

**立法會**  
**Legislative Council**

LC Paper No. CB(1)938/20-21  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting by videoconferencing  
held on Monday, 1 February 2021, at 2:30 pm**

- Members present** : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)  
Hon Wilson OR Chong-shing, MH (Deputy Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon KWOK Wai-keung, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon SHIU Ka-fai, JP  
Hon YUNG Hoi-yan, JP  
Hon CHEUNG Kwok-kwan, JP  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon Vincent CHENG Wing-shun, MH, JP  
Hon Tony TSE Wai-chuen, BBS, JP
- Member absent** : Hon LEUNG Che-cheung, SBS, MH, JP

**Public Officers  
attending** : Agenda Item III

Mr Stephen LEUNG  
Deputy Director of Housing (Development and  
Construction) (Acting)

Mr Michael HONG  
Chief Civil Engineer (Public Works Programme)  
Housing Department

Mr Joseph LO  
Deputy Head of Civil Engineering Office (Housing)  
Civil Engineering and Development Department

Mr Gabriel WOO  
Project Team Leader/Housing  
Civil Engineering and Development Department

Mr Ken YIP  
Chief Traffic Engineer/New Territories East  
Transport Department

Ms Emily SER  
Chief Architect (7)  
Housing Department

Agenda Item IV

Miss Agnes WONG, JP  
Permanent Secretary for Transport & Housing  
(Housing)

Mrs Alice CHEUNG, JP  
Deputy Secretary for Transport and Housing  
(Housing)

Mr Kenneth LEUNG  
Assistant Director of Housing (Housing Subsidies)  
Housing Department

Ms Portia YIU  
Chief Planning Officer 2  
Housing Department

Ms Catherine FONG  
Chief Housing Manager/Applications  
Housing Department

Agenda Item V

Mr Frank CHAN, JP  
Secretary for Transport and Housing

Dr William LEUNG, SBS, JP  
Chairman of the Task Force for the Study on Tenancy  
Control of Subdivided Units

Dr Raymond SO, BBS, JP  
Under Secretary for Transport and Housing

Mr Carlson CHAN, JP  
Director (Special duties)  
Transport and Housing Bureau

Miss Kathy CHAN  
Head  
Secretariat for the Study on Tenancy Control of  
Subdivided Units  
Transport and Housing Bureau

**Clerk in attendance** : Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance** : Mr Fred PANG  
Senior Council Secretary (1)5

Ms Michelle NIEN  
Legislative Assistant (1)5

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**I. Information papers issued since last meeting**

Members noted that no information paper had been issued since last meeting.

**II. Items for discussion at the next meeting**

(LC Paper No. CB(1)504/20-21(01) — List of follow-up actions

LC Paper No. CB(1)504/20-21(02) — List of outstanding items for discussion)

2. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 1 March 2021, at 2:30 pm –

- (a) Review of income and asset limits for public rental housing ("PRH") for 2021-22; and
- (b) Enhancement of the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations ("NGOs"), allowing a one-off advance payment, and creation of a supernumerary Administrative Officer Staff Grade C (D2) post in the Task Force on Transitional Housing.

*(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)549/20-21 on 2 February 2021. At the request of the Administration, the aforesaid (b) was renamed to "Creation of a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post in the Housing Department". Members were informed accordingly vide LC Paper No. CB(1)612/20-21 on 25 February 2021.)*

**III. Head 711 project no. B808CL – Site formation and infrastructure works for public housing developments at Tseung Kwan O**

(LC Paper No. CB(1)504/20-21(03) — Administration's paper on Public Works Programme Items No. B808CL – Site formation and infrastructure works for public housing developments at Tseung Kwan O)

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3. Deputy Director of Housing (Development and Construction) (Acting) ("DDH(D&C) (Acting)") briefed members on the Administration's proposal in LC Paper No. CB(1)504/20-21(03) to carry out B808CL on three sites at Tseung Kwan O (i.e. Northwest of Ying Yip Road, West of Yau Yue Wan Village and East of Hong Kong Movie City) to provide formed land and associated infrastructure to support the public housing developments.

4. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest.

Use of land resources at the proposed sites

5. Mr Tony TSE said that he supported the proposed works. He enquired how the proposed developments would fully utilize land resources. DDH(D&C) (Acting) replied that the permitted plot ratio of the three sites was currently 6.5, and the proposal had already optimized the development potential of the sites. The Administration was studying whether it was feasible to increase the permitted plot ratio to between 6.8 and 7, and would prepare the application for approval under section 16 of the Town Planning Ordinance (Cap. 131) accordingly where appropriate. Generally speaking, with approval by the Town Planning Board ("TPB"), the number of units would generally increase by about 8% in the proposed public housing developments. The Administration would take into account the policy initiative announced by the Chief Executive about additional gross floor area for the provision of social welfare facilities in future public housing projects.

Provision of transport and other community facilities

6. Ir Dr LO Wai-kwok said that he supported the proposal which would help increase the public housing supply. In view of the limited size of the three proposed sites, he asked about the provision of supporting facilities, such as transport, education, shopping and wet market facilities, for meeting the daily living needs of the residents in future. Mr Tony TSE enquired whether the Administration would strengthen the public transport services to cater for the population growth brought about by the proposed developments.

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7. DDH(D&C) (Acting) replied that for the site at East of Hong Kong Movie City, the Administration would provide space for a supermarket with wet and dry goods, fresh food shops, a kindergarten and some welfare facilities. The site at West of Yau Yue Wan Village was close to some existing public and private residential housing where retail facilities and wet market were available. The welfare facilities planned for the site included residential care home for the elderly, child care centre and a kindergarten. As the retail facilities and wet market in Hang Hau were within about 15 minutes' walking distance from the site at Northwest of Ying Yip Road, the Administration would provide space for small-scale retail facilities and welfare facilities such as day care centre for the elderly, neighbourhood elderly centre, and children's play area at the site. As regards transport, Deputy Head of Civil Engineering Office (Housing), Civil Engineering and Development Department ("DH(CEO)(H)/CEDD") advised that there would be laybys for buses or minibuses at the sites at Northwest of Ying Yip Road and East of Hong Kong Movie City as they were not close to the nearby MTR station. The Transport Department would arrange the provision of suitable public transport services in a timely manner before the population intake of the public housing developments.

8. The Chairman said that his political affiliation supported the proposal, and enquired about the traffic impact of the proposed developments on Tseung Kwan O Tunnel and trunk roads at Kowloon East districts, such as Kwun Tong. DH(CEO)(H)/CEDD replied that before the population intake of the proposed public housing developments, the construction of external road links connecting Tseung Kwan O, including the Trunk Road T2, Tseung Kwan O-Lam Tin Tunnel, Central Kowloon Route and Cross Bay Link would have been completed. By that time, the traffic condition between Tseung Kwan O and the urban area would be at a more acceptable level and the burden of Tseung Kwan O Tunnel would be alleviated. Chief Traffic Engineer/New Territories East, Transport Department advised that the Administration had conducted traffic impact assessment for the proposed public housing developments, and had reviewed the roads in the vicinity and the trunk roads connecting the urban areas and Tseung Kwan O. With the implementation of the proposed traffic improvement measures, the local traffic conditions were generally manageable to accommodate the traffic needs arising from the proposed public housing developments.

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Capital cost of the proposed works

9. Mr Tony TSE requested the Administration to provide before the relevant meeting of the Public Works Subcommittee ("PWSC") information about the detailed breakdown of the capital cost of the proposed works/respective estimated costs of the nine items of the proposed works (i.e. items (a) to (i) in paragraph 2 of LC Paper No. CB(1)504/20-21(03)). In reply, DDH(D&C) (Acting) undertook to provide the requested information.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)574/20-21(01) on 16 February 2021.)*

Concluding remarks

10. Concluding the discussion, the Chairman said that members supported the submission of the proposal to PWSC for consideration.

*(As the discussion on agenda item III ended well before the scheduled starting time of agenda item IV, the Chairman suspended the meeting at 2:54 pm. The meeting resumed at 3:11 pm.)*

**IV. Clearance of Shek Lei Interim Housing**

(LC Paper No. CB(1)504/20-21(04) — Administration's paper on implementation arrangements for the clearance of Shek Lei Interim Housing

LC Paper No. CB(1)504/20-21(08) — Administration's paper on implementation arrangements for the clearance of Shek Lei Interim Housing (power-point presentation materials) (Chinese version only)

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LC Paper No. CB(1)504/20-21(05) — Paper on interim housing prepared by the Legislative Council Secretariat (background brief)

11. At the invitation of the Chairman, Permanent Secretary for Transport & Housing (Housing) ("PS(H)") briefed members on the Hong Kong Housing Authority ("HA")'s implementation arrangements for the clearance of Shek Lei Interim Housing ("Shek Lei IH"). With the aid of PowerPoint, Assistant Director of Housing (Housing Subsidies), Housing Department elaborated on the details.

Supply of interim housing in urban/extended urban districts

12. Ms Alice MAK and Mr KWOK Wai-keung expressed concern about the lack of IH units in urban districts to cater for future demand after the clearance of the Shek Lei IH. IH residents would be accommodated only in Po Tin IH, which was located in Tuen Mun and inconvenient to many who worked in urban districts.

13. Mr Wilson OR said that he recognized the need to demolish the Shek Lei IH. In view that HA was currently providing both IH and PRH units in the Po Tin Estate, he asked whether HA would consider a similar arrangement of reserving some units in new PRH developments such as the one at the Shek Lei IH site for meeting the demand of urban IH. Mr CHAN Han-pan opined that there should be IH units in urban districts for accommodating families who were rendered homeless as a result of natural disasters, emergencies, Government's actions such as clearance of unauthorized structures and had not yet been provided the PRH flat offer, lest the Administration/HA would take a step backward in helping these families. He asked whether HA would provide IH units in newly completed PRH in urban districts and whether the Administration would liaise with relevant organizations to use transitional housing for providing IH. In view that HA planned to clear the Shek Lei IH site and there were vacant units in the Po Tin IH, Mr Tony TSE asked how these reflected the demand for IH.

14. PS(H) replied that there were about 8 700 units in Po Tin Estate, about 4 000 units of which were IH and the remaining 4 700 units were PRH. The annual number of IH units recovered was about 300 to 400 on average, and about 700 IH units were currently vacant. It was assessed that Po Tin IH alone could sufficiently meet the demand for IH. Even if the demand for IH increased in future, HA could flexibly convert PRH units in the estate for use



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as IH units. Transport should not be too much of a problem as public transport services in Tuen Mun had already been well-developed. In light of the acute demand for PRH, the Administration/HA should give top priority to PRH development on the land available in urban/extended urban areas, and therefore the Shek Lei site would be devoted for meeting the PRH demand. Providing IH in the Po Tin Estate and redeveloping the Shek Lei IH site to increase the supply of extended urban PRH units would strike a balance between the need of IH and the PRH demand.

15. Dr CHENG Chung-tai said that the Administration should make it clear whether there would be no IH arrangement in urban areas in the long term, and whether the Administration would rely on the Po Tin Estate or some temporary premises only to provide accommodations for families who were rendered homeless as a result of natural disasters, emergencies and Government's actions, etc. PS(H) replied that HA would continue to provide IH units in Po Tin Estate which, according to the current assessment, should be sufficient to meet the demand. For the large-scale development projects such as Kwu Tung North New Development Area, the Development Bureau and the Lands Department had put in place separate enhanced compensation and re-housing arrangements for the clearerees.

Rehousing arrangements for residents of Shek Lei Interim Housing

16. Ms Alice MAK asked about the number of years of residence of the existing households in the Shek Lei IH, and how HA would cater for their rehousing needs arising from the clearance. PS(H) replied that 329 households were residing in the Shek Lei IH and their years of residence ranged from about three to more than 10 years. Of these households, 250 would be eligible for rehousing directly to PRH units or advance rehousing to PRH under the HA's Anticipatory Housing Scheme ("AHS"). For households with verified eligibility for PRH allocation, if they wished to purchase Home Ownership Scheme ("HOS")/Green Form Subsidised Home Ownership Scheme ("GSH"), they would be accorded Green Form status and priority in flat selection in the HOS/GSH sale exercises of HA or Subsidised Sale Flats Projects of the Hong Kong Housing Society launched before the clearance. For the remaining 79 households, as they were not yet due for PRH allocation under AHS before the target clearance date, HA would arrange to rehouse them to Po Tin IH upon clearance.

17. Mr KWOK Wai-keung asked whether HA would advance the rehousing of those households in the Shek Lei IH already identified to be eligible for PRH so that the site clearance and the new PRH development project could be taken forward earlier. PS(H) replied that allocating PRH

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flats to eligible households in IH under the existing PRH allocation policy had been an on-going process. As soon as HA had endorsed the clearance and rehousing arrangements in December 2020, announcement on the clearance was made immediately thus giving affected households a 24-months' notice, and rehousing arrangements pursuant to HA's decision were being implemented accordingly. According to experience, some households might not move out until close to the clearance date.

Rehousing households to Po Tin Interim Housing

18. Ms Alice MAK opined that rehousing the 79 households to the Po Tin IH or transitional housing was not a permanent solution to their need and HA should continue to follow up with them their concerns on the rehousing issue. The most desirable approach to assist them would be to allocate PRH units to them. Mr Wilson OR opined that HA should adopt a people-oriented approach in addressing the concerns of the 79 households.

19. PS(H) replied that of the 79 households who should be rehoused to the Po Tin IH, some of them might be closely eligible for AHS or might have other special grounds for allocation to PRH. HA had delegated the authority to approve special and justified cases for rehousing to PRH to a departmental directorate officer at Chief Housing Manager rank. With due regard to the "people-oriented" principle and the principle of fairness, HA would, on a case-by-case basis, look into the situation of individual households which faced difficulties due to the clearance and would provide assistance, where justified, to them. Such assistance included providing compassionate rehousing through the Social Welfare Department, etc.

20. Dr Junius HO cast doubt on HA's decision to demolish the Shek Lei IH given that there was demand for IH in urban districts. He opined that the arrangement to rehouse the affected households to the Po Tin IH could not improve their current housing situation. As the 79 households' moving out was due to the HA's decision to vacate their units, HA should address their housing needs in one go and should give priority allocation of PRH or provide transitional housing to them.

21. PS(H) replied that for fairness to PRH applicants who were waiting to be housed, those households in Shek Lei IH whose PRH applications were not yet due even under the AHS would be rehoused to Po Tin IH. For households in the Shek Lei IH who wished to move to transitional housing, HA would convey their requests to the Task Force on Transitional Housing for follow-up with the operating organizations of transitional housing.

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22. Mr CHAN Han-pan opined that households who would be arranged to move to the Po Tin IH would face difficulties in adapting to the new community. Dr CHENG Chung-tai asked whether the Administration/HA would put in place arrangements, such as setting up social work teams, for assisting the 79 families to adapt to the community in Po Tin and to arrange change of schools for their children. PS(H) replied that most of the affected households in the Shek Lei IH who would be rehoused to the Po Tin IH were singletons and some of them were ex-PRH tenants who had been rendered homeless due to various reasons such as divorce or PRH tenancy enforcement actions e.g. rent arrears cases. Where appropriate, the Administration/HA would liaise with NGOs to assist the affected households in resolving their difficulties after moving to the Po Tin IH. Dr CHENG requested the Administration to provide information about the Po Tin IH, such as the occupancy situation, information about its residents, etc.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)657/20-21(01) on 10 March 2021.)*

Singleton Allowance /Doubleton Allowance

23. Mr Tony TSE enquired why the clearers who received Singleton Allowance ("SA") or Doubleton Allowance ("DA") would be debarred from further payment of the allowance and any form of subsidized housing for two years from the collection date of SA/DA. PS(H) replied that eligible households in the Shek Lei IH might opt to receive SA/DA in lieu of PRH/IH allocation and they might use the allowance to make their own accommodation arrangements or meet other needs. To avoid unfairness to other IH residents waiting for PRH, these households would not be allowed to apply for PRH or other subsidized housing for an appropriate period of time which was set at two years. In response to the enquiry of Mr Tony TSE and the Chairman about whether the Administration/HA would provide transport subsidy or allowance for the households after they have moved to the Po Tin IH due to the clearance of the Shek Lei IH, PS(H) advised in the negative.

Occupancy situation of Shek Lei Interim Housing

24. Ir Dr LO Wai-kwok expressed support for clearance of the Shek Lei IH given its structural conditions and the need to make good use of the site. He queried why some households had resided in the Shek Lei IH for 10 years and considered that these households, if eligible, should be allocated PRH as

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early as possible. For those who were not eligible for PRH, the Administration/HA should consider in a timely manner whether to allocate PRH to them on compassionate grounds or provide appropriate financial support to assist them to make their own accommodation arrangements. PS(H) replied that for the households who had resided in the Shek Lei IH for a long time, many were affected by the Governments' clearance operations before 1998. Under the HA's policy at that time, they did not need to meet any income and assets limits in order to be eligible for residing in the IH. Most of these households had declined the PRH offers from HA and continued to stay in the IH due to various reasons, such as the relatively low rent of IH units, etc. As HA targeted to clear the Shek Lei IH by December 2022, arrangements would be made to rehouse these households to PRH or the Po Tin IH as early as possible.

Redevelopment of the site of Shek Lei Interim Housing

25. In view that the Administration would apply for relaxing the planning restrictions of the Shek Lei IH site and its adjoining ex-Shek Lei Catholic Primary School, Mr Tony TSE enquired about the constraints in optimizing the development potential of the sites in future and the Administration's backup plan if TPB did not approve the relevant applications for dealing with such constraints. He further asked about the development intensity and whether in planning the redevelopment of the sites, the Administration/HA would take into account the Chief Executive's policy initiative about additional gross floor area for the provision of social welfare facilities in future public housing projects.

26. PS(H) and Chief Planning Officer 2, Housing Department ("CPO/2, HD") replied that subject to the approval from the TPB on the proposed relaxation of the planning restrictions of the sites of the Shek Lei IH and its adjoining ex-Shek Lei Catholic Primary School, the maximum domestic plot ratio would increase from 5 to 6.5, and the number of PRH units provided at the two sites would increase from about 1 100 to about 1 600. A minimum of 5% of the gross floor area would be set aside for the provision of social welfare facilities at the development, and the types of such facilities were to be discussed with the concerned departments. CPO/2, HD advised that apart from the plot ratio restriction, TPB's approval would also be sought to relax the building height restriction of the two sites taking into account the facilities to be provided and requirements of other relevant government departments, as well as the results of relevant technical assessments. Mr Tony TSE requested the Administration to provide information on the total area/respective total areas of the two sites; and the differences between PRH and IH in respect of the design and materials used.

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(*Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)657/20-21(01) on 10 March 2021.*)

27. Mr Wilson OR asked about the challenges involved in seeking approval for the proposal to relax the planning restrictions of the sites concerned and the reason for the smaller estimated number of PRH units to be provided at the sites than the existing number of units in the Shek Lei IH. PS(H) replied that the Administration/HA would endeavour to obtain the TPB's approval for relaxation of the plot ratio and building height restrictions of the sites of IH and its adjoining school. As the size of the units in the Shek Lei IH ranged between 12.73 to 18.58 square metres whereas the size of PRH units ranged from about 14 to 36 square metres, the number of PRH units to be provided at the sites in future would be less than the current number of IH units.

28. Mr CHAN Han-pan asked whether there was any need for reprovisioning the services currently provided at the school premises adjacent to the Shek Lei IH due to the clearance. PS(H) replied that an NGO had rented the premises for operating a training centre. As the tenancy concerned would expire by end-June 2022, there was no need for reprovisioning the services upon the clearance of Shek Lei IH. In response to the Chairman's enquiry, PS(H) advised that the Administration/HA would redevelop the site of the Shek Lei IH and the school site together.

29. Mr Wilson OR asked whether HA could shorten the construction time for the new PRH development at the Shek Lei IH site. CPO/2, HD replied that if the site clearance could be completed by end-2022, the Administration/HA would carry out demolition works in 2023 and commence the foundation and superstructure works in 2024 and 2025 respectively. Subject to smooth completion of such works, the PRH development was expected to complete in 2028/2029. To meet this tight timetable, the Administration/HA would undertake relevant work including formulation of planning parameters, technical studies, planning applications, detailed design, etc. in advance. The tendering exercises for the foundation works would be conducted in a timely manner to enable construction works at the site to commence immediately after the completion of clearance and demolition works.

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**V. Work progress of the Task Force for the Study on Tenancy Control of Subdivided Units**

(LC Paper No. CB(1)504/20-21(06) — Administration's paper on work progress of the Task Force for the Study on Tenancy Control of Subdivided Units

LC Paper No. CB(1)504/20-21(07) — Paper on study on tenancy control of subdivided units prepared by the Legislative Council Secretariat (background brief))

30. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") and Chairman of the Task Force for the Study on Tenancy Control of Subdivided Units ("the Task Force") briefed members on the background and latest progress of the study on tenancy control of subdivided units ("SDUs") ("the study").

Demand for subdivided units and introduction of tenancy control of subdivided units

31. Ir Dr LO Wai-kwok opined that the demand for SDUs might continue to exist as long as the households who required private rental accommodations could not afford renting a whole unit. He considered it important that the Administration should strike a balance between the interests of tenants and property owners when introducing tenancy control as it was a complicated issue. Mr Tony TSE enquired about the time required by the Administration for addressing the problem of SDUs in Hong Kong. STH replied that although the Government had identified the land required for providing 316 000 public housing units, it would take 10 years or so to complete the construction of such housing units in order to provide adequate public housing to meet the demand. Before reaching the housing supply target, the Administration would continue to examine measures to alleviate the pressure on livelihood faced by inadequately housed households ("IHHs"). These measures included conversion of suitable hotels/guesthouses for transitional housing, Cash Allowance Trial Scheme, tenancy control of SDUs, etc.

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32. Mr Vincent CHENG expressed commendation on the work of the Task Force. He opined that apart from implementing the transitional housing initiative, the Administration should also introduce tenancy control of SDUs as soon as possible within the current LegCo session to prevent landlords from increasing the rent of SDUs upon implementation of the Cash Allowance Trial Scheme. Ms Starry LEE and Ms Alice MAK expressed similar views. Ms LEE said that her political affiliation supported an early implementation of tenancy control of SDUs to help address the difficulties faced by the grassroots. Ms MAK opined that as PRH was inadequate to meet the need of IHHs, the Administration should put in place measures to protect the interests of such households who lacked bargaining power in negotiating rent with landlords.

33. Dr Junius HO said that he supported tenancy control of SDUs, and was concerned about the coverage of the measure and the definition of SDUs. He asked about the details of the Task Force's work in enhancing its understanding of tenancy control of SDUs and related issues as stated in its terms of reference. Chairman of the Task Force replied that the Task Force had appraised the situation of SDUs through exchanges with concern groups, public forums and paying visits to tenants of different types of SDUs in various districts, and believed that given the shortage in the supply of PRH and transitional housing, the demand for SDUs or other low-rent accommodations in urban districts would persist.

Coverage of tenancy control of subdivided units

34. Mr Michael TIEN asked whether tenancy control of SDUs and related measures if implemented would apply to IHHs other than SDUs, including bedspaces in private housing or cage homes. Ms Alice MAK opined that as those grassroots households who were living in illegal SDUs, such as those in industrial buildings, might be even more vulnerable than those living in SDUs in domestic buildings, the Administration should also apply tenancy control to those units. Chairman of the Task Force replied that the Task Force considered that tenancy control should also apply to bedspaces in private housing. STH advised that members of the public generally supported the introduction of tenancy control on SDUs in Hong Kong as early as possible, and the Administration had noted members' views at the meeting that the measure should also target at other IHHs, including bedspaces in private housing. As regards whether the coverage of the measure should be extended to those non-domestic premises which were being used for domestic purpose such as SDUs in industrial buildings and on agricultural land, illegal squatters, etc., the Administration would consider the issue carefully taking into account the housing need of the families residing in such premises, the relevant government policy and members' views.

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Rent and rate of rent increase

35. Dr Junius HO asked whether the Administration would stipulate the rent per square feet of SDUs and impose a cap on the rate of rent increases taking into account relevant figures from the Rating and Valuation Department ("RVD"). Ms Alice MAK opined that tenancy control of SDUs should include restrictions on the rate of rent increases of SDUs. Mr Vincent CHENG enquired whether the Administration would make reference to the rate of rent increases of PRH when setting caps on the rate of SDU rent increases. Mr Wilson OR expressed grave concern about the news of a suggestion of setting the cap on SDU rent increases at 15%, which he found too high for grassroots households to afford. Chairman of the Task Force replied that he had taken note of members' views on the matter. He clarified that a consultant of the Task Force had suggested a restriction on the rate of SDU rent increases at 15% in its preliminary report but the Task Force had not yet discussed the suggestion.

36. Mr Michael TIEN asked whether the Administration would make reference to the experience of enforcing rent control in overseas jurisdictions, such as Germany, and control not only the rate of rent increases of SDUs, but also prevent the landlords' charging of a high initial rent of a new tenancy for making up for the decreased rental income in future. Chairman of the Task Force replied that if tenancy control of SDUs was to be enforced, the Government should consider adopting measures which were more legally sound and relatively easier to administer, could be implemented speedily, whilst bringing real protection for SDU tenants. In considering whether tenancy control of SDUs should also control the initial rent of new tenancies, the Government needed to take into account the Hong Kong Bill of Rights Ordinance (Cap. 383) which had come into force in Hong Kong on 8 June 1991 and the Basic Law which had offered clear protection of private property rights. It was important to ensure that the measure should not disproportionately infringe on the private property rights of landowners whilst protecting the interests of tenants. The Task Force would continue to carefully explore ways to deal with this issue. He further advised that the consultants appointed by the Task Force had studied the experience of enforcing tenancy controls in Ontario of Canada, New York of the United States, New South Wales of Australia, etc. According to these researches, such overseas jurisdictions had recognized the need to strike a balance between the interests of tenants and landlords in adopting such measure. In response to Mr Michael TIEN's concern about the changes in rent of SDUs under the pandemic, Chairman of the Task Force advised that some SDU landlords had not increased rent over the past three years.



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Tenancy arrangements and landlords' charging for water and electricity consumption

37. Mr Wilson OR opined that as tenants waiting for PRH might move out from their SDUs once receiving a PRH offer, some tenancy arrangements such as a tenancy for two years with an option to renew for another two years might not be suitable for them. The Administration/Task Force needed to consider some more flexible arrangements. Chairman of the Task Force replied that the Task Force had not yet discussed tenancy arrangements in details, including the one mentioned by Mr Wilson OR.

38. Mr Vincent CHENG opined that tenancy control of SDUs should require the landlord and the tenant to sign a standard tenancy agreement and the agreement should include terms and conditions providing security of tenure, including a notice period for moving out. Ms Alice MAK opined that SDU tenants who were forced to move out from their units to other SDUs and had limited monthly income would have difficulty in paying two months' rent as deposit and one month's rent in advance to their new landlords. There should be a standard tenancy agreement for setting out when a SDU landlord had to return the deposit money to the tenant upon the latter's vacation of the premises.

39. Ms Alice MAK and Mr Vincent CHENG considered it necessary for the Administration to deal with SDU landlords' overcharging of water and electricity bills. Ms MAK said that there were cases where SDU landlords overcharged water and electricity bills even though such units had been installed with independent water and electricity meters and they had charged high rent. Apart from the measures to control rent increases and protect tenants' option to renew their existing tenancy, there should be a standard tenancy agreement listing out fees and charges to prevent landlords' overcharging.

40. Chairman of the Task Force replied that the Task Force understood the importance of protecting SDU tenants by mandating a standard tenancy agreement. STH advised that the Administration/Task Force had a relatively clear consensus that a standard tenancy agreement for SDUs should be devised, which should set out the rights and obligations of both the landlord and the tenant, the term and period of tenancy, rent, notice period for early termination of tenancy, the arrangements concerning electricity and water charges and other miscellaneous charges. The Administration would further consider the details of these measures after receiving the report of the Task Force.

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41. Mr Vincent CHENG and Mr Wilson OR enquired how the Administration would prevent loopholes in the tenancy control of SDUs sub-let by the SDU landlord through a head lessee under his control. Chairman of the Task Force replied that the Task Force would explore ways to deal with the problems arising from subletting of SDUs, such as difficulties in enforcing tenancy control if the SDU landlord destroyed all leasehold interests created under a sub-lease by terminating the head lease.

Enforcement of tenancy control measures

42. Dr Junius HO enquired whether the Administration would put in place a mediation mechanism to resolve disputes between SDU landlords and tenants after the implementation of tenancy control of SDUs, and whether the Transport and Housing Bureau ("THB"), instead of the Lands Tribunal, would be responsible for dealing with the disputes that could not be resolved by mediation. Mr Wilson OR enquired whether disputes between SDU landlords and tenants would be arbitrated through RVD and the Lands Tribunal, and whether the Administration/Task Force had considered the details of the arbitration mechanism, such as arbitration timeframe, extra manpower required, etc.

43. STH replied that if the law required the landlord and the tenant to sign a standard tenancy agreement in future, relevant government departments would enforce the requirement on the landlord and the tenant who had not signed a tenancy agreement or had entered into an agreement containing terms and conditions which were inconsistent with the standard tenancy agreement. RVD and the Lands Tribunal, etc. might need to take part in the enforcement works relating to tenancy control of SDUs, and the Administration would continue to communicate with enforcement bodies on the resources required for the enforcement of the measure. Chairman of the Task Force advised that the disputes between SDU landlords and tenants might increase after the implementation of tenancy control measures to protect SDU tenants, such as mandating a standard tenancy agreement. The Task Force considered that the Government might need to increase resources to support the relevant enforcement bodies to handle such disputes in future.

Rental information platform

44. Mrs Regina IP opined that IHHs and political parties were well aware of the situation of SDUs such as their rentals, and it was not necessary for the Administration to rely on NGOs to develop an information platform for providing SDU rental information to needy households and the general

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public. The Home Affairs Department ("HAD") also had the responsibilities and resources to collect and provide information about SDUs through its district network. STH replied that THB would discuss with HAD in light of Mrs IP's views. As there were about 120 000 IHHs at different districts over the territory, the Administration would welcome NGOs and other community organizations to assist such households and provide useful information to them.

Living environment of subdivided units

45. Dr Junius HO asked whether the Administration would put in place regulations governing the minimum floor area of SDUs to help improve the living conditions of such units. Chairman of the Task Force advised that the Government should consider developing a guide setting out relevant standards for such units, such as the minimum floor area. In response to Dr HO's concern on whether SDU landlords would follow the guide if it was not legally binding, Chairman of the Task Force advised that as the guide was not yet available, it was premature for the Administration to consider whether SDU landlords should be mandatorily required to follow the standards in the guide.

46. Ms YUNG Hoi-yan said that households needed to reside in inadequate housing units in urban districts because of their proximity to their places of work and schools and their relatively low rent. To assist them, the Administration should control the rent increases and put in place measures to ensure that SDU landlords would improve the quality and living environment of such units. Chairman of the Task Force replied that if the Government would develop a guide on SDUs, and landlords providing SDUs would follow the guide, more SDUs with good quality would be provided and the existing SDUs with poor living conditions might be gradually phased out. STH advised that to increase public housing was the fundamental solution to the problem of SDUs. As new PRH units would mostly be provided in districts outside the main urban area, the Administration would continue to enhance transport facilities so as to shorten the residents' travelling time to and from urban districts.

47. Ir Dr LO Wai-kwok opined that some landlords had carried out alteration works to subdivide their housing units into SDUs with independent toilets, and this might give rise to structural problems of the buildings, drainage defects and hygiene problems. Given that SDUs might be provided in "three-nil" buildings (i.e. buildings which did not have owners' corporations or any form of residents' organizations, or did not engage property management companies) in old districts, he enquired about the

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Administration's stance regarding the suggestion of assisting the residents concerned in setting up an owners' corporation or a similar organization for a group of "three-nil" buildings in order to help address their management problems. He said that the Administration might consider a pilot scheme in this regard. STH replied that he would communicate with the Home Affairs Bureau on whether it was practicable to follow up Ir Dr LO's suggestion taking into account the regulatory regime under the Building Management Ordinance (Cap. 344).

48. Mr Tony TSE opined that the pandemic had exposed environmental hygiene issues in "three-nil" buildings, including those where SDUs were provided, hence giving rise to concern about the risk of viral transmission. He asked whether apart from introducing measures to control rent of SDUs and protect the interest of SDU tenants, THB would also coordinate with other bureaux/departments to resolve the safety and environmental hygiene problems in order to holistically improve the living environment of SDUs. STH and Under Secretary for Transport and Housing replied that relevant government departments would continue to enforce the existing legislation which regulated the problems found in SDUs, including their fire and building safety as well as sanitation, etc. and THB would closely liaise with these departments regarding these issues. Although the Task Force's study focused on how to regulate the tenancy arrangements between SDU landlords and tenants, the Administration had invited representatives of relevant government departments to brief the Task Force on their work relating to SDUs, and the Task Force had some preliminary views on measures to deal with building maintenance issues relating to SDUs.

49. Ms Starry LEE expressed great reservations on the effectiveness of the existing legislation to regulate the safety of SDUs. Relevant bureaux/departments had yet to resolve the management problems of the buildings where SDUs were provided, and the Joint Office for Investigation of Water Seepage Complaints was unable to address the water seepage problems in such buildings effectively. She asked whether the Administration would introduce new policies and enhance inter-departmental efforts to deal with such issues. STH undertook to relay Ms Starry LEE's concerns about the handling of water seepage problems and safety issues of SDUs to relevant bureaux/departments for consideration.

Time taken for the study

50. Ms Starry LEE opined that SDUs had already existed in Hong Kong for years and there was a consensus on the need to implement tenancy control of SDUs. Instead of setting up a task force for studying the problems of

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SDUs again, the Administration should proceed directly to formulate tenancy control measures. Mrs Regina IP opined that the originally proposed timeframe of the Task Force's study was needlessly long. Instead of spending time first on identifying the problems of SDUs, the Administration/Task Force should directly study suitable measures to address the problems of SDUs, which had existed for many years and had been well known in society. She queried why none of the elected LegCo Members, who were well-versed with SDU issues in districts, was included in the membership of the Task Force. STH replied that the Administration/Task Force had communicated with individual LegCo Members regarding tenancy control of SDUs. Representatives of the Administration and the Task Force would attend the meeting of the Subcommittee on Issues Relating to Transitional Housing and Subdivided Units scheduled in February 2021 to further discuss with members the subject.

Timetable to follow up the study recommendations

51. In view that the Task Force aimed to advance the completion of the study and its report by end March 2021 and the Administration would consider the study recommendations upon receipt of the Task Force's report, Mr Wilson OR enquired about the Administration's concrete timetable to submit its proposal to LegCo.

52. The Chairman said that his political affiliation opposed tenancy control but had no objection to tenancy control of SDUs in view of the difficulties faced by SDU households when waiting for PRH. He enquired whether legislative amendments were required to implement tenancy control of SDUs and other related measures, and, if so, whether the relevant bill could be introduced to LegCo within the current session.

53. STH replied that the Task Force was working in full steam to complete the study. Upon receipt of the Task Force's report, the Government would actively consider its recommendations. Director (Special duties), Transport and Housing Bureau advised that the Task Force would advance the completion of the study by three months and would be able to submit its report to the Government by end-March 2021. Except the suggestion of establishing the SDU rental information platform, most other measures possibly recommended in the study, such as mandating a standard tenancy agreement, required legislative amendments for their implementation. The relevant legislative process would be under a very tight timetable if it had to be completed within the current LegCo session. THB had liaised with the working group of the Task Force on legal aspects and the Department of Justice to carry out advance work for preparing the relevant legislative amendments.

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**VI. Any other business**

54. There being no other business, the meeting ended at 5:24 pm.

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Legislative Council Secretariat  
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