

## **Information Paper for Legislative Council Panel on Housing**

### **Enhancement of Transparency in the Formulation of Deed of Mutual Covenant for Tenants Purchase Scheme Estates**

#### **Purpose**

This paper sets out the Administration's responses to the suggestions raised at the meeting of the Panel on 2 April 2001, during discussion of the procedures and guidelines for formulating the Deed of Mutual Covenant (DMC) for estates for sale under the Tenants Purchase Scheme.

#### **Repairs and maintenance works prior to sale**

2. Members suggested that all repairs and maintenance works should be completed before TPS flats are put up for sale. Approximately 9 months prior to the sale of an estate under the Tenant Purchase Scheme, the Housing Department would inspect the buildings' conditions and carry out any necessary repair and maintenance works. At the same time, tenants are also invited to submit requests for repair of fixtures within individual flats. This notification arrangement gives the Housing Department sufficient lead-time to complete any necessary repairs and ensure that the repair exercise is as thorough and comprehensive as possible. When the flats are on offer for sale, purchasers are invited again to submit final requests for repair at the time of submitting their applications for purchase. The Housing Department will ensure the completion of any outstanding repair works within three months of the requests as far as possible.

#### **Common areas within estate boundary**

3. Members asked why the responsibility of maintaining some common areas and facilities should fall on owners of flats sold under the Tenants Purchase Scheme and whether such areas and facilities could be excluded from the boundaries of TPS estates. It is a common condition

under the land grants that lot owners are required to maintain areas and facilities built within the boundary of the development which serve the development and are used primarily by its residents. These areas and facilities may include walkways connecting to facilities such as parks and bus terminus. This principle applies to private sector developments and TPS estates alike. The Housing Authority as owner of the unsold flats and non-domestic developments within the estate boundary, such as shopping centre, would also contribute to the management expenses for common areas and facilities in proportion to the management shares it holds under the DMC alongside other owners.

4. The determination of lot boundaries of developments is based on the original project boundaries, which include any associated slopes formed for the development and areas and facilities, such as estate roads, open space and recreational facilities, built in connection with and mainly serve the owners of the development. The lot owners, while enjoying the benefit of ownership and usage, are also required to bear the responsibilities for their maintenance in line with the user pays principle. Common areas such as estate roads, slopes and open space intended to serve a TPS estate cannot be excluded from its boundary.

### **Compliance with the Buildings Ordinance**

5. Members have also expressed concern about compliance of TPS flats with statutory building controls. Although the buildings constructed by the Housing Authority are exempt from the Buildings Ordinance, their design and construction comply with the prevailing building regulations. The buildings are safe in all respects. The Housing Department will work closely with the Buildings Department to address any BO compliance issues of TPS estates before their sale.

### **Consultation with Tenants**

6. Members have requested the Administration to seek tenants' views on the common areas to be included in the boundary of a TPS estate before its DMC is finalised for sale. Commencing from TPS Phase 5, which will be launched in early 2002, the Housing Department will provide Estate Management Advisory Committees (EMAC) with a set of

typical DMC clauses and the Vesting Order for the estate concerned six months in advance. The views from residents will be gathered and considered in processing the Government Lease and DMC in liaison with the Lands Department and other relevant government departments.

Housing Department  
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