

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

Your Ref. : CB1/PL/HG

20 May 2015

Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn.: Ms. Shirley Chan - Clerk to Panel)

Dear Ms. Chan

Panel on Housing
Follow-up to meeting on 4 May 2015

Thank you for your letter of 7 May 2015 and as requested, we would provide the supplementary information as follows:

Rent adjustment for rental estates

1. We do not simply apply a fixed formula for rent adjustment for rental estates. Rather, as communicated before, rent adjustment is mainly based on recovering the operating costs which includes the following factors:
 - rental income must be sufficient to cover the recurrent management expenses, tenancy administration costs, Rates and Government Rents, etc.;
 - provision for major improvement works, repair and maintenance;
 - contribution to development sinking fund to cater for future redevelopment
2. We will also make reference of the market condition such as inflation rate, salary index changes and affordability of the tenants when deciding on the rate of adjustment.
3. The existing mechanism has been adopted for years and we consider it effective. This can be demonstrated by the fact that rent increases in the past years were relatively milder if referenced to the household income changes, the market rents and the rent increase imposed by the Housing Authority.

Year	Rent Increase by Housing Society	Rent Increase by Housing Authority	Change of Household Income Index*
2010	3%	4.68%	4.68%
2012	6%	10%	16.24%
2014	8%	10%	19.27%

**Survey used by the Housing Authority for their rent review*

Assistance rendered to tenants with financial difficulty

1. According to our record, some 10% of the tenants are Comprehensive Social Security Assistance Scheme (CSSA) recipients. As for the elderly households, about 24% of them are CSSA recipients. In principle, the rental allowance payable under CSSA already caters for the need of rental payment for these tenants. Moreover, there are various resources available in the community that can render appropriate relief measures for families encountering financial difficulties in case of unexpected situations. We now have six registered social workers (service coordinators) based at our estate office and they will follow up and provide assistance on individual cases.
2. Apart from giving counseling and referral services to tenants with family conflicts, health or mental problems, these service coordinators also attend to those with financial problems. We have dealt with cases where tenants have difficulty in rent payment, expenses for decoration, purchase of furniture/electrical appliances and financial hardship. With proper referrals by our service coordinators, tenants of many cases were able to obtain assistance in cash or in kind from Government or other organizations. Some of these cases are briefly described in the appendix for information.

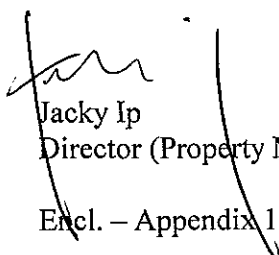
Salary adjustment of Housing Society's staff

The guiding principle of Housing Society for staff compensation is to attract and retain talents in a fair and competitive manner. In determining the rate of salary adjustment for all staff, the Housing Society will base its decision on the prevailing market trend taking into consideration of the performance of employees. As a Non-Government organization, Housing Society does not take the result of financial performance as the dominant factor to determine salary adjustments for employees. Each year, the Housing Society will engage two human resources consultancy firms to conduct market pay trend survey for the purpose of comparing pay trend and salary structure of similar job nature. The benchmarking organisations include Urban Renewal Authority, Mass Transit Railway, leading property development and estate management companies, etc. The proposed rate of salary adjustment will be reviewed and approved by two different committees to maintain a suitable "check and balance" mechanism.

Our Supervisory Board members do not receive any salary from the Housing Society.

For further enquiries, you are welcome to contact me or our Mrs Ada Share, General Manager (Property Management) on 2839 7626.

Yours sincerely


Jacky Ip
Director (Property Management)

Encl. – Appendix 1

Referral cases - assistance rendered

(A) Case Type: Finance difficulty for rent payment			
Client	Organization offering subsidy	Subsidy Amount (HK\$)	Case background
Mr. LEE, aged 67	<ul style="list-style-type: none"> • SWD Comprehensive Social Security Assistance 	CSSA increased by \$1,300 per month	<ul style="list-style-type: none"> • ex-drug addict with occasional rent arrears • Mr. LEE and son (living together) suffer from mental illness • mobility deteriorated, once fell down and hospitalized • reported to police money was stolen and became unable to pay rent
Mr. KONG aged, 83	<ul style="list-style-type: none"> • Community Chest Rainbow Fund • St. James' Settlement People's Food Bank 	\$4,400	<ul style="list-style-type: none"> • live with son, who does not support tenant financially • frequently in rent arrears • son refused to discuss with management office • also assisted tenant to apply for CSSA
Ms. CHAN, aged 54	<ul style="list-style-type: none"> • Community Chest Rainbow Fund 	\$4,000	<ul style="list-style-type: none"> • rushed back to Thailand for father's funeral and lost contact with management office for sometime • knee was hurt, became unemployed and in rent arrears for more than two months
Mr. YIP, aged 25	<ul style="list-style-type: none"> • SWD Integrated Family Service Centre 	\$19,600	<ul style="list-style-type: none"> • ex-prisoner • unemployed, relied on loan for living and in rent arrears for more than two months • later with a new born baby and savings exhausted and unstable relationship with 2nd wife (not married) • agitated emotions in discussion, expressed with suicidal ideation
Ms. CHENG, aged 47	<ul style="list-style-type: none"> • Yan Chai Hospital Emergency Fund • The KAU YAN Social Service Funding 	\$6,000	<ul style="list-style-type: none"> • unemployed • indulged in chasing alimony
Mr. YEUNG, aged 37	<ul style="list-style-type: none"> • Community Chest Rainbow Fund 	\$2,000	<ul style="list-style-type: none"> • with mental illness, just divorced • unemployed, emotion fluctuated and lost concentration easily

Ms. LAW, aged 50	<ul style="list-style-type: none"> • YAN CHAI Hospital Emergency Fund • SWD Comprehensive Social Security Assistance 	\$2,000	<ul style="list-style-type: none"> • tenant and son suffered from slow learning symptoms • persistent rent arrears and relatives refused to offer also • also assisted tenant to apply for CSSA
Ms. NG, Aged 70	<ul style="list-style-type: none"> • SWD Comprehensive Social Security Assistance 	CSSA about \$3,000 per month	<ul style="list-style-type: none"> • son unable to support tenant and daughter unemployed, • tenant finally applied for CSSA
Mr. LEUNG, aged 55	<ul style="list-style-type: none"> • SWD Comprehensive Social Security Assistance 	disability allowance about \$5,000 per month	<ul style="list-style-type: none"> • unemployed, emotion agitated, delusion with aggressive tendency towards neighbors • being hospitalized in sheltered home for mental health treatment • disability allowance granted enough for rent payment and sheltered home expense

(B) Case Type: Finance difficulty for decoration, minor repairs and furniture replacement

Client	Organization offering subsidy	Subsidy Amount	Case background
Ms. CHOI, aged 67	• St. James' Settlement Home Maintenance Services	/	<ul style="list-style-type: none">• son unable to support due to bankruptcy• relied on CSSA for living• volunteer helped in installation of pvc floor and other minor repairs for the new flat
Ms. CHAN, aged 66	• YAN CHAI Hospital Emergency Fund • St. James' Settlement Home Maintenance Services • Social Enterprise of the Society of Rehabilitation and Crime Prevention	\$4,000	<ul style="list-style-type: none">• relied on CSSA for living• volunteer helped to install pvc flooring• subsidy to replace furniture (bed, wardrobe, table and chair)
Mr. NG, aged, 86	• HK Movie Star Sports Association Charities Ltd	\$1,000	<ul style="list-style-type: none">• the aged couple relied on CSSA, and son with low income• unable to afford re-installation of air-conditioner
Mr. Tsui, aged, 82 Mr. Wong, aged, 87	• SWD Environment Improvement Scheme for the Elderly	\$5,000	<ul style="list-style-type: none">• aged lodgers living together• to enhance their quality of life, subsidy to replace TV, refrigerator and rice-cooker
Mr Wong, aged 68	• Yan Chai Hospital Emergency Fund • St. James Settlement Home Maintenance Services	\$4,000.00	<ul style="list-style-type: none">• CSSA recipient, and need assistance on transfer to another flat• emergency funding was mobilized to purchase furniture and equipment (including bed, wardrobe, water heater) and volunteers were arranged to install PVC flooring

(C) Case Type: Faced sudden hardship and emergency needs in daily living

Client	Organization offering subsidy	Subsidy Amount	Case background
Ms. YEUNG, aged 56	• YAN CHAI Hospital Emergency Fund	\$5,000	<ul style="list-style-type: none">• husband unemployed for six months, the family relied on Ms. YEUNG as cleaning worker and son working in photo shop• husband passed away suddenly, Ms. YEUNG faced urgent financial stress, including funeral expenses
Mr. MA, aged, 87	• YAN CHAI Hospital Emergency Fund • St. James' Settlement Home Maintenance Services • St. James's Settlement Electrical Appliances for the Elderly Program	\$5,000	<ul style="list-style-type: none">• tenant moved to another flat and assistance required• refrigerator and fan received• volunteer helped to install pvc flooring
Mr. CHAN, aged, 80	• YAN CHAI Hospital Emergency Fund • St. James' Settlement Home Maintenance Services • St. James's Settlement Electrical Appliances for the Elderly Program	\$2,000	<ul style="list-style-type: none">▪ all furniture and equipment were destroyed due to fire accident.▪ apply funding for purchase of furniture and necessity.▪ volunteer services to install the electric heater, water tap for washing machine and installation of pvc flooring.

Date: 20 May 2015