

立法會
Legislative Council

LC Paper No. CB(1) 1486/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 1 February 2010, at 2:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon WONG Kwok-hing, MH (Chairman)
Hon Fred LI Wah-ming, SBS, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon WONG Kwok-kin, BBS
- Member attending** : Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
Hon CHAN Hak-kan
- Public officers attending** : **For item IV**
- Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing
- Ms Annette LEE, JP
Deputy Secretary for Transport and Housing (Housing)
- Mr Eugene FUNG
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

**Attendance by
Invitation**

: For item IV

順寧道重建關注組

Mr IO Cheng-pau
Representative

舊區租客大聯盟

馮志明先生
Representative

士丹頓街及永利街重建租客組

呂月明女士
Representative

H15 Concern Group

Mr NG Kam-chiu
Member

Individual

Mr HO Kwok-keung

Yau Tsim Mong District Council

Ms KWAN Sau-ling
District Councillor

Property Agencies Association Ltd

Mr KWOK Tak-leung
Chairman

西營盤住屋權益關注組

Ms CHUNG Ching-ha
Coordinator

太陞樓關注組

Ms Kitty LEE
Coordinator

The Hong Kong Institute of Housing

Mr SHARE Tai-ki
Vice President

關注舊區住屋權益社工聯席

Mr WONG King-lai

Society for Community Organization

Mr CHAN Siu-ming
Community Organizer

Grassroots Housing Concern Group

Ms TSE Hung-yin

Hong Kong Owners Club

Mr SHEA Hing-wan
President

Hong Kong Institute of Real Estate Administrators

Ms Ellen LO
Council Member

Democratic Party

Mr CHEUNG Yin-tung
Convenor of Housing Subcommittee

The Lion Rock Institute

Mr Peter WONG
Executive Director

Hong Kong Real Estate Agencies General Association

Mr TSE Shun-lai
First Vice-Chairman

Youth Assistant for the Underprivileged

Mr Gary CHU
Executive Member

全港租客大聯盟

Ms Cynthia LAU
Member

Democratic Alliance for Betterment and Progress of
Hong Kong

Mr Raymond LUK
DAB Housing Affair Deputy Spokesperson

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Mr Franco KWONG
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)4

Action

Before commencing the meeting, the Chairman invited all persons to rise for a minute of silence to mourn for those who died in the tragic building collapse incident at Ma Tau Wai Road on 29 January 2010.

2. The Chairman enquired about the rehousing arrangements for the affected residents of the incident. The Under Secretary for Transport and Housing (USTH) said that public rental housing (PRH) would be offered to those eligible affected residents. The Deputy Secretary for Transport and Housing (Housing) (DSTH(H)) added that assistance, including immediate accommodation to interim housing units at Shek Lei, had been provided to the affected residents. So far, 25 families had agreed to move to the interim housing units which had been equipped to meet their basic needs. Meanwhile, the eligibility of affected residents for PRH was being assessed.

3. The Chairman said that he had requested the holding of a special meeting to discuss the incident. According to his understanding, arrangements were being made by the Panel on Development to hold a special meeting for the purpose and all other Members would be invited to attend for discussion.

I. Confirmation of minutes

(LC Paper No. CB(1) 987/09-10 — Minutes of the meeting held on 7 December 2009)

4. The minutes of the meeting held on 7 December 2009 were confirmed.

II. Information paper issued since last meeting

5. Members noted that the following information paper had been issued since last meeting-

LC Paper No. CB(1) 849/09-10(01) — Administration's paper on Land Registry Statistics in December 2009 (press release)

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 988/09-10(01) — List of follow-up actions

LC Paper No. CB(1) 988/09-10(02) — List of outstanding items for discussion)

6. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 1 March 2010, at 2:30 pm -

- (a) Review of the Waiting List Income and Asset Limits;
- (b) Measures to increase the greening ratio of new public rental housing estates and the provision of recreational facilities in existing estates; and
- (c) New initiatives for barrier free access in new housing estates.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, the subject of "New rent adjustment mechanism for public rental housing" had been included to replace the items "New initiatives for barrier free access in new housing estates" and "Measures to increase the greening ratio of new public rental housing estates and the provision of recreational facilities in existing estates".)

7. Mr Fred LI opined that the Panel should follow up with the Link Management Company (The Link) on the issues raised at the special meeting on 28 September 2009. These included, among others, the need for an estate agent licence for The Link, as well as the management and maintenance of divested recreational and car parking facilities. Given that eight senior management staff of The Link would attend the case conference to be held in the same afternoon regarding the complaint about high rentals of the Lok Fu Shopping Centre under the management of The Link, this had shown that the new management of The Link was willing to exchange views with Members. The Chairman agreed to follow up with The Link.

IV. Review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7)

Meeting with 順寧道重建關注組

8. Mr IO Cheng-pau, representative, said that he was a former tenant of a building at 69 Shun Ning Road. On 26 June 2009, the Urban Renewal Authority (URA) announced the redevelopment the building and conducted a freezing survey. According to redevelopment policies of URA, affected tenants were entitled to re-housing within the same district as well as ex gratia allowance (EGA) of \$70,000 to \$80,000. However, the landlord had exploited the loophole in the Landlord and Tenant (Consolidation) (Amendment) Ordinance (Cap. 7) (the Amendment Ordinance) and evicted him and 12 other tenants shortly after the freezing survey, rendering them ineligible for both rehousing and EGA. As there were about 180 redevelopment projects to be undertaken by URA, 順寧道重建關注組 urged the Administration and URA to review the Amendment Ordinance and the redevelopment policies respectively to avoid eviction of tenants by unscrupulous landlords in the event of redevelopment.

Meeting with 舊區租客大聯盟 (LC Paper No. CB(1) 1033/09-10(01))

9. 馮志明先生, representative, said that he thought redevelopment should be of benefit to tenants who would be rehoused to live in a better environment. However, termination of their tenancies by landlords immediately after the announcement of redevelopment had undermined the benefit of redevelopment. He therefore urged the Administration to review the Amendment Ordinance which had come into operation for a number of years.

Meeting with 士丹頓街及永利街重建租客組

10. 呂月明女士, representative, said that since the enactment of the Amendment Ordinance, landlords could be able to terminate tenancy agreements by giving one-month notice to tenants, despite that some tenants had lived in the premises for decades. The removal of security of tenure had forced many tenants to move once every year, incurring additional removal expenses. On the other hand, many landlords would tend to leave their premises vacant to yield higher compensation upon redevelopment, thereby reducing the number of rental accommodation in the market. She urged the Administration to review the Amendment Ordinance for the protection of tenants.

Meeting with H15 Concern Group

11. Mr NG Kam-chiu, member, said that the H15 Concern Group was concerned about the trend of the property market and the problems associated with redevelopment. With the increased acquisition of local properties by Mainland investors, many tenants were evicted as they were unable to afford the high rents charged by new owners. Hence, there was a need for an early review of the Amendment Ordinance to avoid exploitation by landlords to evict tenants. As

regards redevelopment, H15 Group was concerned that landlords could still evict tenants who had been registered under the freezing survey, and that new tenants who moved in afterwards could be entitled to EGA upon redevelopment. There was a need to assess the right for compensation in respect of tenants who moved in after the freezing survey.

Meeting with Mr HO Kwok-keung
(LC Paper No. CB(1) 1030/09-10(01))

12. Mr HO Kwok-keung said that the Amendment Ordinance had inclined to benefit landlords and failed to protect tenants. Landlords/developers were able to exploit the Amendment Ordinance to increase rents with a view to evicting tenants. The provision of compassionate rehousing and safety net to the under-privileged groups by the Administration was not the solution to the problem of eviction, which could only be resolved through review of the Amendment Ordinance.

Meeting with Yau Tsim Mong District Council
(LC Paper No. CB(1) 988/09-10(03))

13. Ms KWAN Sau-ling, District Councillor, was concerned about the housing needs of low-income groups, particularly the younger generation with low education level. While they would very much like to be independent from their families, they could not afford the high rents of private accommodation with a monthly salary of \$5,000 to \$8,000. She called for a review of the housing policy to address the needs of the younger generation.

Meeting with Property Agencies Association Ltd (PAA)
(LC Paper No. CB(1) 988/09-10(04))

14. Mr KWOK Tak-leung, Chairman, said that the Amendment Ordinance was conducive to the healthy development of the property market. It had not only regularized the rental market and assisted in reducing disputes between landlords and tenants, but also safeguarded landlords' rights against rogue tenants and default in rental payment. As a result, people were more willing to invest in properties and lease their premises. To meet the housing needs of low-income families, the Administration should consider providing loans to these families to achieve home ownership. Measures should also be worked out to resolve the problem of eviction of tenants affected by redevelopment.

Meeting with 西營盤住屋權益關注組
(LC Paper Nos. CB(1) 640/09-10(01) and CB(1) 988/09-10(05))

15. Ms CHUNG Ching-ha, Coordinator, said that she had lived in Sai Ying Pun for many years and maintained a good relationship with the landlord. With the enactment of the Amendment Ordinance, the landlord had terminated her tenancy by giving a one-month notice after the premises was sold to a developer. She had no choice but to move from one place to another in an attempt to find an affordable accommodation because she was a single parent with three children. Over the years, she had moved from Sai Ying Pun to Sheung Wan, and then to Shek Tong Tsui. She

therefore urged the Administration to review the Amendment Ordinance without delay. There was also a need to reduce the waiting time of non-elderly singleton households for PRH which had far exceeded the pledge of three years.

Meeting with 太陞樓關注組

(LC Paper No. CB(1) 988/09-10(07))

16. Ms Kitty LEE, Coordinator, said that in October 2007, a freezing survey was conducted at Tai Shing House, 2-4 Tsz Mi Alley, which was one of the redevelopment sites for West Island Line. In order to be eligible for more compensation for vacant possession, the landlord had terminated the tenancies of existing tenants by giving one-month notice in accordance with the Amendment Ordinance. As URA had yet to commence the acquisition, the evicted tenants were not entitled to any rehousing or compensation. The case was brought before the Court, which subsequently ruled in favor of the landlord because this was allowed under the Amendment Ordinance. As more tenants were expected to be evicted by landlords upon redevelopment, there was an urgent need for an early review of the Amendment Ordinance to bring it in line with the people-oriented approach advocated by the Government.

Meeting with The Hong Kong Institute of Housing (HKIH)

(LC Paper No. CB(1) 1058/09-10(01))

17. Mr SHARE Tai-ki, Vice President, said that the removal of rent control and security of tenure under the Amendment Ordinance had increased the rental returns of landlords who in turn were more willing to allocate more resources to better manage and maintain their properties. To meet the housing needs of low-income families, HKIH held the view that the Administration should consider providing rental subsidy to these families in addition to supply of PRH.

Meeting with 關注舊區住屋權益社工聯席

(LC Paper No. CB(1) 1058/09-10(02))

18. Mr WONG King-lai, said that the Amendment Ordinance should aim to strike a proper balance between the interests of landlords and tenants. However, 關注舊區住屋權益社工聯席 had received many requests for assistance from tenants since the enactment of the Amendment Ordinance, most of which were related to termination of tenancies by landlords upon announcement of redevelopment. While compassionate rehousing was provided to the under-privileged groups on grounds of serious illness or welfare problems, this was not applicable to those evicted by landlords. As such, the impact of the removal of security of tenure on tenants was not reflected in the statistics on compassionate rehousing. With the anticipated surge in redevelopment projects as a result of the lowering of threshold of compulsory sale for redevelopment from 90% to 80%, the Administration should take measures to protect the affected tenants.

Meeting with Society for Community Organization (SOCO)
(LC Paper No. CB(1) 988/09-10(08))

19. Mr CHAN Siu-ming, Community Organizer, said that tenants of cubicles and bedspace apartments not only had to put up with the poor living conditions but also rental increases. According to surveys conducted by SOCO, 30% of tenants of bedspace apartments and cubicles had had their rents increased from 10% to 20% in 2008, with the median rent-to-income (MRIR) ratio reaching as high as 40%. Despite the financial crisis, rents for bedspace apartments and cubicles had continued to rise in 2009, possibly due to the removal of rent control and security of tenure. Many tenants were forced to move once every year because of rental increase, thereby incurring additional removal costs. SOCO therefore considered it necessary for the Administration to reinstate rent control and security of tenure, and to maintain MRIR at 10%. There was also a need to reduce the waiting time of the some 50 000 non-elderly singletons on the waiting list, the waiting time of which had far exceeded the pledge of three years with the allocation of only 3 000 units to these persons each year.

Meeting with Grassroots Housing Concern Group

20. Ms TSE Hung-yin said that she was a single parent who had to raise her son on her own. In May 2009, she rented a flat which was later found to be an unauthorized building structure subject to a removal notice. She was forced to move out the flat within a week without compensation. As she had refused to move out, the electricity supply was disconnected. She reported the case to the Police but no assistance could be provided. She said that it was difficult to live in private premises as the rents would increase every year. While she had applied for PRH for more than three years, a unit had yet to be allocated. She opined that the conflict between landlords and tenants had stemmed from the inadequacies in existing housing policies.

Meeting with Hong Kong Owners Club

21. Mr SHEA Hing-wan, President, said that while there were unscrupulous landlords, there were rogue tenants too. The removal of security of tenure could not resolve the problem of rogue tenants. Although landlords could terminate tenancies by giving one-month notice to their tenants, it would usually take months to recover the flats if tenants refused to move out and the case had to be brought before the Courts. Hence, some landlords were reluctant to let out their premises to avoid any risk. He added that many landlords were relying on rental income not only to support their living but also to maintain the flats and pay off the mortgage. They would fall into financial trouble in the event of default of rental payment by tenants. There were also cases where landlords had to declare bankrupt because they could not afford to compensate tenants who suffered injuries from the collapse of leased premises/building structures.

Meeting with Hong Kong Institute of Real Estate Administrators

22. Ms Ellen LO, Council Member, cautioned that the Administration should take into account the supply and demand of rental premises as well as the vacancy rate

when considering the need to reinstate rent control and security of tenure. Many local and overseas investors were interested in the property market of Hong Kong because of the rental yield of about 2% to 4% per year. However, the reinstatement of rent control and security of tenure might discourage landlords to let out their premises, thereby impeding the free operation of the property and rental markets.

Meeting with Democratic Party (DP)
(LC Paper No. CB(1) 1058/09-10(03))

23. Mr CHEUNG Yin-tung, Convenor of Housing Subcommittee, recalled that before the enactment of the Amendment Ordinance, the Administration had made various undertakings to meet the housing needs of low-income families and to provide them with the needed safety net protection and support. However, tenants affected by redevelopment were facing much difficulty following the removal of rent control and security of tenure under the Amendment Ordinance. The present housing policy was unable to meet the housing needs of low-income families and many had to wait for a long time before they were allocated PRH units. By way of illustration, residents of the collapsed building at Ma Tau Wai Road had earlier requested for rehousing to PRH units before the collapse. Their requests were not acceded to because the dilapidated conditions of the building did not constitute a ground for compassionate rehousing. DP considered that the Administration should ascertain the impact of removal of rent control and security of tenure on low-income families living in dilapidated buildings, and that PRH units should be allocated to low-income families living in cubicles and bedspace apartments as early as possible.

Meeting with The Lion Rock Institute
(LC Paper No. CB(1) 988/09-10(09))

24. Mr Peter WONG, Executive Director, said that re-introduction of rent control and security of tenure would affect the availability of rental accommodation in the market as landlords would be reluctant to lease out their properties, or they would tend to let out their premises to persons with stable income to avoid default in rental payment. As a result, many tenants would find it more difficult to find affordable accommodation. To this end, the Administration should explore ways to increase the supply of affordable housing in urban areas to low-income groups. The revitalization of industrial buildings and the conversion of these buildings into residential blocks would be worth considering.

Meeting with Hong Kong Real Estate Agencies General Association (HKREAGA)
(LC Paper No. CB(1) 988/09-10(11))

25. Mr TSE Shun-lai, First Vice-Chairman, said that the removal of security of tenure under the Amendment Ordinance was consistent with the non-intervention policy and free market economy as advocated by the Government. Since its enactment in 2004, the Amendment Ordinance had been operating well in reducing disputes between landlords and tenants, thereby relieving the workload of the Lands Tribunal. It had also encouraged landlords to let out their premises which had in turn increased the supply of rental accommodation in the market and reduced the vacancy rate. As a result, developers were keener to take part in redevelopment projects to

facilitate urban renewal and improve Hong Kong's image as an international city. These redevelopment projects would help prevent the dilapidation and collapse of aged buildings. Therefore, all 1 300 members of HKREAGA were in support of the Amendment Ordinance.

Meeting with Youth Assistant for the Underprivileged
(LC Paper No. CB(1) 1030/09-10(02))

26. Mr Gary CHU, Executive Member, said that many tenants affected by URA redevelopment projects were evicted by landlords soon after announcement of the projects. The crux of the problem was that landlords could give one-month notice to terminate tenancies of tenants while URA would require two months to arrange for acquisition. Eviction would render the tenants ineligible for rehousing. To plug the loophole, the Administration should consider extending the one-month notice period for termination of tenancies.

Meeting with 全港租客大聯盟
(LC Paper Nos. CB(1) 566/09-10(01) and CB(1) 988/09-10(06))

27. Ms Cynthia LAU, Member, said that the Amendment Ordinance was unfair in that it had only protected the developers and not the tenants. Subsequent to the removal of security of tenure, tenants living in redevelopment sites were forced to leave and to sever their ties with the district they were familiar with. As a single parent, she had experienced much difficulty in finding affordable accommodation.

Meeting with Democratic Alliance for Betterment and Progress of Hong Kong (DAB)
(LC Paper No. CB(1) 1058/09-10(04))

28. Mr Raymond LUK, DAB Housing Affair Deputy Spokesperson, said that there had been much change in the property market since the enactment of the Amendment Ordinance in 2004. With the removal of security of tenure, landlords were able to evict tenants by giving a one-month notice to terminate tenancy agreements. As a result, many tenants affected by URA redevelopment projects were required to move out shortly after announcement of the projects, rendering them ineligible for rehousing. On the other hand, these tenants had difficulty to find affordable accommodation with the increase in rents. DAB urged the Administration to increase the supply public housing, particularly one-person units, exercise flexibility in meeting the housing needs of applicants, and rehouse dwellers of bedspace apartments and cubicles within the same district.

Submissions from deputations not attending the meeting

LC Paper No. CB(1) 988/09-10(12) — Submission from Mr YEUNG Wai-sing, member of the Eastern District Council (Chinese version only)

LC Paper No. CB(1) 988/09-10(13) — Submission from Mr David LAI, member of the Wan Chai District Council (English version only)

LC Paper No. CB(1) 1030/09-10(03) — Submission from Dr YANG Mo, member of the Southern District Council (Chinese version only)

Meeting with the Administration

(LC Paper No. CB(1) 988/09-10(14) — Administration's paper on Landlord and Tenant (Consolidation) Ordinance – the Government's safety net protection and support measures to low-income persons and families

LC Paper No. CB(1) 988/09-10(15) — Paper on removal of security of tenure prepared by the Legislative Council Secretariat (updated background brief))

Relevant paper

(LC Paper No. CB(1) 534/09-10(03) — Administration's paper on Landlord and Tenant (Consolidation) Ordinance and measures to assist low-income persons in meeting their housing needs

LC Paper Nos. CB(1) 1354/08-09(01) — Referrals arising from the meeting and CB(1) 1354/08-09(02) — between Duty Roster Members and the Society for Community Organization and 全港租客大聯盟 on 17 and 21 November 2008 respectively regarding the request for review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) (Chinese version only) (Restricted to Members)

LC Paper No. CB(1) 314/08-09(01) — Referral arising from the meeting between Duty Roster Members and the 全港租客大聯盟 on 21 November 2008 regarding the request for review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) (Chinese version only) (Restricted to Members)

LC Paper No. CB(1) 136/09-10(01) — Joint submission from different parties expressing views on the Review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) and arrangements for compensation for and rehousing of tenants affected by resumption of land for redevelopment)

29. The Chairman invited the Administration to respond to the views and concerns raised by deputations. USTH said that the Administration had attached importance to meeting the housing needs of low-income households and providing them with the needed safety net protection and support. Individuals and families who were unable to support themselves financially could apply for assistance under

the Comprehensive Social Security Assistance (CSSA) to meet their basic needs. Those who could not afford private rental accommodation could apply for PRH from the Hong Kong Housing Authority (HA) under the current PRH Waiting List system. Persons with genuine and pressing housing needs but who were incapable of meeting such needs themselves might seek assistance from the Integrated Family Service Centres of the Social Welfare Department or non-governmental organizations (NGOs). The centres would provide appropriate assistance to the needs of those people after considering their actual circumstances, including provision of short-term financial assistance to meet rental and removal expenses, arrangement for admission to urban singleton hostels or temporary shelters operated by NGOs, or making recommendations to the Housing Department for admission to PRH for cases eligible for compassionate rehousing.

30. USTH added that rent control and security of tenure were removed in 1998 and 2004 respectively following the enactment of the Amendment Ordinance, which was passed after extensive public consultation and in-depth examination by the Legislative Council. Given that the factors, including the development of the private residential rental market, which had been taken into account when considering the removal of rent control and security of tenure remained valid, the Administration had no plan to re-introduce rent control and security of tenure at this stage. The Rating and Valuation Department (RVD) would provide tenants and landlords with advisory and mediation services on tenancy matters. As regards the concern about loss of eligibility for PRH for tenants affected by urban redevelopment upon eviction by landlords, USTH said that there should not be any incentive for landlords to evict tenants since URA would not offer additional compensation for properties vacated after the freezing survey. Notwithstanding, he would relay deputations' concerns to URA for consideration.

31. Mr LEUNG Yiu-chung expressed dissatisfaction and regret that the Administration had no plan to review the Amendment Ordinance despite the serious impact of the removal of security of tenure on low-income households living in private rental premises. He was concerned about the predicament of those tenants who faced eviction by landlords in finding affordable accommodation. It appeared that the Administration was trying to evade the responsibility to meet the housing needs of these evicted tenants. He enquired about the circumstances under which the Administration would initiate the review, and whether the Administration would review the housing needs of tenants living in aged premises in the light of the tragic building collapse incident at Ma Tau Wai Road. USTH said that the Amendment Ordinance aimed to protect the interests of both landlords and tenants as well as revitalize the rental market. The Administration would closely monitor the market situation. As regards the safety of aged buildings, USTH said that this was a complicated issue requiring the concerted efforts of different bureaux and departments. Nevertheless, the income derived from rents would assist owners in maintaining their buildings.

32. Prof Patrick LAU enquired if there was an exorbitant increase in rents and a surge of eviction of tenants following the removal of security of tenure and if so, there might be a need to review the Amendment Ordinance. He also noted that a two-month period was required for URA to arrange rehousing for the affected tenants

registered under the freezing survey for redevelopment projects. As landlords could evict tenants by giving a one-month notice under the Amendment Ordinance, many affected tenants would lose their rehousing eligibility upon eviction. He enquired if it was possible to adopt a uniform timeframe so that the affected tenants would not lose their rehousing eligibility.

33. In response, USTH said that the rental market was quite stable. It was worth noting that rents in the private property market were affected by various sectors, including location, economic situation, market sentiment, supply and demand etc. According to RVD records, rents of small-sized flats (i.e. those under 40 square metres saleable area) in December 2009 had been reduced by 10% as compared to that in mid 2008 while increased by 11% as compared to that in March 2009. The Administration would closely monitor the latest trends in the property market to ensure a healthy and stable development. As regards tenants affected by urban redevelopment projects, USTH said that under the prevailing policy of URA, the change in occupation status of the property after the freezing survey would not affect the amount of EGA payable to the owner. Hence, even if the owner became an owner-occupier through eviction of tenants between the time of the freezing survey and the time of completion of property acquisition by URA, he/she could not receive a higher allowance. Therefore, there was no incentive for owners to evict their tenants.

34. Mr LEE Wing-tat said that the Administration should have provided more information on the actual rental market situation, including rental changes, impact of the removal of security of tenure on the rental market and affected tenants, as well as compensatory arrangements for redevelopment projects before and after enactment of the Amendment Ordinance. Mr James TO also recalled that when the proposal to remove the security of tenure was first discussed, the Administration had provided a lot of data to substantiate the proposal. However, no further information on the market situation had been provided by the Administration after removal of security of tenure. He concurred that the Administration should provide information on the latest development in the rental market. USTH said that the Administration would need time to collate the required information since rents varied significantly in different districts. Besides, cases handled by RVD might not be able to reflect the actual market situation since only cases which required mediation services would be brought to RVD's attention, while most tenancy matters were resolved by landlords and tenants themselves. DSTH(H) added that according to the estimates of the General Household Survey conducted by the Census and Statistics Department, as at the third quarter of 2009, there were 21 000 households living in cubicles, bedspace and cocklofts of private housing and the median rent was \$1,500 per month.

35. Mr WONG Kwok-kin declared interest as a non-executive director of URA. He said that there was a need for the Administration to assess the pros and cons of the removal of security of tenure, and to ascertain whether there was any correlation between removal of security of tenure and eviction of tenants affected by redevelopment. He was concerned that if landlords could re-let the premises after eviction of existing tenants after the freezing survey, URA might have to pay double compensation for the same premises. Therefore, there was a need to review the Amendment Ordinance and to work out measures, such as extending the notice period to be given by landlords, to plug the loophole. USTH said that the removal of

security of tenure had yielded positive results to the rental market, and hence it was not considered appropriate to take a retrogressive step to reinstate it. While acknowledging that there were cases of eviction of tenants affected by redevelopment, the owners had not benefited from higher compensation as a result of the eviction. The Administration would liaise with URA with a view to mapping out measures to prevent owners from evicting tenants and to make it clear that owners would not get higher compensation through eviction of tenants. Public views in this regard would be welcomed.

36. Mr CHAN Kam-lam said that both landlords and tenants might face tenancy problems. Therefore, the Amendment Ordinance should aim to strike a proper balance in protecting the interests of both parties. He recognized the difficulties faced by some low-income families which had to rent properties in the private market because they were ineligible for PRH. He was also aware of the plight of tenants affected by urban renewal who were evicted by owners in an attempt to get a higher compensation. Some owners even tried to re-let their premises at a much higher rent upon eviction of former tenants with a view to obtaining more compensation. Hence, there might be a need to review the existing arrangement with URA to protect affected tenants. A possible way to deal with the situation was to prohibit owners to evict tenants after the freezing survey, and re-let their premises after departure of existing tenants as this might mean that URA would need to pay double compensation for the same premises. USTH agreed to convey Mr CHAN's suggestions to URA.

37. Given the long waiting time for one-person units which had far exceeded the pledge of three years, Prof Patrick LAU questioned whether the annual supply of 15 000 PRH flats would be sufficient to meet demand. As a HA member, he was aware that land would not be available for construction of PRH estates in the next four years. Besides, there were objections from district to the provision of PRH estates. He considered it necessary for the Administration to seriously look into the problem and earmark sufficient land for PRH to meet demand. USTH said that efforts had been made to identify suitable land for PRH. Sufficient land would be made available for the next five years to ensure that the target of maintaining the average waiting time at around three years for PRH would be met.

38. The Chairman expressed his strong dissatisfaction that the Administration had been very evasive in answering the questions raised by members and deputations, particularly on the request for a review of the Amendment Ordinance. Apart from agreeing to listen to public views and to monitor the rental market, the Administration had not made any promises to review the Amendment Ordinance. Given that the Amendment Ordinance had come into operation for a number of years, it was high time for a review which should include the collection of data and analysis of findings. However, the Administration had stated that it had no intention to review the Amendment Ordinance despite the problems faced by tenants, particularly the low-income group which was adversely affected by the removal of security of tenure. He therefore requested the Administration to undertake to review the Amendment Ordinance, and to prepare an information paper for further discussion by the Panel. USTH said that as the Amendment Ordinance had struck a proper balance in safeguarding the interests of both landlords and tenants, there was no need for further amendments at this stage. The Administration would closely monitor the situation

and listen to public views to work out practical solutions to the concerns raised.

Admin

39. The Chairman said that he did not accept the Administration's response. Based on the views expressed at the meeting, there were strong calls for the review of the Amendment Ordinance. To facilitate future discussion by the Panel, he requested the Administration to provide an information paper on analysis of rental data and the time frame for review of the Amendment Ordinance.

V. Any other business

40. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
Legislative Council Secretariat
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