



**HONG KONG
HOUSING SOCIETY**
香港房屋協會

Our Ref. : D(PM)/AS/LegCo/KLL/Rent/ej

Your Ref. : CB1/PL/HG

24 October 2014

Mr Ken Woo
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Mr Woo

Follow-up to Meeting on 5 May 2014
Submission from 觀龍樓居民租金關注組

Thank you for your letter of 5 August 2014. This is in response to the views of the 觀龍樓居民租金關注組 and the consideration of providing rent assistance to those residents in need as requested.

In the Income and Expenditure Accounts attached to our letter dated 27 June, 2014, the figures shown are the accounts of the domestic part of our rental estates only. They have not included revenues from other business areas of the Housing Society.

In the budget for 2014/15, there are two expenditure items with substantial increase. The reasons are:

Rates, Government Rent and Management Fee

Government announced only to waive rates payable for two quarters in 2014/15, which means a reduction of two quarters compared with 2013/14. Thus, an extra cost of \$40 million will be incurred.

Repair, Maintenance and Improvement Works

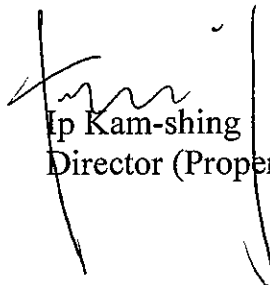
The increase of \$53 million in 2014/15 covers not only the expected increase of costs, but also includes an additional budget of \$16 million in spalling concrete repairs due to ageing of the estates, \$15 million in renovating the flats and \$11 million in maintaining the slopes. These are indispensable expenses for building safety and living environment and will be incurred as and when necessary.

The Housing Society has explored in many ways the feasibility of providing rent assistance to those tenants in need and has also compared various assistance schemes currently provided by Government and other organizations. In fact, any 'Comprehensive Social Security Assistance (CSSA) Scheme' recipients or families encountering financial difficulties in case of unexpected incidents can always seek appropriate relief measures from the existing resources available. Our registered Social Workers based at the rental estates will also follow up individual cases to seek the assistance needed.

Notwithstanding the above, we still endeavour to seek other social resources for the tenants in need. We have proposed to the Community Care Fund to provide rent assistance to those tenants who are not eligible for CSSA and are now awaiting response from the Fund.

Meanwhile, the rental income from the estates, net of day-to-day operations expenses, just suffices to cover the maintenance and repair costs for the rental estates. The redevelopment of the estates in future requires an enormous budget. We must therefore be prudent in our financial management to ensure the Housing Society can sustain its development to continue serving the people of Hong Kong.

Yours sincerely


Ip Kam-shing
Director (Property Management)