)

5.2 On 9 November 2023, the property management office (“PMO”) of an HD estate was informed by the Police that a female was found dead in a PRH flat of the estate. The flat concerned was occupied by an elderly tenant who lived alone. HD’s tenancy management office (“TMO”) managing the estate concerned subsequently confirmed with the Police the identity of the deceased.

5.3 On 27 November, the tenant’s daughter called the PMO to enquire about surrendering the flat on her mother’s behalf and packing the items left, and provided her telephone numbers in Hong Kong and the Mainland. On the following day, the Police unsealed the flat in the presence of the tenant’s daughter and PMO staff who then allowed the daughter to enter the flat to pack her mother’s belongings. The daughter did not inform any security guard or the PMO when she left the flat on that day. In a subsequent inspection, a security guard found the metal gate of the flat locked and the main door closed.

5.4 Thereafter, the daughter had not contacted the PMO. Between December 2023 and January 2024, the PMO had repeatedly called her Hong Kong telephone number, but the calls went unanswered. HD explained that as the PMO was mainly responsible for receiving local PRH tenants to deal with matters relating to tenancy and property management, they had been contacting the daughter at her Hong Kong telephone number.

5.5 HD already verified that the deceased found in the flat was the subject tenant, which means that the flat concerned was no longer occupied by the person authorised under the lease. Considering that no one had surrendered the flat on her behalf, HD recovered the flat on 1 February 2024 pursuant to the Housing Ordinance to prevent the flat from being left idle for too long. In accordance with the procedures, HD posted a notice outside the flat informing the owner or any claimant that they should collect the items within 14 days. As no one claimed the items within that period, they became HKHA's property in accordance with the Housing Ordinance. The PMO disposed of them afterwards.

5.6 In June 2024, the tenant's daughter complained to the Office against HD for failing to endeavour to contact her before recovering the flat and removing the items therein, querying that HD's actions were unreasonable and unlawful.

Case Analysis

5.7 The Office considers it reasonable of HD to allow time for the deceased tenant's daughter who resided in the Mainland to pack the items left in the flat. However, the estate office did not explain to her the time frame for retaining the flat, leading her to mistakenly believe that the flat could be kept until she finished packing the items. This case reflects that there is room for improvement in the procedures for recovering flats of singleton tenants after their death.

Case (2)

5.8 A tenant of one of HD's housing estates failed to return the 2022 Declaration Form under Housing Subsidy Policy and Policy on Safeguarding Rational Allocation of Public Housing Resources by the deadline of 31 May 2022, and the estate office was unable to contact the tenant despite repeated visits to her flat and telephone calls in the following months. HD's investigation revealed that the tenant and her son had settled overseas for a long period of time and their failure to retain regular and continuous residence in the flat was in breach of tenancy terms. Hence, HD issued an NTQ to terminate her tenancy.

5.9 In March 2023, HD took action to recover the flat. Upon entering the flat, the staff noticed foul odour from the clothes in the wardrobe, and cockroaches and fish moths in the cooking utensils and books, which they immediately discarded for hygienic

reasons. HD staff also arranged cleaning workers to dispose of the torn furniture on the same day. Staff took photographs of the remaining items within the flat before moving them to the estate office's store room, and then posted a notice outside the flat informing the complainant that she could claim them within 14 days.

5.10 The tenant returned to Hong Kong in June 2023. During her meeting with the estate office staff, she pointed out that she had provided the telephone number of her son's overseas residence and queried why the staff had not contacted her prior to flat recovery action and that she could have come back to Hong Kong to collect her belongings in the flat. The tenant was also dissatisfied that the estate office had casually discarded the items in her flat.

Case Analysis

5.11 PRH tenants are obliged to understand and comply with the requirement of continuous residence in their flats. Tenants who need to leave Hong Kong due to special circumstances should notify the estate office and provide such means of contact as the office considers practicable. In accordance with the law, HD had followed the established procedures to recover the flat concerned and dispose of the items therein. However, this case reflects that there is room for improvement in HD's arrangement for contacting tenants.

Case (3)

5.12 In April 2023, HD received a report on the letting of a PRH flat through an online rental platform. After preliminary investigation, HD identified the flat concerned for further investigation.

5.13 The flat was registered to a singleton tenant. The investigation revealed that the tenant had been away from Hong Kong for 1,220 days during the period of 1,473 days from 1 July 2019 to 12 July 2023. Since his departure on 26 January 2022, the tenant had no record of entry into Hong Kong as of 12 July 2023 (i.e. 533 days). In addition, the investigation also found that the setting and furnishings of his flat matched with the pictures posted on the webpage of the online rental platform, confirming that the flat under investigation was indeed the flat listed for lease. In the course of the investigation, HD staff inspected the flat on a number of occasions, including two inspections in which unauthorised persons were seen.

5.14 Given that the tenant had breached the tenancy terms by failing to retain regular and continuous residence, HD issued an NTQ on 22 August 2023 and terminated the tenancy agreement on 30 September.

5.15 On 24 August, AP (Housing) received an appeal from the tenant, who authorised his nephew to represent him in the appeal. The appeal hearing was held on 23 November. AP (Housing) confirmed the NTQ issued by HD and informed the tenant and HD of the hearing result on 27 November.

5.16 From late November to early December, there were increments in the water and electricity consumption of the flat, indicating that the flat was still in use. On 28 November, HD issued a Notice to Occupier to demand surrender of the flat within seven days. On the expiry date, the estate office called the tenant's nephew, but he said he was unable to surrender the flat. On 7 December, HD issued an Eviction Notice to the tenant, giving him a 21-day notice to surrender the flat (i.e. on or before 28 December 2023).

5.17 On 21 December, the estate office staff visited the flat and came across two unauthorised persons who indicated that they had rented a private flat and would move out by 26 December. The estate office staff contacted the tenant's nephew on 28 December and was informed that he had entrusted a friend to surrender the flat on his behalf, and that the rent in arrears would be paid after his return to Hong Kong on 10 January 2024. Later on, the nephew's friend attempted to surrender the flat at the management office, but he did not have the tenant's authorisation letter. On the same day, the estate office took action to recover the flat.

Case Analysis

5.18 In view of the fact that it took HD four months from the issuance of the NTQ on 22 August 2023 to the successful recovery of the flat on 28 December 2023, the Office considers that this case reflects that there is room for the Department to explore ways of expediting the procedures for recovering flats.

Case (4)

5.19 A household of an HKHS estate visited their relatives overseas in early 2020 and were stranded there due to the COVID-19 pandemic. On 3 March 2021, they

appointed a representative to take over the keys of the subsidised sale flat they had purchased earlier. According to the relevant regulations, the tenant was required to surrender his PRH flat to HKHS within two calendar months after taking over the keys of the subsidised flat purchased, and the date of surrender should be the end of the month (see **paras 2.12 and 2.15**).

5.20 Having learnt that the tenant had taken over the keys of the flat, the estate office contacted him and requested him to surrender his PRH flat before the specified deadline. Despite repeated communications, the tenant still failed to confirm the date of his return to Hong Kong and the date of surrendering the flat. In July 2021, the tenant's son notified the estate office that the elderly tenant and his wife, who had not yet received COVID-19 vaccines, could not return to Hong Kong. He requested the estate office allow them more time to handle the matter.

5.21 Considering that the issue had remained unresolved for almost four months and the tenant had been given sufficient time to arrange for surrendering the flat, the estate office decided to issue an NTQ on 30 July 2021, requiring the tenant to surrender the flat by 31 August.

5.22 As the tenant failed to surrender the flat in time, the estate office issued a final notice on 1 September requiring the tenant to surrender the flat immediately, failing which legal action would be taken to recover the flat without further notice.

5.23 On 4 October, the tenant's son contacted the estate office requesting that the office wait until their return to Hong Kong before handling the surrender of the flat. On 12 October, HKHS replied to the tenant through solicitors, rejecting their request. On the same day, the tenant's son contacted the estate office again, indicating that he would send the keys of the flat to his friend in Hong Kong who would then surrender the flat on behalf of the tenant. He also requested that HKHS keep the items found in the flat.

5.24 On 18 October, HKHS replied to the tenant's son through solicitors, rejecting his request of 12 October, but decided to suspend the legal action and requested the surrender of the flat by 1 November. On 28 October and 4 November, the tenant's son notified the estate office that he had already sent the keys to his friend in Hong Kong and was arranging for clearance of the flat.

5.25 On 5 November, HKHS replied to the tenant through solicitors that the legal action would be suspended until 10 November. On that day, HKHS received the keys of the flat through a courier and recovered the flat.

Case Analysis

5.26 The flat concerned was left vacant from early 2020 until November 2021 when it was recovered by HKHS. The Office has already commented on the work in combating abuse of public housing resources in the report of another direct investigation operation “Government’s Work in Combating Abuse of Public Housing Resources”. This case also demonstrates that HKHS could have been more proactive and decisive in dealing with non-surrendered flats.

6

OUR COMMENTS AND RECOMMENDATIONS

PREFACE

6.1 Housing policy is the foremost among the objectives of the Sixth-term Government. The Government has implemented a new strategy on enhancing speed, efficiency, quantity and quality in order to significantly increase PRH supply, thereby accelerating allocation of flats to PRH applicants on the waiting list. The measures have been bearing fruit and the efforts are commendable.

6.2 As discussed in previous chapters, HD and HKHS have continued to recover and refurbish PRH flats for reallocation to PRH applicants in addition to building new housing estates. In the past five financial years and the past five years, HD and HKHS had respectively recovered 15,700 and 1,100 PRH flats on average each year (see **paras. 2.5 and 2.6**). As the Government has stepped up its efforts to combat abuse of PRH, together with the implementation of enhancement measures for subsidised sale flats, and the increasing supply of subsidised sale flats, the number of recovered PRH flats is expected to increase continually (see **para. 1.3**). HD and HKHS's prompt refurbishment and allocation of the flats recovered is conducive to shortening the waiting time for PRH applicants.

6.3 Based on the findings of this investigation, the Office has the following observations and comments on the arrangements and work of HD and HKHS in recovering PRH flats.

6.4 We notice that since the current-term Government has stepped up its efforts to combat abuse of public housing, and more PRH tenants have surrendered their flats after purchasing subsidised sale flats, HD has already adopted enhancement measures to accelerate reallocation of recovered PRH flats after refurbishment. For example, HD has set up a mechanism to provide contractors with information about the housing estates where there will be vacant flats in advance, so that the contractors can make prior arrangements for the materials and manpower for the works (see **para.4.8**).

6.5 Moreover, HD implemented the revised Vacant Flat Refurbishment Allowance Scheme in November 2024 to expand the scope of the scheme to all vacant units regardless of the age of the flat. Tenants who choose to join the scheme can complete the in-take formalities earlier (see **para. 4.8**).

6.6 While we consider the aforementioned new measures laudable, our direct investigation operation has identified areas for enhancement of the work of HD and HKHS in expediting the turnover of PRH flats to ensure that such precious housing resources can be fully utilised, thus saving those with genuine housing needs the long waiting time. Accordingly, we have the following recommendations:

(I) PROCEDURES FOR RECOVERING FLATS OF DECEASED SINGLETON TENANTS SHOULD BE IMPROVED

6.7 According to the current procedures, HD and HKHS will attempt to contact the relatives of deceased singleton PRH tenants to seek their assistance in clearing and vacating the flat before it is surrendered. In case no relative is available to do so, HD will recover the flat by issuing an NTQ under the Housing Ordinance while HKHS will bring the case to the court to recover the flat (see **paras. 2.27 and 2.29**).

6.8 All items left behind by PRH tenants when they pass away will go to their estate, among which there may be items with sentimental value for the tenants' relatives. In our view, it is sensible and reasonable of HD and HKHS to allow the deceased tenants' relatives to handle the items left in the flats concerned. Nevertheless, there is no mention in the prevailing guidelines of HD and HKHS of any time frames for surrender of the flat by relatives, or the procedures for following up cases where the relatives cannot be reached.

6.9 **Case (1)** has revealed a similar situation. The flat concerned accommodated a singleton elderly tenant whose daughter contacted the respective estate office after her mother's death to enquire about surrender of the flat and handling of items therein. The respective estate office allowed the daughter to enter the flat for clearing the items. The tenant's daughter did not inform the estate office whether she had finished the clearance, and the office could not reach her despite a number of calls made. In the end, the estate office recovered the flat pursuant to the Housing Ordinance. By the time the daughter learned about the recovery of flat, the estate office had already disposed of the items left inside.

6.10 This Office considers it reasonable that the estate office allowed time for the tenant's daughter who resided in the Mainland to clear the flat. Nevertheless, the office had neither given her any time frame for keeping the flat nor explained what actions HD would take after the deadline (including that the items left in the flat might be disposed of). It was the daughter's mistaken belief that she could keep the flat until she voluntarily surrendered it.

6.11 In our opinion, HD should review the procedures for recovery of flats of singleton tenants after their death and revise the relevant guidelines accordingly to set an appropriate time frame for the relatives of singleton tenants and explain the follow up actions to be taken after the deadline. On the one hand, this could give allowance to the relatives so that they could dispose of the items in the flats. On the other hand, it can ensure that the flats concerned would not be idled for too long if HD cannot reach the relatives. Following the revision of relevant guidelines, HD should strengthen staff training on the recovery of flats from deceased singleton tenants to enhance their understanding of the revised workflow.

6.12 We notice that the relevant guidelines of HKHS lack specific instructions on how to follow up on cases similar to the aforesaid situation. We consider that HKHS should use this case as a reference to review and enhance the procedures for recovering flats from deceased singleton tenants, with a view to improving the guidelines and strengthening staff training in this regard.

(II) HKHS SHOULD REVIEW PROCEDURES FOR DISPOSING OF ITEMS LEFT BY PREVIOUS TENANTS

6.13 According to the current procedures, HKHS staff and the bailiff officer will enter flats recovered by way of legal proceedings with the writ of possession issued by the court in order to count and check the items left in the flats concerned. Afterwards, a notice will be posted outside the flats notifying related parties that they can contact the lawyer representative of HKHS and claim the items within 7 days from the posting of the notice (see **para. 2.40**).

6.14 For PRH tenants moving out and returning the keys to the estate office after being issued an NTQ for breaches of tenancy terms, tenancy policies or other reasons, but failing to clear the flat, HKHS staff will count and check the items in the flat

concerned and post a notice to inform the previous tenant or other related parties that they can go to the estate office to claim those items within 14 days. During the aforementioned 7-day and 14-day periods, HKHS will not move those items to the estate office or other places for storage but leaving them in the flats concerned (see **para. 2.41**). HKHS explained that such arrangement is based on the consideration that there might be property or belonging of others inside the flats.

6.15 In our opinion, there is room for improvement in such arrangements. HKHS recovers the possession of flats by going through relevant legal proceedings. Besides, based on the terms of the tenancy agreement, HKHS has no obligation to keep the items left in the flats given that such items are deemed as discarded after HKHS has recovered possession of the flats (see **para. 2.31**). Hence, such arrangement may hinder the progress of HKHS's refurbishment and reallocation of recovered flats.

6.16 In this regard, HKHS should make a comprehensive review of the current procedures for handling items left by tenants and seek legal advice where necessary. After the review, if HKHS still sees the need to temporarily keep the items found in the recovered flats, it should consider moving them to other places to avoid affecting the turnover of flats.

(III) HKHS SHOULD BE PROACTIVE AND DECISIVE IN HANDLING CASES INVOLVING TENANTS' FAILURE TO SURRENDER THEIR FLATSS

6.17 HKHS lacked positive steps in handling **Case (4)**. Putting aside the fact that the tenant had already left Hong Kong personally and his flat had been idled as early as 2020, he had appointed a representative to take over the keys of the subsidised sale flat on his behalf on 3 March 2021. The original flat should have been surrendered to HKHS within two calendar months, i.e. on or before 31 May 2021 as required. However, it was not until November 2021, which was six months later, that HKHS recovered the flat concerned. During the period, HKHS and the tenant's son had maintained communication as regards the handling of items in the flat. In our view, such passive handling amounts to conniving at the tenant's behaviour. HKHS explained that the flat concerned was scheduled for redevelopment, and its allocation had been frozen, meaning it would not be reallocated. After seeking legal advice, HKHS believed that the recovery process could not be expedited through legal means in the short term. As a result, HKHS decided to suspend the legal proceedings and

instead agreed with the tenant on a mutually acceptable date for surrendering the flat. Nevertheless, we are of the view that public resources should be optimised, and HKHS should specify a time frame for surrender of flats and recover the flats in a decisive manner by taking prompt recovery action against those who fail to surrender their flats on time or provide the justification for their failure to do so.

(IV) HD SHOULD EXPLORE FEASIBILITY OF EXPEDITING RECOVERY OF PRH FLATS AFTER ISSUING NTQS

6.18 Subject to the Housing Ordinance, HD may give the tenant at least one month’s notice to move out of the PRH flat after issuance of an NTQ (see **para. 2.16**). In case a tenant does not lodge an appeal and fails to vacate and surrender the flat by the prescribed deadline in the NTQ, HD will consider the actual situation and issue a Notice to Occupier and an Eviction Notice to give the tenant or occupier 7-day and 21-day notice to vacate and surrender the flat. If the tenant or occupier still fails to surrender the flat upon expiry of the aforesaid 30 days’ notice in total, HD will take action to recover the flat.

6.19 HD pointed out that the Housing Ordinance does not stipulate that the Department must issue the aforesaid two notices before initiating recovery action. The workflow for issuing these notices has been formulated with reference to the procedures for execution of writs of possession by the Bailiff Section¹⁴ under the Judiciary.

6.20 **Case (3)** concerns HD’s termination of the tenancy of a PRH flat by issuing an NTQ, on the grounds that the tenant had breached the tenancy terms by failing to continuously reside at the flat concerned. During its investigation, HD also found that the tenant had leased out the flat.

6.21 After AP (Housing) had confirmed the NTQ on 23 November 2023, HD took recovery action. As the flat concerned remained occupied, HD issued a Notice to Occupier and then an Eviction Notice to demand surrender of the flat by the occupier on or before 28 December 2023 (see **para. 5.16**). Meanwhile, HD staff had come across two unauthorised persons while visiting the flat and those persons indicated that they had rent a private flat and would move out before 26 December.

¹⁴ The bailiff officer will serve the notice to the occupier informing the latter that he or she must move out of the land or property within 7 days. In case the place is still occupied after 7 days, the bailiff officer will fix another date of surrender of the place.

6.22 There were some signs showing that the tenant continued to breach the tenancy terms and lease out the flat to make profit before the deadline of HD's recovery of the flat subsequent to the issuance of NTQ.

6.23 Given that the issuance of Notice to Occupier and Eviction Notice and the time frame specified in the notices are not subject to statutory requirements, we consider that HD should be flexible and effective in handling cases, taking into consideration the actual situation of each case (especially those cases involving continuous abuse of public housing). For example, HD did not have to complete the procedures for issuing the aforesaid two notices before recovering the flat concerned, or the Department could duly set the deadline according to the actual situation. HD should explore how the procedures for handling cases involving tenants' failure to surrender their flats upon expiry of the deadline prescribed in the NTQ can be improved.

6.24 As HKHS's ambit is not subject to the Housing Ordinance, HKHS can only recover the flat by way of legal proceedings.

6.25 On the other hand, AP (Housing) has streamlined procedures and increased the frequency of hearings since mid-2022 to expedite the processing of appeal cases. The average time from receiving an appeal to reaching a decision has now been reduced to approximately two months, which is half the previous duration, and is encouraging (see **para. 3.8**). HKHA's efforts in this regard deserve recognition. We notice that at HKHA's Annual Special Open Meeting held on 7 June 2024, a member suggested that given the significant number of members of AP (Housing) with legal backgrounds, they could offer recommendations on streamlining and expediting appeal processes and procedures. At HKHA's Open Meeting on 12 July, the then Director of Housing welcomed views from the Chairman and members of AP (Housing) on this matter. HD has been listening to and following up on these views at the biannual briefing sessions for AP (Housing).

6.26 We consider that HD should maintain close communication with members of AP (Housing) and give due consideration to various proposals for improvement to facilitate the smooth decision making process of the Appeal Tribunal.

6.27 As for HKHS, from the establishment of its Appeal Panel in September 2018 to August 2024, it received six appeals (see **para. 3.12**), with an average processing time of approximately one and a half months. In our view, HKHS should undertake a timely review to examine whether there is room for streamlining its processing procedures, in

anticipation of a potential rise in appeal cases resulting from strengthened efforts to combat public housing abuse.

(V) HKHS SHOULD REVIEW REQUIREMENT OF ISSUANCE OF REFURBISHMENT WORKS ORDER WITHIN 14 DAYS AFTER RECOVERING A FLAT AND CREATE A MONITORING MECHANISM

6.28 Currently, the key performance indicators of HD and HKHS for refurbishing a vacant PRH flat are 44 days and 60 days respectively. Both indicators commence from the date the refurbishment works order issued to the contractor (see **paras. 4.6 and 4.20**). As to when the works order is issued, HD's arrangement is to complete the process within three days of recovering the flat, whereas HKHS previously had no such stipulation and it was reviewed only after this Office commenced a preliminary inquiry in early 2024. Based on the operational practices observed over recent years, where estate offices usually conducted inspections within 14 days of recovery of flats, a requirement was established mandating that work orders must be issued within 14 days (see **paras. 4.18 and 4.19**).

6.29 In our opinion, compared to HD's practice of issuing works orders within three days, HKHS's existing 14-day requirement may raise doubts among members of the public as to whether it is reasonable. Such practice of HKHS is also contrary to the reasonable expectation of PRH applicants that the Government would enhance the speed and effectiveness to accelerate the turnover of PRH flats. HKHS should carefully review all relevant factors and circumstances, and make revision to the existing requirements as appropriate to enhance efficiency of refurbishment of recovered flats. Besides, it should create a monitoring mechanism to ensure that its staff will adhere to the requirements in performing their duties.

(VI) HD AND HKHS SHOULD EXPLORE SETTING OF TARGET FOR REALLOCATION ARRANGEMENT AFTER RECOVERY OF PRH FLATS WHERE FEASIBLE

6.30 While the refurbishment works are in progress, HD will start in parallel the arrangements for reallocating the vacant flats to eligible PRH applicants to accelerate allocation and turnover of flats. Nevertheless, HD does not have any internal

guidelines or indicators in place to provide a time frame for reallocation of recovered flats. Although HD explained that successful applicants will be able to move into their flats upon completion of the refurbishment works, and that the time required for reallocating recovered flats to PRH applicants does not affect when applicants can move into the flats (see **para. 4.14**), we find that timely reallocation of flats could allow PRH applicants more time to prepare for the in-take. In case the prospective tenant does not accept the offer of a recovered flat, the authorities may proceed with the next eligible applicant on the waiting list.

6.31 Moreover, HD's computer system does not include a function or an option for checking the time required for reallocation of PRH flats after their recovery, or a monitoring function for the same purpose (see **para. 4.12**).

6.32 Currently, HKHS has no established guidelines in place providing the interval between the recovery of flats and reallocation to PRH applicants on the waiting list. Normally, HKHS staff will wait until the refurbishment works have reached the mid-stage before initiating the allocation process. Given that HKHS's contractors are currently required to complete the refurbishment of a vacant unit within 60 days, arranging reallocation only around 30 days after the works commences is far from ideal.

6.33 We are of the view that HD and HKHS should explore setting of target for reallocation arrangement after recovery of PRH flats where feasible, and enhance the computer system to add functions of data collection, statistics compilation and analysis so as to improve the efficiency of daily management.

(VII) HKHS SHOULD EXPLORE FEASIBILITY OF SHORTENING REFURBISHMENT PERIOD OF RECOVERED FLATS

6.34 According to HKHS, a total of 2,087 flats had been recovered between 2022 and 2024. Approximately 92% of the refurbishment works (involving 1,923 units) were completed within 60 days (see **para. 4.21**). We notice that the number of PRH flats whose refurbishment works completed in 61 days to 90 days reduced from 89 in 2022 to 27 in 2024. Among these, only three PRH flats required more than 90 days to complete the works.

6.35 We consider that HKHS should target at excellence and make a comprehensive review of the workflow and standards of refurbishment works of a vacant PRH flats so as to speed up work progress and shorten the refurbishment period.

6.36 Furthermore, HKHS should consider introducing a scheme similar to HD's Vacant Flat Refurbishment Allowance Scheme (see **para. 4.3**) to simplify the process for refurbishment works. As the Government has stepped up its efforts to combat abuse of public housing, and more PRH tenants have purchased subsidised sale flats, the number of vacant flats requiring follow-up action is expected to increase. Refurbishment allowance will enable optimal utilisation of HKHS's resources and minimal wastage. Prospective tenants can also flexibly use the subsidy to suit their family's specific needs.

(VIII) OTHER BUSINESS RELATING TO RECOVERY OF PRH FLATS AND AREAS FOR IMPROVEMENT

(1) HKHS Should Consider Following HD's Example in Issuing a Letter of Assurance to Tenants Who Surrender Their Flat Due to Admission to Residential Care Homes or Imprisonment

6.37 Unlike HD's arrangements, HKHS only offers a Letter of Assurance to elderly tenants who surrender their flats after joining the Portable Comprehensive Social Security Assistance Scheme for Elderly Persons Retiring to Guangdong and Fujian Province, the Guangdong Scheme and the Fujian Scheme to offer accommodation in PRH for those elderly tenants if they return to Hong Kong in future provided that they can satisfy the prevailing eligibility criteria for PRH applications. Such arrangements are not applicable to tenants who move out for admission to residential care homes or because of imprisonment (see **para. 2.11**).

6.38 Elderly tenants may hesitate over admission to a residential care home due to worries about adaptability. If the Government makes available accommodation in PRH for them in future, it will address their concern and encourage them to receive proper care in residential care homes. On the other hand, public housing resources will be better utilised and PRH flats so vacated can be reallocated to other families with housing needs. For tenants departing from PRH due to imprisonment, offering them assurance of public housing can help them reintegrate into society after their release from the prison.

6.39 We consider that HKHS should actively consider extending the coverage of issuance of Letters of Assurance to include tenants admitting to a residential care home or serving a sentence.

(2) HKHS Should Re-examine Arrangements for Tenants' Surrender of Their PRH Flats After Acquiring Other Forms of Subsidised Housing

6.40 For tenants having acquired other forms of subsidised housing under HKHA and HKHS (such as subsidised sale flats and transfer), they are required to surrender their original flats within 60 days from a prescribed date (HKHS tenants are required to terminate their tenancy at the end of a month, thus the date on which they surrender their flats may exceed the 60-day timeframe) (see **para. 2.12**). When tenants acquire another form of subsidised housing, they are concurrently occupying two subsidised flats. Hence, they should surrender their original flats as soon as possible. The 60-day grace period reflects consideration of tenants' practical needs in arranging renovation and relocation to their new flats. Considering the special needs of tenants, HD allows tenants to apply for extended stay, the period of which should not exceed 30 days. During the extended stay, tenants are required to pay an occupation fee. In our opinion, such requirement can prevent abuse of HD's discretion. Relevant requirements of HKHS are, however, different from HD's in that HKHS's tenants may apply for late surrender of their original flats and the maximum extension is 60 days, during which the tenants do not need to pay any additional fee (see **para. 2.15**).

6.41 Given that subsidised housing under HKHA and HKHS is previous social resources, we find it unsatisfactory that HKHS's tenants may apply for extended stay of another 30 days, and the extended stay of 60 days in total does not incur any occupation fee or additional cost. In our opinion, on the basis of fairness and optimisation of public housing resources, HKHS should make reference to HD's practice and adopt the same requirements in handling tenants' applications for extended stay.

(3) It Is Necessary to Improve Communication with Tenants And Require Tenants to Provide Contact Information Other Than Telephone Numbers

6.42 In **Case (1)**, the PMO had repeatedly called the tenant's daughter to follow up on recovery of the flat, but the calls went unanswered. As the PMO relied solely on her Hong Kong phone number on record, it did not attempt to contact her through her Mainland number. Similarly, in **Case (2)**, HD staff did not call the complainant's son at his overseas residence because the office records only accepted his Hong Kong phone number. Since estate offices primarily serve local PRH tenants and handle their tenancy and property management matters, and the offices usually approach tenants by means of home visits and local phone calls, it is understandable that they rely on Hong Kong phone numbers to contact tenants.

6.43 For better communication with tenants and their emergency contact persons (for singleton tenants), we consider that HD and HKHS should improve relevant arrangements by requesting tenants and their emergency contact person to provide an email address as the electronic correspondence so that the authorities can contact them when necessary. For example, a field for an email address can be added to documents used during the in-take process and to the periodic declaration forms that tenants are required to complete. Staff may also request email addresses from tenants or their family members during home visits.

RECOMMENDATIONS

6.44 Overall, The Ombudsman has made the following 19 recommendations:

Recommendations to HD

- (1) improve the procedures for recovering the flats of deceased singleton tenants and revise the relevant guidelines (see **para. 6.11**);
- (2) strengthen staff training on recovery of flats of deceased singleton tenants to enhance staff's understanding of the revised workflow (see **para. 6.11**);
- (3) explore how the procedures for handling cases involving tenants' failure to vacate and surrender their flats upon expiry of the deadline prescribed in the NTQ can be improved (see **para. 6.23**);
- (4) maintain close communication with members of AP (Housing) and give due consideration to various proposals for improvement to facilitate the smooth decision making of the Appeal Tribunal (see **para. 6.26**);
- (5) explore setting of target for reallocation arrangement after recovery of PRH flats where feasible (see **para. 6.33**);
- (6) enhance the computer system to add functions of data collection, statistics compilation and analysis so as to improve the efficiency of refurbishment and reallocation of recovered PRH flats (see **para. 6.33**); and

- (7) improve communication with tenants and their emergency contact persons, requesting that tenants provide an email address to facilitate communication (see **para. 6.43**).

Recommendations to HKHS

- (8) make reference to HD's procedures for recovering the flats of deceased singleton tenants and revise the relevant guidelines (see **para. 6.12**);
- (9) arrange staff training after revising the guidelines on handling the tenancy matters of deceased singleton tenants (see **para. 6.12**);
- (10) re-examine the procedures for handling items left in PRH flats by previous tenants (see **para. 6.16**);
- (11) to be more proactive and decisive in handling cases of failure to surrender PRH flats (see **para. 6.17**);
- (12) explore appropriate revision of relevant arrangements to shorten the time frame for issuance of the refurbishment works order after recovery of a flat to less than 14 days to enhance efficiency, and create a monitoring mechanism (see **para. 6.29**);
- (13) re-examine the process of reallocation of recovered flats and explore setting of target for reallocation arrangement after recovery of PRH flats where feasible (see **para. 6.33**);
- (14) improve the computer system for statistical analysis to effectively collate information on refurbishment and reallocation of recovered PRH flats for better efficiency (see **para. 6.33**);
- (15) review the workflow and standards of refurbishment works of vacant PRH flats so as to speed up work progress and shorten the refurbishment period (see **para. 6.35**);
- (16) consider introducing a scheme similar to HD's Vacant Flat Refurbishment Allowance Scheme and study the feasibility (see **para. 6.36**);

- (17) consider following HD’s example in issuing a Letter of Assurance to offer PRH accommodation to tenants who surrender their flats due to admission to residential care homes or imprisonment when they have housing needs in future (see **para. 6.39**);
- (18) re-examine the arrangements for tenants’ surrender of their PRH flats after acquiring other forms of subsidised housing (see **para. 6.41**); and
- (19) request that tenants and their emergency contact persons provide an email address to facilitate communication (see **para. 6.43**).

ACKNOWLEDGEMENTS

6.45 The Ombudsman thanks HD and HKHS for their cooperation in the course of this investigation.

Office of The Ombudsman

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Appendix

General Procedures for HKHS to Engage Solicitors to Apply to the Court for Recovery of Flats

Procedure	Relevant Action
Appointing a law firm	Within seven days from the date of issue of a notice of late surrendering, HKHS will appoint a law firm to take legal action by applying to the District Court for a Writ of Summons for recovery of the flat.
Service of writ of summons	The solicitor will serve the Writ of Summons on the ex-tenant or occupier of the flat. According to the District Court, the date of service is normally the seventh day after the writ is sent by post or inserted through the letter box, and the ex-tenant or occupier must file an acknowledgement of service with the Court within 14 days of the date of service.
Application for judgment	If the ex-tenant or occupier fails, within the prescribed time, to file an acknowledgement of service with the Court or indicate that he or she does not intend to defend, HKHS will apply to the Court for a judgment in favour of HKHS, which usually takes several weeks to be granted.
Service of judgment	The judgment will be posted outside the flat three times in the presence of the respective representative of the solicitor and the estate office, giving the ex-tenant or occupier a time frame for surrendering the flat, which is normally 14 days in total.
Application for writ of possession	If the ex-tenant or occupier fails to surrender the flat by the deadline, the solicitor will apply to the Court for a Writ of Possession and for execution of recovery process by a bailiff. It normally takes more than one month to draft and obtain the Court's permission to issue a Writ of Possession.
Service of Notice-to-Quit	After the Writ of Possession is granted by the Court, the bailiff, together with a representative of the estate office, will serve a Notice-to-Quit three times. It normally takes two weeks for the bailiff to prepare. The ex-tenant or occupier is required to vacate the flat within 7 days.

Procedure	Relevant Action
Recovery of flat	A representative of the estate office, together with the bailiff, will recover the flat; if necessary, a locksmith will be called upon to break into the flat in the presence of the bailiff.
Disposal of property and assets	If there are still property and assets in the flat, the bailiff will conduct an inventory by recording the property found on-site in a List of Items and taking photos of them to record their condition. HKHS will consider applying to the Court for an “order for sale” to auction off the items on the list.
Retrieving possession	The bailiff will hand over the keys and possession of the flat to the estate office.