

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

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Dear Ms. Cheng,

Landlord and Tenant (Consolidation) (Amendment) Bill 2021

Thank you for your letter dated 28 July 2021. Our response to your questions relating to the Landlord and Tenant (Consolidation) (Amendment) Bill 2021 (the Bill) is set out in the ensuing paragraphs.

Articles 6 and 105 of the Basic Law

2. We consider that the proposed tenancy control on subdivided units (SDUs) under the Bill could satisfy the four-step proportionality test laid down in *Hysan Development & Others v Town Planning Board* [2016] 6 HKC 58 and thus be consistent with Articles 6 and 105 of the Basic Law –

- (a) The proposed restrictions on property rights pursue a legitimate aim

The plight of SDU tenants, who are generally low-income

individuals and families¹ with weak bargaining power in the residential rental market, has been a major community concern. The rent levels of SDUs are disproportionately high, and the living conditions sub-standard. There have been strong calls from different quarters in the community for the Government to introduce suitable tenancy control on SDUs to address the matter. The proposed tenancy control on SDUs pursues a legitimate aim of providing reasonable tenancy protection for SDU tenants through impliedly incorporating mandatory tenancy terms which set out clearly the respective rights and obligations of the landlord and tenant into every regulated tenancy, regulating the rate of rent increase upon tenancy renewal, providing SDU tenants with a certain degree of security of tenure, and prohibiting landlords from overcharging SDU tenants utility fees².

(b) The proposed restrictions are rationally connected to that legitimate aim

We consider that the proposed tenancy control measures are rationally connected to the afore-mentioned aim of providing reasonable tenancy protection for SDU tenants. Specifically, we are of the view that the measures, if implemented, could achieve our policy objective of providing reasonable protection for SDU tenants, particularly in respect of the provision of the much needed security of tenure to SDU tenants, prevention of unwarranted rent hikes upon tenancy renewal, and prohibition of over-charging of specified utilities and services fees by SDU landlords.

(c) The proposed restrictions are no more than necessary to achieve that legitimate aim

We consider that the proposed tenancy control measures on SDUs are no more than necessary to accomplish the aim to provide

¹ According to the findings of the survey commissioned by the Task Force for the Study on Tenancy Control of Subdivided Units (the Task Force), the median monthly income of households living in SDUs was \$15,000 in 2020, as compared to the corresponding Hong Kong median of \$33,000 in the fourth quarter of 2020.

² According to the findings of the survey commissioned by the Task Force, for the majority of households who have to pay charges for water and electricity separately on top of the monthly rent, the median rates charged are \$13 per unit of water and \$1.5 per unit of electricity, which are well above the respective rates charged by the Water Supplies Department and the power companies.

reasonable protection for SDU tenants³. We propose to protect SDU tenants from arbitrary rent increases by the landlord by restricting the rate of rent increase upon tenancy renewal to the movement of the rental index of all classes of private domestic properties as compiled and published by the Rating and Valuation Department (rental index) in the relevant period instead of banning any rent increase altogether. Furthermore, the proposal for capping the rate of rent increase at 15% kicks in only if the movement of the rental index exceeds 15% so that SDU tenants would not be subject to any unduly high level of rent increase as a result of huge rental fluctuation in the private residential market. As for security of tenure, the four-year duration is recommended taking into consideration the findings of the survey commissioned by the Task Force for the Study on Tenancy Control of Subdivided Units (the Task Force) that around 56% of SDU households have lived in the current SDU for more than two years and the average waiting time for general applicants for public rental housing, which stood at 5.8 years as at end March 2021.

As we consider that the current design of the proposed tenancy control regime on SDUs is reasonable and not more than necessary to achieve our aim, we should be able to minimise any unintended consequences such as a drastic reduction in the supply of SDUs, jetting up of SDU rentals or displacement of the most vulnerable SDU tenants to even worse living conditions.

- (d) A reasonable balance has been struck between the societal benefits arising from the proposed restrictions and the interference with the constitutionally protected rights of the individual, in particular pursuit of the societal interest does not result in an unacceptably harsh burden on the individual concerned

We consider that the proposed tenancy control on SDUs would not cause an unacceptable burden on SDU landlords whilst bringing societal benefits to SDU tenants. While the rent of the first term tenancy cannot be increased during the term, SDU landlords may in general increase the rent of the second term tenancy in a regulated cycle in tandem with the overall movement of the rental index, thereby allowing them to earn a return on their properties

³ Since the present case involves socio-economic policies on housing which the Government rather than the court would be in a better position to consider, we believe that the standard of review may be closer to that of “manifestly without reasonable foundation” instead of the more stringent standard of “no more than reasonably necessary”.

which is in line with the general yield of the prevailing private domestic rental market. Furthermore, the security of tenure is only limited to four years for every regulated cycle (instead of an unlimited security of tenure), and an SDU landlord may reset the asking rent every four years after completion of a regulated cycle of tenancies.

If an SDU tenant fails to fulfil his obligations under the implied terms set out in Part 4 of the proposed Schedule 7, e.g. failure to pay the rent within 15 days after the due date or using the premises for any immoral or illegal purpose, the SDU landlord may enforce a right of re-entry or forfeiture to recover possession of the premises. Meanwhile, the obligations imposed on SDU landlords in terms of maintaining and keeping in repair certain items in the SDU or requiring the landlords to solely bear the stamp duty of the tenancy agreement are unlikely to impose an unacceptably harsh burden on them.

Article 25 of the Basic Law

3. The right to equality before the law enshrined under Article 25 of the Basic Law and Article 22 of the Hong Kong Bill of Rights requires that like cases should be treated alike and different cases should be treated differently. The fundamental question in the present context in determining the equality issue is whether there is enough of a difference between SDUs landlords and landlords of other types of premises who are not subject to the proposed tenancy control regime (non-SDU landlords) to justify the differential treatment accorded to them.

4. We consider that SDU landlords and non-SDU landlords are not in a comparable or analogous position insofar as the proposed tenancy control regime on SDUs is concerned. Specifically, as demonstrated by the findings of the survey commissioned by the Task Force, many of those who live in SDUs are low-income individuals or families who have poor bargaining power and are hence being subject to or susceptible to various types of unfavourable treatment (such as SDU landlords' charging tenants a substantially higher per square foot rental⁴, entering into with them oral or periodic tenancies only, and over-charging them water and electricity fees), while the living conditions of SDUs are generally poorer than those

⁴ According to the findings of the survey of the Task Force, for SDUs, the overall median monthly rent per sq. m. is \$417, as compared to the average monthly rents of \$301 and \$368 per sq. m. of a domestic flat under 40 sq. m. in the New Territories and Kowloon respectively in November 2020.

of non-SDUs. Most, if not all, SDU tenants represent a vulnerable group and hence require tenancy protection. On the basis that SDU landlords and non-SDU landlords are not like cases, the right to equality before the law does not require them to be treated alike.

5. Even if SDU landlords and non-SDU landlords are in a comparable or analogous position insofar as the proposed tenancy control regime on SDUs is concerned, we consider that the differential treatment (if any) between SDU landlords and non-SDU landlords can be justified under the four-step proportionality test as detailed in paragraph 2 above.

6. For the above reasons, we consider that the proposed tenancy control regime on SDUs would not impinge upon the right to equality before the law enshrined under Article 25 of the Basic Law and Article 22 of the Hong Kong Bill of Rights.

Proposed sections 120AA and 120AAB

7. Our clarifications are as follows -

- (a) if the flat concerned is a "unit" as defined in the proposed section 120AA(1), each of the bedroom(s), kitchen, bathroom and living room within that flat, being part of that flat, will be considered to be an SDU on its own, and a tenancy of such bedroom(s) will be a regulated tenancy under the proposed Part IVA if it meets other conditions as provided for in the proposed section 120AAB(1) and is not a tenancy specified in the proposed Schedule 6;
- (b) under the Bill, an SDU is defined as premises that form part of a unit of a building. We do not consider it appropriate to add elements or features, e.g. the presence of ablution facilities, of a premises to the definition of SDU as this would unnecessarily restrict the regulatory scope and create loopholes for easy circumvention;
- (c) a tenancy of an SDU (i.e. premises that form part of a unit of a building) will be subject to the proposed tenancy control regime under the proposed Part IVA if the tenancy meets the other conditions as set out in the proposed section 120AAB(1) and is not a tenancy specified in the proposed Schedule 6, regardless of whether unauthorised building works exists in the unit of which the SDU forms part, or whether there is any

unauthorised alteration to the unit concerned;

- (d) a bedspace, whether or not it is situated in a bedspace apartment as defined in the Bedspace Apartments Ordinance (Cap. 447), will be regarded as an SDU if the bedspace forms part of a unit of a building, and the tenancy of such bedspace will be subject to the tenancy control regime under the proposed Part IVA provided that it fulfils other conditions as set out in the proposed section 120AAB(1) and is not a tenancy specified in the proposed Schedule 6; and
- (e) at present, a number of non-governmental organisations (NGOs)⁵ are operating transitional housing units to cater for the needs of families who are living in inadequate housing and have been waiting for public rental housing for a long time. In this regard, the Task Force on Transitional Housing has been set up under the Transport and Housing Bureau to spearhead and collaborate with NGOs on various transitional housing initiatives proposed and implemented by them. The Task Force operates a funding scheme to provide financial support for NGOs to develop transitional housing. A pilot scheme has also been recently launched in April 2021 to subsidise NGOs to use suitable rooms in hotels and guesthouses with relatively low occupancy rates as transitional housing, with an aim to provide some 800 transitional housing units. Details have been set out in LC Paper No. CB(1)1103/20-21(01) (Annex A) for discussion at the meeting of the Subcommittee on Issues Relating to Transitional Housing and Subdivided Units of the Legislative Council Panel on Housing on 13 July 2021, in which lists of transitional housing projects completed and under construction have been set out in Annex 4 and Annex 5 of the said paper respectively.

Proposed sections 120AAE and 120AAF

8. Our response is as follows –

- (a) according to the proposed section 120AAE, a person having

⁵ NGOs providing or intending to provide transitional housing should usually meet the definition of “social services organisation” as defined in the proposed Schedule 6 of the Bill, i.e. “a non-profit-making organisation operating on a non-profit-making basis for the purpose of providing social services”.

an interest in any premises may apply to the Lands Tribunal to determine whether or not a tenancy for the premises is a regulated tenancy for the purposes of the proposed Part IVA. Should there be a dispute as to whether the tenancy is a regulated tenancy, including whether or not the requirement in the proposed section 120AAB(1)(c) (namely that the subject premises of the tenancy are an SDU) is met, a person having an interest in any premises may apply to the Lands Tribunal under the proposed section 120AAE for a determination;

- (b) as set out in the proposed section 120AAF(2), we consider that the Lands Tribunal may take into account any matters that the Tribunal considers appropriate in determining whether a tenancy is a regulated tenancy, and that the Tribunal should be in a better position to determine which matters are relevant and appropriate on the facts and circumstances of the particular case before the Tribunal; and
- (c) while there is no express provision providing for the right to appeal against a determination made by the Lands Tribunal under the proposed section 120AAF(1) in the proposed Part IVA, a party to the relevant proceedings may, pursuant to section 11(2) of the Lands Tribunal Ordinance (Cap. 17), appeal to the Court of Appeal against such determination on the ground that it is erroneous in point of law, provided that leave to appeal has been granted by the Lands Tribunal or the Court of Appeal under section 11AA of the Lands Tribunal Ordinance (Cap. 17).

Proposed section 120AAK

9. "Domestic tenancy" is defined in the proposed section 120AA(1) to mean "a tenancy of premises let as a dwelling". The proposed section 120AAK provides that the use of any premises as a boarding or lodging house is a use other than as a dwelling. Whether or not the use of a particular premises as a "hotel, guesthouse, hostel, dormitory or similar accommodation" would be regarded as a use as "a boarding or lodging house" or otherwise a use other than as a dwelling under the proposed Part IVA would depend on the facts and circumstances, which may vary from cases to cases. Thus we do not consider it appropriate to spell out in the Bill that the use of any premises as a hotel, guesthouse, hostel, dormitory or similar accommodation would be regarded as a use other than as a

dwelling.

Proposed section 120AAN

10. We consider that the Lands Tribunal may take into account any factors that the Tribunal considers appropriate in determining whether a premises are indeed let for the tenant's own dwelling under a tenancy, and that the Lands Tribunal should be in a better position to determine which factors are relevant and appropriate on the facts and circumstances of the particular case before the Tribunal.

Proposed section 120AAS

11. According to the proposed section 120AAZI(2)(b), a landlord of a regulated tenancy may enforce a right of re-entry or forfeiture in accordance with Part 4 of the proposed Schedule 7 impliedly incorporated into the tenancy under the proposed section 120AAZF, if the tenant is in breach of any of his obligations set out in that Part. That said, as explained in paragraph 18(b) below, the landlord's right to enforce the right of re-entry or forfeiture is subject to the restriction and the tenant's right to apply for relief against forfeiture in section 58 of the Conveyancing and Property Ordinance (Cap. 219). In other words, even if the tenant has breached any of his obligations as set out in Part 4 of the proposed Schedule 7 under a first term tenancy after his acceptance of a second term offer and before the expiry of the first term tenancy, it does not necessarily mean that the tenancy would be terminated immediately upon such breach (for example, the tenant may be able to remedy the breach within a reasonable time upon being served a notice under section 58(1) of Cap. 219 so that the landlord cannot enforce the right of re-entry or forfeiture, or the court may grant relief against forfeiture to the tenant under section 58 of Cap. 219). Moreover, as provided in the proposed section 120AAX, if a landlord of a first term tenancy is proceeding by action to enforce a right of re-entry or forfeiture and the offer period for making a second term offer to the tenant has commenced, in the event that an order of the court allows or permits the landlord to recover possession of the SDU, the second term offer made by the landlord is treated as never having been made and any second term tenancy granted is treated as never having been granted. We therefore consider that it is not appropriate to provide in the Bill that a landlord of a first term tenancy may withdraw the second term offer once the tenant has committed a breach of any of his obligations under Part 4 of the proposed Schedule 7 after the tenant's acceptance of the offer but before the expiry of the first term tenancy. Further, in the event that a second term tenancy has been granted and the tenant again commits a breach of any of his

obligations set out in Part 4 of the proposed Schedule 7 during the term of the second term tenancy, the landlord may, subject to the relevant provisions of section 58 of Cap. 219, enforce a right of re-entry or forfeiture in respect of the second term tenancy.

Proposed section 120AAY

12. A first term tenancy may, for example, be terminated before its expiry other than by the landlord enforcing by action a right of re-entry or forfeiture in accordance with the proposed section 120AAZI(2)(b) under the following circumstances –

- (a) a first term tenancy may be terminated by the tenant (i) by giving notice pursuant to any rights of the tenant under the tenancy or (ii) by giving the landlord a termination notice under the proposed section 120AAZH;
- (b) a first term tenancy may be terminated by the tenant under the proposed section 120AAZ(3)(b) by giving the landlord not less than 30 days' prior notice in writing of the termination within 7 days after the 30-day specified period during which the landlord is required to serve but has failed to serve on the tenant a tenancy in writing reflecting the contents of the oral first term tenancy for signing by the parties upon the tenant's demand made in accordance with the proposed section 120AAZ(2);
- (c) a first term tenancy may be terminated by the tenant by giving the landlord not less than 30 days' prior notice in writing under section 6(2) of Part 3 of the proposed Schedule 7 if the landlord fails to fulfil an obligation under section 5 of Part 3 of that Schedule relating to maintenance and repair of certain items on the premises;
- (d) if the landlord has served the tenancy agreement on the tenant as requested by the tenant under the proposed section 120AAZ(2) but the tenant fails to sign and return the tenancy agreement to the landlord and/or (if applicable) pay back any rent withheld under the proposed section 120AAZ(3)(a) to the landlord within 15 days after the tenancy agreement has been served on the tenant, the landlord may, by giving the tenant not less than 15 days' prior notice in writing, terminate the first term tenancy under the proposed section 120AAZ(7); and

- (e) the landlord may terminate a first term tenancy in accordance with section 4(3) of Part 2 of the proposed Schedule 7 by giving the tenant not less than 15 days' prior notice in writing if the landlord has eventually returned a counterpart of the stamped tenancy agreement to the tenant but the tenant fails to pay back the rent withheld under section 4(1) of Part 2 of that Schedule to the landlord within 15 days after the tenant's receipt of the counterpart.

Proposed section 120AAZA

13. As held in *Yim Tin Fook and another v Yu Chor Lai and others* (HCA 2613/2006), unreported (Court of First Instance, 16 October 2019), the principle in *Milmo v Carreras* [1946] KB 306 (the "**Milmo Principle**"), which forms part of the common law applied in Hong Kong, is that where a tenant (T) purports to grant a sub-lease to a sub-tenant (S) for a term which is equal to or greater than the term remaining in the head lease between T and his own landlord (L), then by operation of law, the sub-lease takes effect as an assignment from T to S of the remainder of T's term under the head lease, rather than creating a sub-lease between T and S. As a result, T will cease to be the tenant of L; instead S will become L's tenant, and become privy to the head lease.

14. The proposed section 120AAZA (including subsection (6)) would disapply the *Milmo* principle in the context of regulated tenancies. It would enable a regulated tenancy for a subdivided unit which purports to be a sub-tenancy for a term equal to, or longer than, the remaining term of the superior tenancy to remain in place, during the term of the superior tenancy, as a sub-tenancy between the sub-tenant and his immediate landlord (which would be subject to the proposed Part IVA), rather than operating as an assignment. The proposed section 120AAZA(6) provides that the sub-landlord is treated as having a reversion expectant on the regulated tenancy so that there would be privity of estate between the sub-tenant and his immediate landlord and the relationship of landlord and tenant may exist between them.

Proposed section 120AAZB

15. Our response is as follows –
- (a) section 3(1) of the Parent and Child Ordinance (Cap. 429) provides, amongst others, that in any Ordinance, "*references (whether express or implied) to any relationship between 2*

persons shall, unless the contrary intention appears, be construed without regard to whether or not either of them ... is or was at any time an illegitimate person". There is no contrary intention in the proposed Part IVA and "adult child" in the definition of "family member" in the proposed section 120AA(1) should be construed accordingly to include an adult child who is an illegitimate person. Same as section 116(5)(a) of Part IV of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7)⁶, it is our policy intention for "adult child" in the definition of "family member" in the proposed section 120AA(1) of the proposed Part IVA to include "adopted adult child" and "step adult child". Subject to Members' views, we may consider adding an express provision to this effect to clearly reflect the policy intent.

According to *Concise Oxford English Dictionary* (Oxford: Oxford University Press, 2011, 12th edn.), "half blood" means "*the relationship between people having one parent in common*" (p. 643). It thus appears that a half blood relationship may only exist amongst siblings. As explained in paragraph (b) below, we do not intend to deviate from the coverage of the deceased tenant's family members under the existing Part IV to extend it to cover other family members such as a brother or sister (including a half blood brother or sister);

- (b) the person to whom the subsisting benefits and protection under a regulated tenancy to which the tenant is entitled under the proposed Part IVA during the tenant's life time are available after the tenant's death (i.e. a spouse, parent or adult child of the deceased tenant who is residing with the tenant in the SDU at the time of the tenant's death) is the same as the person (i.e. "*the widow, widower, mother, father or any daughter or son over the age of 18 years*" of the deceased tenant of a domestic tenancy) to whom the benefits and protection afforded by the existing Part IV are available after the tenant's death (see section 116(5) of Part IV of Cap. 7). We do not see any strong grounds to deviate from the coverage of a deceased tenant's family members under the existing Part IV to extend it to cover other family members such as a brother or sister, grandparent or grandchild, or a minor child of the deceased tenant; and

⁶ Section 116(5)(a) of Part IV of Cap. 7 uses "any daughter or son over the age of 18 years" instead of "adult child".

- (c) same as the existing section 116(5)(b) of Part IV of Cap. 7, we would defer to the Lands Tribunal on the grounds that appears to it to be just and equitable as we consider that the Tribunal should be in the best position to determine which factors are relevant and appropriate in determining the matter in the light of the facts of the case before the Tribunal.

Proposed section 120AAZE

16. In determining the rent increase cap, we are mindful of our policy objective of offering a reasonable protection for SDU tenants without unduly compromising landlords' property rights as guaranteed under the Basic Law. We have reviewed the movement of the rental index of all classes of private domestic properties as compiled and published by the Rating and Valuation Department (RVD) during the past some 20 years (Annex B). It is observed that while the biennial change in the index has fluctuated over time, the rate of increase was particularly high on several occasions, e.g., 26.3% in 2008, 33.5% in 2011 and 19.1% in 2012. Out of 23 years since 1998, the biennial change in the index exceeded 15% on seven occasions, ranging from 15.3% in 2013 to 33.5% in 2011. We therefore consider that setting an absolute cap at 15% would provide an additional and effective safeguard to protect SDU tenants against any unduly high level of rent increase as a result of huge rental fluctuation in the private residential market, in addition to restricting the rate of rent increase upon tenancy renewal to the movement of the rental index of the RVD. In fact, under these volatile market conditions as in the cases of 2008 (26.3%) and 2011 (33.5%), imposing a rent increase cap of 15% would reduce considerably the rental income of SDU landlords. Any further tightening of the rent increase cap may be considered as a more stringent restriction of SDU landlords' property rights which would be more difficult to justify. Apart from increasing the risk of legal challenge, some SDU landlords may choose to leave the SDU market, thereby resulting in a reduction in the supply of SDUs and displacement of SDU tenants.

Proposed section 120AAZF and section 6 of the proposed Schedule 7

17. Reading the proposed section 120AAZH as a whole, the "date of termination" in the proposed section 120AAZH(3) has been defined in subsection (1) and is referring to the date on which the tenancy is to be terminated as specified in a termination notice given by the tenant to the landlord under subsection (1)(b) for terminating the tenancy before the expiry of the term. In other words, the restriction in the proposed section

120AAZH(3) that the date of termination must not be a date earlier than the last day of the first year of the term only applies to termination by a termination notice given under subsection (1)(b), and does not apply to a termination of a tenancy under section 6(2) of the proposed Schedule 7.

Proposed section 120AAZI

18. Our clarifications are as follows –

- (a) we understand that under the previous security of tenure regime, that the premises are reasonably required by the landlord for occupation as a residence for himself, his parent or his adult child was one of the grounds on which a landlord might oppose an application made by the tenant to the Lands Tribunal for a new tenancy⁷. However, unlike the previous regime which provided for unlimited security of tenure as long as the tenant agreed to pay the prevailing market rent, the security of tenure under the proposed Part IVA is only limited to four years for each regulated cycle, and the landlord may repossess the premises for his or his family's own use after the completion of a regulated cycle. To avoid any possible abuse, we do not propose to provide that a landlord of a regulated tenancy may terminate a tenancy early, or refuse to grant the second term tenancy in a regulated cycle, on the grounds that the premises are required as a residence for himself or his immediate family members; and
- (b) currently, in cases of forfeiture upon grounds other than the non-payment of rent, a landlord must comply with the notice requirement provisions in section 58 of Cap. 219. Section 58(1) of Cap. 219 provides that a right of re-entry or forfeiture shall not be enforceable unless the landlord serves a notice on the tenant. This notice must specify the breach complained of and, if the breach is capable of remedy, require the tenant to remedy it. The notice must also specify the compensation, if any, which the landlord requires for the breach. If the tenant fails to remedy a remedial breach or make reasonable compensation to the landlord for the breach within a reasonable time after service of the notice, the landlord may enforce the right of re-entry or forfeiture. Where the landlord is proceeding to forfeit the tenancy, the tenant has a

⁷ The repealed section 119E(1)(b) of Part IV of Cap. 7.

statutory right to apply to the court for relief under section 58(2) of Cap. 219.

The proposed section 120AAZI(4)(b) provides that despite section 58(14) of Cap. 219 (which states that section 58 shall have effect subject to Cap. 7), the proposed section 120AAZI(2)(b) and sections 8, 9, 10, 11 and 12(1)(b) and (2) of Part 4 of the proposed Schedule 7 have effect subject to section 58 of Cap. 219 (except section 58(14) of Cap. 219). This would mean that a landlord of a regulated tenancy who wishes to forfeit the tenancy upon the tenant's breach of section 8, 9, 10 or 11 of Part 4 of the proposed Schedule 7 (which provisions are to be impliedly incorporated into every regulated tenancy by virtue of the proposed section 120AAZF) would have to comply with the notice requirement provided under section 58(1) of Cap. 219 before he may proceed to enforce the right of forfeiture, and the tenant is entitled to an opportunity to remedy a remedial breach before such tenancy is to be forfeited. Also, the tenant has the right to apply to the court for relief against forfeiture in accordance with section 58 of Cap. 219.

Section 58(10) of Cap. 219 provides that section 58 does not, save as mentioned in subsection (4), affect the law relating to forfeiture or relief in case of non-payment of rent. Under section 58(4) of Cap. 219, a sub-tenant may apply to the court for a lease to be granted to him for a term not longer than the term he had under his original sub-tenancy. We consider it appropriate that in the case of forfeiture of a regulated tenancy on the ground of non-payment of rent, the proposed section 120AAZI(2)(b) and sections 7 and 12(1)(a) and (2) of Part 4 of the proposed Schedule 7 have effect subject to sections 58(4) and (10) of Cap. 219, hence the proposed section 120AAZI(4)(a).

The proposed section 120AAZI(4)(a) and (b) are of similar effect to the existing section 117(5)(a) and (b) of Part IV of Cap. 7, which provides that those subsections in section 117 implying certain conditions for forfeiture in domestic tenancies to which Part IV applies shall have effect subject to the relevant provisions of section 58 of Cap. 219.

Proposed sections 120AAZK and 120AAZL

19. The offences created in the proposed sections 120AAZK(1) and 120AAZL(2) and (3) are absolute liability offences, in the sense that no statutory defence or common law defence of honest and reasonable belief is available. The offences are made absolute liability ones in view of the rampant phenomenon, as revealed by the findings of the survey commissioned by the Task Force, that SDU landlords charge their tenants miscellaneous fees or over-charge them water and electricity tariffs, and that we should be able to achieve a strong deterrent effect to steer unscrupulous SDU landlords away from continuing with such unfair and undesirable practices. We consider that a landlord of a regulated tenancy is able to, and should therefore be required to, take steps or extra care not to require the tenant to pay or otherwise receive from the tenant any money in relation to the tenancy other than the four types specified in the proposed section 120AAZK(1)⁸, to ensure that relevant conditions have been fulfilled before requiring the tenant to pay for or otherwise receiving from the tenant the reimbursement of the charges for any of the specified utilities and services (i.e. water, electricity, gas and communication services), including to ensure that the aggregate of the apportioned amounts does not exceed the amount in the relevant bill, and to avoid over-charging his tenant the charges so apportioned. We consider that making these offences as absolute liability offences would strengthen their deterrent effect and, in turn, materially enhance the protection provided to SDU tenants.

Proposed sections 120AAZX and 120AAZY

20. If a person obstructs the Commissioner of Rating and Valuation (the Commissioner) or an RVD officer who is properly authorised under the proposed section 120AAZO(2) and is properly exercising the power under the proposed section 120AAZX(2) (which in turn includes the exercising of the relevant powers under the proposed section 120AAZY), depending on the evidence and the circumstances, the person may have committed an offence under section 23 of the Summary Offences Ordinance (Cap. 228) for obstructing a public officer lawfully engaged, authorised or employed in the performance of any public duty.

Proposed sections 120AAZY and 120AAZZ

21. After entering a premises with a warrant for the purpose of

⁸ Specified rents, specified rental deposits, reimbursement of charges for any of the specified utilities and services (i.e. water, electricity, gas and communication services) payable by the tenant under the tenancy, and damages for the tenant's breach of the tenancy.

carrying out an inspection of the premises for determining the primary user thereof, or ascertaining whether an offence under the proposed Part IVA is being, or has been, committed in relation to the premises, the powers which the Commissioner may exercise include the power to require any person present on the premises to provide information (the proposed section 120AAZY(1)(d) and (2)(g)) and the power to examine any document found on the premises (the proposed section 120AAZY(2)(b)).

22. It is our policy intent that the proposed section 120AAZY would not limit or abrogate legal professional privilege. Such policy intent has already been reflected in the Bill because there is neither express provision nor necessary implication that legal professional privilege should be so limited or abrogated. It follows that the information or documents obtained by the Commissioner under the proposed section 120AAZY would either be information or documents not covered by legal professional privilege, or information or documents for which legal professional privilege has been waived. Accordingly, it does not appear that such information or documents, if disclosed by the Commissioner under the proposed section 120AAZZ, would attract protection on the basis of legal professional privilege.

23. Hence, we do not consider it necessary to expressly provide in the proposed Part IVA that claims, rights or entitlements that would arise on the ground of legal professional privilege would not be affected.

Proposed section 120AAZZB

24. Where the Commissioner or an RVD officer is called to give evidence as a witness in proceedings before the court under the proposed section 120AAZZB, it is our policy intent that the Commissioner or the RVD officer shall have the same privileges and immunities as other witnesses appearing before the court. Hence, we consider that it is not necessary to specifically deal with the privileges and immunities of the Commissioner or an RVD officer in such court proceedings by express provision in the proposed Part IVA.

Proposed section 120AAZZF

25. The forms specified by the Commissioner under the proposed section 120AAZZF to be used under the proposed Part IVA are not subsidiary legislation. The proposed section 120AAZZF(2), which provides that the Commissioner may publish any form so specified in the Gazette (i.e. the publication of the form in the Gazette is discretionary and

not a statutory condition or requirement for specifying forms), is consistent with, and indicates, the legislative intent that the specified forms are not subsidiary legislation.

26. In addition, the wording of the proposed section 120AAZZF is similar to that of sections 71 (Part II) and 119X (Part IV) of Cap. 7 ("relevant sections"). The forms specified under the relevant sections are also not subsidiary legislation; no express provision to that effect is found in the relevant sections. As the legislative intent behind the three provisions is the same, it is undesirable to add such a provision in the proposed section 120AAZZF to create discrepancies among the provisions thus giving doubt in the interpretation of the provisions.



(Miss Kathy CHAN)
for Secretary for Transport and Housing

cc Secretary for Justice
(Attn: Ms. Rayne CHAI)
Commissioner of Rating and Valuation
(Attn: Ms. Sandy JIM)
Clerk to the Bills Committee

**For discussion
on 13 July 2021**

**Legislative Council Panel on Housing
Subcommittee on Issues Relating to Transitional Housing
and Subdivided Units**

Update on the Progress of Supplying Transitional Housing

Purpose

This paper briefs Members of the progress of supplying transitional housing.

Background

2. Facilitation of the provision of transitional housing is one of the six new housing initiatives announced by the Chief Executive on 29 June 2018. The Task Force on Transitional Housing (TFTH) under the Transport and Housing Bureau (THB) has been actively spearheading and collaborating with non-government organisations (NGOs) on various initiatives proposed and implemented by them with a view to increasing the supply of transitional housing to alleviate the hardship faced by families living in inadequate housing while waiting for public rental housing for a long time.

3. On 6 March 2020, the Legislative Council Finance Committee (FC) approved the allocation of \$5 billion to set up the Funding Scheme to Support Transitional Housing Projects by NGOs (Funding Scheme)¹. The Funding Scheme aims to provide financial support for NGOs to carry out works required to develop transitional housing on potential sites / premises on a one-off basis. Details of the Funding Scheme were announced in June 2020. With the enactment of the Appropriation Bill 2021, an injection of \$3.3 billion was made to the Funding Scheme to meet the target of increasing the transitional housing provision from 10 000 to 15 000. The Assessment Committee (AC) for the Funding Scheme (membership at **Annex 1**) has been established to consider NGOs' funding applications for their proposed transitional housing projects. Hitherto, the AC held six meetings and approved a total funding amount of about \$3.88 billion for 14 projects providing about 7 280 transitional housing units. A list of these 14 approved projects is at **Annex 2**. Details of each project are set out at **Annex 3**.

¹ The Funding Scheme aims at supporting NGOs to take forward transitional housing projects. Paper No. FCR(2019-20)45 refers.

Progress of Supplying Transitional Housing

4. As at June 2021, TFTH has already identified sufficient land for the provision of about 15 000 units. With the joint efforts of the NGOs, owners of land and premises and relevant government departments, we will continue to look into various possible options with a view to meeting the target of providing 15 000 units soonest.

5. So far 29 transitional housing projects have been completed, providing 1 305 units for over 1 500 families. Details of these projects are set out at **Annex 4**.

6. Five transitional housing projects involving 4 100 units are currently under construction. Of these, 11 units are to be provided through conversion of an existing building. The rest are to be provided through newly built structures on vacant government and private land. Details of these projects are set out at **Annex 5**.

7. 24 projects with over 9 100 units have been activated, with consultation, procurement and/or tender activities commenced. Of these, around 600 units are to be provided through conversion of existing buildings. The rest are to be provided through newly built structures on vacant government and private land using the Modular Integrated Construction (MiC) method. Details of these projects are set out at **Annex 6**.

New Initiatives

Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing

8. To utilise housing resources efficiently and to support the hotel and guesthouse industry during the difficult times of COVID-19, we have launched a “Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing” (the Pilot Scheme) funded by the Community Care Fund (CCF) in April 2021, under which NGOs may use suitable rooms in hotels and guesthouses with relatively low occupancy rates as transitional housing. It is estimated that the Pilot Scheme could provide some 800 transitional housing units. TFTH held two on-line briefings on the Pilot Scheme for the hotels and guesthouses industry and NGOs in March 2021. Relevant information including the video record of the briefing sessions, frequently asked questions, template of the memorandum of understanding, the list of interested hotels and guesthouses, etc. has been uploaded to the website of THB. The Pilot Scheme has also been open for registration by the hotels and guesthouses industry and funding application by NGOs. Hitherto, two projects in the first batch of funding applications were approved, involving a total subsidy of about \$30 million and

about 240 rooms. TPTH is simultaneously assisting a number of NGOs and hotels/guesthouses to explore various projects, some of which are at the final stages of negotiation.

Enhancement of the Website about Transitional Housing

9. THB’s website provides timely updates of information on transitional housing, which include a summary of transitional housing projects, details and progresses of projects, as well as vacant land / premises open for interested NGOs’ applications. It also serves as a portal for stakeholders and NGOs to gain access to relevant information and advice on the development of transitional housing projects, such as the Funding Scheme’s guidelines, new measures to support transitional housing initiatives, the Independent Commission Against Corruption’s corruption prevention tips for implementing and operating transitional housing projects, etc. THB’s website also provides hyperlinks to the respective NGOs’ web pages to facilitate transitional housing applicants in obtaining up-to-date information regarding the application arrangements, application guides and forms.

Facilitation of NGOs’ Preliminary Scheme Studies

10. In order to encourage and assist NGOs to bring forward their transitional housing projects, TPTH has engaged an architect-led term consultant to provide professional advice to NGOs in the preparation of preliminary scheme / layout designs and feasibility studies. So far the consultancy has provided services to two NGOs involving three projects. TPTH would check with NGOs interested in undertaking transitional housing projects on whether they would need such services and make necessary arrangement with the consultant accordingly.

Measures for Increasing and Expediting Transitional Housing Supply

Enhancement of the Funding Scheme

11. The scope of the Funding Scheme as originally approved generally covers the costs of construction / conversion works and associated expenditures in making fit potential sites or premises for the transitional housing projects². In consideration of the problems encountered by NGOs, FC approved on 4 June 2021³ to expand the funding scope to cover rent payments for conversion or use of private premises as transitional housing, and to increase the funding ceiling for transitional housing developments on vacant land where extensive drainage facilities are required. We trust that the enhancement measures could provide further support to NGOs in taking forward more transitional housing projects.

² See paragraph 8 of FCR(2019-20)45 for the original funding scope.
³ See FC Paper No. FCR(2021-22)28.

12. Following the enhancement, the total financial subsidy for each transitional housing unit, which includes all the works and/or rent payments as mentioned in paragraph 11 above, should not exceed the following –

- (a) \$200,000 for each transitional housing unit for projects situated in vacant residential building (including private premises such as hotels and guesthouses);
- (b) \$550,000 for each transitional housing unit to be provided through erection of temporary structure on vacant land, and in conversion of non-residential building; and
- (c) \$565,000 for each transitional housing unit for projects on vacant land in which extensive drainage or sewage treatment facilities are necessary.

Experience Sharing on Procurement Strategy and Technology of Using Modular Integrated Construction (MiC)

13. We have shared our experience with NGOs and stakeholders on the procurement strategy and technology of using MiC on various occasions including the seminars hosted by The Jockey Club Design Institute for Social Innovation, The Hong Kong Institutes of Architects and Construction Industry Council. With NGOs getting more familiar with the procurement strategy and technology of using MiC, it is expected that the time involved in procurement and MiC work will be shortened and the supply of transitional housing could be further increased.

Way Forward

14. TFTH has been making its best endeavours to spearhead the development of transitional housing projects over the past two years. In order to achieve the target of providing 15 000 transitional housing units, it is critical for TFTH to build on the experience gained and efforts made so far and continue to facilitate the co-ordination with various bureaux/departments, enhance the assistance to NGOs, closely monitor their implementation of projects, review and adjust various policies and supporting measures including the scope of the Funding Scheme in a timely manner in light of the feedback from relevant stakeholders and teething issues encountered in the course of implementation.

**Transport and Housing Bureau
July 2021**

**Membership of the Assessment Committee of the Funding Scheme
to Support Transitional Housing Projects by Non-government Organisations**

Chairman

Under Secretary for Transport and Housing

Non-official Members

Ir HO Chi-shing (Representative of the Hong Kong Institution of Engineers)

Ar Stephen HO Kin-wai (Representative of the Hong Kong Institute of Architects)

Sr Raymond KAM Ka-fai (Representative of the Hong Kong Institute of Surveyors)

Professor Rebecca CHIU Lai-har

Ms Tennessy HUI Mei-sheung

Ms Joey LEE Hau-yee

Official Members

Director of Housing or his/her representative

Director of Social Welfare or his/her representative

**Transitional Housing Projects with Funding Approved under Funding Scheme
(as at June 2021)**

Item No.	Site Location	Name of NGO	Date of Approval	Proposed No. of Transitional Housing Units	Funding Approved
1.	Kong Ha Wai, Kam Tin, Yuen Long	Pok Oi Hospital	28 Jul 2020	1 998	\$1,098.9 million
2.	Junction of Chatham Road North and Hok Yuen Street, Kowloon	St. James' Settlement	28 Jul 2020	31*	\$16.15 million*
3.	Yip Shing Street, Kwai Chung	The Hong Kong Council of Social Service	28 Jul 2020	116	\$60.886 million
4.	Tung Tau, Yuen Long	Hong Kong Sheng Kung Hui Welfare Council Limited	29 Oct 2020	1 800	\$990 million
5.	Junction of Hoi Hing Road and Hoi Kok Street, Tsuen Wan	Yan Chai Hospital Board	29 Oct 2020	124	\$64.9 million
6.	Ex-Tsuen Wan Lutheran School at Cheung Shan Estate, Tsuen Wan	The Lok Sin Tong Benevolent Society, Kowloon	24 Dec 2020	142	\$71.93 million
7.	Dah Way Industrial Building, 86 Hung To Road, Kwun Tong	The Society for Community Organization	24 Dec 2020	116	\$61.5 million

Item No.	Site Location	Name of NGO	Date of Approval	Proposed No. of Transitional Housing Units	Funding Approved
8.	Junction of Yau Ma Hom Road and Cheung Wing Road, Kwai Chung	The Society for Community Organization	24 Dec 2020	200	\$109.97 million
9.	Ex-Salvation Army Sam Shing Chuen Lau Ng Ying School Premises, Tuen Mun	The Salvation Army	17 Feb 2021	115	\$61.63 million
10.	Choi Hing Road, Choi Hung	The Lok Sin Tong Benevolent Society, Kowloon	17 Feb 2021	166	\$79.35 million
11.	Tsat Sing Kong, Pat Heung and Kam Tin, Yuen Long	The Lutheran Church – Hong Kong Synod Limited	27 Apr 2021	900	\$495 million
12.	Wong Yue Tan, Plover Cove, Tai Po	The Lok Sin Tong Benevolent Society, Kowloon	27 Apr 2021	1 236	\$679.8 million
13.	Cheung Shun Street, Cheung Sha Wan	Christian Family Service Centre	27 Apr 2021	132	\$71.1 million
14.	Ming Wah Dai Ha, A Kung Ngam Road, Shau Kei Wan	The Hong Kong Housing Society	29 June 2021	200	\$20 million
Grand Total				7 276	\$3,881.116 million

* The number of transitional housing units was changed from 38 to 31 based on the latest scheme of the project and the funding amount will be adjusted accordingly

Details of Approved Projects under Funding Scheme

Item No. 1

A. Basic Information	
Site Location:	Kong Ha Wai, Kam Tin, Yuen Long
Name of NGO:	Pok Oi Hospital
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	1 998.
Total Gross Floor Area (GFA) of Domestic Units:	59 007 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	28 July 2020
Funding Approved:	\$1,098.9 million
Scope of Funding:	<p>(a) 8 nos. four-storey domestic blocks;</p> <p>(b) 2 nos. non-domestic blocks, 1 no. single storey and 1 no. two-storey, of total GFA 2 000 m² (approximately) as amenity blocks for providing neighbourhood services and social services for the community;</p> <p>(c) 2 nos. sewage treatment plants; and</p> <p>(d) External area of about 23 213 m² and associated ancillary facilities and associated external works.</p>
C. Programme	
Actual/Expected Date of Commencement of Works	Phase 1: 23 March 2021 Phase 2: Q3 2021
Expected Date of Completion of Works	Phase 1: Q1 2022 (781 units) Phase 2: Q3 2022 (1 217 units)

Item No. 2

A. Basic Information	
Site Location:	Junction of Chatham Road North and Hok Yuen Street, Kowloon
Name of NGO:	St. James' Settlement
Nature of Project:	Conversion of vacant depot and training centre
Proposed No. of Transitional Housing Units:	31*
Total Gross Floor Area (GFA) of Domestic Units:	940 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	28 July 2020
Funding Approved:	\$16.15 million*
Scope of Funding:	(a) Alteration of a four-storey non-domestic block to provide 31 transitional housing units of total GFA about 940 m ² including multi-purpose rooms of total GFA about 50 m ² ; and (b) Making good external area of about 1 600 m ² and associated ancillary facilities and associated external works.
C. Programme	
Expected Date of Commencement of Works	Q4 2021
Expected Date of Completion of Works	Q1 2022

* The number of transitional housing units was changed from 38 to 31 based on the latest scheme of the project and the funding amount will be adjusted accordingly.

Item No. 3

A. Basic Information	
Site Location:	Yip Shing Street, Kwai Chung
Name of NGO:	The Hong Kong Council of Social Service
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	116
Total Gross Floor Area (GFA) of Domestic Units:	2 475 – 2 675 m ²
B. Details of Funding Approved	
Date of Approval:	28 July 2020
Funding Approved:	\$60.886 million
Scope of Funding:	1 no. four-storey domestic block, providing 116 transitional housing units of total GFA about 2 475 – 2 675 m ² with 1 multifunction room and 1 management office of total GFA about 25 m ² .
C. Programme	
Expected Date of Commencement of Works	Q3 2021
Expected Date of Completion of Works	Q2 2022

Item No. 4

A. Basic Information	
Site Location:	Tung Tau, Yuen Long
Name of NGO:	Hong Kong Sheng Kung Hui Welfare Council Limited
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	1 800
Total Gross Floor Area (GFA) of Domestic Units:	38 000 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	29 October 2020
Funding Approved:	\$990 million
Scope of Funding:	<p>(a) 3 compounds of four-storey domestic blocks, providing 1 800 transitional housing units of total GFA 38 000 m² (approximately);</p> <p>(b) 6 nos. of one or two-storey non-domestic blocks, of total GFA 1 200 m² (approximately) providing neighbourhood services and social services for the community; and</p> <p>(c) External greenery area of about 3 800 m² and associated ancillary facilities and associated external works.</p>
C. Programme	
Date of Commencement of Works	31 May 2021
Expected Date of Completion of Works	Q2 2022

Item No. 5

A. Basic Information	
Site Location:	Junction of Hoi Hing Road and Hoi Kok Street, Tsuen Wan
Name of NGO:	Yan Chai Hospital Board
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	124
Total Gross Floor Area (GFA) of Domestic Units:	3 276 m ²
B. Details of Funding Approved	
Date of Approval:	29 October 2020
Funding Approved:	\$64.9 million
Scope of Funding:	(a) 1 no. two-storey composite block, providing 124 transitional housing units of total GFA 3 276 m ² and non-domestic premises of GFA 162.8 m ² for management office, function room and Electrical & Mechanical facilities; and (b) External area of about 637 m ² and associated ancillary facilities and associated external works.
C. Programme	
Expected Date of Commencement of Works	Q3 2021
Expected Date of Completion of Works	Q3 2022

Item No. 6

A. Basic Information	
Site Location:	Ex-Tsuen Wan Lutheran School at Cheung Shan Estate, Tsuen Wan
Name of NGO:	The Lok Sin Tong Benevolent Society, Kowloon
Nature of Project:	Conversion from vacant school
Proposed No. of Transitional Housing Units:	142
Total Gross Floor Area (GFA) of Domestic Units:	5 330 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	24 December 2020
Funding Approved:	\$71.93 million
Scope of Funding:	(a) Alteration of a seven-storey non-domestic existing school premises providing 142 transitional housing units of total GFA 5 330 m ² (approximately) including multi-purpose rooms and covered play area; and (b) Making good external area of 760 m ² (approximately) for associated ancillary facilities and associated external works.
C. Programme	
Expected Date of Commencement of Works	Q3 2021
Expected Date of Completion of Works	Q1 2022

Item No. 7

A. Basic Information	
Site Location:	Dah Way Industrial Building, 86 Hung To Road, Kwun Tong
Name of NGO:	The Society for Community Organization
Nature of Project:	Conversion from existing industrial building
Proposed No. of Transitional Housing Units:	116
Total Gross Floor Area (GFA) of Domestic Units:	3 645.5 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	24 December 2020
Funding Approved:	\$61.5 million
Scope of Funding:	Alteration of a ten-storey non-domestic block providing 116 transitional housing units of total GFA 3 645.5 m ² (approximately) including communal living area of total GFA 53 m ² (approximately).
C. Programme	
Expected Date of Commencement of Works	Q4 2021
Expected Date of Completion of Works	Q2 2022

Item No. 8

A. Basic Information	
Site Location:	Junction of Yau Ma Hom Road and Cheung Wing Road, Kwai Chung
Name of NGO:	The Society for Community Organization
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	200
Total Gross Floor Area (GFA) of Domestic Units:	5 534 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	24 December 2020
Funding Approved:	\$109.97 million
Scope of Funding:	Construction of a four-storey domestic block to provide 200 transitional housing units of total GFA about 5 534 m ² including Recreation Room of total GFA about 74 m ² and Management Office of total GFA about 74 m ² .
C. Programme	
Expected Date of Commencement of Works	Q1 2022*
Expected Date of Completion of Works	Q4 2022

* Time allowed for detailed design stage in view of challenging site matters including limitation on public sewer and existence of slopes.

Item No. 9

A. Basic Information	
Site Location:	Ex-Salvation Army Sam Shing Chuen Lau Ng Ying School premises, Tuen Mun
Name of NGO:	The Salvation Army
Nature of Project:	Conversion from vacant school
Proposed No. of Transitional Housing Units:	115
Total Gross Floor Area (GFA) of Domestic Units:	5 470 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	17 February 2021
Funding Approved:	\$61.63 million
Scope of Funding:	(a) Alteration of a seven-storey non-domestic existing school premises providing 115 transitional housing units of total GFA 5 470 m ² (approximately); and (b) Associated ancillary facilities including multi-functional hall, management office, common areas, ancillary services area and associated external works.
C. Programme	
Expected Date of Commencement of Works	Q4 2021
Expected Date of Completion of Works	Q2 2022

Item No. 10

A. Basic Information	
Site Location:	Choi Hing Road, Choi Hung
Name of NGO:	The Lok Sin Tong Benevolent Society, Kowloon
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	166
Total Gross Floor Area (GFA) of Domestic Units:	4 488 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	17 February 2021
Funding Approved:	\$79.35 million
Scope of Funding:	<p>(a) Construction of a four-storey domestic block by using of 108 nos. reused Modular Integrated Construction (MiC) units received from Sung Wong Toi Road transitional housing project and 58 nos. new MiC units providing 166 transitional housing units of total GFA 4 488 m² (approximately) including activity room; and</p> <p>(b) Making-good external area of 1 056 m² (approximately) for associated ancillary facilities and associated external works.</p>
C. Programme	
Expected Date of Commencement of Works	Q1 2023*
Expected Date of Completion of Works	Q4 2023

*This site will be used as a reception site for reusing MiC units from Sung Wong Toi Road transitional housing project which will cease in operation in mid 2023.

Item No. 11

A. Basic Information	
Site Location:	Tsat Sing Kong, Pat Heung and Kam Tin, Yuen Long
Name of NGO:	The Lutheran Church – Hong Kong Synod Limited
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	900
Total Gross Floor Area (GFA) of Domestic Units:	18 000 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	27 April 2021
Funding Approved:	\$495 million
Scope of Funding:	(a) 14 nos. four-storey domestic blocks, providing 900 transitional housing units of total GFA about 18 000 m ² including management office and ancillary facilities premises; (b) a hobby farm of about 8 000 m ² for residents and public; and (c) 2 nos. sewage treatment plant.
C. Programme	
Expected Date of Commencement of Works	Q1 2022*
Expected Date of Completion of Works	Q1 2023

* After the Town Planning Board (TPB) S16 approval by late March and the Transport and Housing Bureau (THB)'s funding approval by late April, the consultancy tender had been issued in late June 2021. A fast track programme will be adopted in the latest stages of the project.

Item No. 12

A. Basic Information	
Site Location:	Wong Yue Tan, Plover Cove, Tai Po
Name of NGO:	The Lok Sin Tong Benevolent Society
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	1 236
Total Gross Floor Area (GFA) of Domestic Units:	21 551 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	27 April 2021
Funding Approved:	\$679.8 million
Scope of Funding:	11 nos. four-storey domestic blocks, providing 1 236 transitional housing units of total GFA about 21 551 m ² including ancillary communal facilities and management house for residents.
C. Programme	
Expected Date of Commencement of Works	Q1 2022*
Expected Date of Completion of Works	Q1 2023

* After the TPB S16 approval by late March and the THB's funding approval by late April, the consultancy tender had been issued in early July 2021. A fast track programme will be adopted in the latest stages of the project.

Item No. 13

A. Basic Information	
Site Location:	Cheung Shun Street, Cheung Sha Wan
Name of NGO:	Christian Family Service Centre
Nature of Project:	Erection of temporary transitional housing units on vacant land
Proposed No. of Transitional Housing Units:	132
Total Gross Floor Area (GFA) of Domestic Units:	2 736.83 m ² (approximately)
B. Details of Funding Approved	
Date of Approval:	27 April 2021
Funding Approved:	\$71.1 million
Scope of Funding:	(a) A four-storey domestic block, providing 132 transitional housing units of total GFA 2 844.89 m ² (approximately), including one Activity Room of 28.74 m ² GFA, Management Office of 17.06 m ² and covered common area of 62.27 m ² ; and (b) External area of about 257 m ² and associated ancillary facilities and associated external works.
C. Programme	
Expected Date of Commencement of Works	Q1 2022*
Expected Date of Completion of Works	Q1 2023

* Time allowed for consultancy services tender for the detailed design, General Building Plan preparation / submission and construction works tender.

Item No. 14

A. Basic Information	
Site Location:	Ming Wah Dai Ha, A Kung Ngam Road, Shau Kei Wan
Name of Applicant:	The Hong Kong Housing Society
Nature of Project:	Conversion from vacant flats in existing domestic buildings
Proposed No. of Transitional Housing Units:	200
Total Gross Floor Area (GFA) of Domestic Units:	5 000 m ² (approximately subject to coming unit type to be vacated)
B. Details of Funding Approved	
Date of Approval:	29 June 2021
Funding Approved:	\$20 million
Scope of Funding:	(a) Conversion of vacant domestic flats at 5 number of existing domestic buildings providing 200 transitional housing units. The first Phase would cover 86 units and be expected to commence in Q4 2021; and (b) Conversion works of remaining 114 units would be commenced in phases subject to the progress of domestic flats to be vacated.
C. Programme	
Expected Date of Commencement of Works	Q4 2021 - Q2 2022* (Phase 1- 86 units)2022 – 2023 (Phase 2) (Remaining 114 units)
Expected Date of Completion of Works	Q4 2021 - Q2 2022* (Phase 1 - 86 units)Q4 2023 (Phase 2) (Remaining 114 units)

* The commencement and completion of works would be carried out in batches as the conversion works is subject to the availability of flats, as well as to minimize nuisance caused to other units during construction.

**Details of Completed Transitional Housing Projects
(As at June 2021)**

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Total)
Baptist Oi Kwun Social Service	Private Land	Lai Chi Kok Road, Tai Kok Tsui	Lai Chi Kok Road, Tai Kok Tsui	9
St. James' Settlement	Private Land	James's Court, Soy Street, Mongkok	Soy Street, Mongkok	49
The Society of Rehabilitation and Crime Prevention, Hong Kong	Private Land	Staunton Street, Central	Staunton Street, Central	6
Yan Oi Tong	Private Land	Green Garden	Tong Hang Road, Tuen Mun	11
The Salvation Army	Private Land	Home Plus	Ha Heung Road, To Kwa Wan	53
The Aberdeen Kai-fong Welfare Association Social Service	Private Land	Best Neighbour. Walk Together	World Fair Court, Wah Fu Road	16
Hong Kong Sheng Kung Hui Welfare Council Ltd.	Private Land	Good Homes	To Kwa Wan Road	60
J Life Foundation	Private Land	Castle Peak Road, Sham Shui Po	Castle Peak Road, Sham Shui Po	15

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Total)
The Society for Community Organization	Private Land	Happiness x Home Community Kim Shin Lane, Cheung Sha Wan	Tai Kok Tsui, Cheung Sha Wan	25
The Society for Community Organization	Private Land	Friend Home	Tai Kok Tsui	24
J Life Foundation	Private Land	Tai Nan Street, Sham Shui Po	Tai Nan Street, Sham Shui Po	1
Christian Concern for the Homeless Association	Private Land	Tai Po Road, Sham Shui Po	Tai Po Road, Sham Shui Po	1
Concern For Grassroots' Livelihood Alliance	Private Land	Nathan Road, Yau Ma Tei	Nathan Road, Yau Ma Tei	1
Concern For Grassroots' Livelihood Alliance	Private Land	Mongkok	Mongkok	2
Kwun Tong Methodist Social Service	Private Land	Ka Lok Street, Kwun Tong	Ka Lok Street, Kwun Tong	1
J Life Foundation	Private Land	Pitt Street, Yau Ma Tei	Pitt Street, Yau Ma Tei	1
The Society for Community Organization	Private Land	Electric Road, Tin Hau	Electric Road, Tin Hau	5

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Total)
The Society for Community Organization	Private Land	Community Joy's To Gather	Shun Sing Mansion, Western District	47
St. James' Settlement	Private Land	James' House	Soy Street, Mongkok	14
The Lok Sin Tong Benevolent Society Kowloon	Private Land	Lok Sin Tong Social Housing Scheme	Fuk Lo Tsun Road, Kowloon City; Nam Kok Road, Kowloon City; Lok Shan Road, To Kwa Wan; Liberty Avenue, Homantin	88
Hong Kong Housing Society	Private Land	Transitional Rental Housing Scheme - Kwun Tong Garden Estate Phase 2	Yin Chee Lau and Hay Cheuk Lau, Kwun Tong Garden Estate, Kwung Tong	30
Hong Kong Housing Society	Private Land	Transitional Rental Housing Scheme - Yue Kwong Chuen	Shek Pai Wan, Aberdeen	270
Hong Kong Housing Society	Private Land	"T-Home" - Trackside Villas, Tai Po	Tai Po Kau, Tai Po	186
Hong Kong Housing Society	Private Land	Chun Seen Mei Chuen	Chun Seen Mei Chuen	20
Light Be	Private Land	Light Home	Scattered in different districts	80
Light Be	Government Land	Light Housing	Sham Tseng	40

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Total)
The Lok Sin Tong Benevolent Society Kowloon	Private Land	Lok Sin Tong Primary School	Kowloon City	51
Tung Wah Groups / Henderson Land	Private Land	Nam Cheong 220	Nam Cheong Street, Sham Shui Po	89
The Lok Sin Tong Benevolent Society Kowloon	Government Land	Sung Wong Toi Road, To Kwa Wan	Junction of Song Wong Toi Road and To Kwa Wan Road	110
Grand Total				1 305

**Details of Transitional Housing Projects under Construction
(as at June 2021)**

1. Projects under Construction (5 nos.)

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)	Estimated Completion Date
Pok Oi Hospital/ Henderson Land	Private Land (97.4%) and Government Land (2.6%)	Kong Ha Wai, Yuen Long	Kong Ha Wai, Kam Tin, Yuen Long	1 998	Phase 1: Q1 2022 Phase 2: Q3 2022
The Hong Kong Council of Social Service	Government Land	Yen Chow Street, Sham Shui Po	Junction of Yen Chow Street and Tung Chau Street, Sham Shui Po	205	Q1 2022
The Society for Community Organization	Government Land	Ying Wa Street, Cheung Sha Wan	Ying Wa Street, Cheung Sha Wan	140	Q1 2022
The Society for Community Organization	Government Land	Government Quarters at Victoria Road	405-406 Victoria Road	11	Q3 2021
Hong Kong Sheng Kung Hui Welfare Council Ltd./ Sun Hung Kai	Private Land	United Court	Tung Tau, Yuen Long	1 800	Q2 2022
Grand Total				4 154	

**Details of Activated Transitional Housing Projects and Transitional Housing Projects under In-depth Study
(as at June 2021)**

1. Activated Projects (24 nos.)

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)
St. James' Settlement	Government Land	James' Garden	Junction of Chatham Road and Hok Yuen Street	31
The Hong Kong Council of Social Service	Government Land	Yip Shing Street, Kwai Chung	Yip Shing Street, Kwai Chung	116
Yan Chai Hospital	Government Land	Hoi Hing Road, Tsuen Wan	Junction of Hoi Kok Street and Hoi Hing Road, Tsuen Wan	124
Christian Family Service Centre	Government Land	Chi Shin Street, Tseung Kwan O	Junction of Po Yap Road and Chi Shin Street, Tseung Kwan O	340
The Lok Sin Tong Benevolent Society Kowloon	Government Land	Choi Hing Road, Choi Hung	Choi Hing Road, Choi Hung, Kowloon (next to Caritas Mother Teresa School)	166
The Lok Sin Tong Benevolent Society Kowloon	Hong Kong Housing Authority	Former-Tsuen Wan Lutheran School	Cheung Shan Estate, Tsuen Wan	142
The Society for Community Organization	Government Land	Yau Ma Hom Road	Yau Ma Hom Road, Kwai Chung	200

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)
The Society for Community Organization	Private Land	Dah Way Industrial Building	86 Hung To Road, Kwun Tong	116
Pok Oi Hospital	Government Land	Ping Che Road, Ta Kwu Ling	Ping Che Road, Ta Kwu Ling (Former-Sing Ping School)	500
Tung Wah Group of Hospitals	Government Land	Muk On Street, Kai Tak	Muk On Street, Kai Tak	460
The Lutheran Church - Hong Kong Synod Ltd./ New World	Private Land	Fan Kam Road, Yuen Long	Fan Kam Road near Ta Shek Wu Tsuen, Pat Heung, Yuen Long	510
The Evangelical Lutheran Church of Hong Kong / New World	Private Land	Ngau Tam Mei, Yuen Long	San Tam Road near Ko Hang Road, Ngau Tam Mei, Yuen Long	800
New Territories Association of Societies (Community Services) Foundation / Henderson Land	Private Land	Ngau Tam Mei South	Chun Shin Road, Ngau Tam Mei, Yuen Long	1 000
Yan Oi Tong	Government Land	Hung Shui Kiu	Hung Yuen Road, Hung Shui Kiu	404
Light Be/New World	Private Land	Light Village	Tsui Sing Road, Ping Shan	100

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)
The Lutheran Church - Hong Kong Synod Ltd./ New World	Government Land	Tsat Sing Kong, Pat Heung and Kam Tin, Yuen Long	Kam Tai Road near Tsat Sing Kong Tsuen, Pat Heung, Yuen Long	900
The Salvation Army	Hong Kong Housing Authority	Former-Salvation Army Sam Shing Chuen Lau Ng Ying School	Sam Shing Estate, Tuen Mun	115
The Lok Sin Tong Benevolent Society Kowloon/ Wheelock	Private Land	Wong Yue Tan, Plover Cove, Tai Po	Plover Cove, Tai Po	1 236
Christian Family Service Centre	Government Land	Cheung Shun Street, Cheung Sha Wan	Cheung Shun Street, Cheung Sha Wan	132
New Territories Association of Societies (Community Services) Foundation/ Henderson Land	Private Land (58.4%) and Government Land (41.6%)	Kam Tin lot 2160	Lot 2160 in Kam Tin, Yuen Long (Tung Wui Road / Kam Wui Road)	1 020
Food For Good Limited	Government Land	Luen Yan Street, Tsuen Wan	Luen Yan Street, Tsuen Wan (Ex-Luen Yan Street Cooked Food Bazaar)	150

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)
Sik Sik Yuen	Government Land	Wong Tai Sin Road, Wong Tai Sin	Wong Tai Sin Road, Wong Tai Sin	200
The Hong Kong Housing Society	The Hong Kong Housing Society	Ming Wah Dai Ha	A Kung Ngam Road, Shaukeiwan	200
Tung Wah Group of Hospitals	Government Land	Lok Wo Sha Lane, Ma On Shan	Lok Wo Sha Lane, Ma On Shan	200
Grand Total				9 162

2. Projects under In-depth Study (4 nos.)

Operating Organisation/ Developer	Land Owner (Private/ Government)	Project Name	Project Location	Number of Units (Estimated)
Christian Family Service Centre	Government Land	Tong Yin Street, Tseung Kwan O	Junction of Chi Shin Street and Tong Yin Street, Tseung Kwan O	200
Christian Family Service Centre	Government Land	Po Lam Road North, Tseung Kwan O	Po Lam Road North, Tseung Kwan O	200
The Society for Community Organization	Government Land	Sheung On Street, Chai Wan	Sheung On Street, Chai Wan	80
Aberdeen Kaifong Welfare Association	Government Land	Former-Stanley Village Primary School	Former-Stanley Village Primary School	40
Grand Total				520

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**Biennial Change in Rating and Valuation Department (RVD)'s
Private Domestic Rental Index (All Classes)
in the Past 20 Years**

RVD's Private Domestic Rental Index (All Classes)		
Year	Index	% change as compared to two years ago
1998	112.6	-5.4%
1999	100.0	-25.7%
2000	98.1	-12.9%
2001	95.4	-4.6%
2002	83.4	-15.0%
2003	73.6	-22.9%
2004	77.7	-6.8%
2005	86.5	17.5%
2006	91.6	17.9%
2007	101.8	17.7%
2008	115.7	26.3%
2009	100.4	-1.4%
2010	119.7	3.5%
2011	134.0	33.5%
2012	142.6	19.1%
2013	154.5	15.3%
2014	159.5	11.9%
2015	172.8	11.8%
2016	168.2	5.5%
2017	182.6	5.7%
2018	193.0	14.7%
2019	194.4	6.5%
2020	180.3	-6.6%

Source: https://www.rvd.gov.hk/en/property_market_statistics/index.html.