

立法會
Legislative Council

LC Paper No. CB(1)945/19-20
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 6 July 2020, 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 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 Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon YUNG Hoi-yan, JP
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH

Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Vincent CHENG Wing-shun, MH, JP
Hon CHAN Hoi-yan

Members attending : Hon WONG Ting-kwong, GBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon LAM Cheuk-ting
Hon LUK Chung-hung, JP
Hon KWONG Chun-yu

Members absent : Hon James TO Kun-sun
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

**Public Officers
attending**

Agenda Item II

Mr Frank CHAN, JP
Secretary for Transport and Housing

Mr Donald TONG, JP
Permanent Secretary for Transport & Housing (Housing) /
Director of Housing

Mrs Alice CHEUNG, JP
Deputy Secretary for Transport & Housing (Housing) /
Deputy Director (Strategy)
Housing Department

Miss Sandra LAM
Assistant Director (Strategic Planning)
Housing Department

Ms Marion CHAN, JP
Commissioner for Census and Statistics

Agenda Item III

Mr Ricky YEUNG
Deputy Director (Estate Management)
Housing Department

Ms Josephine SHU
Assistant Director (Estate Management)²
Housing Department

Mr KAN Yau-cheong
Senior Housing Manager/Commercial Properties (2)
Housing Department

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

Action

I. Information papers issued since last meeting

Members noted that the following paper had been issued since last meeting –

LC Paper No. CB(1)716/19-20(01) — Land Registry Statistics for May 2020 provided by the Administration (press release)

II. 2020 Rent review of public rental housing

(LC Paper No. CB(1)804/19-20(01) — Administration's paper on 2020 Rent review of public rental housing

LC Paper No. CB(1)804/19-20(02) — Paper on rent review for public rental housing prepared by the Legislative Council Secretariat (updated background brief))

Action

Relevant papers

- (LC Paper No. CB(1)570/19-20(01) — Joint letter dated 27 April 2020 from Hon Alice MAK Mei-kuen, Hon KWOK Wai-keung and Hon HO Kai-ming regarding relaxation of eligibility criteria of Hong Kong Housing Authority's Rent Assistance Scheme (Chinese version only)
- LC Paper No. CB(1)588/19-20(01) — Letter dated 29 April 2020 from Hon Andrew WAN Siu-kin regarding the 2020 Rent review of public rental housing (Chinese version only)
- LC Paper No. CB(1)653/19-20(01) — Administration's response to the joint letter from Hon Alice MAK Mei-kuen, Hon KWOK Wai-keung and Hon HO Kai-ming dated 27 April 2020 regarding relaxation of eligibility criteria of Hong Kong Housing Authority's Rent Assistance Scheme (LC Paper No. CB(1)570/19-20(01))
- LC Paper No. CB(1)688/19-20(01) — Administration's response to the letter dated 29 April 2020 from Hon Andrew WAN Siu-kin regarding the 2020 Rent review of public rental housing (LC Paper No. CB(1)588/19-20(01))

Action

2. At the invitation of the Chairman, Secretary for Transport and Housing ("STH") briefed members on the outcome of the 2020 rent review conducted under the rent adjustment mechanism for public rental housing ("PRH") as stipulated in the Housing Ordinance (Cap. 283). STH advised that the Administration would relay members' views on the subject at this meeting to the Subsidised Housing Committee ("SHC") of the Hong Kong Housing Authority ("HA") for consideration.

Rent increase and economic situation

3. In view that there had been economic downturn since mid-2019, the latest unemployment rate had reached 5.9% which was a 15-year record high, and grassroots families had encountered economic hardship and a decrease in income, Mr KWOK Wai-keung, Ms Alice MAK, Mr Vincent CHENG, Mr KWONG Chun-yu and Mr LUK Chung-hung criticized the Administration for proposing the increase of the PRH rent by 9.66% in opposition to the market trend, and opined that HA should not take the lead to increase the rent lest this would encourage other organizations to follow suit. Mr Jeremy TAM opined that members of the public, including those who were not PRH residents, considered the proposal of increasing the PRH rent unacceptable in view of the pandemic and uncertain economic situation. He suggested that the Administration/HA should re-consider whether it was appropriate to implement the proposal. Mr SHIU Ka-chun expressed concern about the rental burden borne by HA's PRH tenants when it was seen in contrast to the rent concessions granted by HA to its retail and factory tenants and the Hong Kong Housing Society's freezing of the rent of its rental units.

4. STH replied that the existing PRH rent adjustment mechanism was stipulated under section 16A of the Housing Ordinance. While HA had to adjust the PRH rent in accordance with the mechanism, the legislation also allowed HA to provide rent waiver to PRH tenants when necessary. In view of the concern on the impact of the proposed rent increase on PRH tenants, the Administration would recommend that HA exercised the power conferred under section 17 of the Housing Ordinance to grant a two-month rent waiver. This would in effect generally offset the financial burden of the proposed rent adjustment on PRH tenants. The Administration was confident that SHC would accept the recommendation.

5. Mr Jeremy TAM, Mr Andrew WAN and the Chairman sought clarification on whether the proposal of granting the two-month rent waiver would be applicable to all PRH tenants, including those paying additional rent such as 1.5 times or double net rent. STH and Deputy Secretary for Transport & Housing (Housing)/Deputy Director (Strategy), Housing

Action

Department ("DS(H)") replied that the Administration would recommend HA to waive two months' rent for its PRH tenants, including the net rent of those paying 1.5 times or double net rent. This arrangement was the same as the arrangements for other rent waivers that had been granted by HA to PRH tenants in the past. In response to Mr Andrew WAN's enquiry, DS(H) further clarified that the Government's recent measures to pay rent for the lower income public housing tenants for two months in 2020 were not applicable to HA's tenants who were required to pay additional rent.

6. Ms YUNG Hoi-yan opined that increasing the PRH rent against the market trend was unreasonable, and HA should keep the existing PRH rent unchanged. In Ms YUNG's view, section 16A of the Housing Ordinance required HA to review the PRH rent as soon as practicable after a specified date, and increase the rent only if it was satisfied on the review that the income index for the second period was higher than the income index for the first period by more than 0.1%. She asked whether HA might choose not to vary the rent despite the outcome of the rent review.

7. STH replied that section 16A of the Housing Ordinance stipulated that HA had to conduct a rent review every two years and vary the PRH rent as soon as practicable after the review strictly in accordance with the change in the income index between the first and second periods covered by the review. To collect the income data of PRH tenants for computing the income index, HA randomly selected a sample of 2 000 PRH households from its PRH estates each month for the first and the second periods and all sampled households were required by law to complete the income declaration forms. The income index was computed by the Commissioner for Census and Statistics under an established methodology. As the income index for the second period (i.e. 2019) of the 2020 rent review was higher than that for the first period (i.e. 2017) by 9.66%, HA had to make a rent adjustment of +9.66% in accordance with the PRH rent adjustment mechanism stipulated in the Housing Ordinance. Ms YUNG Hoi-yan remained of the view that HA had a choice of whether to adjust the rent or not.

8. Dr CHENG Chung-tai said that since 2010, HA had increased the PRH rent by 10% in four of the five rent review exercises, and queried whether HA's rent increases were driven by the motive to ensure zero deficit in operating PRH. Mr KWONG Chun-yu questioned why HA had increased the PRH rent by 10% four times in the previous rent reviews, despite having a fiscal surplus. STH replied that HA was not a profit-making organization and the fact that there was currently a deficit in its rental housing operating account was not a factor for the rent adjustment. On the other hand, as HA had been carrying out many projects for constructing PRH and subsidized

Action

sale flats, the cost burden on HA in the coming years would be substantial and its financial surplus would continue to reduce. HA would continue to strike a balance between providing affordable housing to grassroots families and maintaining the healthy and sustainable development of its finances. Mr LEUNG Yiu-chung said that HA could maintain a healthy financial position given its surplus from sale of Home Ownership Scheme ("HOS") flats. Dr CHENG Chung-tai expressed a similar view.

Rent relief measures

9. Mr LEUNG Yiu-chung and the Chairman opined that increasing the PRH rent by 9.66% amid the prevailing economic environment would arouse among the public a negative feeling towards HA. Mr SHIU Ka-fai expressed a similar concern and opined that the Administration/HA should explain clearly to the public how their rent relief measures could offset the proposed rent increase.

10. Mr KWOK Wai-keung opined that the provision of PRH at an affordable rent was conducive to social stability. Instead of increasing the PRH rent, HA should freeze the rent. Mr KWONG Chun-yu raised the same suggestion. Mr LUK Chung-hung, Ms Alice MAK, Mr LEUNG Yiu-chung and Mr Vincent CHENG pointed out that despite the two-month rent waiver for PRH tenants in 2020, the next PRH rent review in 2022 would be based on the rent level increased by 9.66%, which was to be approved by SHC. Members urged HA to freeze the PRH rent until the next review in 2022. Mr LUK Chung-hung opined that if HA endorsed the proposal of increasing the PRH rent by 9.66%, HA should simultaneously exercise the power conferred under the Housing Ordinance to grant a rent reduction of the same percentage in order to offset the impact of the rent increase on tenants. Dr CHENG Chung-tai expressed concern about the lack of job opportunities for PRH tenants under the prevailing economic situation, and enquired whether HA would provide PRH tenants a rent waiver of at least three months.

11. STH replied that the Administration/HA had all along paid due regard to the well-being of PRH tenants and worked out appropriate measures to deal with specific problems faced by them. In view of the pandemic, HA had put in place a temporary relief measure in May 2020. Upon receiving applications from tenants who could not settle their rent payments on time due to financial hardship, HA would consider withholding the issuance of Notice-to-Quit to such tenants from May to October 2020. In addition, the Government would pay rent for lower income PRH tenants for a total of two months in 2020, and waive the rates for all four quarters of 2020-2021 subject

Action

to a ceiling of \$1,500 per quarter for each rateable property. These rent payments and rates concessions were equivalent to about a total saving of 3.14 months' rent in 2020 for PRH tenants. Subject to the HA's endorsement of the two-month rent waiver as recommended by the Administration under the 2020 rent review, the rental burden of PRH tenants would be further relieved. The Administration/HA would continue to keep in view closely the impact of the pandemic, the socio-economic environment and the income situation of PRH households, and consider taking appropriate actions when necessary.

12. Mr SHIU Ka-fai opined that the Administration/HA should continue its efforts in assisting PRH tenants to relieve their rental burden. He asked whether HA would consider allowing tenants to pay a lower rent if they would pay the PRH rent on a quarterly instead of monthly basis. STH replied that the Administration/HA would consider the suggestion.

Review of the rent adjustment mechanism

13. Mr KWOK Wai-keung opined that as the income data of 2017 and 2019 on which the 2020 rent review was based were now regarded outdated and the sample size for computing the income index was small, its results might not reflect the income situation of most PRH households. In considering the PRH rent adjustment, the Administration/HA should not merely rely on the outcome of the rent review conducted under the rent adjustment mechanism and should also take into account the unemployment situation of PRH tenants and their imminent difficulties.

14. Mr CHEUNG Kwok-kwan said that as the working members of PRH households were mainly engaged in jobs in transport and logistics, tourism, catering and retail industries, their income might be significantly affected by the pandemic and the recent social incidents. Although the existing rent adjustment mechanism might have merits over the previous mechanism, such as allowing rent reduction, the income survey in the 2020 rent review conducted under the mechanism could not reflect the income situation of PRH households in this year. Noting that HA had increased the PRH rent in the previous five rent reviews in succession under the existing rent adjustment mechanism, Mr CHEUNG Kwok-kwan considered that the Administration's proposal of increasing the PRH rent by 9.66% was against the market trend and reflected that the mechanism lacked the flexibility to cope with the changing economic situation.

Action

15. Ms Alice MAK opined that since the introduction of the current rent adjustment mechanism, PRH rent had been adjusted upwards only with increases reaching the permitted ceiling of 10% in four of the five rent review exercises. The Administration/HA should admit that there were loopholes in the mechanism, as it took into account lagged-behind data and had failed to respond to the prevailing economic situation. She and Mr LUK Chung-hung enquired whether the Administration/HA would undertake to conduct a comprehensive review on it. Mr CHEUNG Kwok-kwan raised a similar enquiry. He and Mr Vincent CHENG suggested that the Administration/HA should study the introduction of a mechanism for freezing rent or postponing the rent review exercise and conducting a rent review at an interval of three instead of two years. Mr CHEUNG Kwok-kwan said that a longer rent review cycle might help buffer against fluctuations in the economy and reduce the annual rate of rent increase.

16. The Chairman called on the Administration to relay to SHC members' request for a review of the existing rent adjustment mechanism to resolve the problems of the mechanism. Mr Andrew WAN considered the proposed increase in the PRH rent by 9.66% unreasonable and absurd, revealing deficiencies in the existing rent adjustment mechanism. To enhance the flexibility of the mechanism, the Administration should consider amending the relevant legislation to put in place a requirement under which HA would decide whether a PRH rent review/adjustment should be triggered based on the relevant statistics provided by the Census and Statistics Department for the preceding quarter.

17. In view of members' request for reviewing the current rent adjustment mechanism, Dr CHENG Chung-tai opined that Legislative Council Members who had supported the legislative amendments to introduce the current mechanism should make an apology to the public. Mr LEUNG Yiu-chung said that relevant Legislative Council Members should take responsibility for supporting the Administration's proposal to introduce the current mechanism in 2007. He noted that before the introduction of the existing rent adjustment mechanism, the Housing Ordinance had imposed a three-year interval restriction on rent adjustment and a 10% median rent-to-income ratio cap. He and Dr CHENG Chung-tai enquired whether the Administration/HA would consider reverting to the rent review arrangements adopted by HA before the introduction of the current rent adjustment mechanism.

Action

18. STH replied that under the existing rent adjustment mechanism, there was a 10% cap on the rate of rent increase, while there was no floor in the case of rent reduction. Upon the rent adjustment in accordance with the 2020 rent review, the ratio of the average PRH rent to the average PRH household income had reduced from 9.97% in 2007 to 9.39%. This reflected that the current rent adjustment mechanism had achieved the intended objective of the legislation when it was enacted in 2007 by consistently and objectively enabling that the PRH rent to be maintained at a level that PRH tenants could afford. Regarding the suggestion of reviewing the rent adjustment mechanism and the relevant legislation, the Administration would adopt an open attitude and would relay the suggestion to SHC for consideration. STH advised that HA had made substantial rent concessions for its non-domestic tenants, including eligible retail and factory tenants, car park users for the monthly parking of commercial vehicles, etc., to help relieve their financial burden. The Government had also implemented rounds of measures under the Budget for 2020-2021 and the Anti-epidemic Fund to support individuals and businesses hard hit by the pandemic.

19. Mr LEUNG Yiu-chung opined that the Panel on Housing ("the Panel") had requested the Administration to review the existing rent adjustment mechanism for many years. He questioned whether the Administration/HA had so far made public the outcomes of their internal reviews, and whether they would allow the public to take part in reviewing the mechanism. Mr SHIU Ka-chun recounted a motion passed by the Panel at the meeting on 10 July 2018 which urged the Administration to review the existing rent adjustment mechanism, lower the rent increase ceiling, adjust rent at an interval of three instead two years, and take the factor of inflation into account when calculating income. He queried whether HA had taken these views into consideration and whether the Administration would pay due regard to the motions passed at this meeting.

20. STH replied that the Administration had relayed to SHC the views raised by members when discussing the outcome of the 2018 PRH rent review at the Panel meeting on 10 July 2018, including the motions passed by the Panel, and would report members' views at this meeting to SHC for consideration.

Rent assistance scheme

21. Mr SHIU Ka-chun enquired about the reason for the low proportion of PRH households which were beneficiaries of the HA's rent assistance scheme ("RAS"), and whether and when the Administration/HA would review the

Action

scheme. He further enquired about the number of new applications for rent assistance under RAS from January to May 2020, the average time of processing RAS applications and whether there was room to shorten the processing time or streamline the application procedures.

22. DS(H) replied that HA's RAS aimed at granting relief in the form of rent reduction to domestic tenants who were facing temporary financial hardship. HA had all along kept the operation of the scheme and its eligibility requirements transparent. For example, if a PRH household's rent-to-income ratio was higher than 25%, such household would be granted 50% rent reduction. The number of RAS beneficiaries had increased by 63% from about 12 300 as at July 2014 to about 20 100 as at May 2020, and HA considered the scheme effective.

23. The Chairman was disappointed that only about 21 000 households out of the about 800 000 PRH households were RAS beneficiaries, and opined that the Administration/HA should consider relaxing the scheme's eligibility criteria. He referred to the existing 25% and 50% rent reduction under RAS, and enquired whether HA would consider aligning the two-tier rent reduction to a 50% rent reduction or provide one more level of rent assistance. Mr Andrew WAN suggested that HA should allow 75% rent reduction under the scheme.

24. In view of the high unemployment rate and a reduction in employment opportunities for grassroots, Mr Vincent CHENG opined that there should be a considerable number of PRH tenants who needed rent assistance. He asked about the reason for the low number of RAS beneficiaries, and whether apart from stepping up publicity to promote RAS, HA would consider more measures to assist PRH tenants who remained unemployed, such as through collaboration with the Social Welfare Department.

25. STH replied that under RAS, eligible PRH tenants would be granted either 25% or 50% rent reduction depending on their household income. According to the prevailing stipulation, applicants should provide income proof for confirming their eligibilities based on income computation of the average household income for the three months preceding the month of the application for rent assistance. For some special hardship cases with drastic change of family circumstances (e.g. death of an income earner, sudden unemployment of the sole breadwinner, serious illness/disability/hospitalization of an income earner due to an accident, etc.) supported by relevant documentary proofs, HA would exercise discretion to count only the current assessable income (i.e. the household income for the month of application) instead of the average household income for the past three

Action

months. For tenants with long-term financial difficulties, they might apply to the Social Welfare Department for the Comprehensive Social Security Allowance ("CSSA") Scheme. The CSSA payment in most CSSA cases had already included a rent allowance which was sufficient to fully cover the PRH rent. As at the end of March 2020, 112 400 PRH tenants which were receiving CSSA were also receiving rent subsidies, accounting for 14.4% of the total domestic tenants of HA.

26. Noting that under RAS, PRH tenants living in newer PRH block types had to meet a two-year accommodation requirement before they might apply for rent assistance, the Chairman and Mr Vincent CHENG opined that the Administration/HA should consider relaxing the requirement. Mr Andrew WAN expressed a similar view and opined that length of residence of tenants in PRH should not be a factor affecting their eligibility for rent assistance.

27. Mr SHIU Ka-chun said that from 2016 onwards, non-elderly RAS beneficiaries living in newer PRH block types were required to move to cheaper accommodation in the same district after receiving rent assistance for four consecutive years, if suitable flats were available. He enquired whether HA would consider relaxing the requirement from four to five consecutive years having regard to the impact of the pandemic. DS(H) replied that the four-year requirement was considered appropriate taking into account that PRH resources were precious and a cheaper accommodation might be more suitable for tenants who still had financial difficulties to pay the rent of their existing PRH units after four years.

Drainage system of estates

28. The Chairman relayed some PRH tenants' queries about whether apart from increasing rent, HA had made serious efforts to maintain the PRH estates and their facilities in good conditions. In view of the cases of the coronavirus disease-2019 ("COVID-19") in Ping Shek Estate and Luk Chuen House in Lek Yuen Estate, these tenants expressed concern on whether the design of linear-shaped PRH blocks was conducive to airborne spread of the virus. The Chairman enquired whether the Administration/HA would inspect the drainage system of the PRH units in Ping Shek Estate and other linear-shaped PRH blocks, including the pipes connecting to toilet bowls inside PRH units. STH replied that HA had earlier on announced that it would proactively inspect the communal drainage pipes of all its PRH, and would give priority to estates with confirmed COVID-19 cases. He advised that upon receiving reported cases of COVID-19 in its estates, HA would deploy staff to conduct cleansing and disinfection work at common area, inspect the communal drainage pipes in all the flats that shared the same pipes with the

Action

affected unit and would take prompt action to deal with those faulty pipeworks and drainage system alterations by tenants without HA's prior approval.

Motions

29. At 3:55 pm, the Chairman referred members to the following motions, which he considered relevant to the agenda item –

Motion moved by Ms Alice MAK and Mr KWOK Wai-keung –

"本事務委員會對於房委會在香港陷入經濟衰退、市道不景及失業率創 15 年新高下仍建議逆市加租 9.66% 表示極度失望，並促請房委會運用《房屋條例》第 17 條賦予的權力，將本次租金檢討的加幅抵銷，以達致凍租效果；同時本事務委員會亦要求房委會盡快制訂措施支援公屋租戶應對經濟逆境，當中包括為公屋租戶提供最少兩個月的租金寬免、改善現有租金援助計劃的申請門檻及減租幅度，以及讓有突發經濟困難的租戶延遲交租 6 個月等，從而與公屋居民共度時艱。"

(Translation)

"This Panel expresses grave disappointment that, while Hong Kong is experiencing economic recession and poor market conditions, and its unemployment rate has reached a record high in 15 years, the Hong Kong Housing Authority ("HA") still proposes increasing rent by 9.66% against the market trend, and urges HA to exercise the power conferred under section 17 of the Housing Ordinance to offset the rate of increase in the current rent review exercise, with a view to achieving the effect of freezing rent. Meanwhile, this Panel also requests HA to expeditiously formulate measures to help public rental housing ("PRH") tenants counter the economic downturn, including waiving the rent of PRH tenants for at least two months, refining the current application threshold of the Rent Assistance Scheme and the rate of rent reduction, and allowing tenants facing sudden financial difficulties to defer rent payment for six months, etc., so as to tide over the hard times with PRH residents."

30. The Chairman ordered that the voting bell be rung for five minutes. The Chairman put to vote the first motion moved by Ms Alice MAK and Mr KWOK Wai-keung. 17 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

Action

Motion moved by Ms Alice MAK and Mr KWOK Wai-keung –

"2020 年公屋租金檢討建議房委會逆市加租 9.66%，再次反映現行的公屋租金調整機制存在漏洞，尤其是公屋租金調整幅度單靠過去兩年的居民收入指數來釐訂，不但令租金調整數據滯後兩年，同時也無法考慮當時的經濟狀況及通脹等因素。因此，本事務委員會要求政府及房委會馬上進行公屋租金調整機制的全面檢討，以免公屋租金只加不減、調整滯後及未能對應當時經濟環境的問題一再發生。"

(Translation)

"The proposed rent increase of the Hong Kong Housing Authority ("HA") under the 2020 public rental housing ("PRH") rent review is 9.66%, which is against the market trend and exposes once again the loopholes in the existing PRH rent adjustment mechanism. In particular, as the rate of PRH rent adjustment is simply determined according to the income index of residents for the past two years, there is a time lag of two years in the rent adjustment statistics and factors such as the prevailing economic conditions and inflation, etc. cannot be taken into account. Hence, this Panel requests the Government and HA to immediately conduct a comprehensive review of the PRH rent adjustment mechanism, so that PRH rent will no longer only be adjusted upward but not downward, a time lag will not exist anymore in the adjustment process, and the mechanism will no longer fail to respond to the prevailing economic situation."

31. The Chairman put to vote the second motion moved by Ms Alice MAK and Mr KWOK Wai-keung. 17 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

Motion moved by Mr Vincent CHENG and seconded by Mr CHEUNG Kwok-kwan –

"由於本港經濟環境自 2019 年中旬起逆轉，導致不少公屋租戶經濟陷於困境，而最新公布的失業率更達至 5.9%，創逾 15 年新高，就此本事務委員會促請當局：

1. 除建議透過寬免兩個月租金以變相凍結 2020 年至 2022 年出租公屋單位租金外，額外寬免一個月租金以紓減租戶的財政壓力；

Action

2. 撤銷現行租金援助計劃中"新大廈類別"租戶須入住兩年才可申請租援的限制，並將兩級制的租金寬免，劃一為寬免50%租金；及
3. 全面檢討租金調整機制，包括研究引入凍租或延期檢討租金的機制、將兩年一檢改為三年一檢，以及下調 10%租金加幅上限。"

(Translation)

"As there has been an economic downturn in Hong Kong since mid-2019, quite a number of public rental housing ("PRH") tenants have encountered economic hardship, while the latest unemployment rate announced has reached 5.9%, which is a 15-year record high. In this connection, this Panel urges the authorities:

1. to provide, apart from the proposal of granting a two-month rent waiver, in effect freezing the rent of PRH rental units from 2020 to 2022, an additional one-month rent waiver to alleviate the financial pressure on tenants;
2. to lift the restriction, under the existing Rent Assistance Scheme, of a two-year accommodation requirement for tenants living in "newer block types" before they may apply for rent assistance, and align the two-tier rent reduction to a 50% rent reduction; and
3. to conduct a comprehensive review of the rent adjustment mechanism, including studying the introduction of a mechanism for freezing rent or postponing the rent review exercise, conducting a rent review every three years instead of every two years, and lowering the 10% cap on the rate of rent increase."

32. The Chairman put to vote the motion moved by Mr Vincent CHENG. 10 members voted in favour of the motion, no member voted against and four members abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motions passed was issued to members vide LC Paper Nos. CB(1)855/19-20(01) to (03) on 8 July 2020, and the Administration's response to the motions was issued to members vide LC Paper No. CB(1)909/19-20(01) on 30 July 2020.)

Action

III. Use of non-domestic premises of the Hong Kong Housing Authority

(LC Paper No. CB(1)804/19-20(03) — Administration's paper on use of non-domestic premises of the Hong Kong Housing Authority

LC Paper No. CB(1)804/19-20(04) — Paper on use of non-domestic premises of the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (updated background brief)

33. At the invitation of the Chairman, Deputy Director (Estate Management, Housing Department ("DD(EM), HD") briefed members on latest situation of the use of non-domestic premises of HA. Assistant Director (Estate Management)2, Housing Department ("AD(EM)2, HD") gave a PowerPoint presentation on the subject.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)858/19-20(01)) for the item were issued to members on 8 July 2020 in electronic form.)

Retail facilities

34. Mr SHIU Ka-fai expressed commendation to HA for the rent concessions granted to its retail tenants over the past one year. He opined that the measures had assisted tenants in HA's shopping centres to tide over the economic hardship caused by the pandemic and social incidents, and hoped that large developers/owners would follow HA in reducing rent for their retail tenants in order to help businesses stay afloat and keep employees in employment. In response to Mr SHIU Ka-fai's enquiry about the number of tenants who had closed down their businesses in HA's shopping centres over the past year, AD(EM)2, HD advised that she did not have the requested information on hand. However, since HA's retail facilities were mainly serving local residents in the neighbourhood, the impact of the epidemic and social incidents on the business of HA's retail tenants was comparatively less significant. In March 2020, the overall vacancy rate of HA's retail premises was about 2.1%, which indicated that the number of tenants who closed down their businesses in HA's shopping centres over the past year should be very limited.

Action

35. Mr SHIU Ka-fai opined that the low vacancy rate of HA's retail premises reflected that there was demand for more such facilities. He enquired whether HA would consider increasing the retail floor space under HA. DD(EM), HD replied that HA would continue to keep in view the use of its non-domestic facilities in public housing estates from time to time in order to ensure the best use of resources and to provide facilities that meet the residents' needs.

Car parking facilities

36. Ir Dr LO Wai-kwok said that public housing residents' demand for car parking facilities might increase following the improvement of their financial conditions. Given the limited number and locations of park-and-ride facilities in the vicinity of railway stations, HA should provide more public parking spaces in its public housing developments. Noting that HA had created 100 additional spaces and was working on the addition of a further 70 parking spaces in five other estates, he was concerned that the increase was insignificant and the supply of car parking facilities would still be far inadequate to help alleviate the shortfall. He opined that the Administration/HA should explore room for further improvement, and consider requesting the relevant government department to review the planning standards for car parking spaces in public housing estates.

37. DD(EM), HD replied that the Administration had taken note of Ir Dr LO's views. When planning the provision of parking spaces for new public housing projects, apart from providing as far as practicable parking spaces at the upper end of the standards stipulated in the Hong Kong Planning Standards and Guidelines, HA would also increase the number of visitors' parking spaces from two or three private car ("PC") parking spaces per subsidized sale flats ("SSF") block to up to five PC parking spaces per PRH block / SSF block, as far as practicable. Ir Dr LO commented that the provision of five visitors' parking spaces for each domestic block was not adequate to meet demand. The Chairman requested the Administration/HA to take note of Ir Dr LO's view.

Ward offices for District Council members

38. Mr CHU Hoi-dick said that District Council ("DC") members found it difficult to set up ward offices in HOS estates, and enquired whether and how HA would assist DC members who requested to rent HA's vacant commercial units in HOS estates below market rent for setting up ward offices. DD(EM), HD replied that in determining the use of commercial premises under HA's

Action

ownership in HOS estates, priority would be accorded to the provision of daily necessities for residents. In considering whether vacant commercial units could be used as ward offices, HA needed to consider the restrictions under the relevant Government lease (if applicable) and each case would be considered on individual merits. In response to Mr CHAN Chi-chuen's enquiry on how land lease conditions restricted HA in leasing its commercial units in HOS estates to DC members for setting up ward offices, DD(EM), HD explained that whether commercial units in HOS estates could be used as ward offices would depend on the conditions stipulated in the relevant Government lease.

39. Mr CHAN Chi-chuen said that some former DC members who had rented non-domestic units in HA's estates for setting up ward offices in the last DC term had extended the tenancy concerned, hence making it more difficult for the incumbent DC members to set up ward offices in HA's estates. He asked about the tenancy extension situation in previous DC terms. He further enquired about the number of incumbent DC members who had not yet been provided non-domestic units/space for setting up their ward offices in HA's estates in their constituencies, and requested the Administration to provide supplementary information in this regard. DD(EM), HD replied that it was an established practice of HA to allow outgoing DC members to hold over for one to two months upon tenancy expiry to allow time for them to vacate their ward offices. About 60 members who had rented ward offices in HA's estates during the last DC term were required to return their premises to HA. About 30 of them had applied to hold over for about half to two months. Of the incumbent DC members whose constituencies had PRH estates, about 20 had not yet set up any ward office in the estate concerned.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)905/19-20(01) on 27 July 2020.)

[At 4:27 pm, the Chairman directed that the meeting be extended for five minutes.]

Other non-domestic premises/space

40. Mr SHIU Ka-chun expressed appreciation of the Housing Department's efforts in coping with the need of social work teams for work bases in HA's estates. In view that HA had converted some vacant storerooms and spaces in public housing estates into about 20 welfare premises only, he enquired about the number of storerooms in public housing

Action

estates which were vacant and the vacancy rate, and how HA would speed up the conversion of vacant storerooms for other purposes, such as welfare or community use. Mr SHIU Ka-chun further said that the Hong Kong Housing Society had made use of the rooftop areas of building blocks in its housing estates, such as Kwun Lung Lau and Lai Tak Tsuen, for residents to do exercises or carry out recreational or other activities, and enquired how the Administration/HA would make good use of the rooftop areas of building blocks in HA's estates for providing social welfare facilities/other facilities for residents' use.

41. DD(EM), HD replied that the Administration/HA had put a lot of efforts in making use of available premises, such as Mutual Aid Committee offices, for social work teams to provide outreaching services to assist residents at the early stage of intake of newly completed estates. HA had achieved an initial success in converting some vacant storerooms and spaces into over 20 welfare and retail premises, and would continue to identify suitable non-domestic premises for conversion into other uses, subject to demand, technical feasibility as well as compliance with relevant legislation and land lease conditions. The Chairman requested the Administration to provide written response to the rest of the questions raised by Mr SHIU Ka-chun.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)905/19-20(01) on 27 July 2020.)

IV. Any other business

42. The Chairman thanked members, the Secretariat and the Administration for their cooperation in dealing with the housing issues which were of the public's utmost concern. He called on the Administration to continue to listen to the views of stakeholders and hoped that the housing problems in Hong Kong would be solved.

43. There being no other business, the meeting ended at 4:31 pm.