

**LANDLORD & TENANT (CONSOLIDATION)**  
**(AMENDMENT) BILL**

**Introduction**

This paper contains the views of the Urban Renewal Authority (URA) on the above Bill.

**Background**

2. The Bill was gazetted on 30 May 2003 as part of the administration's efforts to stabilize the property market. Apart from being asked to comment on the proposals in the Bill by the Administration, the URA played no part in the initiation and preparation of the Bill.

**The URA's Views**

3. The URA generally supports the objectives of the Bill in that it will facilitate the operation of the market in private rental property, which should be governed by contracts between landlord & tenant rather than by legislation. Tenancy control and the high levels of statutory compensation payable dampen market incentives for building rehabilitation or redevelopment and, as a result, leads to urban dilapidation in the long run. As regards the specific operations of the URA, the provisions of the Bill could help to facilitate urban renewal projects, for example by shortening the statutory notice period for termination of non-domestic tenancies under Part V and by allowing arrangements for domestic tenants to be made more flexible.

4. The URA currently offers eligible domestic tenants affected by its redevelopment projects a choice of rehousing or cash payments. Details of URA policies relating to cash payments are set out in a separate paper forwarded to Members through the Housing, Planning and Lands Bureau. That paper also outlines certain abuses arising from or made worse by the existing statutory provisions. Enactment of the Bill will enable the URA to eliminate or reduce such abuses.

5. The URA's policies on rehousing and cash payments for domestic tenants are designed to fulfil its statutory purpose of improving the standard of housing and to assist the relocation of people affected by redevelopment projects in line with the people oriented approach to urban renewal. Whilst favouring the removal of the statutory compensation provisions, the URA envisages that rehousing and cash payments will continue to be necessary to achieve smooth implementation of projects and address the needs of affected people, whether or not the Bill is enacted. The URA Board will set policies relating to such payments from time to time to reflect current circumstances and to strike a balance between the needs of those affected and the cost to the community as a whole, given that the URA has received a capital injection from Government.

Urban Renewal Authority  
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