

**Bills Committee on
Landlord and Tenant (Consolidation) (Amendment) Bill 2003**

**List of follow-up actions arising from the
Discussion at the meeting on 15 April 2004**

- (1) To provide as far as practicable a comparison between the rentals of Urban Renewal Authority (URA) project areas with that of the neighboring areas.

As the URA Ordinance only empowers the URA to conduct surveys for purposes related to the planning or implementation of projects, it is not appropriate for the URA to collect information on rental levels outside its project areas. Publicly available data is not specific to particular areas or types of residential property (in terms of size, age etc.). It would also be difficult to compare rentals in older properties, where sub-letting and oral tenancies are common but information may not be available or comprehensive. We are therefore unable to carry out any meaningful comparison of domestic rental levels inside and outside areas affected by our projects.

- (2) To advise the cost difference if affected parties in the remaining 13 former Land Development Corporation projects are offered the statutory compensation under the existing Landlord and Tenant (Consolidation) Ordinance and compensation equivalent to 3.5 times of the Rateable Value under the new option proposed by URA.

The difference in cost between applying the compensation formula under the Landlord and Tenant (Consolidation) Ordinance (LTO) and the URA's proposal based on 3.5 times rateable value depends on the proportion of domestic tenants opting for rehousing and cash compensation as well as the actual number of tenants eligible for minimum payment for cubicles and bunk beds. Assuming that 26% of households choose rehousing (based on experience from the URA's first three projects) the additional cost of applying the current formula in the remaining ex-LDC projects is estimated at about \$33 million. Current levels of minimum payments are assumed in both cases. However, the eventual figure will be higher if more tenants move into project areas after the Bill is enacted. As repeatedly stated at meetings and various fora, the URA's objectives are to encourage tenants to move into public housing and to look after tenants in great need of help in particular those living in bunk beds and cubicles.

- (3) To consider relaxing the eligibility criteria for public rental housing for tenants of the remaining 13 LDC projects.

Members asked whether the criteria for rehousing could be relaxed. The URA has the discretion to allocate up to 20% of rehousing units supplied by the Housing Authority and Housing Society in any year to persons, who do not meet the usual qualification criteria for public rental housing, on compassionate grounds. The URA is required to ensure that the system for making such allocations is open, fair and reasonable. We have set criteria for compassionate rehousing, which are generally based on those applied by the Social Welfare Department in Government clearance exercises. Compassionate rehousing is offered to persons, who do not meet the normal eligibility criteria but are facing special difficulty because of factors such as age, illness, disability and social or family problems. So far, this system has worked satisfactorily. However, we will explore with the Housing Department and Housing Society whether the criteria may be relaxed further with a view to increasing the numbers of clearances rehoused.

Urban Renewal Authority
May 2004