

立法會
Legislative Council

(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

**Extract from the minutes of meeting
held on Monday, 5 July 2004, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Albert HO Chun-yan (Chairman)
Hon CHAN Kam-lam, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing, SBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS, JP
Hon SZETO Wah
Hon Tommy CHEUNG Yu-yan, JP
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee, JP
Hon IP Kwok-him, GBS, JP
Hon LAU Ping-cheung, SBS
- Member attending** : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
- Members absent** : Hon LEE Cheuk-yan
Hon Andrew WONG Wang-fat, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Dr Hon LO Wing-lok, JP

**Public officers
attending**

: **Agenda Item IV**

Mr Vincent TONG, JP
Deputy Director of Housing
(Development & Construction)

Mr Anthony WONG
Assistant Director of Housing (Legal Service)

Ms Amy CHAN
Senior Estate Surveyor (Business Development)
Housing Department

Agenda item IV

Mr C M LEUNG, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Mr Kenneth MAK, JP
Deputy Director of Housing (Corporate Services)

Ms L K LAM
Assistant Director of Housing (Divestment)

**Attendance by
invitation**

: **Agenda item IV**

Neighbourhood and Worker's Service Centre

Mr WONG Yun-tat
Community Affairs Officer

Mr CHUNG Hau-ping
Community Affairs Officer

Grassroots Housing Rights Defense Alliance

Mr NG Wing-chak
Member

Ms CHAN Tung-mui
Member

Wong Chuk Hang Estate Re-development Group

Ms LEUNG Ying-wai
Representative

Mr AU-YEUNG Won
Representative

Practising Estate Doctors' Association Limited

Dr LING Chui-pui
Chairman

The Association of Licentiates of Medical Council of
Hong Kong

Dr LI Sum-wo
Chairman
(Also Council Member of Practising Estate Doctors'
Association Limited)

Hong Kong Medical Association

Dr CHOI Kin
Council Member

Hong Kong Doctors Union

Dr YEUNG Chiu-fat
President

Dr SHE Siu-yam
Hon Treasurer

Estate Restaurant (HK) Merchant Association

Mr CHAN Cheung-chor
Chairman

H.K. Public Housing Est Shop-Operators Union

Mr CHAN Wing-shing
Chairman

Mr WONG Sing-tak
Treasurer

Hong Kong Retail Management Association

Ms Caroline MAK
Spokesman

Mrs Maria WONG
Representative

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant

Action

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IV. Disposal of Kingsford Terrace Private Sector Participation Scheme flats

(LC Paper No. CB(1)2291/03-04(01) -- Information paper provided by the Administration)

4. The Deputy Director of Housing (Development & Construction) (DD of H(D&C)) briefed members on the Administration's paper on the present position of the Kingsford Terrace Private Sector Participation Scheme (PSPS) project. Residential flats of the Kingsford Terrace

5. The Chairman enquired about how the Administration intended to dispose of the residential flats of the Kingsford Terrace which the Housing Authority (HA) decided to purchase from the developer of the Kingsford Terrace (the Developer) because they could not reach agreement on lease modification premium. In reply, DD of H(D&C) advised that possible disposal options included sale as PSPS flats after 2006 after the moratorium on sale was lifted, sale through auction, conversion to public rental housing (PRH) and conversion to Government departmental quarters. The HA would examine in detail which option to adopt. It was believed that a decision would be made very soon.

6. In response to Mr Howard YOUNG, DD of H(D&C) confirmed that conversion to departmental quarters for disciplined services was one of the proposals being contemplated. In this connection, Mr YOUNG pointed out that a case conference had been arranged by the Complaints Division of the Legislative Council (LegCo) Secretariat in response to concerns raised by staff of the disciplined services affected by the proposal to convert HOS flats into departmental quarters. He urged the Administration to properly address the concerns to enable the proposal to go ahead. DD of H(D&C) reported that the matter was being handled.

7. Mr Howard YOUNG called on the Administration to help resolve the disagreement between hotel operators and tourist agency operators about the proposed conversion of surplus HOS blocks to guesthouses so that the option could be pursued. In response, DD of H(D&C) agreed to relay his views to the HA for consideration.

8. In reply to the Chairman on the likelihood of converting the flats in Kingsford Terrace to PRH flats, DD of H(D&C) explained that since the flats were mainly three-room flats, eligible Waiting List applicants were limited. Consideration might however be given to allocating the flats to sitting well-off PRH tenants.

Non-domestic portion of the Kingsford Terrace

9. Mr Howard YOUNG asked whether the Developer could seek damages from the HA over the suspension of sales of the residential flats in the Kingsford Terrace in the event that agreement concerning the non-domestic portion could not be made. In response to him and the Chairman, DD of H(D&C) and the Assistant Director of Housing (Legal Service) (AD of H(LS)) explained that the Developer had already filed claims for damages and it was not appropriate to provide details on the matter.

10. The Chairman was concerned that disposal of the residential units of the Kingsford Terrace might be affected if the HA could not reach an agreement with the Developer to purchase the non-domestic portion of the Kingsford Terrace. DD of H(D&C) advised that the non-domestic portion belonged to the Developer and, under the relevant Conditions of Sale, the HA was not under any obligation to purchase it. Ownership of the non-domestic portion by the HA should not be a prerequisite for disposal of the residential units through sale by tender or auction. The HA would purchase the non-domestic portion only when the price was reasonable, although HA's ownership of the whole development would accord it with greater flexibility to dispose of it. In response to the Chairman, DD of H(D&C) and AD of H(LS) further advised that purchase of the non-domestic portion by the HA should not be a prerequisite for disposal of the residential units through sale by tender or auction. However, to put the matter

beyond doubt, legal opinion was being sought. The way forward in relation to the disposal of the Kingsford Terrace would be decided thereafter.

11. While satisfied that the handling of the Kingsford Terrace PSPS project had so far complied with the relevant contract and procedures, the Chairman was keen to ensure that the Kingsford Terrace could be disposed of as soon as practicable to minimize financial loss by leaving it idle. In response, DD of H(D&C) assured members that the HA likewise aimed to work out how to dispose of the Kingsford Terrace early.

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Council Business Division 1
Legislative Council Secretariat
31 August 2004