



Our Ref.: D(PM)/AS/LegCo/ej  
Your Ref.: CB1/PL/HG

20 July 2017

Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

(Attn.: Mr. Derek Lo - Clerk to Panel)

Dear Mr. Lo

**LegCo Panel on Housing**  
**Follow-up to meeting on 3 July 2017**

Thank you for your letter of 7 July 2017 enclosing the two motions under agenda item on 'Rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society' moved by Hon Wilson Or Chong-shing and Hon Shiu Ka-chun respectively.

We shall conduct the rent review exercise for our rental estates by end of this year with the new rent to take effect on 1 April 2018. As explained in the Panel Meeting, rent adjustment is mainly based on the operating costs which include the following specific factors:

- rental income must be sufficient to cover the recurrent management expenses, tenancy administration costs, Rates (of inclusive in rent) and Government Rents; and
- provision for major improvement works, repair and maintenance

Besides, we'll also take into account other economic statistics (such as inflation rate and salary index), tenants' affordability, etc. In the meantime, we are not able to give any indication on the level of the coming rent adjustment nor commit an adjustment lower than the inflation rate.

We shall also examine the request to provide a rent assistance scheme for tenants having financial hardship when we conduct our rent review later this year.

Thank you for your attention.

Yours sincerely



Jacky Ip  
Director (Property Management)

c.c. Hon Alice MAK Mei-kuen, BBS, JP (Chairman)  
Secretary for Transport and Housing  
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