

Legislative Council Panel on Housing

Management of Housing Authority's Estates with Mixed Tenure

Purpose

This paper informs Members of the management arrangements for Housing Authority's housing estates with mixed tenure, i.e. with both owner-occupiers and tenants.

Background

2. Mixed tenure is common in most housing developments in Hong Kong. With the launch of the Tenants Purchase Scheme and the Mortgage Subsidy Scheme in 1998 and the Buy or Rent Option in 1999, many public housing estates also feature mixed tenure. Under the assisted home ownership schemes, owners can sell or let their flats after five years, resulting in mixed tenure within a development. A list of the 137 Housing Authority estates with mixed tenure is at the **Annex**.

Management Arrangements for Housing Authority's Mixed Tenure Housing Developments

3. All Housing Authority's estates are comprehensive developments comprising residential blocks, commercial complex and other facilities through integrated planning and design. Like most housing developments in the private sector, a Housing Authority's mixed tenure housing estate is managed as an integrated entity under a single Deed of Mutual Covenant, and in accordance with the Building Management Ordinance (Cap. 344). Within this management framework, residents, owners or tenants alike, share the use of common areas and facilities in their estates and work towards cost-effective and efficient management of the entire estate.

Deed of Mutual Covenant

4. The Deed of Mutual Covenant defines the rights and obligations of the owners and building management. It is drawn up in accordance with the guidelines promulgated by the Legal Advisory and Conveyancing Office of the Lands Department, which approves the document in its final form. The Deed of Mutual Covenant is a contractual document binding on all owners/occupants and building management. Its provisions can only be changed with the consent of all owners and the Lands Department.

Property Management

5. The Deed of Mutual Covenant gives the initial responsibility for managing mixed tenure estates to the Housing Authority, which usually appoints a property management agent to take up the day-to-day management on its behalf and under its supervision. However, this is only a transitional arrangement. In line with the Government's policy to encourage owners to manage their properties, the Housing Authority assists owners to form Owners' Corporation as soon as practicable. The Housing Authority will transfer estate management responsibilities to the Owners' Corporation after its formation, normally about nine to twelve months after occupation of the estate. The Building Management Ordinance provides for the appointment of a Management Committee to undertake and oversee the day-to-day management and maintenance of the estate on behalf of the Owners' Corporation.

Rights of Tenants

6. To protect the rights of tenants in mixed tenure estates, the Building Management Ordinance provides for the formation of a tenants' association and its representation on the Management Committee to reflect tenants' views to estate management. In support of this, the Housing Authority may also arrange accommodation for the tenants' association if necessary. Moreover, as owner, the Housing Authority can exercise its rights under the Deed of Mutual Covenant to protect the interests of its tenants either through its representative on the Management Committee or at general meetings of the Owners' Corporation.

Current Situation

7. The 137 housing estates with mixed tenure are managed and maintained satisfactorily under these arrangements at high security, cleansing and maintenance standards. Management fees are kept at reasonable levels and most of the estates have accumulated sufficient reserve funds for future maintenance and improvement works.

8. In case where tenants and owners have different views on estate management matters, the representative of the Housing Authority as member of the Management Committee will reconcile the differences between both parties and encourage tenants and owners to work together for mutual benefits or in the interest of the estate as a whole. Important decisions on the management of the estates can be made at owners' general meetings to be convened under the Building Management Ordinance as necessary.

9. In one particular case, some owners and tenants have requested separating the financial accounts for rental and sale blocks to allow more flexible use of the funds to meet the different needs of tenants and owners. While the Housing Authority considers that this arrangement is not cost-effective and runs counter to the concept of integrated estate management originally envisaged, the Housing Authority as an owner has no objection to their pursuing the separation of the financial accounts provided that it is within the legal remits set out in the Deed of Mutual Covenant and the Building Management Ordinance.

Housing Department
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List of Housing Authority Estates/Courts with Mixed Tenure

(I) Tenants Purchase Scheme Estates

Cheung On	Pok Hong
Choi Ha	Tai Ping
Chuk Yuen (North)	Tai Wo
Fu Heng	Tak Tin
Fung Tak	Tin Ping
Fung Wah	Tin King
Heng On	Tsing Yi
Hin Keng	Tsui Ping (North)
Hing Tin	Tsui Wan
Kin Sang	Tung Tau (II)
King Lam	Wah Ming
Kwai Hing	Wah Kwai
Kwong Yuen	Wan Tau Tong
Lei Cheng Uk	Wong Tai Sin (Lower)
Leung King	Yiu On

Total : 30 estates

**(II) Home Ownership Scheme/Buy-or-Rent Option/Mortgage
Subsidy Scheme Courts with Mixed Tenure**

Cheung Wo	King Ming	Siu Pong
Ching Lai	King Nga	Siu Shan
Ching Nga	King Shan	Sui Wo
Ching Shing	King Shing	Tak Nga
Ching Tai	King Tin	Tin Chung
Ching Wah	King Tsui	Tin Ma
Choi Po	Ko Chun	Tin Oi
Chun Man	Kwai Chun	Tin Wang
Chun Wah	Kwai Hong	Tin Yau
Chung Ming	Kwai Yin	Ting Nga
Chung Nga	Kwong Lam	Tsui Yiu
Fu Keung	Lok Hin	Tsz Oi
Fung Chuen	Lok Nga	Tsz On
Fung Shing	Lung Poon	Tung Chun
Hin Ming	Lung Yan	Tung Hei
Hiu Lai	May Shing	Wang Fuk
Hiu Tsui	Mei Chung	Yan Ming
Ho Ming	Ming Nga	Yan Shing
Hoi Fu	On Kay	Yan Tsui
Hong Lam	On Shing	Yat Nga
Hong Nga	Pang Ching	Yee Ching
Hong Pak	Peng Lai	Yee Kok
Hong Tin	Po Hei	Yee Nga
Hong Wah	Po Lai	Yee Tsui
Hong Ying	Po Nga	Yin Lai
Ka Lung	Po Pui	Ying Ming
Ka Shing	San Wai	Yu Ming
Ka Tin	Shan Tsui	Yue Fai
Kai Tai	Shun Chi	Yue On
Kai Tsui	Siu Hei	Yue Shing
Kam Fung	Siu Hin	Yue Tin
Kam Hay	Siu Hong	Yuet Lai
Kam Lung	Siu Kwai	Yuk Ming
Kam On	Siu Lun	Yuk Po
Kam Ying	Siu Lung	Yung Shing
King Lai	Siu On	

Total : 107 estates