

立法會

Legislative Council

LC Paper No. CB(1)504/20-21(07)

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Panel on Housing

Meeting on 1 February 2021

Background brief prepared by the Legislative Council Secretariat on study on tenancy control of subdivided units

Purpose

This paper provides background information on the study on tenancy control of subdivided units ("SDUs"), and gives a summary of the views and concerns expressed by members of the Panel on Housing ("the Panel") on the subject.

Background

2. There are suggestions from members of the public for the Administration to introduce tenancy control targeted at SDUs with a view to safeguarding the interest of grassroots tenants. As tenancy control is a controversial issue and the implementation of tenancy control of SDUs may have an adverse effect given the current situation where housing supply is still tight, the Administration considered it necessary to conduct a study before making a decision. In this connection, the Transport and Housing Bureau has appointed the Task Force for the Study on Tenancy Control of Subdivided Units ("the Task Force") in April 2020 for a term of 18 months to study the feasibility and options for tenancy control of SDUs.¹ The scope of work of the Task Force is in **Appendix I**.

¹ LC Paper No. [CB\(1\)678/19-20\(03\)](#)

Major views and concerns

3. The Panel discussed the latest progress of the study on tenancy control of SDUs at its meeting on 1 June 2020. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

Time taken for the study

4. Members opined that as it had been well known in society that many SDU households were bearing hefty rents and other unfavourable tenancy arrangements and given the extensive discussions on tenancy control in the past, the Task Force should examine feasible options for implementing tenancy control of SDUs, instead of taking time to study whether to implement the measure. Moreover, members expressed concern about the long timeframe of the Task Force's study, and that the time required for the Administration's work to follow up the Task Force's recommendations would further delay the introduction of tenancy control of SDUs. Members enquired whether the Administration/Task Force could expedite its work so that 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 Scheme² to control the rent of SDUs upon the implementation of the trial scheme.

5. The Administration advised that the Task Force 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. As tenancy control was a policy issue of a complicated nature, detailed study was required prior to arriving at a conclusion. Hence, the Task Force had appointed independent institutions to undertake research studies on various aspects of the issues with a view to proposing to the Government a set of comprehensive and objective policy options and recommendations. The Task Force strived to complete the study in the first quarter of 2021 and submit its report to the Government for consideration. The Government would handle the matter in a timely manner once receiving the report.³

² The Government will, on a trial basis, 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 Comprehensive Social Security Assistance and who have waited for public rental housing ("PRH") for more than three years, until they are offered the first PRH allocation. The Administration aims to start receiving applications for the scheme in mid-2021 and disbursing cash allowance from July 2021 onwards (LC Paper No. [CB\(1\)293/20-21\(03\)](#)).

³ Government's [press release](#) on 9 December 2020

Scope of the study

6. Members suggested that the Task Force should work out proposals to address the housing difficulties faced by SDU households including high rent per square foot of such units, landlords' overcharging of water and electricity tariff, etc. and study how to ensure that a SDU tenant who had paid the controlled rent for the unit in future would be provided a safe, healthy and quality living environment. Some members opined that the Administration/Task Force should consider the introduction of tax incentive measures and vacancy tax to complement the tenancy control measure to mitigate some of the possible consequences of tenancy control including reduction in the supply of rental accommodations and landlords' withholding of their properties from letting.

7. The Administration advised that the Task Force was to study the feasibility and viable options for tenancy control of SDUs, as well as other related issues of the subject, including discussion about prevention of overcharging of water and electricity tariffs and miscellaneous charges. The Task Force agreed on the appointment of consultants to undertake three thematic researches, including (i) fact finding and social aspects; (ii) economic aspect; and (iii) legal aspect. In the thematic research on fact finding and social aspects, the Task Force would obtain both qualitative and quantitative research data through a wide array of research tools such as statistical survey, on-site visits, and focus group interviews, which would be used as the basis for the Task Force's work. In the thematic research on economic aspect, the Task Force expected the study to cover updated local analyses of the economic impacts of tenancy control of SDUs and to explore viable options for tenancy control of SDUs from the economic perspective, including the need of any measures or financial incentives to complement tenancy control of SDUs for the Government's consideration.⁴

Arrangements to enhance public participation and transparency

8. Members asked about the public engagement plan under the Task Force's study, and whether the public could access information about the Task Force's meetings.

⁴ LC Paper No. [CB\(1\)882/19-20\(01\)](#)

9. The Administration advised that amidst the study, the Task Force would maintain a dialogue with the relevant stakeholders and listen to their views. The Task Force had started to visit the tenants of SDUs in different districts from 13 June 2020, whereby the Task Force could have direct communication with the SDU tenants in order to understand more about their difficulties. The Task Force had started to arrange meetings with concerned groups in July 2020 and would also organize public forums to collect views of the wider community on the issues.⁵ To enhance transparency of the Task Force's work, the Administration would upload a summary of each meeting of the Task Force to the relevant webpage upon confirmation of the relevant minutes of meeting.

Membership of the Task Force

10. Some members queried why the members appointed to the Task Force comprised a representative of property owners, but did not include any representatives of SDU tenants; and whether the Task Force could work out practical proposals to address the SDU problems given its membership.

11. The Administration advised that the Task Force comprised professors of real estate, public policy, Hong Kong studies and social work, and they possessed in-depth knowledge on issues relevant to the study. As members of the Task Force included a director of a non-government organization which provided assistance to SDU tenants, a representative of a concern group on grass-roots housing which supported tenancy control, and academia participating in the operation of social welfare organizations, the Task Force comprised members who opposed tenancy control of SDUs and those supporting it.⁶

Council question

12. A Council question on issues related to the study on tenancy control of SDUs was raised on 9 December 2020. The Council question and the Administration's reply are hyperlinked in **Appendix II**.

⁵ LC Paper No. [CB\(1\)882/19-20\(01\)](#)

⁶ LC Paper No. [CB\(1\)925/19-20](#)

Latest development

13. The Administration will brief members on the latest work progress of the Task Force at the Panel meeting on 1 February 2021.

Relevant papers

14. A list of the relevant papers is set out in **Appendix II**.

Council Business Division 1
Legislative Council Secretariat
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**Scope of work of the Task Force on Study on
tenancy control of subdivided units**

The major scope of work of the Task Force is as follows –

- (a) to examine the current situation of subdivided units in Hong Kong;
- (b) to enhance understanding of tenancy control of subdivided units and related issues;
- (c) to review measures relating to tenancy control of subdivided units and take into account experiences both in and outside Hong Kong in reviewing and evaluating such measures;
- (d) to study the feasibility of and options relating to the introduction of tenancy control on subdivided units, as well as other relevant issues;
- (e) to engage the public in informed discussion on relevant issues relating to tenancy control on subdivided units; and
- (f) to gauge views of different groups of stakeholders.

Source: LC Paper No. [CB\(1\)678/19-20\(03\)](#)

Appendix II

Study on tenancy control of subdivided units

List of relevant papers

Council/Committee	Date of meeting	Papers
Panel on Housing	1 June 2020	Administration's paper (LC Paper No. CB(1)678/19-20(03)) Minutes of meeting (LC Paper No. CB(1)925/19-20) Administration's supplementary paper (LC Paper No. CB(1)882/19-20(01))
Council	9 December 2020	Council question on housing problem of the grassroots families