

## Tutorial Video: “Regulated Tenancies of Subdivided Units - How to complete Form AR1”

Time Stamp	Narration
00:00	<p>This video introduces how to complete Form AR1 to make a second term offer for a ‘regulated tenancy’ of subdivided units.</p> <p>Two months before the start of the second term tenancy, a landlord must make an offer by serving Form AR1 on the tenant.</p> <p>If a landlord fails to make a valid second term offer to the tenant via the Form AR1 within the offer period, the landlord shall be deemed to have renewed the tenancy with the tenant at the rent last payable by the tenant for the first term tenancy under the law.</p> <p>But if the control percentage is a negative figure, the renewed rent has to be reduced downward by that percentage.</p>
00:38	<p>The Form AR1 should be completed in duplicate.</p>
00:43	<p>Items (1) and (2) are for stating the landlord and tenant’s names.</p>
00:47	<p>Then in item (3), tick a box to indicate the type of the subdivided unit leased and write down its description.</p>
00:55	<p>And then write the full address of the unit in which the subdivided unit is situated.</p>
01:00	<p>Item (4) is for filling in the commencement date of the second term tenancy.</p>
01:05	<p>In item (5), the landlord must state the proposed amount of rent for the second term tenancy and sign.</p> <p>Renewed rent is regulated. You may use the “<b>Second Term Tenancy Rent Calculator</b>” on RVD’s website to calculate the maximum amount of renewed rent, or watch the video “<b>How to use the Second Term Tenancy Rent Calculator</b>” for more details.</p> <p>If the tenant accepts the rent stated in item (5), he/she must sign the Form in duplicate in item (6) to signify acceptance before the expiry of the first term tenancy.</p>
01:39	<p>Although it is not a legal requirement, the tenant may negotiate with the landlord on the rent amount.</p> <p>If the rent is agreed, the revised rent should be stated in item (7) and both parties sign the form in duplicate before the expiry of the first term tenancy.</p> <p>If the tenant does not return the signed Forms AR1 to the landlord before the expiry of the first term tenancy, the tenant is taken to have rejected the offer and will not be granted the second term tenancy.</p>
02:07	<p>Item (8) indicates that except the tenancy period and the rent amount, all the terms and conditions should be the same as those contained in the first term tenancy. In any event, no terms or conditions of the second term tenancy should contravene the Ordinance.</p>

02:23	<p>After receiving the Form AR1 signed by the tenant in duplicate, the landlord must arrange the Forms to be stamped. Also, the landlord should return one copy of the stamped Form to the tenant within 30 days, and keep the other copy for his or her own.</p> <p>Landlord is not required to submit the Form AR1 to the Commissioner of Rating and Valuation. However, the landlord must, within 60 days after the second term tenancy commences, submit a Notice of Tenancy (Form AR2).</p>
02:52	<p>Please visit the website <a href="http://www.rvd.gov.hk">www.rvd.gov.hk</a> of the Rating and Valuation Department for more details.</p> <p>Tel no: 2150 8303</p>