

立法會

Legislative Council

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Panel on Housing

Meeting on 4 January 2016

Background brief on "Work of the Hong Kong Housing Society" prepared by the Legislative Council Secretariat

Purpose

1. This paper provides background information on the work of the Hong Kong Housing Society ("HKHS") and gives a brief account of the views and concerns expressed by members of the Panel on Housing ("the Panel") on the subject.

Background

2. HKHS was established in 1948 and incorporated in 1951 by the Hong Kong Housing Society Incorporation Ordinance (Cap. 1059) ("the Ordinance"). It is an independent, not-for-profit organization aiming to serve the needs of the Hong Kong community in housing and related services. HKHS operates under a two-tier board governance structure comprising a Supervisory Board¹ and an Executive Committee. The Supervisory Board determines the long-term mission and guiding principles of HKHS, while the Executive Committee sets the strategies and policies to achieve the mission and objectives. The Management is accountable for the implementation of the strategies in the business operations.

3. Since its inception, HKHS has built a total of over 68 000 units under different housing schemes, including Rental Estate, Rural Public Housing, Flat-for-Sale, Sandwich Class Housing, Urban Improvement, Full Market Value Developments, Urban Renewal Projects and Senior Citizen Residences Scheme.

¹ The Supervisory Board includes four ex-officio members from the Government, namely the Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)"), Director of Planning, Director of Lands and Director of Buildings. PSTH(H) also serves as an ex-officio member in the Executive Committee.

4. On rental housing, HKHS provides a total of over 32 000 units in 20 estates. Rental units fall into two groups, A and B. Group A caters to low-income families whereas Group B targets families of relatively higher incomes. Reflecting the differences in eligibility, the rental rates for these two categories of rental housing are set at different discounted market prices. Apart from the regular rental units, HKHS also provides some 900 Elderly Persons' Flats in nine of its estates for the senior citizens at half of the normal rents. A list of HKHS rental estates is in **Appendix I**.

5. According to the Administration, throughout the years, HKHS has been playing an active role in the provision of public rental units at affordable rents for low-income households, and the development of subsidized sale projects. HKHS has also been assuming the unique role of "housing laboratory" in trying out innovative housing schemes. The Government considers HKHS a close partner in meeting the housing needs of the community. It will work closely with HKHS and will continue to grant suitable sites for HKHS to develop its housing projects subject to the overall planning of land resources.

6. In its briefing for the Panel on the housing-related initiatives in the 2015 Policy Address on 2 February 2015, the Administration advised that HKHS would put up about 1 600 subsidized sale flats for pre-sale in 2016-2017, about 1 000 units of which would be from the project in Shatin which the Government invited HKHS to develop in 2013. The remaining about 600 units would be from two sites located in Tseung Kwan O and Tuen Mun which the Government newly invited HKHS to develop. In addition, to address the housing needs of the local residents, HKHS had been invited to develop some 140 rental units in Sha Tau Kok. The project was expected to complete in early 2017.

Deliberations of the Panel

7. At the requests of members, the Panel discussed the work and rental adjustment for HKHS's rental estates on 4 March 2013, 5 May 2014 and 4 May 2015. The major views and concerns expressed by members at these meetings are summarized in the ensuing paragraphs.

Management of HKHS's retail premises

8. Some members considered that HKHS should not follow the Link Asset Management Limited ("the Link") to accord priority to financial consideration when considering matters relating to the management of its housing units and

commercial facilities. These members expressed dissatisfaction that tenants of HKHS's retail premises were not given priority in renewing their lease upon expiry, and new leases were made by way of open invitations, hence prices of the goods had been pushed up in HKHS's estates.

9. HKHS explained that it had no intention to follow the practice of the Link in leasing its retail premises. In fact, leasing its retail premises by way of open invitations was a response to the call of some members of the public for enhancing the transparency and monitoring of the relevant process.

Rental adjustment mechanism for HKHS's rental estates

10. The Panel had all along expressed concern about the rental adjustment mechanism for HKHS's rental estates. HKHS advised that the domestic rents of its rental units were reviewed every two years. The rental adjustment was mainly dependent upon the operating costs to account for three factors, viz. (a) the rental income should be sufficient to cover the recurrent management expenditures, tenancy administration costs, Rates and Government Rents; (b) provision for major improvements, repair and maintenance; and (c) contribution to the development sinking fund to cater for redevelopment of estates in future. At the same time, market condition such as inflation rate, salary index and affordability of the tenants would also be taken into consideration. Making reference to the inflation in the previous two years, the HKHS Executive Committee approved an increase of rent by 8% commencing 1 April 2014. The new rent would hold for two years and the next rent review would be conducted by end of 2015.

11. Some members were concerned that the level of increase at 8% was way too high and would adversely affect the livelihood of the grassroots tenants. Noting that one of the reasons for increasing rents was that HKHS had earmarked a funding of \$900 million for major improvement works in its aged estates, some members considered it unfair for HKHS to require its sitting tenants to contribute to the funding for carrying out the improvement works. They were also dissatisfied that tenants' affordability was not given due weighting by HKHS in deciding rent increase, and called on HKHS to lower the level of increase. At the meeting on 5 May 2014, the Panel passed a motion requesting HKHS to shelve the adjustment of rent, which took effect on 1 April 2014, for its rental housing units.

12. Some members pointed out that as the mission of HKHS was similar to that of the Hong Kong Housing Authority ("HA") in providing housing to low-income families, HKHS had the responsibility to disclose the formula for rental adjustment for its housing estates. Noting that the rental units of both HKHS and HA were allocated to public rental housing applicants, some members urged the

Administration to take measures to ensure that rental assistance comparable to that provided by HA was also provided by HKHS to avoid unfairness to such applicants.

13. Regarding those tenants who had financial difficulties in paying rents, HKHS advised that it would refer such cases to the Social Welfare Department for assistance. HKHS emphasized that being a not-for-profit organization operating in a financially-independent mode, it was mindful of the cost implications of any new measures on its rental estates. Various assistance schemes had in fact been operated by the Government and different organizations. HKHS's six registered social workers based at the rental estates would also help tenants seek the assistance needed.

Monitoring the operation of HKHS

14. Some members were gravely concerned that the Ordinance did not empower the Government to monitor the operation of HKHS. They queried how the Administration could ensure that HKHS would operate according to its aim to serve the needs of the community in housing and related services, and requested the Administration to review the legislation. The Administration stressed that HKHS had all along been a close partner of the Government in providing affordable housing, including public rental units at affordable rents for low-income households and the development of subsidized sale projects. The Government had also reaffirmed the role of HKHS as its close partner in the new Long Term Housing Strategy.

Recent development

15. At the work plan meeting on 28 October 2015, members requested to discuss HKHS's mechanism for setting and adjusting domestic rents and for providing needy tenants with rental assistance. Members also expressed concern about the implementation of HKHS's various elderly housing schemes and the subsidized sale housing schemes which the Government invited HKHS to develop in 2013.

16. At the request of the Panel, HKHS will brief members on its work and address the concerns above at the Panel meeting on 4 January 2016.

Relevant papers

17. A list of relevant papers is in **Appendix II**.

Council Business Division 1
Legislative Council Secretariat
30 December 2015

香港房屋協會出租屋邨名單
HKHS Rental Estates Portfolio

甲類出租屋邨 Group A Rental Estates	地區 Location	單位數目 Number of Flats
1. 明華大廈 Ming Wah Dai Ha	筲箕灣 Shau Kei Wan	2,516
2. *健康村第三期 Healthy Village Ph. III	北角 North Point	763
3. 勵德邨 Lai Tak Tsuen	大坑 Tai Hang	2,675
4. 觀龍樓 Kwun Lung Lau	堅尼地城 Kennedy Town	2,337
5. 漁光村 Yue Kwong Chuen	香港仔 Aberdeen	1,144
6. 家維邨 Ka Wai Chuen	紅磡 Hung Hom	1,676
7. 樂民新村 Lok Man Sun Chuen	土瓜灣 To Kwa Wan	3,674
8. 真善美村 Chun Seen Mei Chuen	馬頭圍 Ma Tau Wai	1,027
9. 觀塘花園大廈 Kwun Tong Garden Estate	牛頭角 Ngau Tau Kok	4,921
10. 滿樂大廈 Moon Lok Dai Ha	荃灣 Tsuen Wan	947
11. 祈德尊新邨 Clague Garden Estate	荃灣 Tsuen Wan	553
12. 祖堯邨 Cho Yiu Chuen	葵涌 Kwai Chung	2,532
13. 偉景花園 Broadview Garden	青衣 Tsing Yi	448
14. 乙明邨 Jat Min Chuen	沙田 Sha Tin	3,738
15. 茵怡花園 Verbena Heights	將軍澳 Tseung Kwan O	971
16. 對面海邨 Tui Min Hoi Chuen	西貢 Sai Kung	302
17. 翠塘花園 Lakeside Garden	西貢 Sai Kung	234
18. 沙頭角邨 Sha Tau Kok Chuen	沙頭角 Sha Tau Kok	662
小計 Sub-total		31,120
乙類出租屋邨 Group B Rental Estates	地區 Location	單位數目 Number of Flats
19. *健康村第一期 Healthy Village Ph. I	北角 North Point	426
20. 駿發花園 Prosperous Garden	油麻地 Yau Ma Tei	667
21. 寶石大廈 Bo Shek Mansion	荃灣 Tsuen Wan	268
小計 Sub-total		1,361
總數 Total		32,481

備註 Remark: *健康村(包括甲及乙類出租屋邨) Healthy Village(incl. Group A & B Rental Estates)

Work of the Hong Kong Housing Society

List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Housing	4 March 2013	<p>Hong Kong Housing Society's paper on "Hong Kong Housing Society's Shau Kei Wan Mixed Scheme Project" (LC Paper No. CB(1)619/12-13(08))</p> <p>Minutes of meeting (LC Paper No. CB(1)1390/12-13)</p>
Panel on Housing	5 May 2014	<p>Hong Kong Housing Society's paper on "Domestic Rental Adjustment by Hong Kong Housing Society" (LC Paper No. CB(1)1324/13-14(04))</p> <p>Minutes of meeting (LC Paper No. CB(1)2018/13-14)</p> <p>Administration's follow-up paper to meeting on 5 May 2014 (LC Paper No. CB(1)1731/13-14(01))</p>
Panel on Housing	4 May 2015	<p>Hong Kong Housing Society's paper on "Rent Adjustment of Rental Estates by Hong Kong Housing Society" (LC Paper No. CB(1)787/14-15(05))</p> <p>Administration's paper on "Role and positioning of the Hong Kong Housing Society in the Government's housing policy" (LC Paper No. CB(1)787/14-15(06))</p> <p>Background brief on "Role and positioning of the Hong Kong Housing Society in the Government's housing policy" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)787/14-15(07))</p> <p>Minutes of meeting (LC Paper No. CB(1)1024/14-15)</p>