

**立法會**  
*Legislative Council*

LC Paper No. CB(1)1255/18-19  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting**  
**held on Monday, 1 April 2019, at 2:30 pm**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Wilson OR Chong-shing, MH (Chairman)  
Hon Andrew WAN Siu-kin (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, 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-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon WU Chi-wai, MH  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHU Hoi-dick  
Hon HO Kai-ming  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon YUNG Hoi-yan

Hon CHEUNG Kwok-kwan, JP  
Hon LAU Kwok-fan, MH  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS  
Hon CHAN Hoi-yan

**Members attending** : Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Dennis KWOK Wing-hang  
Hon Alvin YEUNG

**Members absent** : Hon CHAN Han-pan, BBS, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Dr Hon CHENG Chung-tai

**Public Officers attending** : Agenda Item IV

Mr Frank CHAN, JP  
Secretary for Transport and Housing

Ms Esther LEUNG, JP  
Deputy Secretary for Transport and Housing (Housing)

Miss Joyce KOK  
Principal Assistant Secretary for Transport and Housing  
(Housing) (Private Housing)

Mr IP Pak-keung, JP  
Assistant Commissioner of Rating and Valuation (Rating  
and Valuation)

Agenda Item V

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

Ms Jenny CHAN  
Principal Assistant Secretary for Transport and Housing  
(Housing) (Policy Support)

Ms Carol KONG  
Chief Estate Surveyor/Commercial Properties (Acting)  
Housing Department

**Attendance by  
invitation**

**: Agenda Item VI**

**Session One**

Miss CHAN Wing-yan  
Sham Shui Po District Council Member

鄭文杰先生  
地區發展主任  
公民黨

Mr NG Kam-hung  
Sha Tin District Council Member

Mr Raphael WONG Ho-ming

徐日強先生

Mr Jones CHAN chun-chung  
Deputy Spokesperson on Housing  
Democratic Alliance for the Betterment and Progress of  
Hong Kong

Mr LEUNG Kwok-hung

Miss CHAN Po-ying  
Secretary-general  
League of Social Democrats

Mr CHING Cheung-ying

Miss LEE Tsui-king  
Chairperson  
The Link Watch

Mr CHENG Kwok-wing

Mr MAK Wai-kin

Miss Anna TSUI Wing-yin

Mr FUNG Siu-pan

Member

追究領匯企業社會責任關注組

黃天娜小姐

Member

NGO 關注領展租約小組

Ms LO Siu-lan

Member

捍衛基層生活權益關注組

Ms Florence CHEUNG Man-wai

Member

關注基匯資本陣線

Mr CHEUNG Kai-bing

Chairman

Chinese Grey Power

Mr NG Kin-wing

Member

回購領展研究社

Mr SO Cheuk-hei

Mr WONG Yun-tat

Mr KONG Kwai-sang

Hong Kong Association for Democracy and People's  
Livelihood

Mr LEE Chi-yung

Committee members

Alliance of Social Expenditure Concern Groups

Mr CHUI Chi-kin

Mr CHENG Chung-man

Mr MAN Yu-ming

Chairman

Federation of Public Housing Estates

**Session Two**

陳宇婷小姐  
將軍澳社區幹事  
南安之友

楊釗鴻先生  
大埔社區幹事  
富明新之友社

黃貝雯小姐  
主席  
天馬苑業主立案法團

唐綺雯小姐

陳紹基先生

馮志偉先生

方浩良先生  
馬鞍山社區幹事  
恆安之友社

溫和達先生

Mr Abraham LAI Ka-chun

Mr POON Cheuk-bun

Mr CHAN Chun-yue

Miss TSE Miu-yee  
Community worker  
Sanmanism

Miss Sammi FU

Mr Richard LI  
Director  
Lai Kok Estate Residents Association

梁寶玲小姐  
Member  
Caretakers Concern Group

張延先生  
撐基層墟市聯盟

莫曉兒小姐  
天水圍社區發展網絡

唐建豐先生  
天水圍民生關注平台

陳淑淇小姐  
監察公營街市發展聯盟

Mr Sam YIP Kam-lung  
召集人  
Island West Dynamic Movement

何偉俊先生

楊健濱先生  
天水圍社區發展陣線

馮沛賢先生  
屯門社區幹事  
Hong Kong Federation of Trade Unions

何竑先生  
中央委員  
自由黨

**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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Action

**I. Confirmation of minutes**

(LC Paper No. CB(1)798/18-19 — Minutes of policy briefing held on 29 October 2018)

The minutes of policy briefing held on 29 October 2018 were confirmed.

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

2. Members noted that the following papers had been issued since the last meeting –

LC Paper No. CB(1)675/18-19(01) — Land Registry Statistics for February 2019 provided by the Administration (press release)

LC Paper No. CB(1)688/18-19(01) — Administration's response to the letter dated 30 November 2018 from Hon SHIU Ka-chun on Public Housing Construction Programme 2018-19 to 2022-23 and challenges and difficulties in taking forward public housing development projects (LC Paper No. CB(1)259/18-19(01))

Action

- LC Paper No. CB(1)758/18-19(01) — Administration's further response to the letter dated 29 November 2018 from Hon Gary FAN Kwok-wai requesting supplementary information regarding "Public Housing Construction Programme 2018-19 to 2022-23" (LC Paper No. CB(1)248/18-19(01))
- LC Paper No. CB(1)773/18-19(01) — Administration's response to the letter dated 9 January 2019 from Hon Tony TSE Wai-chuen on the development density of public housing sites over the territory (LC Paper No. CB(1)451/18-19(01))
- LC Paper No. CB(1)815/18-19(01) — Letter dated 27 March 2019 from Dr Hon Fernando CHEUNG Chiu-hung regarding wage defaults by a contractor of the Housing Department's project of Ying Tung Estate, Tung Chung (Chinese version only)

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

- (LC Paper No. CB(1)771/18-19(01) — List of follow-up actions
- LC Paper No. CB(1)771/18-19(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 6 May 2019, at 2:30 pm –

- (a) Head 711 project no. B194TB — Transport infrastructure works for development at Diamond Hill; and



Action

- (b) Marking Scheme for Estate Management Enforcement in Public Housing Estates of the Hong Kong Housing Authority ("HA").

*(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)831/18-19 on 2 April 2019.)*

**IV. Introduction of "Special Rates" on vacant first-hand private residential units by amending the Rating Ordinance (Cap. 116)**

(LC Paper No. CB(1)771/18-19(03) — Administration's paper on introduction of "Special Rates" on vacant first-hand private residential units

LC Paper No. CB(1)771/18-19(04) — Paper on introduction of "Special Rates" on vacant first-hand private residential units by amending the Rating Ordinance (Cap. 116) prepared by the Legislative Council Secretariat (background brief))

4. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") briefed members on the background of the proposal to amend the Rating Ordinance (Cap. 116) for the introduction of "Special Rates" on vacant first-hand private residential units. Deputy Secretary for Transport and Housing (Housing) ("DS(H)") gave a PowerPoint presentation on the key legislative proposals.

*(Post-meeting note: Presentation materials (LC Paper No. CB(1)835/18-19(01)) for the item were issued to members on 2 April 2019 in electronic form.)*

*[At 3:19 pm, the Chairman advised that he had received two motions from members.]*

Action

Vacant first-hand private residential units in completed projects

5. Mr Tommy CHEUNG cast doubt on the Administration's claim in LC Paper No. CB(1)771/18-19(03) that the number of unsold first-hand private residential units in completed projects was about 9 000, and enquired about the number of serviced apartments/units for leasing purpose, if any, among them. Mr WU Chi-wai raised a similar enquiry. DS(H) replied that the Administration released statistics on private housing supply in the primary market on the Transport and Housing Bureau ("THB")'s website on a quarterly basis, including the number of unsold first-hand private residential units in completed projects. As developers were not required to declare the status of the unsold units, the Administration did not have information about the number of serviced apartments or leased units among the unsold units. Mr Tommy CHEUNG requested the Administration to provide supplementary information to address his enquiry.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1277/18-19(01) on 19 July 2019.)*

6. Mr Abraham SHEK opined that the about 9 000 unsold first-hand residential units included serviced apartments. He requested the Administration to provide supplementary information on the breakdown of these unsold units by their sizes. In response to Mr WU Chi-wai's enquiry on whether the Administration had any information about the flat mix of the 9 000 units, DS(H) advised that the number and types of unsold first-hand residential units in completed projects changed from time to time. THB was liaising with relevant government departments on how to compile such information.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1277/18-19(01) on 19 July 2019.)*

7. Mr WU Chi-wai enquired whether the about 9 000 unsold units had remained vacant for a long time since their completion. Ir Dr LO Wai-kwok questioned whether some of the 9 000 unsold units had been issued with occupation permit ("OP") for a short period of time only and whether the purported vacancy problem of unsold first-hand private residential units in completed projects was indeed not as serious as the Administration had claimed. He further enquired about the change in the number of unsold units in developers' completed projects since the end of March 2018 and the total number of such units as at end-March 2019. Mr SHIU Ka-fai remarked that the flat vacancy rate in Hong Kong was not high as compared with Japan,

Action

Singapore and Manhattan in the United States. STH replied that the total number of unsold first-hand residential units in completed projects was about 9 000 units as at end-December 2018. DS(H) advised that of the about 9 000 unsold units, about 3 300 units were issued with OP between 2011 and 2016, about 2700 units with OP issued in 2017 and about 3 000 units with OP issued in 2018.

Purpose and effectiveness of the proposal

8. Ms Alice MAK opined that it was appropriate for the Administration to take forward measures that would increase housing supply to address the overheated property market, and the proposal might help in this respect. Mr LEUNG Yiu-chung opined that the Administration should have accepted the suggestion in society for introduction of vacancy tax in earlier years when there were much more vacant flats. As the number of unsold first-hand private residential units in completed projects was currently limited, the implementation of the proposal might not have significant impact on developers. Mr Tommy CHEUNG and Mr SHIU Ka-fai opined that the proposal would be of little help in increasing the private flat supply and in addressing the high flat prices. Mr SHIU said that to solve the prevailing housing problems, the Administration should take forward its land supply initiatives, such as reclamation. STH replied that the proposal did not aim to target developers or suppress flat prices. The about 9 000 unsold units constituted a significant proportion of the projected supply of first-hand private residential properties in the coming few years, and the proposal would help expedite the supply of such housing units.

9. Dr KWOK Ka-ki opined that the prevailing problem of high flat prices was attributed to the "high land-price policy" of the Government and the Administration's slow progress in putting up the land under its control for sale, such as land plots at the ex-Kai Tak Airport site. STH replied that whilst the Government did not have a "high land-price policy", it followed an established mechanism under which the Government would not sell a piece of land if no bid reached the reserve price in order to safeguard the public purse.

Vacancy tax on second-hand flats

10. Mr AU Nok-hin opined that the Administration should consider introducing tax on vacant second-hand residential properties, in view that the number of such flats might reach 200 000. Mr Andrew WAN suggested that the Administration should introduce vacancy tax on second-hand residential properties held by non-Hong Kong residents. STH replied that the overall vacancy rate of private flats (including second-hand flats) was relatively low compared with the long-term average vacancy rate. It was a normal market

Action

phenomenon that second-hand flats would be left vacant for a short period of time when landlords searched for buyers or tenants, engaged in price negotiations or refurbished their properties. Under the existing stamp duty regime, the acquisition of residential property by a non-Hong Kong permanent resident (including any companies) was subject to the Buyer's Stamp Duty and the New Residential Stamp Duty, both at a flat rate of 15% i.e. a stamp duty of 30% in aggregate.

Impacts of the proposal on the market

11. Noting that the proposed "Special Rates" would be two times the rateable value of the unsold unit concerned, Mr SHIU Ka-fai and Ir Dr LO Wai-kwok opined that developers might transfer the cost involved to customers, resulting in higher flat prices in future. Mr SHIU said that the "Special Rates" regime might go against the principle of free economy. He was concerned that after the implementation of the proposed "Special Rates" regime, when the property market was in a downturn, developers might put up all the unsold units for sale taking into account the property market situation, and this might cause significant adverse impact on the market. Mr Tommy CHEUNG said that the trade had relayed to him that the drawbacks of the proposal outweighed its benefits. Developers might face difficulties in dealing with units which might remain unsold by the time of the introduction of the "Special Rates" regime.

12. Mr LEUNG Che-cheung opined that developers might be reluctant to bid for land for undertaking new private housing development projects, taking into account the "Special Rates" regime and the Administration's initiative of allocating 70% of housing units on the Government's newly developed land to public housing developments. He was concerned about a reduced supply of private flats and a continued increase in flat prices in future.

13. STH replied that there were examples where governments in countries which advocated the principle of free market economy had introduced vacancy tax in their cities, such as Vancouver, Melbourne, etc. Based on the Administration's latest projection, the supply of first-hand private residential units for the coming three to four years was about 93 000 units. As the initiative of allocating 70% of housing units on the Government's newly developed land to public housing development might put pressure on the future supply of private flats, it was an appropriate time for the Administration to introduce "Special Rates" with a view to encouraging the timely supply of first-hand private residential units.

Action

14. Mr Abraham SHEK said that according to the Basic Law, the Hong Kong Special Administrative Region should protect the right of private ownership of property in accordance with law. In view of the vacancy rate of second-hand flats, it was discriminatory that the proposal would target on first-hand flats only. He queried whether the proposal had taken into account the views of a political affiliation only, and urged the Administration to pay heed to the views of the market on the subject matter. STH replied that the Government respected private property rights and the free market mechanism. The Administration had taken into account various views in society, and would continue to listen to public views in drafting the relevant amendment bill. Mr SHEK said that the Panel should hold more meetings for members to further discuss the proposal. The Chairman took note of Mr SHEK's suggestion.

Levels of "Special Rates"

15. Mr Dennis KWOK opined that the "Special Rates" regime might achieve its intended objectives only if developers would have a high price to pay for leaving their unsold first-hand residential units vacant. He asked about the Administration's position towards the suggestion that the levels of "Special Rates" should be charged at progressive rates depending on the length of the vacancy period of units. STH replied that it was of utmost importance that "Special Rates" would be implemented as soon as possible. "Special Rates" regime should also be easy to understand and administer. Compared to the uniform tax rate under the Government's proposal, the suggested progressive rates might render the regime too complicated in some circumstances, such as where developers might intermittently rent out an unsold flat in some years and leave it vacant for some other years. Mr Dennis KWOK suggested that the "Special Rates" payment might be charged on owners of unsold first-hand residential units which had been left vacant for a cumulative period exceeding a certain length of time.

Rates concession and profits tax deduction

16. Mr CHAN Chi-chuen opined that after the implementation of the proposal, the Administration should exclude the unsold vacant first-hand private residential units from any rates concession measures, in order not to defeat the purpose of the proposal. STH replied that General Rates and the proposed "Special Rates" served different purposes and the arrangements to collect these rates were different. Issues about these two rates should be dealt with separately.

Action

17. Mr Dennis KWOK opined that developers should not be allowed to claim profits tax deduction for the payment of "Special Rates" with respect to their unsold first-hand residential units. Mr Andrew WAN expressed the same view. STH replied that the Administration would consider the subject matter when preparing the relevant amendment bill.

Target units under the "Special Rates" regime

18. Mr Gary FAN opined that the Administration should introduce vacancy tax as the overall vacancy of private residential properties in Hong Kong in 2018 reached a six-year high. In view that under the proposal, developers might only be liable for payment of "Special Rates" in respect of their unsold units with OP issued for 12 months or more, he suggested that the proposed 12-month period should be shortened to six months in order to encourage developers to put up the sale of their units at lower prices. Mr LAU Kwok-fan enquired about the Administration's underlying consideration for the proposed 12-month period. Mr SHIU Ka-fai opined that the proposed period of 12 months was unfair to developers as it might take time for them to carry out fitting-out works in their units before selling or renting them out.

19. STH replied that in working out the proposal, the Administration strived to balance the needs for expediting the supply of completed first-hand private flats and maintaining the smooth operation of the market. The proposed 12-month period was appropriate taking into account developers' need to search for buyers or tenants or carrying out fitting-out works, etc. As the pre-sale period of uncompleted residential properties could be up to 30 months in advance of the anticipated completion date, developers could dispose of their residential units by way of pre-sale.

20. In view that the purpose of the proposal was to expedite the supply of first-hand flats to meet the demand of the general public, Mr LAU Kwok-fan enquired whether the target units under the proposed "Special Rates" regime should be those unsold first-hand private residential units that the general public could afford, but not other large-sized or luxurious flats. STH replied that some members of the public might wish to sell their smaller flats and purchase larger ones. The current proposal would encourage the supply of first-hand private residential units of all sizes.

Offences and penalties under the proposal

21. Mr Andrew WAN said that the proposed penalties imposed on developers who knowingly made a false statement in the annual returns submitted to the Administration in respect of unsold units, i.e. a fine of

Action

\$100,000 and imprisonment for one year, were too light when comparing with the penalties imposed for public housing residents' omissions in their income and asset declarations, or for contraventions of the prohibitions against misrepresentation or dissemination of false information under the Residential Properties (First-hand Sales) Ordinance (Cap. 621). Mr CHAN Chi-chuen asked whether the Administration would consider a higher fine, such as multiples of the rateable value of the unit concerned, in order to enhance the deterrent effect. STH replied that the proposed penalties were suitable and reasonable, and should have deterrent effect.

22. Noting that the Administration proposed that developers' failure to submit returns or furnish information to the Rating and Valuation Department ("RVD") within a specified period or their failure to notify the same within a specified period after cancellation of agreement of sale and purchase ("ASP") in respect of the target units under the "Special Rates" regime would be an offence under the Rating (Amendment) Bill, Mr AU Nok-hin asked about the length of the specified period. STH replied that developers would be required to notify RVD within 28 days after cancellation of ASP in respect of the target units concerned.

Application of "Special Rates"

23. Mr Jeremy TAM sought clarification on whether a developer who had rented out an unsold first-hand residential unit for six months in past 12 months but had left the property vacant in the remaining days of the 12-month period would not be required to pay the "Special Rates". STH replied that under the proposal, a developer would not be liable for payment of "Special Rates" in respect of the unit if the unit had been rented out for over six months at or above market rent in the past 12 months.

24. Mr KWONG Chun-yu enquired whether two developers could avoid the "Special Rates" if they rented out their unsold first-hand residential units to each other. Mr Jeremy TAM opined that to avoid the "Special Rates" and continue leaving an unsold unit vacant, developers might sign a tenancy of more than six months for the unit with one of their staff who might not live in the unit and offer the staff a subsidy to cover the rent that the staff had paid. He enquired whether this was a loophole in the proposed "Special Rates" regime that needed to be plugged. STH replied that making false statement to the Government about the status of an unsold first-hand residential unit was one of the offences under the proposed legislative framework.

25. Mr CHAN Chi-chuen enquired whether developers might avoid the "Special Rates" if they provided, for staff welfare purposes, their unsold first-hand residential units to staff members as quarters. STH replied that it was an internal matter for developers to provide employment benefits to their staff.

Action

Developers might not be liable for payment of "Special Rates" if their unsold units were rented out at or above market rent to individuals, such as their staff member, under a formal tenancy agreement. The Administration would further consider the subject issue when preparing the relevant amendment bill.

26. Ms Alice MAK opined that the timetable for scrutinizing the Rating (Amendment) Bill should allow sufficient time for Members to identify any loopholes in the proposed regime. She enquired whether a developer might not be liable for payment of "Special Rates" in respect of an unsold vacant unit in a residential development when applying for change of land use in respect of the development. Mr Gary FAN opined that developers might avoid the "Special Rates" by not applying for OPs for their completed units. STH replied that as residential development projects involved significant investment, developers should have incentives to apply for OPs and to sell or rent out the first-hand units as soon as possible.

Transactions between associated companies

27. Mr Gary FAN and Dr KWOK Ka-ki opined that developers might avoid the "Special Rates" by renting out their unsold units to individuals or companies, such as their associated companies, for over six months at or above market rent every year. Mr FAN asked how the Administration would plug such loophole. The Chairman requested the Administration to provide supplementary information to address Mr FAN's question.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1277/18-19(01) on 19 July 2019.)*

28. Mr Andrew WAN opined that developers might resort to various means to avoid the "Special Rates" while continuing to withhold their completed first-hand residential properties from sale. Mr LEUNG Che-cheung expressed similar view. Mr WU Chi-wai enquired whether apart from those set out in the proposal, the Administration would consider putting in place other requirements that developers had to satisfy so that they would still be liable for payment of "Special Rates" in some other circumstances, such as renting out the unsold unit concerned to associated companies or as staff quarters. Mr KWONG Chun-yu opined that the Administration should plug the potential loopholes in the proposed "Special Rates" regime that might arise under different circumstances, and queried how the Administration's proposal in relation to associated companies as set out in LC Paper No. CB(1)771/18-19(03) could help in this regard.



Action

29. STH replied that to guard against avoidance of the "Special Rates" by developers through sale of the first-hand residential units to their associated companies, the Administration proposed to specify in the relevant amendment bill that if the parties to the transaction were associated companies, the relevant unit would still be regarded as a first-hand unit after the transaction and would be subject to the "Special Rates" regime. The Administration proposed to adopt the definition of "associated companies" in the Companies Ordinance (Cap. 622), i.e. in relation to a body corporate, "associated companies" was a subsidiary of the body corporate, a holding company of the body corporate, or a subsidiary of such a holding company.

Delayed completion of residential development projects

30. Mr LEUNG Yiu-chung opined that to avoid the "Special Rates", developers might deliberately withhold the application for OPs by delaying the building construction works for the units in their residential development projects. Dr KWOK Ka-ki expressed similar concern and asked about the penalties that could be imposed on developers who did not complete the construction of the first-hand residential units within a period specified under the relevant legislation.

31. STH replied that for a residential development project, the lot owner was required to complete the construction of the minimum gross floor area specified in the land grant or lease conditions and obtain an OP from the Building Authority within the Building Covenant ("BC") period specified in the land grant or lease conditions. The lot owner might apply to the Lands Department ("LandsD") for an extension of the BC period with justifications, and if the application was approved, the applicant would be required to comply with the conditions imposed by LandsD, including the payment of premium. In the event the lot owner refused to pay the premium, the Government might seek to re-enter the lot in accordance with the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126). Mr LEUNG Yiu-chung remained of the view that the Administration should consider enhancing the deterrent effect against the delaying tactics adopted by developers in completing their housing development projects. In response to Mr LEUNG's enquiry about whether the Administration had previously invoked Cap. 126, STH advised that the Administration would provide supplementary information in this regard.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1277/18-19(01) on 19 July 2019.)*

Action

Motions

32. The Chairman referred members to the motion proposed by Mr Andrew WAN, which he considered relevant to the agenda item --

*Motion moved by Mr Andrew WAN –*

"為遏制海外熱錢流入，及打擊非本港居民炒賣住宅物業令樓價飆升及出現大量空置單位的情況，本事務委員會促請政府研究向非香港居民(包括由非港人擁有的公司)持有的二手住宅物業徵收空置稅。"

(Translation)

"In order to curb the influx of hot money from overseas countries and deter speculation of residential properties by non-Hong Kong residents, which have led to soaring property prices and a large number of vacant units, this Panel urges the Government to examine the introduction of vacancy tax on second-hand residential properties held by non-Hong Kong residents (including companies owned by non-Hong Kong people)."

33. At Mrs Regina IP's request, the Chairman ordered a division and the voting bell was rung for five minutes. The Chairman put to vote the motion moved by Mr Andrew WAN. 14 members voted for the motion, seven members voted against the motion and four members abstained. The votes of individual members were as follows:

*For:*

Mr LEUNG Yiu-chung  
Mr WU Chi-wai  
Ms Alice MAK  
Mr KWOK Wai-keung  
Mr HO Kai-ming  
Mr KWONG Chun-yu  
Mr Gary FAN  
(14 members)

Prof Joseph LEE  
Mr CHAN Chi-chuen  
Dr KWOK Ka-ki  
Mr Andrew WAN  
Mr SHIU Ka-chun  
Mr Jeremy TAM  
Mr AU Nok-hin

*Against:*

Mr Abraham SHEK  
Mr Paul TSE  
Mr SHIU Ka-fai  
Mr Tony TSE  
(7 members)

Mrs Regina IP  
Ir Dr LO Wai-kwok  
Ms YUNG Hoi-yan

Action

*Abstained:*

Mr LEUNG Che-cheung  
Mr Vincent CHENG  
(4 members)

Mr LAU Kwok-fan  
Ms CHAN Hoi-yan

34. The Chairman declared that the motion was carried.

35. The Chairman referred members to the motion proposed by Mr Gary FAN, which he considered relevant to the agenda item --

*Motion moved by Mr Gary FAN -*

"鑒於政府向空置的一手私人住宅單位徵收"額外差餉"，其目標單位是指獲發佔用許可證(俗稱"入伙紙")長達 12 個月的一手私人住宅單位。根據差餉物業估價署的數字，2018 年本港整體私樓空置量已升至 51 430 個，創出 6 年新高。為此，本事務委員會要求政府，將目標單位的空置期限減至 6 個月，以加快發展商把空置單位推出市場出售。"

(Translation)

"Given that with respect to the "Special Rates" to be introduced by the Government on vacant first-hand private residential units, the target units refer to first-hand private residential units with occupation permit issued for 12 months or more. According to the figures of the Rating and Valuation Department, the overall vacancy of private residential properties in Hong Kong has increased to 51 430 units in 2018, reaching a six-year high, in this connection, this Panel requests the Government to shorten the vacancy period applicable to target units to six months, so that developers will expedite the process of putting up vacancy units for sale in the market."

36. The Chairman put to vote the motion moved by Mr Gary FAN. Six members voted for the motion, 11 members voted against the motion and four members abstained. The votes of individual members were as follows:

*For:*

Mr LEUNG Yiu-chung  
Dr KWOK Ka-ki  
Mr Gary FAN  
(6 members)

Mr CHAN Chi-chuen  
Mr SHIU Ka-chun  
Mr AU Nok-hin

Action

*Against:*

Mr Abraham SHEK  
Mr Paul TSE  
Ir Dr LO Wai-kwok  
Ms YUNG Hoi-yan  
Mr Vincent CHENG  
Ms CHAN Hoi-yan  
(11 members)

Mrs Regina IP  
Mr LEUNG Che-cheung  
Mr SHIU Ka-fai  
Mr LAU Kwok-fan  
Mr Tony TSE

*Abstained:*

Ms Alice MAK  
Mr Andrew WAN  
(4 members)

Mr KWOK Wai-keung  
Mr HO Kai-ming

37. The Chairman declared that the motion was negated.

*(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)841/18-19(01) on 2 April 2019. The Administration's response to the motion was issued to members vide LC Paper No. CB(1)1277/18-19(01) on 19 July 2019.)*

**V. Link Real Estate Investment Trust's disposal of properties divested by the Hong Kong Housing Authority**

Relevant papers

- (LC Paper No. CB(1)817/18-19(01) — Submission from Link Asset Management Limited on disposals of properties divested by the Hong Kong Housing Authority
- LC Paper No. CB(1)771/18-19(05) — Administration's paper on policies on and regulation of divested properties
- LC Paper No. CB(1)771/18-19(06) — Paper on Link Real Estate Investment Trust's disposal of properties divested by the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (background brief))

Action

***Submission from deputation/individual not attending the meeting***

- (LC Paper No. CB(1)771/18-19(11) — Submission from Music Zone Foundation Association (Chinese version only)
- LC Paper No. CB(1)771/18-19(12) — Submission from Mr WONG Yue-hon (Chinese version only)
- LC Paper No. CB(1)771/18-19(13) — Submission from Mr 李東江 (Chinese version only)
- LC Paper No. CB(1)771/18-19(14) — Submission from Momentum 107 (Chinese version only)
- LC Paper No. CB(1)771/18-19(15) — Submission from New Territories East Office, The Hong Kong Federation of Trade Unions (Chinese version only)
- LC Paper No. CB(1)812/18-19(01) — Submission from Ms 黃穎珊 (Chinese version only)
- LC Paper No. CB(1)812/18-19(02) — Submission from 陳一心 (Chinese version only)
- LC Paper No. CB(1)822/18-19(03) — Submission from 陳建成 (Chinese version only)
- LC Paper No. CB(1)823/18-19(04) — Submission from China Hong Kong Newly Emerged Sports Association (Chinese version only)
- LC Paper No. CB(1)823/18-19(05) — Submission from GAW Capital (Chinese version only)
- LC Paper No. CB(1)823/18-19(06) — Submission from 梁淑儀 (Chinese version only)

Action

38. Members noted six submissions tabled at the meeting.

*(Post-meeting note: The submissions were issued to members in electronic form vide LC Paper Nos. CB(1)837/18-19(01) to (02) and (06) to (09) on 3 April 2019.)*

Meeting arrangements

39. The Chairman advised that 60 deputations/individuals had submitted applications to present their views on Link Real Estate Investment Trust ("Link REIT")'s disposal of properties divested by HA ("divested properties"). The Panel would receive deputations' views at the meeting in two sessions.

Presentation of views by deputations/individuals

40. At the invitation of the Chairman, a total of 50 deputations/individuals presented their views. A summary of the views of these deputations/individuals was in the **Appendix**.

41. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") gave the following response to the views expressed by deputations/individuals –

- (a) the Court of Final Appeal ("CFA") had ruled in 2005 that HA's divestment exercise was consistent with HA's objective as stipulated in section 4(1) of the Housing Ordinance (Cap. 283) which required HA "to secure the provision of housing and such amenities ancillary thereto as the Authority thinks fit" for persons concerned. HA had fulfilled its obligation as set out in section 4(1) of the Ordinance so long as such facilities were available, even though they were not provided by HA but by a third party over whom HA had no control;
- (b) as with other private property owners, owners of the 180 divested properties (including Link REIT and subsequent property owners) were governed by laws, land lease conditions, Deeds of Mutual Covenant ("DMCs") and the relevant restrictive covenants in the assignment deeds. The Government could not interfere with the lawful right of the divested property owners to use their properties so long as the legal requirements and land lease conditions were complied with. If it was confirmed that the owner concerned was in breach of any laws or land lease conditions, the relevant government departments would pursue the matter seriously and take appropriate actions. Likewise, if the owners concerned did

Action

not contravene the restrictive covenants with HA, HA had no legal power to intervene the day-to-day operations and commercial decisions of the owners of the divested properties. LandsD, in the capacity of the landlord, would take lease enforcement actions if breaches of the lease conditions were confirmed;

- (c) the assignment deeds of divested properties contained, on a case-by-case basis, certain restrictive covenants, including the Retail Covenant, Car Park Covenant, Welfare-letting Covenant and Split-ratio Covenant. The assignment deeds had been registered at the Land Registry for public inspection. As in any property transactions, buyers and vendors of divested properties were obliged to clarify the rights and obligations associated with the properties, including any restrictive covenants;
- (d) regarding the Split-ratio Covenant, all commercial facilities (including car parks) in Home Ownership Scheme ("HOS") courts were owned by HA before the divestment of such facilities in 2005. In addition to the requirements under DMCs, HA, as the owner of these commercial facilities, had out of goodwill agreed to make contributions to the management and maintenance ("M&M") expenses of applicable "specific activities" in the common areas and facilities of certain HOS courts according to a specified ratio. The Split-ratio Covenant was mentioned in the Offering Circular of Link REIT and the Administration had informed members of the Split-ratio Covenant in a paper submitted to the Panel after the divestment exercise;
- (e) the Administration had earlier on responded to the concerns and enquiries regarding the Split-ratio Covenant in relation to Sui Wo Court, and would continue to follow up the concerns raised by deputations at the meeting on the subject matter. Ching Lai Commercial Centre of Ching Lai Court was not a divested property, and the Administration would follow up the deputations' concerns about the management issues;
- (f) disposal of divested properties was subject to the restrictive covenants contained in the assignment deed of individual properties, and the owners were required to incorporate relevant provisions in the assignment deeds upon further disposal of the divested properties to ensure its continual effectiveness despite changes in ownership;

Action

- (g) under the REIT Code and/or the Trust Deed of Link REIT, there were features that might limit the ability of a significant unit-holder from controlling Link REIT to its advantage beyond what was realized by unit-holders generally. Given that Link REIT had a market value of over \$150 billion, a buy-back would be incompatible with public interest and the principle of prudent financial management. If the market learnt of the Administration's intention to buy back Link REIT, it was possible that the prices of the assets would go up drastically, where institutional investors would readily pocket the profit, reaping benefits at the expense of public coffers. As such, the Administration/HA had no plan to buy back Link REIT's fund units or individual divested properties;
- (h) under the REIT Code, REIT must have dedicated investments in real estates that generated recurrent rental income (i.e. at least 75% of the REIT's gross asset value should be invested in such real estates at all times). In addition, property development activities of REIT were subject to a number of restrictions under the REIT Code, including that property development costs were capped at 10% of the REIT's gross asset value. The Administration believed that the various requirements laid down under the REIT Code had balanced the views of different parties on such issues;
- (i) the Welfare-letting Covenant as contained in the assignment deeds of the divested properties required that certain designated units in individual divested properties should be let out to non-profit-making organizations nominated by designated nominating authorities for the operation of social welfare or education facilities. Divested property owners were only allowed to charge the relevant organizations the concessionary rent determined by HA, and no additional management fee should be charged. However, these were also cases where social service organizations rented premises in divested properties through commercial leasing arrangements, and these tenancy arrangements were not subject to the Welfare-letting Covenant;
- (j) divested retail and car parking facilities were subject to the conditions in land leases. Any change to the land use would require an application for modification of lease conditions;
- (k) with respect to deputations' concern about the Tin Ma Court's car park, LandsD would take appropriate lease enforcement actions if the owner concerned violated the land lease conditions;



Action

- (l) over the past three years, LandsD had received 13 cases involving owners' suspected breaches of restrictions on the use of divested car parking facilities, and had carried out 22 inspections and issued 24 follow-up letters;
- (m) when handing down its judgement in 2005 on a judicial review case, CFA had noted that a market-oriented commercial approach would be adopted in operating the divested properties, whereas HA's approach at that time might not be in line with private sector practice;
- (n) HA had been working proactively to provide more retail facilities in HA's estates, taking into account the needs and actual circumstances of the estates. Apart from retail facilities in public housing, as mentioned in the 2018 Policy Address, the Administration had completed the studies on site selection of new public markets in Tin Shui Wai and Tung Chung, and had consulted relevant District Councils ("DCs") on the locations. Relevant feasibility studies were underway. The Administration was also identifying suitable sites for public markets in Tseung Kwan O and Kwu Tung North New Development Area;
- (o) the Administration adopted an open attitude towards specific bottom-up bazaar proposals. As long as the proposals did not compromise public order and safety, food safety and environmental hygiene or obstruct public access, the Food and Environmental Hygiene Department would liaise with relevant government bureaux/departments regarding the use of sites after the concerned individuals/organizations had identified suitable sites and obtained support from local communities and respective DCs. HA supported the Government's policy on bazaars. Upon receiving specific proposals to set up bazaars in HA's public rental housing ("PRH") estates, the Housing Department ("HD") would, based on the needs and circumstances of the estates concerned, study the feasibility of the proposals and their impact on the estates concerned. Under the established mechanism, bazaars had been held in Tin Yiu Estate, Ching Ho Estate and Hoi Lai Estate in recent years; and
- (p) the Administration would continue to listen to public views regarding the suggestion to regulate divested properties through regulating rent increase, the right of first refusal to renew existing leases and a vacancy tax, taking into account the impact of the suggested measures on public expenditure, government policies and operations.

Action

Discussion

*[At 6:57 pm, the Chairman directed that the meeting be extended for 15 minutes.]*

Regulation of divested properties

42. Mr HO Kai-ming commented that the Administration had not made its full efforts in addressing the high vacancy rate of the divested properties, such as the retail facilities in Hing Tin Estate and Kwong Tin Estate. USTH replied that LandsD was the authority for enforcing the land lease conditions in the divested properties, as in other private properties. The department had set up a special team to strengthen its work with respect to lease enforcement, land and squatter control. In response to Mr HO's enquiry about the number of staff members deployed by the special team for carrying out the lease enforcement work in the divested properties, USTH advised that the Administration would provide supplementary information about the details of the special team

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1134/18-19(01) on 3 June 2019.)*

43. Ms Alice MAK expressed concern about the effectiveness of LandsD's lease enforcement work in the divested properties, and enquired about the number of non-compliance cases identified by LandsD staff during their inspections in such properties and the number of such cases in which the Administration had instituted prosecutions. Mr Andrew WAN was concerned whether owners of the divested properties were subject to adequate regulatory controls. He enquired about the number of prosecutions that had been instituted by LandsD against owners' suspected breaches of land leases, and the Administration's measures to tackle owners' non-compliances that had been identified.

44. USTH replied that LandsD would act on complaints, referrals or enquiries about suspected breaches of the leases of the divested properties by conducting inspections and taking follow-up actions in accordance with the existing procedures. Depending on the circumstances, LandsD would consult the relevant policy bureaux/government departments and seek legal advice. If it was confirmed that the owner concerned was in breach of any land lease conditions, LandsD would take appropriate actions, such as issuing warning letters to the owner, registering the warning letters at the Land Registry (commonly known as "imposing an encumbrance"), and invoking the

Action

Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126) for re-entry of the land concerned. He advised that no breaches of land leases on the part of divested property owners had so far been established.

45. Ms Alice MAK asked whether HA/HD had referred any suspected cases of divested property owners' breaches of land leases to LandsD for follow-up. USTH replied that when performing the day-to-day management of PRH estates and HOS courts, HA/HD staff would refer to LandsD any cases of suspected breaches of the leases of divested properties identified.

46. Mr KWOK Wai-keung was concerned whether HA/HD had shifted the responsibilities for dealing with suspected non-compliances of divested property owners to other government departments. Mr HO Kai-ming enquired how HA monitored the day-to-day compliances by owners of the divested properties with the provisions/terms in DMCs/relevant restrictive covenants in the assignment deeds, and the number of staff specifically deployed to perform such monitoring work. USTH replied that HA maintained communication with other owners on matters relating to the daily management of the relevant housing estates, with a view to protecting HA's rights under the DMCs and the restrictive covenants. The Administration would provide supplementary information in light of Mr HO's questions.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1134/18-19(01) on 3 June 2019.)*

47. Mr AU Nok-hin opined that the problems arising from the Link REIT's disposal of its divested properties were attributed to the lack of regulation over the listing of The Link REIT and the Securities and Futures Commission's revision of the code on REITs in light of the relevant Financial Services Development Council's recommendations in its research report released in 2013. He criticized the Link REIT's claim in paragraph 17 of its submission (LC Paper No. 817/18-19(01)) that disposal of its certain assets, including some divested properties, was in line with its strategic objectives and current growth trajectory, and opined that the disposal of divested properties had adversely affected the provision of retail and car parking facilities in public housing estates, such as Tin Ma Court, Sui Wo Court and Hing Man Estate. He suggested that the Administration should enact legislation to regulate REITs in Hong Kong.

Action

Provision of facilities and services for public housing residents

48. In view that certain divested facilities in HA's estates had been closed or left idle for a prolonged period, Mr Andrew WAN enquired how the Administration/HA would monitor owners' management of the divested properties and secure the provision of adequate amenities and facilities for public housing residents. USTH replied that to provide a wider choice of goods and services for residents, the Administration/HA had been securing the provision of more facilities in its estates, such as parcel lockers for online shopping deliveries, various kinds of mobile facilities, etc.

49. Mr SHIU Ka-chun expressed concern in relation to two divested properties. He said that there was a lack of barrier-free access facilities, such as lifts, for connecting the "Community Street" provided in the Tai Wo Hau Commercial Centre owned by GAW Capital Partners. With respect to Hing Man Commercial Centre in Chai Wan, HD had earlier on refused to assist residents' organizations to provide elderly persons with cooked food for free due to privacy reason, and had not introduced other alternatives that would assist the residents' organizations to carry out the activities without compromising privacy. The Chairman requested the Administration to provide a written response to Mr SHIU's concerns

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1134/18-19(01) on 3 June 2019.)*

50. Mr KWOK Wai-keung opined that to address the inadequacy of facilities for public housing residents, it was more appropriate for the Administration to buy back the relevant divested properties instead of the fund units of Link REIT. USTH replied that the Government/HA had no plan to buy back the fund units of Link REIT or individual divested properties, taking into consideration that such buy-back involved a huge amount of public money which was incompatible with public interests and would provide opportunities for speculators to reap profits.

51. Dr Fernando CHEUNG queried that the Administration/HA had no intention to work out solutions to address the issues arising from the Link REIT's disposal of its divested properties, such as the inadequacy of facilities and services available for public housing residents, so long as the divested property owners had met the legal requirements. Ms YUNG Hoi-yan opined that public housing residents needed markets that provided fresh meat and fish. Supermarkets might not fully meet their daily shopping needs. The Administration should proactively ensure divested property owners'

Action

compliance with various restrictive covenants and the provisions governing their responsibilities for making available markets for residents, and follow up complaints in these regards. In view of the high vacancy rate of the divested retail facilities in estates, such as Mei Lam Estate, Tin Ma Court, Tin Shui Wai's estates, Prof Joseph LEE opined that the Administration/HA should make clear its policies and measures to provide temporary retail facilities to meet residents' needs for shopping daily fresh provisions.

52. USTH replied that although the Administration/HA could not and would not interfere with divested property owners' day-to-day operations and commercial decisions if the owners concerned did not contravene the relevant legislation, lease conditions and covenants with HA, the Administration/HA had not disregarded the needs of public housing residents. The Administration understood the public aspirations for more fresh food retail channels, and had indicated in the 2018 Policy Address the initiatives of building new public markets in Tung Chung and Tin Shui Wai, and carrying out studies for identifying suitable sites for public markets in Tseung Kwan O and Kwu Tung North New Development Area. In view that it took time to develop new public markets, the Administration/HA would continue to provide more retail facilities in HA's estates, taking into account the needs and actual circumstances of the estates. Regarding policies on bazaars, the Administration/HA adopted a positive attitude towards specific bottom-up bazaar proposals put forward by individuals/organizations in the local community, and would assist the proponents during the process of the application for the use of venues in order to facilitate the implementation of the bazaar proposals.

53. Ms YUNG Hoi-yan opined that the Administration/HA should strengthen communications with local communities and divested property owners with a view to providing better shopping choices and service environment for residents. In response to Prof Joseph LEE's concern about the proximity of temporary bazaars to residential blocks of HA's estates, USTH advised that residents' views would be taken into account in processing applications for bazaars within public housing estates.

Restrictive covenants

54. Mr Alvin YEUNG asked whether and how the Administration would address the difficulties faced by residents of Sui Wo Court caused by the alleged non-compliance with the Split-ratio Covenant. He and Prof Joseph LEE enquired whether the Administration would assist public housing residents to liaise with divested property owners concerned to address any problems relating to the Split-ratio Covenant set out in individual assignment deeds. USTH replied that the split-ratios set out in individual assignment

Action

deeds were applicable to M&M expenses of certain "specific activities" in the common areas and common facilities of the HOS courts concerned. The split-ratio did not apply to all M&M expenses of all common areas and facilities without restrictions. Instead, it only applied to "specific activities" of those HOS courts where HA had made goodwill contributions prior to its divestment of properties. Same as other restrictive covenants, the Split-ratio Covenant remained valid even if the ownership of the divested properties had changed. The Administration had given a reply to the Incorporated Owners ("IO") of Sui Wo Court in September 2018 about HA's stance and responses to enquiries from the IO regarding the Split-ratio Covenant, and was willing to continue following up with the IO regarding its views on the matter. Mr Alvin YEUNG was concerned that the Administration had changed its original stance regarding the issues relating to the Split-ratio Covenant, and this was unfair to the residents of the housing courts concerned.

55. In response to Prof Joseph LEE's enquiry about whether there were cases similar to the Sui Wo Court's case, USTH advised that the assignment deeds of divested properties in 23 HOS courts contained the Split-ratio Covenant. The Administration would provide supplementary information about the respective details of the Split-ratio Covenant for these individual HOS courts, such as their scope/applicability, the split ratios, etc.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1134/18-19(01) on 3 June 2019.)*

56. Mr SHIU Ka-chun said that the number of units in individual divested properties that owners should let out to non-profit-making organizations nominated by the Administration ("nominated organizations") under the welfare-letting covenants/arrangements had remained no change since 2005, and asked whether the Administration would increase/adjust the number of such units. He further enquired how a non-government organization could be included as one of the nominated organizations/included in the Administration's list of nominees (if any). He requested the Administration to provide supplementary information to address his enquiries.

*(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1134/18-19(01) on 3 June 2019.)*

Action

**VI. Any other business**

57. There being no other business, the meeting ended at 7:21 pm.

Council Business Division 1  
Legislative Council Secretariat  
29 July 2019

## Panel on Housing

Meeting on Monday, 1 April 2019, at 2:30 pm

## Agenda item V - Link Real Estate Investment Trust's disposal of properties divested by the Hong Kong Housing Authority

## Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission / Major views and concerns
<b><u>Session One</u></b>		
1.	Miss CHAN Wing-yan Sham Shui Po District Council Member	<ul style="list-style-type: none"> <li>● Small shop/stall operators might not be able to continue their business after owners' renovation of the divested facilities.</li> <li>● High stall vacancy rate in divested market facilities would cause difficulties for residents to meet their daily shopping needs.</li> </ul>
2.	鄭文杰先生 地區發展主任 公民黨	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)823/18-19(01)</li> </ul>
3.	Mr NG Kam-hung Sha Tin District Council Member	<ul style="list-style-type: none"> <li>● Subsequent buyers of Link REIT's divested properties might leave the shopping centres/markets vacant, thereby depriving residents of living necessities and services in their neighbourhood.</li> <li>● The Administration/HA should put in place measures to address the situation that Link REIT might continue the selling of the divested retail facilities to other owners who might not discharge the responsibilities for managing such facilities to meet the residents' needs.</li> </ul>
4.	Mr Raphael WONG Ho-ming	<ul style="list-style-type: none"> <li>● The Administration should buy back the divested properties strategically with a view to addressing the problem of inadequate retail facilities in public housing estates.</li> </ul>



No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● The Administration should consider resuming the common areas in public housing estates under HA by invoking the Land Resumption Ordinance (Cap. 124) so as to facilitate the provision of community facilities for residents.</li> </ul>
5.	徐日強先生	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)771/18-19(07)</li> </ul>
6.	Mr Jones CHAN chun-chung, Deputy Spokesperson on Housing Democratic Alliance for the Betterment and Progress of Hong Kong	<ul style="list-style-type: none"> <li>● The Administration had the responsibilities to regulate the operation of the divested retail and car parking facilities to ensure that the facilities would best suit the needs/interests of residents and tenants.</li> <li>● The Administration should develop more public markets and provide shopping facilities at government/HA's sites near public housing estates.</li> </ul>
7.	Mr LEUNG Kwok-hung	<ul style="list-style-type: none"> <li>● The Administration/HA had the responsibilities to monitor divested property owners' compliance with the restrictive covenants in the assignment deeds, and take effective actions against breaches of such covenants.</li> <li>● Some owners converted the divested facilities into other uses, such as international schools, which did not suit public housing residents' daily living needs.</li> </ul>
8.	Miss CHAN Po-ying Secretary-general League of Social Democrats	<ul style="list-style-type: none"> <li>● The Administration was aware of the problems in the divested properties, but had done nothing to address the problems.</li> <li>● The Administration should set up a task force to conduct inspections on the divested properties to detect and follow up owners' non-compliance, and should buy back the divested properties.</li> </ul>
9.	Mr CHING Cheung-ying	<ul style="list-style-type: none"> <li>● Link REIT's disposal of divested properties to new owners had caused great adverse impacts on the daily livelihood of elderly residents, and the Administration/HA had not helped liaise with these owners to address the difficulties faced by these residents.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● Subsequent buyers of Link REIT's divested properties might not undertake maintenance responsibilities for such properties and might refuse to renew the tenancies of the market stalls selling daily necessities.</li> </ul>
10.	Miss LEE Tsui-king Chairperson The Link Watch	<ul style="list-style-type: none"> <li>● LC Paper Nos. CB(1)822/18-19(01) and CB(1)823/18-19(02)</li> </ul>
11.	Mr CHENG Kwok-wing	<ul style="list-style-type: none"> <li>● HA should not divest its properties to The Link REIT in 2005.</li> <li>● Owners of divested properties might force retail tenants to move out by imposing unfair terms in tenancy agreements upon their renewal.</li> </ul>
12.	Mr MAK Wai-kin	<ul style="list-style-type: none"> <li>● Divested property owners might increase rentals substantially, rendering it difficult for retail tenants to maintain their business.</li> <li>● Small shop tenants in divested properties who had good neighbourhood relationship with residents had moved out.</li> </ul>
13.	Miss Anna TSUI Wing-yin	<ul style="list-style-type: none"> <li>● Subsequent buyers of Link REIT's divested properties might ignore retail tenants' views and concerns and substantially increase shop rentals after renovating the divested properties, rendering it difficult for tenants to maintain their business.</li> <li>● The Administration/HA had not discharged their responsibilities to ensure that the services/facilities in the divested properties would continue to suit public housing residents' needs of affordable living necessities.</li> </ul>
14.	Mr FUNG Siu-pan Member 追究領匯企業社會 責任關注組	<ul style="list-style-type: none"> <li>● Private consortium acquiring divested properties might reap profits at the expense of the interests of residents and tenants.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● Shopping centres in public housing estates should provide goods and services to meet residents' daily needs, and the Administration should buy back the divested shopping centres in estates.</li> </ul>
15.	黃天娜小姐 Member NGO 關注領展租約 小組	<ul style="list-style-type: none"> <li>● The Administration should make clear the responsibilities of HA in contributing its share of costs for the maintenance works in common areas and facilities of HOS, such as Ching Lai Court.</li> <li>● The Administration/HA should squarely address the problems arising from any non-compliance of the split ratios as stipulated in the Split-ratio Covenant in the assignment deeds of divested properties in individual housing courts.</li> </ul>
16.	Ms LO Siu-lan Member 捍衛基層生活權益 關注組	<ul style="list-style-type: none"> <li>● The previous decision to divest HA's properties to The Link REIT had disregarded the needs of public housing residents.</li> <li>● The Administration should buy back the divested retail and car parking facilities.</li> </ul>
17.	Ms Florence CHEUNG Man-wai Member 關注基匯資本陣線	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)837/18-19(01)</li> </ul>
18.	Mr CHEUNG Kai- bing Chairman Chinese Grey Power	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)822/18-19(02)</li> </ul>
19.	Mr NG Kin-wing Member 回購領展研究社	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)823/18-19(03)</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
20.	Mr SO Cheuk-hei	<ul style="list-style-type: none"> <li>● By selling out its divested properties, Link REIT might reap profits at the expense of public housing residents' interests.</li> <li>● As aged public housing estates might be physically connected to the divested properties, the Administration should examine the issues involved in taking forward projects to redevelop such estates in future.</li> </ul>
21.	Mr WONG Yun-tat	<ul style="list-style-type: none"> <li>● Owners of the divested properties might substantially increase shop and car park rentals, thereby adding further burden on small shop tenants and residents, and they might also discontinue the concessionary rent arrangement for non-profit-making organizations in operating social welfare facilities in the divested properties.</li> <li>● The Administration should buy back the divested properties.</li> </ul>
22.	Mr KONG Kwai-sang Hong Kong Association for Democracy and People's Livelihood	<ul style="list-style-type: none"> <li>● It was doubtful whether the Administration was able to ensure owners' proper management of the divested properties and whether the Administration/HA could secure adequate facilities for public housing residents.</li> <li>● The Administration should buy back the divested retail facilities, and manage them properly to meet residents' needs.</li> </ul>
23.	Mr LEE Chi-yung Committee members Alliance of Social Expenditure Concern Groups	<ul style="list-style-type: none"> <li>● Owners of the divested properties might force community organizations to move out, thereby depriving the residents' access to social welfare services.</li> <li>● Small shop tenants in divested properties might move out due to harsh terms of tenancy renewal, and the increased prices of customer goods and services in divested markets had added further burden on residents.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
24.	Mr CHUI Chi-kin	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)837/18-19(02)</li> </ul>
25.	Mr CHENG Chung-man	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)771/18-19(08)</li> </ul>
26.	Mr MAN Yu-ming Chairman Federation of Public Housing Estates	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)771/18-19(09)</li> </ul>
<b><u>Session Two</u></b>		
27.	陳宇婷小姐 將軍澳社區幹事 南安之友	<ul style="list-style-type: none"> <li>● The substantial rental increases of divested retail and car parking facilities might force small shop tenants to move out of the shopping centres, resulting in high vacancy of shop units and great dissatisfaction amongst vehicle drivers.</li> <li>● The Administration should buy back the divested properties strategically in order to provide more facilities to suit the community needs.</li> </ul>
28.	楊釗鴻先生 大埔社區幹事 富明新之友社	<ul style="list-style-type: none"> <li>● Public housing residents were gravely concerned about the property management problems in divested shopping centres in estates.</li> <li>● Such management problems included poor hygiene conditions, water seepage from ceiling, lack of improvement in barrier-free access facilities, etc.</li> </ul>
29.	黃貝雯小姐 主席 天馬苑業主立案法團	<ul style="list-style-type: none"> <li>● There was non-compliance with the Split-ratio Covenant in relation to the cost-sharing of cleansing and maintenance services for the estate common areas and facilities.</li> <li>● The Administration/HA had not strictly enforced non-compliance of the split ratio concerned.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
30.	唐綺雯小姐	<ul style="list-style-type: none"> <li>● Shop tenants/restaurant operators in Tin Ma Court closed their business due to rental increases, thereby depriving elderly residents of affordable living necessities and services.</li> <li>● The facilities of the divested commercial centre had been deteriorating, and the Administration/HA should assist residents in addressing their needs and concerns.</li> </ul>
31.	陳紹基先生	<ul style="list-style-type: none"> <li>● The Administration/HA had the responsibilities to address the problems faced by residents owing to the divestment exercise in 2005 and Link REIT's subsequent disposal of the divested properties.</li> <li>● It was unreasonable that residents had to afford the maintenance cost of part of the staircases of the divested facilities.</li> <li>● LC Paper No. CB(1)837/18-19(03)</li> </ul>
32.	馮志偉先生	<ul style="list-style-type: none"> <li>● Implementation of floating parking system in Tin Ma Court's divested carpark had caused great dissatisfaction amongst the residents.</li> <li>● The Administration should deal with suspected breaches of land lease conditions with respect to the divested facilities.</li> </ul>
33.	方浩良先生 馬鞍山社區幹事 恆安之友社	<ul style="list-style-type: none"> <li>● Restaurant operators closed their business due to the substantial rental increases in divested commercial centres, and the owners' letting out of the vacant retail space to large organizations, such as elderly home operators, might further reduce the shopping choices of residents.</li> <li>● The Administration should put in place measures to regulate rent increase, introduce the right of first refusal to renew existing leases and a vacancy tax in divested properties, build new public markets and buy back the divested properties strategically.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
34.	温和達先生	<ul style="list-style-type: none"> <li>● Owners of divested properties might leave amenities facilities idle and make no improvement to the barrier-free access facilities in the properties.</li> <li>● HA should discharge its responsibilities to secure the provision of amenities and facilities for public housing residents; and the Administration should buy back the divested properties.</li> </ul>
35.	Mr Abraham LAI Ka-chun	<ul style="list-style-type: none"> <li>● Since the HA's divestment in 2005, many small shop tenants had closed their business, and residents were forced to buy expensive products which they could not afford.</li> <li>● The Administration should ensure the provision of adequate facilities/services to meet the needs of public housing residents, or buy back the divested properties.</li> </ul>
36.	Mr POON Cheuk-bun	<ul style="list-style-type: none"> <li>● Divested property owners might substantially increase car parking charges, thereby aggravating the burden of public housing residents.</li> <li>● Owners should improve the barrier-free access facilities in the divested properties and the Administration should ensure owners' proper management of the divested properties.</li> </ul>
37.	Mr CHAN Chun-yue	<ul style="list-style-type: none"> <li>● The divested retail and car parking facilities could not address the needs of public housing residents, and the owners concerned were reluctant to communicate with residents.</li> <li>● It was incumbent upon the Administration to discharge its monitoring role to ensure owners' proper management of the divested properties.</li> </ul>
38.	Miss TSE Miu-yee Community worker Sanmanism	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)771/18-19(10)</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
39.	Miss Sammi FU	<ul style="list-style-type: none"> <li>● The divested markets in Tung Chung were providing expensive products/services which public housing residents could not afford.</li> <li>● The Administration should build the proposed new public market in Tung Chung as early as possible, and should pay heed to the views of Tung Chung residents regarding its design.</li> </ul>
40.	Mr Richard LI Director Lai Kok Estate Residents Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)837/18-19(04)</li> </ul>
41.	梁寶玲小姐 Member Caretakers Concern Group	<ul style="list-style-type: none"> <li>● HA had yet to address the problem of non-compliance with the Split-ratio Covenant in the assignment deed of the divested properties in Sui Wo Court.</li> <li>● The Secretary for Transport and Housing should directly deal with the issue.</li> </ul>
42.	張延先生 撐基層墟市聯盟	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)852/18-19(01)</li> </ul>
43.	莫曉兒小姐 天水圍社區發展網絡	<ul style="list-style-type: none"> <li>● Many retail tenants might move out owing to the substantial increase of stall rentals in the divested markets in Tin Shui Wai.</li> <li>● As divested markets in Tin Shui Wai were dominated by chain stalls, residents were forced to buy expensive products which they could not afford or travel to other districts in order to buy affordable products and fresh food. The Administration should buy back the divested markets and shopping arcades.</li> </ul>
44.	唐建豐先生 天水圍民生關注平台	<ul style="list-style-type: none"> <li>● The Administration/HA should review the policies with respect to planning and management of shopping facilities in public housing estates, and provide essential community facilities/services which were not available in the divested shopping centres.</li> </ul>



No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● The Administration should investigate whether there were breaches of land lease conditions with respect to the divested properties.</li> </ul>
45.	陳淑淇小姐 監察公營街市發展聯盟	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)837/18-19(05)</li> </ul>
46.	Mr Sam YIP Kam-lung 召集人 Island West Dynamic Movement	<ul style="list-style-type: none"> <li>● Link REIT did not attend the meeting, reflecting that it paid no regard to the public concerns about its disposal of the divested properties.</li> <li>● The Administration should buy back the divested properties.</li> </ul>
47.	何偉俊先生	<ul style="list-style-type: none"> <li>● Many shop tenants which provided affordable goods and services had moved out from the divested commercial centre in Sun Tin Wai Estate.</li> <li>● Residents of Sun Tin Wai Estate had to travel a long distance to neighbouring estates' retail facilities to do shopping.</li> </ul>
48.	楊健濱先生 天水圍社區發展陣線	<ul style="list-style-type: none"> <li>● LC Paper No. CB(1)837/18-19(06)</li> </ul>
49.	馮沛賢先生 屯門社區幹事 Hong Kong Federation of Trade Unions	<ul style="list-style-type: none"> <li>● Retail tenants moved out due to the substantial increases of shop rentals and property management fee in the divested retail facilities.</li> <li>● The Administration should regulate rent increase, introduce the right of first refusal to renew existing leases and a vacancy tax in the divested properties.</li> </ul>
50.	何竑先生 中央委員 自由黨	<ul style="list-style-type: none"> <li>● HA divested its properties in 2005 due to its mismanagement of these properties.</li> <li>● The Administration should build more public markets in different districts to tie in with the population growth.</li> </ul>

**Submissions from parties not attending the meeting**

<b>No.</b>	<b>Name of deputation/individual</b>	<b>Submission</b>
1.	Music Zone Foundation Association	LC Paper No. CB(1)771/18-19(11)
2.	Mr WONG Yue-hon	LC Paper No. CB(1)771/18-19(12)
3.	Mr 李東江	LC Paper No. CB(1)771/18-19(13)
4.	Momentum 107	LC Paper No. CB(1)771/18-19(14)
5.	New Territories East Office, The Hong Kong Federation of Trade Unions	LC Paper No. CB(1)771/18-19(15)
6.	Ms 黃穎珊	LC Paper No. CB(1)812/18-19(01)
7.	陳一心	LC Paper No. CB(1)812/18-19(02) (Translation of an original braille submission)
8.	陳建成	LC Paper No. CB(1)822/18-19(03)
9.	China Hong Kong Newly Emerged Sports Association	LC Paper No. CB(1)823/18-19(04)
10.	GAW Capital	LC Paper No. CB(1)823/18-19(05)
11.	梁淑儀	LC Paper No. CB(1)823/18-19(06)
12.	穗禾苑業主立案法團	LC Paper No. CB(1)837/18-19(07)
13.	ACE Ample Hong Kong Limited	LC Paper No. CB(1)837/18-19(08)
14.	ACE Miracle Limited	LC Paper No. CB(1)837/18-19(09)