

Task Force for the Study on Tenancy Control of Subdivided Units

6th Meeting Summary

1. The sixth meeting of the Task Force for the Study on Tenancy Control of Subdivided Units (the Task Force) was held on 25 January 2021.
2. The administrative consultant reported on the progress of the three thematic researches. For the fact finding and social aspects research, the Working Group on Living Conditions has, since mid-November 2020, held two meetings to follow up and discuss issues related to the sample questionnaire for residential buildings and the survey of subdivided units (SDUs) in commercial/industrial buildings. Policy 21, the research consultant appointed by the Task Force, submitted the draft final report on 19 January 2021 which included the estimated total number of SDUs and relevant recommendations on tenancy control of SDUs. Policy 21 would submit the final report by mid-February 2021.
3. For the economic aspects research, Professor CHONG Tai Leung from the Department of Economics of the Chinese University of Hong Kong submitted the revised draft final report on 31 December 2020. The report examined the subject of tenancy control of SDUs from an economic perspective and provided some relevant recommendations for the Task Force's consideration. Upon acceptance of the relevant revisions by the Working Group on Economics Aspects, the final report would be completed by end January 2021.
4. For the legal aspects research, a team from the Faculty of Law of the University of Hong Kong (comprising Adjunct Professor Malcolm Merry, Adjunct Associate Professor Adrian But and Mr Alwin Chan), submitted the revised draft final report on 31 December 2020, which highlighted issues requiring consideration and attention should tenancy control of SDUs be introduced in Hong Kong at this juncture. The report also provided some relevant recommendations for the Task Force's consideration. Upon acceptance of the relevant revisions by the Working Group on Legal Aspects, the final report would be completed in early February 2021.

5. Having consolidated previous discussions, reviewed reports of the three thematic researches and taken into account the relevant critical principles, the Task Force considered that the Government should implement suitable tenancy control for SDUs to safeguard the interests of grassroot tenants, whilst carefully balancing the interests between landlords and tenants. The Task Force has 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, as well as the arrangements concerning electricity and water charges and other miscellaneous charges, etc. The Task Force has 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 on tenancy renewal, etc.
6. The Task Force's study has mainly focused on the subject of tenancy control for SDUs. As regards the building and fire safety as well as the environmental and hygiene problems pertaining to SDUs, the relevant Government departments would continue to enforce existing laws and regulations governing various aspects of SDUs as appropriate. Furthermore, the Task Force has considered that some SDU tenants may be exploited due to inadequate rental market information, and recommended to enhance the availability of information relating to rental of SDUs, so as to help grassroot tenants acquire a better knowledge of the respective rights and obligations of the landlord and the tenant, and secure a more reasonable rent level.
7. The Secretariat reported on the latest views on the subject of tenancy control recently received from the general public and non-governmental organisations through various channels for members' reference.