

Legislative Council Panel on Housing
Supplementary Information

Purpose

Regarding the supplementary information requested on Transitional Housing, and the motions passed and supplementary information requested on the Study on Tenancy Control of Subdivided Units at the Legislative Council Panel on Housing meetings on 26 May 2020 and 1 June 2020 respectively, this paper provides the relevant response.

Transitional Housing

Follow-up actions

(a) regarding the transitional housing projects set out in Annex 1 of LC Paper No. CB(1)652/19-20(01), the number and proportion of transitional housing units which were provided with shared (instead of independent) kitchen/toilet facilities

2. Among the total of 10 642 transitional housing units set out in Annex 1 of LC Paper No. CB(1)652/19-20(01), some 345 units (about 3%) are provided with shared kitchen/toilet facilities.

(b) with respect to the concern that some owners/developers might not renew the agreements for allowing relevant organizations to continue providing transitional housing on their land/premises in future, the number of transitional housing projects whose agreement would expire in the coming two years

3. Among the existing 790 transitional housing units set out in Annex 1 of LC Paper No. CB(1)652/19-20(01), about 419 units (about 53%) will have their tenancy agreement expired within two years. Based on the past experience of community groups, most landlords are willing to continue leasing the premises to them for the operation of transitional housing after the agreement expires.

Study on Tenancy Control of Subdivided Units

Motions passed¹

(a) This Panel urges the Task Force for the Study on Tenancy Control of Subdivided Units to concurrently study taxation measures which complement tenancy control, such as introducing vacancy tax to minimize the chance of reduction in supply, as well as other financial incentive measures, with a view to mitigating the negative impacts of tenancy control on landlords.

(b) At present, as subdivided unit ("SDU") households bear hefty rents and other unfavourable tenancy arrangements, the Government has provided SDU households with rent allowances. However, without implementing tenancy control of SDUs, mere provision of rent allowances will result in soaring rents of SDUs. Separately, representatives of SDU households are not found in the composition of the Task Force for the Study on Tenancy Control of Subdivided Units ("the Task Force").

In this connection, I move that the Task Force should step up its efforts in consulting SDU households to accurately gain a comprehensive understanding of the situation of SDU households in Hong Kong, so that the qualitative and quantitative research data obtained can be used as the basis for the formulation of tenancy control measures. Following the completion of the relevant report by the Task Force, the Government must expeditiously implement tenancy control of SDUs, so as to alleviate people's hardship.

(c) Given that currently the Task Force for the Study on Tenancy Control of Subdivided Units does not comprise representatives of grass-roots households of subdivided units and concern groups on grass-roots housing, this Panel urges the Government to expeditiously make arrangements for grass-roots representatives and members of relevant social welfare organizations to join the Task Force, so as to assist in completion of the study.

(d) Given that numerous discussions have been held in society on whether tenancy control should be implemented, and this Panel has repeatedly requested the authorities to reintroduce tenancy control of subdivided units ("SDUs"), this Panel urges the Task Force for the Study on Tenancy Control of Subdivided Units to focus on examining the feasible options for implementing tenancy control,

¹ LC Paper No. CB(1)715/19-20(01) – (04)

instead of whether to implement tenancy control of SDUs. Meanwhile, this Panel calls on the Task Force, when examining the issue of tenancy control of SDUs, to study in parallel ways to prevent overcharging of water and electricity tariffs and miscellaneous charges, etc. by landlords, with a view to protecting grass-roots tenants.

Reply

4. The Task Force for the Study on Tenancy Control of Subdivided Units (the Task Force) comprises members from various sectors of the community, including academia participating in the operation of social welfare organisations. The Task Force held three meetings on 29 April, 28 May and 13 July 2020, at which the Task Force finished setting out the scope of work, outlining the work plan, drawing up objectives and direction of the study, and confirming procurement of consultant services. Upon confirmation of the minutes of each meeting, the Task Force will upload the meeting summary to the following website –

https://www.thb.gov.hk/tc/contact/housing/matter_tc.htm

5. The Task Force is to study the feasibility and viable options for tenancy control of subdivided units (TCSU), as well as other related issues of the subject, including discussion about prevention of overcharging of water and electricity tariffs and miscellaneous charges. The Task Force agreed on the appointment of consultants to undertake three thematic researches, including (i) fact finding and social aspects; (ii) economic aspect; and (iii) legal aspect.

6. In the thematic research on economic aspect, the Task Force expects the study to cover updated local analyses of the economic impacts of TCSU and to explore viable options for TCSU from the economic perspective, including the need of any measures or financial incentives to complement TCSU for the Government's consideration.

7. In the thematic research on fact finding and social aspects, the Task Force will obtain both qualitative and quantitative research data through a wide array of research tools such as statistical survey, on-site visits, and focus group interviews, which will be used as the basis for the Task Force's work.

8. Amidst the study of the feasibility on introducing TCSU, the Task Force will maintain a dialogue with the relevant stakeholders and listen to their views. The Task Force has started to visit the tenants of subdivided units in different districts from 13 June 2020, whereby the Task Force can have direct communication with the tenants of subdivided units in order to understand more about their difficulties. The Task Force has started to arrange meetings with concerned groups in July and will also organize public forums to collect views of the wider community on the issues.

Follow-up actions

(a) The Administration was requested to provide details about the resources allocated to the Task Force for the Study on Tenancy Control of Subdivided Units ("the Task Force") to enable it to carry out and complete the study on tenancy control of subdivided units (including the financial provision for the Task Force for its work and how the provision would be used, etc.)

9. The Task Force is to study the feasibility and viable options for TCSU, as well as other related issues of the subject. In order to provide secretariat and administrative support to the Task Force and to assist the Task Force in monitoring the consultancy study, the Government created 4 time-limited posts in 2020-21, including 2 Executive Officers I and 2 Assistant Clerical Officers. The corresponding emolument expenditure is estimated to be \$2.9 million in 2020-21. The Task Force will also approve the related consultancy study contract(s) and consider the reports submitted by the consultant(s). The relevant financial provision in 2020-21 is around \$8.6 million.

**Transport and Housing Bureau
July 2020**