

# 立法會 *Legislative Council*

LC Paper No. CB(1)601/20-21(03)

Ref: CB1/PS/1/20

## **Panel on Housing**

### **Subcommittee on Issues Relating to Transitional Housing and Subdivided Units**

#### **Background brief prepared by the Legislative Council Secretariat**

#### **Purpose**

This paper provides background information and summarizes the discussions at meetings of the Legislative Council and its committees on issues relating to transitional housing and tenancy control of subdivided units ("SDUs").

#### **Background**

2. In view of the time required to identify land for housing construction, the current-term Government has since 2017 supported community initiatives on transitional housing to alleviate the hardship faced by families on the public rental housing ("PRH") waiting list and inadequately-housed households ("IHHs"),<sup>1</sup> and has indicated in the 2017 Policy Address various specific measures on transitional housing.<sup>2</sup>

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<sup>1</sup> According to the Hong Kong Housing Authority's [website](#), there were about 155 800 general applicants (i.e. family and elderly one-person applicants) for PRH as at end-June 2020. According to the [Long Term Housing Strategy Annual Progress Report 2019](#), the estimated number of IHHs in Hong Kong was 119 100.

<sup>2</sup> These measures include (a) optimizing the use of idle government premises by providing rental housing units like those under the "Light Housing" project launched by Light Be in Sham Tseng; (b) supporting the Community Housing Movement initiated by the Hong Kong Council of Social Service on a pilot basis, including encouraging the Urban Renewal Authority to participate by offering units in old buildings; (c) facilitating the Hong Kong Housing Society in allowing the owners of its subsidized housing to rent out their flats with premium unpaid to needy families at below market rentals on a pilot basis; (d) exploring the wholesale conversion of industrial buildings into transitional housing with waiver of land premium; and (e) supporting non-profit-making organizations to explore the feasibility of constructing pre-fabricated modular housing on idle sites.

### Task Force on Transitional Housing

3. As one of the six new housing initiatives announced by the Chief Executive ("CE") in June 2018, a task force on transitional housing ("the Task Force on TH") has been established under the Transport and Housing Bureau ("THB") to spearhead transitional housing.<sup>3</sup>

### Supply of transitional housing

4. The 2019 Policy Address announced the target of providing a total of 10 000 transitional housing units within the three years from 2020-2021 to 2022-2023. In January 2020, the Government announced that it would further increase the supply of transitional housing by raising the three-year target to 15 000 units. The Task Force on TH has assisted and facilitated a number of transitional housing projects proposed and operated by non-government organizations ("NGOs").<sup>4</sup> In overall terms, including the 3 400 units currently under in-depth deliberation, the Administration has identified land for the provision of 13 200 units in total for the coming three years, falling short of the target of 15 000 units only by 12%.<sup>5</sup>

### Financial measures to support transitional housing projects

5. In January 2019, the Finance Committee ("FC") approved the Administration's proposal to set up a \$1 billion fund to support NGOs for the gainful use of vacant government sites, including transitional housing projects.<sup>6</sup> The Administration announced in April 2019 that CE in Council

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<sup>3</sup> The Task Force comprises five dedicated officers (including two project directors) led by the Under Secretary for Transport and Housing (LC Paper No. [CB\(1\)388/18-19\(03\)](#)).

<sup>4</sup> These projects include social housing in privately owned vacant residential buildings and vacant government premises, other initiatives by different NGOs including proposals of using Modular Integrated Construction method to construct transitional housing on vacant government land and privately-owned land, or converting vacant non-residential buildings (such as privately-owned vacant school premises or industrial buildings) to transitional housing (LC Paper No. [FCR\(2019-20\)45](#)).

<sup>5</sup> LC Paper No. [CB\(1\)293/20-21\(07\)](#)

<sup>6</sup> As at 31 March 2020, the Development Bureau had approved the funding for the entire project or phased funding for eight applications, and of which, three were related to transitional housing on vacant government land, with a total of funding capped at about \$13 million granted to the NGO-applicants for kick-starting the preliminary works (LC Paper No. [CB\(1\)500/19-20\(01\)](#)).

had approved the exemption of waiver fee, rent and associated costs for land applications related to the provision of community-initiated transitional housing projects.

6. In March 2020, FC approved a funding allocation of \$5 billion<sup>7</sup> to implement the Funding Scheme to support transitional housing projects by NGOs. CE has announced in the 2020 Policy Address the proposed injection of an additional \$3.3 billion into the Funding Scheme<sup>8</sup>, increasing the total government commitment to \$8.3 billion. So far, over \$2.2 billion has been approved under the Funding Scheme. CE has also announced in the 2020 Policy Address a pilot scheme to subsidize NGOs to rent suitable rooms in hotels and guesthouses with relatively low occupancy rates for use as transitional housing.

#### Position on tenancy control

7. All along there have been suggestions from members of the public urging the Administration to re-introduce tenancy control, such as control measures on rents and tenure of SDUs, with a view to safeguarding the interest of grassroots tenants.<sup>9</sup> In 2014, the Administration conducted a study on Hong Kong's experience and overseas experience in implementing tenancy control and briefed the Panel on Housing ("the Panel") on the research findings and observations.<sup>10</sup> The Administration elaborated its

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<sup>7</sup> The Financial Secretary announced in the 2019-2020 Budget that \$2 billion would be set aside to support NGOs in constructing transitional housing. In October 2019, the Chief Executive announced that the provision would increase from \$2 billion to \$5 billion.

<sup>8</sup> According to the Administration, the Under Secretary for Transport and Housing ("USTH") would be the approving authority for transitional housing projects under the Funding Scheme. An Assessment Committee, chaired by USTH and comprising representatives from relevant bureaux/departments and non-official members appointed by the Secretary for Transport and Housing, would be responsible for assisting USTH in vetting applications and overseeing the implementation of the Funding Scheme (LC Paper No. [FCR\(2020-21\)60](#)).

<sup>9</sup> As mentioned in LC Paper No. [IN16/16-17](#), tenancy control in Hong Kong started with the enactment of the Rents Ordinance in 1921 to protect the tenants from unreasonable rent increases and arbitrary evictions. Since then, the two forms of tenancy control – rent control and security of tenure – had been implemented through the amendment and/or enactment of various relevant ordinances. In December 1998, rent control was abolished, and in July 2004, the security of tenure was removed.

<sup>10</sup> The Panel discussed the Administration's research findings and observations on the issue of tenancy control at the meeting on [7 July 2014](#) and received public views on the subject at the meeting on [24 July 2014](#).

views on tenancy control in the Long Term Housing Strategy ("LTHS") promulgated in end-2014.<sup>11</sup>

8. In gist, as expounded in LTHS, the Administration considered that public views on the subject of tenancy control were diverse and there was no consensus in the community over the issue yet. Weighing the pros and cons, and considering the potential adverse consequences associated with tenancy control measures which rendered them counter-productive, the Administration was of the view that it would not be in the interest of IHHs or the general public to introduce any tenancy control measures in Hong Kong.<sup>12</sup> The Government has since reiterated on various occasions that tenancy control is a highly controversial issue and needs to be handled in a cautious manner.

#### Study on tenancy control of subdivided units

9. On 14 January 2020, CE announced the setting up of a task force to study feasible options on the tenancy control of SDUs on the ground that without proper rental regulations, rental subsidies or electricity and water charges reductions provided by the Government would hardly benefit the large number of families<sup>13</sup> living in SDUs who have been bearing heavy rents and unfavourable rental arrangements for a long time. On 16 April 2020, THB announced the appointment of the Task Force for Study on Tenancy Control of Subdivided Units ("the Task Force on SDUs") for a term of 18 months till October 2021.<sup>14</sup> The Task Force on SDUs, comprising members from various sectors of the community, would study the feasibility and options for tenancy control of SDUs and related issues, and aims to complete the study and submit its report to the Government by end March 2021.

#### **Members' views and concerns**

10. Members have expressed views on matters relating to transitional housing and tenancy control at meetings of the Legislative Council and its

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<sup>11</sup> LC Paper No. [CB\(1\)352/14-15\(01\)](#) (paragraphs 6.15 to 6.18)

<sup>12</sup> LC Paper No. [CB\(1\)352/14-15\(01\)](#)

<sup>13</sup> According to the Long Term Housing Strategy Annual Progress Report 2019, it is estimated that there were 96 400 households living in SDUs.

<sup>14</sup> For the composition of the Task Force, see <https://www.info.gov.hk/gia/general/202004/16/P2020041600303p.htm>

committees. The Panel discussed the issue of transitional housing at the meeting on 26 May 2020, and the work progress of the Task Force on TH and Task Force on SDUs. The Panel held two meetings jointly with the Panel on Welfare Services on 4 June and 6 July 2018 to discuss with the Administration and receive public views on tenancy control. The Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies set up under the Panel discussed issues relating to tenancy control and rent subsidy measures. The major views and concerns of Members are summarized in the ensuing paragraphs.

#### Operation of transitional housing projects

11. Members opined that the Administration should draw up appropriate standards regarding transitional housing such as the tenancy period, rent level, size of transitional housing units and the facilities inside such units such as whether there were independent toilet and kitchen.

12. The Administration advised that although NGOs might need to work out the operation details of their transitional housing projects according to unique service emphasis of their projects, the Administration had put in place some general guidelines for them to follow. For example, for a transitional housing project which was funded under the Funding Scheme, the Administration would require the project operator to allocate a major portion of the transitional housing units for applicants who were living in inadequate housing and had been waiting for PRH for three years or more, so that the project operator might use the remaining units to achieve its other missions or cater for applicants with special urgent needs. Standards regarding the average living space per person and the length of tenancy would also be set for transitional housing units. The Administration expected that the rent level of transitional housing should be lower than the relevant market rent with a ceiling of no more than 40% of the prevailing PRH income limit, although in practice, most NGOs determined the rent level based on the latest rent allowance under the Comprehensive Social Security Assistance ("CSSA") Scheme or no more than 25% of the household income.

#### Funding Scheme for transitional housing projects

13. Members expressed concern about the support services provided by NGOs for residents of transitional housing after their intake. On the question of whether the Funding Scheme would provide financial support for setting up social work teams to assist residents of transitional housing, the Administration advised that the Funding Scheme mainly provided financial support for NGOs to carry out the works required to make fit the potential sites/premises for transitional housing projects on a one-off basis. NGOs

operating transitional housing might deduct the expenses of the supporting services provided for their residents from rental income.

14. On Members' concerns about the efficiency of the Assessment Committee in vetting applications of the Funding Scheme, the Administration advised that as the Task Force on TH would convene inter-bureaux/departmental meetings to study the feasibility of the projects proposed by NGOs, the Assessment Committee would mainly assess the technical, financial and social aspects of the proposed projects and look into the experience and capability of the project applicants, etc.

#### Provision of transitional housing in the long term

15. Members opined that transitional housing would be a major source of short-term housing supply to alleviate the hardship faced by IHHs, and the demand for it might continue to exist in the coming decade. On the suggestion that the Administration should incorporate the provision of transitional housing into LTHS, the Administration advised that when determining the total housing supply target under LTHS, the Administration had already taken into account the housing needs of IHHs. However, it was not suitable to include transitional housing units in the ten-year housing supply target as the timing and amount of their supply were unstable.<sup>15</sup>

#### Meeting the supply target of transitional housing

16. Members expressed concern on whether the Administration could achieve its supply target of transitional housing within the three years from 2020-2021 to 2022-2023 since NGOs in general were not specially tasked with the provision of housing. Members considered that the Government should assume a more proactive role in the provision of transitional housing as it had the land, financial resources and the relevant expertise.

17. The Administration advised that the sites identified by Task Force on TH for providing 10 000 transitional housing units mainly belonged to four categories, namely, projects in existing buildings, newly-built projects, conversion of whole buildings, and projects currently under in-depth studies. The Administration had been assessing the feasibility to develop transitional housing on a number of government, institution or community sites that had no development plans in the short term, so as to meet the land requirement

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<sup>15</sup> [Progress Report](#) on the Motion on "Increasing transitional housing supply" passed at the Council meeting of 20 February 2019.

for the remaining target of 5 000 units.<sup>16</sup> The Task Force on TH would continue to assist NGOs in making land lease applications and other arrangements, and provide comments to NGOs on various aspects of transitional housing projects, including the architectural layout, environmental matters, traffic, fire services, and infrastructure provision, etc.

#### Support facilities in transitional housing projects

18. Members expressed concern on how the Administration would cater for the daily living and travel needs of residents of transitional housing provided in remote locations, and relieve the pressure brought about by large-scale transitional housing projects on the supporting facilities in the district concerned.

19. The Administration advised that the public consultation and town planning process for large-scale transitional housing projects in the New Territories taken forward by the Task Force on TH would cover environmental, ecological and traffic impact assessments. The Administration would enhance the provision of support facilities for transitional housing by, for example, providing retail facilities in the vicinity of transitional housing in remote locations, and additional public transport services and public transport lay-bys.<sup>17</sup> The Task Force on TH would collaborate with NGOs to strengthen employment support to families living in transitional housing.

#### Land for transitional housing

20. Members opined that the Administration should make good use of vacant government sites/premises, such as vacant school premises, temporary works areas of public works projects, etc. for providing transitional housing.

21. The Administration advised that individual vacant government sites/premises might not be suitable for transitional housing because they had been earmarked for long-term development or under processing for short-term or temporary uses. If and when vacant school premises suitable for conversion into transitional housing were available, the Administration would approach interested NGOs proactively. Some of the temporary works areas of public works projects were relatively small in size, or had been re-allocated for provision of other facilities (such as railway associated facilities, roads, reprovisioned facilities, etc.); and some temporary works

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<sup>16</sup> LC Paper No. [CB\(1\)652/19-20\(01\)](#)

<sup>17</sup> LC Paper No. [CB\(1\)948/19-20](#)

areas had been reserved for other long-term uses. The Task Force on TH and relevant departments/organizations would review the latest situation of these sites to consider whether they were suitable for transitional housing.

### Wholesale conversion of industrial buildings for transitional housing

22. Members were concerned about the lack of progress in the conversion of industrial buildings ("IBs") into transitional housing and measures for encouraging conversion. The Administration advised that IB owners might not be interested in converting their IBs to transitional housing if the rental income from transitional housing did not justify the cost of investment involved in the conversion, and the Task Force on TH had been working out more effective proposals for encouraging wholesale conversion of IBs to transitional housing.<sup>18</sup>

### Provision of transitional housing units in hotels and guesthouses

23. At the policy briefing of the Panel on 17 December 2020, members opined that the Administration should set targets and timeframes for providing transitional housing units in hotels and guesthouses, and simplify the relevant procedures to facilitate the early provision of such units. The Administration advised that the Government had not set any target for the number of transitional housing units to be provided in hotels and guesthouses, and would seek funding from the Community Care Fund to implement a pilot scheme to subsidize non-governmental organizations to rent suitable hotels and guesthouses for use as transitional housing. The Administration had met representatives of the hotel and guesthouse trades to listen to their views about the proposed provision of transitional housing in hotels and guesthouses, and would continue to communicate with the trades on the subject matter.

24. Members expressed concern that it might not be feasible to provide transitional housing in guesthouses which had no cooking facilities. The Administration advised that the trades had expressed a similar concern. As some guesthouses provided cooking facilities in rooms or common pantries, they would be more suitable for providing transitional housing.

### Rent control measures and cash allowance

25. Members expressed grave concern about the impact of high flat rentals on low-income tenants, and enquired whether the Administration would consider afresh implementing rent control or work out new measures

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<sup>18</sup> LC Paper No. [CB\(1\)948/19-20](#)



to effectively help members of the public to rent private housing at reasonable rents.

26. The Administration advised that tenancy control measures might lead to an array of unintended counter-productive consequences, including reducing supply of rented accommodation; encouraging landlords to be more selective about their tenants, thereby limiting access to adequate housing by those with unstable financial means (e.g. daily-waged workers), ethnic minorities, persons with disabilities, and other socially disadvantaged groups; encouraging certain behaviour from landlords to offset the impact of the tenancy control measures (including increasing initial rent and requiring the tenants to pay excessive miscellaneous charges, etc.); and discouraging proper maintenance of rented accommodation by landlords.

27. In view of the Government's plan announced in the 2019 Policy Address to study whether to implement a scheme to provide cash allowance to low-income households on a regular basis, Members urged the Administration to explore in parallel the feasibility of introducing tenancy control on SDUs and implementing measures on rent control accordingly. They queried the rationale for the study on whether to implement a scheme to provide cash allowance to low-income households on a regular basis; whether on completion of the study the Administration would consider the suggestion on rent control; and whether the Administration would extend the rent subsidy to all PRH applicants on the PRH waiting list.

28. The Administration advised that to alleviate the difficulties faced by grassroots households, CE announced in the 2020 Policy Address the introduction of a Cash Allowance Trial Scheme, under which the Government would provide cash allowance to eligible General Applicant households (i.e. Families with two or more persons and elderly single-person applicants) not living in public housing, not receiving the CSSA and who have waited for public rental housing ("PRH") for more than three years, until they are offered the first PRH allocation. The Administration aimed to start receiving applications for the scheme in mid-2021 and disbursing cash allowance from July 2021 onwards.<sup>19</sup> When discussing the Cash Allowance Trial Scheme on 14 January 2021, the Panel passed two motions calling on the Administration to implement the Scheme and tenancy control of SDUs in parallel in order that the cash allowance received by low-income families would not be "gnawed away" by rent increases.

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<sup>19</sup> LC Paper No. [CB\(1\)293/20-21\(03\)](#)

### Tenancy control on residential properties below a certain rateable value

29. Some Members urged the Administration to consider implementing "partial tenancy control" as a short-term measure, which would target at SDUs and cubicle apartments and would limit the rate of rent increase on the basis of the percentage of increase, the rate of inflation or the market rent of similar flats in the nearby areas.

30. The Administration advised that as seen from the tenancy control experience of some overseas economies, if tenancy control was imposed only on a particular market sector (often on lower-end residential properties), some tenants who were unable to rent flats in the controlled sector might be forced to seek accommodation in the uncontrolled sector, hence pushing up the rental level of the latter.<sup>20</sup>

### Oral tenancies and tenancy agreements

31. Members observed that in the midst of the current supply-demand imbalance in housing, there were cases in which the landlord had not signed a tenancy agreement with the SDU tenant, and hence did not need to give a notice period for terminating tenancy. At the meeting on 9 January 2017, the Panel passed a motion requesting the Administration to immediately formulate and implement a "tenancy stabilization mechanism", which should include the introduction of legislation to require the signing of tenancy agreements to protect the rights and interests of both the landlords and the tenants, and the requirement that a tenancy agreement should set out a fixed tenancy term and a notice period for termination of tenancy.

32. The Administration advised that it had been a long-established practice in Hong Kong for landlords and tenants to enter into oral tenancies. If the Administration required written tenancy agreements for all tenancies by legislation, it would pose an immediate effect on sitting tenants of oral tenancies, and prompt the relevant landlords to enter into new tenancy agreements with the tenants. In the midst of a shortage in housing supply, landlords might make various demands to their advantage during the creation of written tenancy agreements. According to the Administration, if the tenancy agreement had not set out the tenure of tenancy and the notice period for termination, or if the landlord and the tenant had not agreed upon other ways to terminate the tenancy, according to common law, a fixed term

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<sup>20</sup> LC Paper No. [CB\(1\)1466/16-17\(01\)](#)

tenancy would end upon expiry of the term, and a periodic tenancy might be terminated by a notice to quit, with the notice period at a length similar to that of the periodic tenancy. Such arrangement could provide flexibility for landlords and tenants to agree on a termination arrangement that fitted both parties' needs.<sup>21</sup>

#### Installation of separate water and electricity meters for tenants of subdivided units

33. To prevent overcharging of water and electricity tariffs by landlords, Members requested the Administration to arrange separate water and electricity meters to be installed in SDUs and permit SDU tenants to open water and electricity accounts of their own for payment of tariffs.

34. The Administration advised that under current policies, SDU tenants might, subject to landlord's consent, certain preconditions and safety standards, apply to the Water Supplies Department ("WSD") and the two power companies (i.e. CLP Power Hong Kong Limited and Hongkong Electric Company Limited) for installation of separate water and electricity meters respectively. If SDU tenants suspected that they might have been overcharged by their landlords for the use of water or electricity, they could report the case to WSD or the two power companies for follow-up.

#### Study on Tenancy Control of Subdivided Units

35. Members opined that the Task Force on SDUs should examine the feasible options for implementing tenancy control of SDUs, instead of taking time to study whether to implement the measure. Members expressed concern whether the Administration's work to follow up the recommendations of the Task Force on SDUs' study such as the required legislative amendments would further delay the introduction of tenancy control of SDUs. They enquired whether the bill on tenancy control of SDUs could be introduced within the current term of the Legislative Council and the measure could be implemented in parallel with the Cash Allowance Trial Scheme to control the rent of SDUs upon the implementation of the trial scheme.

36. The Administration advised that the Task Force on SDUs had been pressing ahead with work on various fronts, including appraising the actual tenancy situations of SDUs and collecting views from different stakeholders in the community. The Task Force on SDUs strived to complete the study in the first quarter of 2021 and submit its report to the Government for

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<sup>21</sup> LC Paper No. [CB\(1\)1170/16-17\(01\)](#)

consideration. The Government would handle the matter in a timely manner once receiving the report.<sup>22</sup>

37. When discussing the work progress of Task Force on SDUs at the Panel meeting on 1 February 2021, members expressed concern about SDU tenants' lack of bargaining power and inability to protect their basic rights. Members urged that the Government should devise and mandatorily require the landlord and the tenant to sign a standard tenancy agreement, which should set out a reasonable notice period for moving out, provide an option for the tenant to renew the tenancy, as well as stipulate the responsibility of repair/maintenance of the SDU; and that the Government should restrict the rate of rent increase, enhance regulation of the issue of "over-charging" of water and electricity bills.

38. The Administration advised that the Task Force on SDUs had a relatively clear consensus that a standard tenancy agreement for SDUs should be devised, which should, inter alia, set out the rights and obligations of both the landlord and the tenant, the term and period of tenancy, rent, notice period for early termination of tenancy, the arrangements concerning electricity and water charges and other miscellaneous charges. As regards the tenants' right to renew the tenancy, the Task Force on SDUs had to further discuss and deliberate on whether a certain degree of security of tenure should be offered to SDU tenants and whether some form of regulation should be enforced on the rate of rent increase upon tenancy renewal, etc, as well as the possible options. Furthermore, the Task Force on SDUs would continue to explore ways to enhance information available relating to rental of SDUs, so as to help grass-root tenants acquire a better knowledge of the respective rights and obligations of the landlord and the tenant, and secure a more reasonable rent level.

### **Council motions and questions**

39. The Council passed a motion on "Studying the enactment of an ordinance on regulating subdivided units" at its meeting of 5 December 2018 and another on "Increasing transitional housing supply" at the meeting of 21 February 2019. The wording of the motions is at **Appendix II**.

40. In the Sixth LegCo, Dr LAU Siu-lai, Hon Alice MAK, Hon Vincent CHENG Wing-shun, Hon Tony TSE and Hon Starry LEE raised questions on water and electricity charges of tenants in inadequate housing, problems of

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<sup>22</sup> Government's [press release](#) on 9 December 2020

and support for tenants in inadequate/transitional housing, and land and projects for providing transitional housing projects. The questions and the Administration's replies are hyperlinked in **Appendix III**.

### **Latest developments**

41. At CE's Question and Answer Session in the Legislative Council on 4 February 2021, CE announced that the Secretary for Transport and Housing would submit in the current legislative session a bill which would take into account the recommendations of the Task Force on SDUs and the views of Members. To protect tenants from being overcharged by landlords for use of water, CE had given written consent to Hon Alice MAK for submitting a private bill to amend some provisions in the Waterworks Regulations (Cap. 102A). The amendments would stipulate that landlords can only recover the charges for water as prescribed in regulation 46 of the above Regulations. CE also announced the Government's plan to enact legislation on enhancing fire safety in old buildings.

### **Relevant papers**

42. A list of relevant papers is set out in **Appendix III**.

Council Business Division 1  
Legislative Council Secretariat  
23 February 2021

**Motion on  
"Studying the enactment of an ordinance on regulating subdivided  
units" moved by Hon Mrs Regina IP  
at the Council meetings of 28 November and 5 December 2018**

**Motion as amended by Hon Alice MAK, Hon LEUNG Yiu-chung and  
Hon Andrew WAN**

That the housing problem of grass-roots families in Hong Kong is acute and there are over 150 000 families and elderly singletons waiting for public rental housing, with an average waiting time of 5.3 years, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as 'subdivided units'); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works; in this connection, this Council urges the Government to adopt appropriate measures to regulate subdivided units by, among others, studying the enactment of an ordinance; the relevant measures include:

- (1) by drawing reference from the Housing Act 2004 of the United Kingdom and the experience of other countries, formulating policies on the regulation of subdivided units, which include establishing a licensing system for regulating the operation of subdivided units, and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households;
- (2) enacting legislation to require the installation of separate water and electricity meters for each subdivided unit to prevent overcharging of water and electricity tariffs by landlords;
- (3) enacting legislation to regulate the rental of subdivided units, including regulating the rate of rental increase for subdivided units to prevent the households from being heavily burdened by rental;

- (4) before legislating for regulation, expeditiously providing a rental allowance for all grass-roots families which have been waitlisted for public rental housing for over three years and living in subdivided units;
- (5) reviewing the Landlord and Tenant (Consolidation) Ordinance to provide tenants of subdivided units with appropriate tenancy protection, e.g. requiring landlords to sign stamped tenancy agreements with their tenants, stipulating such information as the charging mode for electricity and water tariffs and the notification period for deferred vacation in tenancy agreements; and
- (6) establishing a dedicated fund for transitional housing to be used for, among others, supporting the conversion of industrial buildings into subdivided units as transitional housing to ensure that the transitional housing units leased out in the form of subdivided units after conversion and their facilities are compliant with the legal requirements, so as to improve the living environment of grass-roots families; and
- (7) extensively consulting the community on the study of the enactment of an ordinance on regulating subdivided units and the review of the Landlord and Tenant (Consolidation) Ordinance; and
- (8) enacting legislation to allow tenants of subdivided units to open water and electricity accounts of their own for paying tariffs;

moreover, this Council also urges the Government to establish a registration system for households of subdivided units or conduct an annual survey on households of subdivided units (including those living in factory buildings) through the Census and Statistics Department, so as to ensure that the Government can grasp the actual number of households of subdivided units, thereby formulating appropriate regulatory policies for them.

**Motion on "Increasing transitional housing supply"  
moved by Hon Vincent CHENG  
at the Council meeting of 20 February 2019**

**Motion as amended by Hon Alice MAK, Hon SHIU Ka-chun, Hon Andrew WAN, Hon CHU Hoi-dick and Hon LEUNG Yiu-chung**

That, according to the projection in the Long Term Housing Strategy Annual Progress Report 2018, over 110 000 households in Hong Kong live in inadequate housing conditions; prior to the allocation of public housing units for such households, transitional housing is an important housing option for them; yet, the failure to include transitional housing in the Long Term Housing Strategy announced on 16 December 2014 and its subsequent annual reviews has resulted in a lack of policy and financial support for transitional housing and its supply stagnancy; in this connection, this Council urges the Government to adopt the following measures to substantially increase transitional housing supply, in a bid to improve the living environment of families living in inadequate housing conditions:

- (1) to include transitional housing in the Long Term Housing Strategy, and formulate a supply target for transitional housing, including setting the target of its total supply within the next three years at no less than 10 000 units;
- (2) to invite the Hong Kong Housing Authority, the Hong Kong Housing Society and the Urban Renewal Authority to actively increase the provision of transitional housing;
- (3) to introduce policies for encouraging private property owners to convert their residential properties or whole blocks of industrial buildings into transitional housing;
- (4) to establish a transitional housing fund of no less than \$2 billion, so as to take forward and support various transitional housing schemes; and
- (5) to make public a list of idle government lands or facilities that are suitable for transitional housing purpose, including those lands or facilities with tenure or tenancies due to expire within one year, so as to enable the relevant organizations to study and prepare for any transitional housing programmes as early as possible.



## Appendix III

### List of relevant papers

Council/ Committee	Date of meeting	Papers
Panel on Housing	30 October 2017	2017 <a href="#">Policy Address</a>
Panel on Housing	4 November 2019	Administration's paper (LC Paper No. <a href="#">CB(1)67/19-20(04)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)294/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)235/19-20(01)</a> )
Panel on Housing	8 November 2019	Administration's paper (LC Paper No. <a href="#">CB(1)32/19-20(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)492/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)373/19-20(01)</a> )
Panel on Housing	2 December 2019	Minutes of meeting (LC Paper No. <a href="#">CB(1)544/19-20</a> )
Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies	-	Report of the Subcommittee (LC Paper No. <a href="#">CB(1)555/19-20</a> )
Panel on Housing	26 May 2020	Administration's paper (LC Paper No. <a href="#">CB(1)652/19-20(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)948/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)882/19-20(01)</a> )

<b>Council/ Committee</b>	<b>Date of meeting</b>	<b>Papers</b>
Panel on Housing	2 November 2020 and 14 January 2021	Administration's paper (LC Paper No. <a href="#">CB(1)299/20-21</a> )  Administration's paper (LC Paper No. <a href="#">CB(1)293/20-21(03)</a> )
Panel on Housing	14 January 2021	Administration's paper (LC Paper No. <a href="#">CB(1)293/20-21(03)</a> )
Panel on Housing	1 February 2021	Administration's paper (LC Paper No. <a href="#">CB(1)504/20-21(06)</a> )

**Hyperlinks to relevant Council Questions and Motions:**

<b>Date</b>	<b>Council Question/Motion</b>
11 January 2017	<a href="#">Council question</a> on water and electricity charges of tenants in inadequate housing
11 April 2018	<a href="#">Council question</a> on provision of transitional housing by making use of vacant government properties and idle lands
21 November 2018	<a href="#">Council question</a> on support for tenants in inadequate housing
20 November 2019	<a href="#">Council question</a> on transitional housing projects
9 December 2020	<a href="#">Council question</a> on housing problems of the grassroots families
28 November 2018 and 5 December 2018	<a href="#">Motion</a> debate on "Studying the enactment of an ordinance on regulating subdivided units"
21 February 2019	<a href="#">Motion</a> debate on "Increasing transitional housing supply"

Council Business Division 1  
Legislative Council Secretariat  
 23 February 2021