

Landlord and Tenant (Consolidation) Ordinance (Cap. 7)
Security of Tenure and Other Related Provisions

Result of Telephone Survey Conducted on 26-30 March 2003

Background

On 22 January 2003, Government released a Consultation Paper setting out a number of proposals to amend the Landlord and Tenant (Consolidation) Ordinance. Views were sought from the public on these proposals, including whether the existing security of tenure provisions should be relaxed, and if so, which of the following options is preferred:

- (a) **Option A:** to remove the security of tenure for tenancies above a certain rental level only in Phase 1, and complete removal after a review in Phase 2;
- (b) **Option B:** to remove the security of tenure for new tenancies only from an appointed date of commencement;
- (c) **Option C:** to remove the security of tenure for all (i.e. both new and existing) tenancies from an appointed date of commencement; or
- (d) **Option D:** same as Option C but with a grace period. Existing tenancies which expire during the grace period would continue to enjoy the security of tenure.

2. In addition to the Consultation Paper, a telephone survey was conducted on 26-30 March 2003 to gauge the views of the community at large. The survey was based a random sample of 5 800 individuals from all land-based households with residential telephone lines. A total of 2 040 individuals in the sample (or a response rate of about 35%) were successfully interviewed and asked to give their views on the proposals. The margin of error was $\pm 3.1\%$ at 95% confidence.

Survey Result

Overall

3. Of the 2 040 respondents, 2 006 gave information regarding the type of accommodation they are residing in. Among these 2 006 respondents, about 11% (226) were private housing tenants, about 31% (631) were public housing tenants, about 5% (108) were landlords, and about 52% (1 041) were owner-occupiers.

4. Of the 2 006 respondents, about 63% supported the relaxation of security of tenure. These respondents, plus another 9% of the respondents, i.e. a total of about 72%, believed such relaxation would enable the market to operate more freely. About 21% had no views, and about 17% objected to relaxation. Among the respondents who supported relaxation, about 82% favoured the grace period approach (Option D), and about 14% preferred abolition in one go (Option C).

5. About 49% of the respondents who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 42% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 32%) chose \$5,000 per month; and
- (b) about 23% preferred relaxation for new tenancies only (Option B).

Private housing tenants' views

6. Of the 226 private housing tenants, about 50% supported relaxation of security of tenure, about 21% had no views, and about 29% objected to relaxation. Among the tenants who favoured relaxation, about 79% preferred the grace period approach (Option D), and about 15% preferred abolition in one go (Option C).

7. About 45% of the tenants who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 43% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 41%) chose \$10,000 per month; and
- (b) about 20% preferred relaxation for new tenancies only (Option B).

Public housing tenants' views

8. Of the 631 private housing tenants, about 55% supported relaxation of security of tenure, about 25% had no views, and about 20% objected to relaxation. Among the tenants who favoured relaxation, about 85% preferred the grace period approach (Option D), and about 8% preferred abolition in one go (Option C).

9. About 57% of the tenants who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 41% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 40%) chose \$2,000 per month; and
- (b) about 21% preferred relaxation for new tenancies only (Option B).

Landlords' views

10. Of the 108 landlords, about 84% supported relaxation of security of tenure, about 9% had no views, and about 7% objected to relaxation. Among the landlords who favoured relaxation, about 62% preferred the grace period approach (Option D), and about 36% preferred abolition in one go (Option C).

11. About 32% of the landlords who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 52% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 40%) chose \$5,000 per month; and
- (b) about 17% preferred relaxation for new tenancies only (Option B).

Owner-occupiers' views

12. Of the 1 041 owner-occupiers, about 68% supported relaxation of security of tenure, about 19% had no views, and about 13% objected to relaxation. Among those who favoured relaxation, about 84% preferred the grace period approach (Option D), and about 13% preferred abolition in one go (Option C).

13. About 48% of the owner-occupiers who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 42% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 37%) chose \$5,000 per month; and
- (b) about 25% preferred relaxation for new tenancies only (Option B).

Detailed Statistics

14. A detailed breakdown of the responses is at [Annex](#).

Housing Department
April 2003

Security of Tenure and Other Related Provisions
Telephone Survey Conducted on 26-30 March 2003

Breakdown of result by types of respondents

Table 1: Whether security of tenure should be relaxed

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Should relax	114 (50%)	344 (55%)	91 (84%)	706 (68%)	1 255 (63%)
Should not relax	65 (29%)	127 (20%)	7 (7%)	138 (13%)	337 (17%)
Don't know/didn't answer	47 (21%)	159 (25%)	10 (9%)	195 (19%)	411 (21%)
Total	226 (100%)	631 (100%)	108 (100%)	1 041 (100%)	2 006 (100%)

Table 2: Whether relaxation would enable the market to operate more freely

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes	139 (62%)	392 (62%)	96 (89%)	816 (78%)	1 443 (72%)
No	53 (24%)	81 (13%)	4 (4%)	86 (8%)	224 (11%)
Don't know/didn't answer	34 (15%)	158 (25%)	8 (7%)	139 (13%)	339 (17%)
Total	226 (100%)	631 (100%)	108 (100%)	1 041 (100%)	2 006 (100%)

Table 3: Whether a grace period should be allowed

(among the 1 255 respondents who supported relaxation)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes (Option D)	90 (79%)	293 (85%)	56 (62%)	593 (84%)	1 032 (82%)
No (Option C)	17 (15%)	29 (8%)	33 (36%)	94 (13%)	173 (14%)
Don't know/didn't answer	7 (6%)	21 (6%)	2 (2%)	19 (3%)	49 (4%)
Total	114 (100%)	344 (100%)	91 (100%)	706 (100%)	1 255 (100%)

Table 4: Whether relaxation should be on a selective basis

(among the 1 255 respondents who supported relaxation)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes	51 (45%)	196 (57%)	29 (32%)	342 (48%)	618 (49%)
No	52 (46%)	122 (35%)	56 (62%)	317 (45%)	547 (44%)
Don't know/didn't answer	11 (10%)	26 (8%)	6 (7%)	46 (7%)	89 (7%)
Total	114 (100%)	344 (100%)	91 (100%)	706 (100%)	1 255 (100%)

Table 5: Whether relaxation for tenancies above a certain rental level
(among the 618 respondents who supported relaxation on a selective basis)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes (Option A)	22 (43%)	81 (41%)	15 (52%)	144 (42%)	262 (42%)
No	26 (51%)	96 (49%)	13 (45%)	174 (51%)	309 (50%)
Don't know/didn't answer	3 (6%)	19 (10%)	1 (3%)	24 (7%)	47 (8%)
Total	51 (100%)	196 (100%)	29 (100%)	342 (100%)	618 (100%)

Table 6: From which (monthly) rental level should security of tenure be relaxed
(among the 262 respondents who supported relaxation for a certain rental level)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Over \$2,000	2 (9%)	32 (40%)	3 (20%)	18 (13%)	55 (21%)
Over \$5,000	4 (18%)	20 (25%)	6 (40%)	53 (37%)	83 (32%)
Over \$10,000	9 (41%)	9 (11%)	2 (13%)	42 (29%)	62 (24%)
Over \$15,000	0 (0%)	4 (5%)	2 (13%)	8 (6%)	14 (5%)
Over \$20,000	6 (27%)	8 (10%)	1 (7%)	16 (11%)	31 (12%)
Don't know/didn't answer	1 (5%)	8 (10%)	1 (7%)	7 (5%)	17 (7%)
Total	22 (100%)	81 (100%)	15 (100%)	144 (100%)	262 (100%)

Table 7: Whether to relax security of tenure for new tenancies only
(among the 618 respondents who supported relaxation on a selective basis)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Agreed (Option B)	10 (20%)	41 (21%)	5 (17%)	85 (25%)	141 (23%)
Did not agree	41 (80%)	142 (72%)	24 (83%)	253 (74%)	460 (74%)
Don't know/didn't answer	0 (0%)	12 (7%)	0 (0%)	4 (1%)	16 (3%)
Total	51 (100%)	196 (100%)	29 (100%)	342 (100%)	618 (100%)