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Director of Bureau : Secretary for Transport and Housing

Session No. : 8

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**Replies to supplementary questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2011-12**

**Director of Bureau : Secretary for Transport and Housing
Session No. : 8**

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**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)01

Question Serial No.

S047

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Follow-up question on Reply Serial No. THB(H)006

It is mentioned in the reply that the Government will provide public rental housing (PRH) for low-income families who cannot afford private rental accommodation. It is also mentioned in paragraph 48 of the Speech for the Appropriation Bill that the Government will pay two months' base rent for tenants residing in PRH. Now that we have about 145 000 applicants on the PRH Waiting List, if the Government is to provide them with a rent allowance, how much will be involved assuming that the allowance is based on that under the Comprehensive Social Security Assistance Scheme or the Housing Authority's Rent Allowance for Elderly Scheme (to be calculated up to the upper limits)? Please list out the expected expenditures separately.

Asked by: Hon. LEE Wing-tat

Reply:

The purpose of the Waiting List for public rental housing (PRH) is to allow families and individuals meeting the criteria for PRH to wait for PRH in the priority of their applications. The Hong Kong Housing Authority will review the income and asset limits for PRH every year to keep abreast of latest socio-economic situation. While waiting on the Waiting List, applicants' circumstances may change, rendering them ineligible for PRH. As such, the applicants must go through detailed vetting prior to PRH allocation. The PRH Waiting List serves a specific purpose and the housing needs of applicants on the PRH Waiting List have yet to be confirmed. As such, using the PRH Waiting List as a basis for provision of assistance other than PRH is deemed inappropriate. Hence, we do not have any estimation of the expenditure involved in providing rental assistance to applicants on the PRH Waiting List.

Signature _____

Name in block letters _____ D.W. Pescod

Post Title _____ Permanent Secretary for Transport
and Housing (Housing)

Date _____ 31.3.2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)02

Question Serial No.

S051

Head: 162 – Rating and Valuation Department Subhead (No. & title):

Programme: (4) Landlord and Tenant Services

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Transport and Housing

Question:

Follow-up question to reply No. THB(H) 046

The Rating and Valuation Department informed the meeting in the reply that it handled about 203 000 enquiries in 2009-10 in providing advisory services on tenancy matters. Among these cases of enquiries, please state the number of cases where tenancies were not renewed upon expiry, where the landlords refused to renew the tenancies with the tenants upon expiry of the tenancies, where rental increase was involved (please indicate the average increase as well) and where the tenancy lasted for two years or one term only.

Asked by: Hon. TO Kun-sun, James

Reply:

In 2009-10, the Rating and Valuation Department (RVD) provided about 203 000 cases of advisory services on tenancy matters. Among them, about 3 000 cases were related to the surrender of tenancy. RVD does not have information on the reasons for the surrender of tenancy and the tenancy duration of those cases.

Signature _____

Name in block letters _____ MRS. MIMI BROWN _____

Post Title _____ Commissioner of Rating and Valuation _____

Date _____ 30.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)03

Question Serial No.

S049

Head: 62 Housing Department

Subhead (No. & title):

Programme: (5) Support Services

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

A follow-up question to Reply Serial No. THB (H) 031

In the reply, the Government states that it commissioned Deloitte Consulting (Hong Kong) Limited to collect information on overseas practices in regulating the sales of first-hand private residential properties in 2010-11. Please advise whether the task has been completed and which overseas places were covered in the study. Which places have put in place legislative regulation on the sales of first-hand private residential properties and what are the contents of their regulation?

Asked by: Hon. LEE Wing-tat

Reply:

To enhance our understanding of overseas practices in regulating the sales of first-hand private residential properties, the Transport and Housing Bureau (THB) commissioned Deloitte Consulting (Hong Kong) Limited to conduct a desk-top research in January 2011, to collect information on legislation relating to the sales of first-hand residential properties in Australia (Melbourne), Shanghai, Singapore, Taipei, the United Kingdom and the United States of America (the Idaho State), for the reference of THB and the Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation. The consultancy study concerned is scheduled for completion in April 2011.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport
and Housing (Housing) _____

Date _____ 31.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)04

Question Serial No.

S050

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Follow-up to Reply Serial No. THB(H)055:

In the reply, the Government states that since the Real Estate Developers Association of Hong Kong (REDA) indicated that it would not provide a third party with the list of the REDA's members, the Government was not in a position to disclose the list in its possession. Does the Government have a full list of the real estate developers, and can it disclose all their names on the Government homepage? Without disclosing the full list of the REDA's members, will the Government consider providing the list of real estate developers that are governed by the REDA's guidelines on flat sale? In order to heighten the consumers' alertness to the sale of flats in development projects not subject to the Consent Scheme or the REDA's guidelines, will the Government consider requiring developers to specify in the price list of every project whether the project is regulated by the Consent Scheme and whether the developer concerned has to follow the REDA's guidelines?

Asked by: Hon. LEE Wing-tat

Reply:

While the Transport and Housing Bureau (THB) has the membership list of the Real Estate Developers Association of Hong Kong (REDA), we are not in a position to disclose the information as REDA has indicated that it will not provide the information to a third party.

The Consents to Sell, Consents to Assign and Approvals of Deeds of Mutual Covenant issued by the Lands Department can be found in its website and are categorized by districts. The public may make reference to the information on the website to find out whether a development is under the Consent Scheme or not.

To further strengthen the regulation of the sale of first-hand residential properties, the THB has established the Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation (the Steering Committee) to discuss specific issues pertaining to the regulation of the sale of first-hand properties by legislation. The Steering Committee intends to include projects developed under old lease conditions, Consent Scheme projects, and non-Consent Scheme projects in the proposed legislation. The Steering Committee commenced work in November 2010 and will come up with practicable recommendations by October 2011. THB will take forward the subsequent consultation in the form of a White Bill in order to expedite the process.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport
and Housing (Housing) _____

Date _____ 31.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)05

Question Serial No.

S052

Head: 62 Housing Department

Subhead (No. & title):

Programme: (1) Building Control

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Following up on the reply of THB(H)013

In the reply, the Government states that the Independent Checking Unit (ICU) of the Housing Department will set up a team to implement the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) in properties sold under the Home Ownership Scheme and the Tenants Purchase Scheme and in the divested retail and carparking facilities. At present, how many buildings and retail and carparking facilities under the purview of the ICU are aged more than 30 years? How many notices of building inspection are expected to be received in the first year under the MBIS? What is the estimated expenditure for the building inspections and the related repair and maintenance works to be carried out in the first year? What is the average expenditure for each building? Under the MBIS and MWIS, are the notices of building or window inspection issued to individual owners or the Housing Department? Who is responsible for the costs of the building inspections and the related repair and maintenance works? In regard to the buildings of divested retail and carparking facilities, are the notices of building or window inspection issued to The Link Management Limited or the Housing Department? Who is responsible for the costs of the building inspections and the related repair and maintenance works?

Asked by: Hon. TO Kun-sun, James

Reply:

In the implementation of Mandatory Building Inspection Scheme (MBIS) and Mandatory Window Inspection Scheme (MWIS), the main duties of the Independent Checking Unit (ICU) of the Housing Department are to administer the relevant legislation on MBIS and MWIS under delegated authority from the Director of Buildings. The duties include issuing notices to owners concerned requiring them to carry out building inspections and window inspections under the relevant legislation.

At present, there are a total of 65 buildings either under the Home Ownership Scheme (HOS) and Tenants Purchase Scheme (TPS) or retail and carparking facilities, which are subject to ICU inspections under delegated authority and aged more than 30 years. In the first year, ICU expects to issue 60 notices of building inspections under the MBIS. With regard to the HOS and TPS buildings, the notices under MBIS will be issued to the owners' corporations (OCs) concerned, which are responsible for the costs of building inspection and the related repair and maintenance works. In cases where OCs have not been formed, the notice will be issued to all individual owners.

The notices under the MWIS will be issued to individual flat owners. Individual owners are responsible for the respective costs of inspection and the related repair and maintenance works for their own flats. Given that the costs will vary with the size and repair condition of each building or flat, the exact expenditure is not possible to be estimated.

With regard to the divested retail and carparking facilities, the notices of building or window inspection will be issued to the owner, The Link Management Limited who will be responsible for the costs of inspection and the related repair and maintenance works.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport
and Housing (Housing) _____

Date _____ 31.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)06

Question Serial No.

S054

Head: 62 Housing Department

Subhead (No. & title):

Programme: (2) Private Housing

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Follow-up to Reply Serial No. THB(H)030:

In the reply, the Government states that the Real Estate Developers Association of Hong Kong (REDA) received a total of 13 complaints on alleged breach of the REDA's guidelines in 2010 for which rectification measures were taken. On the other hand, the Lands Department issued a total of 15 written warnings in 2008-11 (as at February 2011). For the 13 complaint cases, please advise on the titles of the development projects, complaint details and rectification measures taken by the developers. For the 15 written warnings, please advise on the titles of the development projects, details of the breaches (such as the kind of property information the developers failed to provide in the sales brochures), and the rectification measures required and those taken by the developers.

Asked by: Hon. LEE Wing-tat

Reply:

The 13 complaints which the Real Estate Developers Association of Hong Kong (REDA) received in 2010 involved nine developers and 12 development projects. The complaints were about the accuracy of property information in show flats, sales materials and sales brochures. According to the REDA, further to its follow up actions, the developers had taken rectification measures as appropriate.

Of the 15 written warnings which the Lands Department (LandsD) issued in 2008-09, 2009-10 and 2010-11 (as at February 2011), 14 were related to private residential development projects (the remaining one was related to a non-residential development project). The 14 written warnings involved ten grantees and 11 development projects. They were about the failure of the grantees concerned to provide the required property information in the sales brochures as specified under the Consent Scheme. Further to the LandsD's written warnings, the grantees had subsequently taken rectification measures as appropriate.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport
and Housing (Housing) _____

Date _____ 31.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)07

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

S098

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

During Session 8 of the special meetings of the Finance Committee to examine the Estimates held on 22 March 2011, I asked whether the well-off tenants in public rental housing (PRH) estates could benefit from the proposal of paying two months' rent for "all PRH tenants" mentioned in the Budget. The Government official replied that the Government would pay the base rent for two months on behalf of all the well-off PRH tenants.

It was reported that there were 24 500 well-off PRH tenants as at the end of February. Has any statistical work been done by the Government to calculate the amount of rent to be paid for the well-off tenants, including those living in the units under the Housing Authority and the Hong Kong Housing Society in the current year? How does it compare with similar measures in the past?

Asked by: Hon. FANG Kang, Vincent

Reply:

As at end February 2011, there were some 24 100 public rental housing tenants paying additional rent. The estimated amount of two months' base rent to be paid by the Government for these tenants in 2010-11 and 2011-12 are \$67 million and \$73 million respectively. The slight increase is due to the growth in the number of tenants required to pay additional rent and the upward rent adjustment in September 2010 due to the rent review exercise.

There is no well-off tenant policy under the Hong Kong Housing Society's rental estates.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport
and Housing (Housing) _____

Date _____ 31.3.2011 _____

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)08

Question Serial No.

S099

Head: 62 Housing Department

Subhead (No. & title):

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

During Session 8 of the special meetings of the Finance Committee to examine the Estimates held on 22 March 2011, I asked whether the well-off tenants in public rental housing (PRH) estates could benefit from the proposal of paying two months' rent for "all PRH tenants" mentioned in the Budget. The Government official replied that the Government would pay the base rent for two months on behalf of all the well-off PRH tenants.

The fact that the household income of the well-off PRH tenants exceeds the income limit for ordinary PRH tenants testifies that they are better off financially. What are the grounds for the Government to continue paying two months' rent for the well-off tenants? Why should public money be used to subsidise the better-off people who are already enjoying housing subsidies from the Government?

Asked by: Hon. FANG Kang, Vincent

Reply:

To help ease the pressure of inflation on people, the Financial Secretary proposed in his Budget Speech for 2011-12 a series of measures. Under the proposal, the Hong Kong Housing Authority tenants/licencees paying additional rent will also be covered. Since these tenants/licencees have a better financial situation, the Government will only pay on their behalf the portion of their net rent for two months. To ensure the rational allocation of public resources, they are still required to pay the portion of their additional rent. This is consistent with past practice.

Signature _____

Name in block letters _____ D.W. Pescod

Post Title _____ Permanent Secretary for Transport
and Housing (Housing)

Date _____ 31.3.2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-THB(H)09

Head: 62 Housing Department

Subhead (No. & title):

Question Serial No.

S105

Programme:

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)

Director of Bureau: Secretary for Transport and Housing

Question:

Since not all the platforms of bus termini at the existing public housing estates are provided with wheelchair-accessible ramps, improvement should be made by relevant departments as soon as possible. Will the Administration explain the current policy on the provision of barrier-free facilities in bus termini and its implementation, and provide information on the timetable for the improvement works?

Bus termini at public housing estates where platforms are not provided with accessible ramps	Commencement dates for scheduled improvement works

Asked by: Hon. WONG Kwok-hing

Reply:

There are now a total of 57 public transport interchanges (PTIs) in public housing estates and Home Ownership Scheme courts. The improvement works for barrier-free access, including installation of ramps and dropped kerbs for these PTIs will be implemented this year and completed by mid 2012. It has all along been the policy objective of the Government to provide a barrier-free living environment for persons with disabilities, all government departments concerned will ensure that the relevant improvement works would meet the requirements under the Design Manual: Barrier Free Access 2008 as far as practicable.

Signature _____

Name in block letters _____ D.W. Pescod _____

Post Title _____ Permanent Secretary for Transport and Housing (Housing) _____

Date _____ 31.3.2011 _____