

Legislative Council Panel on Housing

Management and Maintenance of Common Facilities for Tenants Purchase Scheme Estates

Purpose

This paper responds to the concerns expressed by the Kwun Tong District Council about the management and maintenance responsibilities for common facilities in estates sold under the Tenants Purchase Scheme.

Background

2. At the meeting with Legislative Council Members in July 2002, some Kwun Tong District Council members expressed the concern that under the Deed of Mutual Covenants for Tsui Ping (North) Estate, which was launched for sale under the Tenants Purchase Scheme in January 2002, flat owners are required to manage and maintain four footbridges over Tsui Ping Road. These footbridges form a comprehensive pedestrian traffic network to serve residents of Tsui Ping (North) Estate.

Maintenance and Management of Common Areas

3. It is a common condition under the land grants or the Deed of Mutual Covenant that lot owners are required to maintain areas and facilities serving 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. Such arrangement applies to private sector developments and Tenants Purchase Scheme estates alike. The owners, while enjoying the benefit of usage, are also required to bear the responsibilities for their maintenance in line with the user pays principle. The Housing Authority, as owner of the unsold flats and non-domestic developments 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 Deed of Mutual Covenant alongside other owners.

4. The management and maintenance responsibility for common areas in Tenants Purchase Scheme estates was thoroughly discussed at the meeting of the Panel on Housing on 2 April 2001. While recognizing that the Deed of Mutual Covenant for Tenants Purchase Scheme estates are drawn up in accordance with the established principles and guidelines promulgated by the Legal Advisory and Conveyancing Office to ensure fair balance of the interests of all parties concerned, Members asked the Administration to enhance the transparency of the process.

5. To address Members' concern, we have put in place an arrangement to provide the relevant Estate Management Advisory Committees with a set of typical Deed of Mutual Covenant clauses and the Vesting Order of the estate prior to offering flats for sale. These documents provide information on the rights and obligations of future owners over the management of maintenance responsibilities of common areas. Any concerns expressed by residents are reflected to the Legal Advisory and Conveyancing Office, which makes the final decision.

6. The new arrangement has been implemented for the sale of Tsui Ping (North) Estate. The Deed of Mutual Covenant clauses have been made available for tenants' inspection since June 2001. Owners' obligations in respect of the four footbridges were detailed in the sales brochures. Housing Department staff have also explained flat owners' rights and obligations at meetings with the Estate Management Advisory Committee, tenants' representatives and interested residents. We will continue with these arrangements so that tenants in estates to be sold under the Tenants Purchase Scheme are able to make an informed decision on whether or not to subscribe to the Scheme.