

Bills Committee on Rating (Amendment) Bill 2019

**List of follow-up actions arising from the discussion
at the meeting on 15 June 2020**

The Administration was requested to provide the following information:

Information on unsold units

- (a) the method of calculating the purported 10 000 units of unsold first-hand private residential units in completed projects as at 31 March 2020 and the distribution of these unsold units by unit size;
- (b) analysis of the unsold first-hand private residential units in completed projects in the past 10 years, including the actual number of unsold units each year vis-à-vis the number of transactions of first-hand private residential units that took place each year, the reasons for such units to remain unsold, and the extent to which the unsold units were normal works-in-progress units to ascertain the extent of hoarding, if any, of first-hand private residential units in completed projects;
- (c) the total number of government quarters units and the number and percentage of vacant units;

Coverage and exemption

- (d) the reasons for proposing to charge the Special Rates on first-hand private residential units with Occupation Permits ("OPs") issued for 12 months or more which remain unsold and have not been rented out for more than 183 days during the past 12 months, and whether the Administration had considered that those units might not be readily rented out as they would not be ready for occupation by tenants before the issue of Certificates of Compliance ("CCs") and renovation by first-owners;

- (e) arising from (d) above, an account of the nature of OPs and CCs, and their respective requirements that the first-owners have to comply with after their issue and before the first-hand private residential units were ready for rental purpose;
- (f) arising from (d) and (e) above, the typical period of time between the issue of OPs of first-hand private residential units and the subsequent issue of their CCs ;
- (g) the basis of exempting from the Special Rates a tenement under a stamped tenancy agreement at a rent not less than the market rent for not less than 183 days in aggregate during the reporting period, and reasons for setting the said threshold of 183 days but not shorter or longer;
- (h) arising from (g) above, whether and how the Administration would provide information relating to the market rent to first-owners to facilitate their compliance with the exemption requirement;

Policy objectives and alternatives

- (i) the number of unsold first-hand private residential units which would be regarded by the Administration as normal and reasonable;
- (j) considering that the Special Rates was a new tax, the alternatives, if any, that the Administration had considered as ways to combat the unreasonable hoarding of first-hand private residential units and the reasons for choosing the Special Rates regime over these alternatives;

Other issues

- (k) whether and how the proposed Special Rates regime would be consistent with Article 6 of the Basic Law in relation to protecting the right of private ownership of property in accordance with law;
- (l) details of the public consultation conducted by the Administration following the announcement of the proposed introduction of Special Rates on 29 June 2018, including when the consultation took place and who the consulted stakeholders were; and

(m) the English version of the PowerPoint presentation materials tabled at the meeting on 15 June 2020.

2. The Secretary for Transport and Housing was requested to attend the Bills Committee meetings in future to facilitate members' deliberations on policy issues of the Bill.

Council Business Division 1
Legislative Council Secretariat
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