

**Landlord and Tenant (Consolidation) Ordinance (Cap. 7)**  
**Security of Tenure and Other Related Provisions**

**Result of Telephone Survey Conducted on 26-30 March 2003**

**Background**

On 22 January 2003, Government released a Consultation Paper setting out a number of proposals to amend the Landlord and Tenant (Consolidation) Ordinance. Views were sought from the public on these proposals, including whether the existing security of tenure provisions should be relaxed, and if so, which of the following options is preferred:

- (a) **Option A:** to remove the security of tenure for tenancies above a certain rental level only in Phase 1, and complete removal after a review in Phase 2;
- (b) **Option B:** to remove the security of tenure for new tenancies only from an appointed date of commencement;
- (c) **Option C:** to remove the security of tenure for all (i.e. both new and existing) tenancies from an appointed date of commencement; or
- (d) **Option D:** same as Option C but with a grace period. Existing tenancies which expire during the grace period would continue to enjoy the security of tenure.

2. In addition to the Consultation Paper, a telephone survey was conducted on 26-30 March 2003 to gauge the views of the community at large. The survey was based a random sample of 5 800 individuals from all land-based households with residential telephone lines. A total of 2 040 individuals in the sample (or a response rate of about 35%) were successfully interviewed and asked to give their views on the proposals. The margin of error was  $\pm 3.1\%$  at 95% confidence.

## Survey Result

### Overall

3. Of the 2 040 respondents, 2 006 gave information regarding the type of accommodation they are residing in. Among these 2 006 respondents, about 11% (226) were private housing tenants, about 31% (631) were public housing tenants, about 5% (108) were landlords, and about 52% (1 041) were owner-occupiers.

4. Of the 2 006 respondents, about 63% supported the relaxation of security of tenure. These respondents, plus another 9% of the respondents, i.e. a total of about 72%, believed such relaxation would enable the market to operate more freely. About 21% had no views, and about 17% objected to relaxation. Among the respondents who supported relaxation, about 82% favoured the grace period approach (Option D), and about 14% preferred abolition in one go (Option C).

5. About 49% of the respondents who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 42% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 32%) chose \$5,000 per month; and
- (b) about 23% preferred relaxation for new tenancies only (Option B).

### Private housing tenants' views

6. Of the 226 private housing tenants, about 50% supported relaxation of security of tenure, about 21% had no views, and about 29% objected to relaxation. Among the tenants who favoured relaxation, about 79% preferred the grace period approach (Option D), and about 15% preferred abolition in one go (Option C).

7. About 45% of the tenants who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 43% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 41%) chose \$10,000 per month; and
- (b) about 20% preferred relaxation for new tenancies only (Option B).

#### Public housing tenants' views

8. Of the 631 private housing tenants, about 55% supported relaxation of security of tenure, about 25% had no views, and about 20% objected to relaxation. Among the tenants who favoured relaxation, about 85% preferred the grace period approach (Option D), and about 8% preferred abolition in one go (Option C).

9. About 57% of the tenants who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 41% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 40%) chose \$2,000 per month; and
- (b) about 21% preferred relaxation for new tenancies only (Option B).

#### Landlords' views

10. Of the 108 landlords, about 84% supported relaxation of security of tenure, about 9% had no views, and about 7% objected to relaxation. Among the landlords who favoured relaxation, about 62% preferred the grace period approach (Option D), and about 36% preferred abolition in one go (Option C).

11. About 32% of the landlords who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 52% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 40%) chose \$5,000 per month; and
- (b) about 17% preferred relaxation for new tenancies only (Option B).

#### Owner-occupiers' views

12. Of the 1 041 owner-occupiers, about 68% supported relaxation of security of tenure, about 19% had no views, and about 13% objected to relaxation. Among those who favoured relaxation, about 84% preferred the grace period approach (Option D), and about 13% preferred abolition in one go (Option C).

13. About 48% of the owner-occupiers who supported relaxation preferred abolition on a selective basis. Among them:

- (a) about 42% supported lifting the protection for tenancies above a certain rental level (Option A). As for the cut-off rental level, the largest percentage (about 37%) chose \$5,000 per month; and
- (b) about 25% preferred relaxation for new tenancies only (Option B).

#### **Detailed Statistics**

14. A detailed breakdown of the responses is at Annex.

**Housing, Planning and Lands Bureau**  
**April 2003**

**Security of Tenure and Other Related Provisions**  
**Telephone Survey Conducted on 26-30 March 2003**

Breakdown of result by types of respondents

**Table 1: Whether security of tenure should be relaxed**

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Should relax	114 (50%)	344 (55%)	91 (84%)	706 (68%)	1 255 (63%)
Should not relax	65 (29%)	127 (20%)	7 (7%)	138 (13%)	337 (17%)
Don't know/didn't answer	47 (21%)	159 (25%)	10 (9%)	195 (19%)	411 (21%)
Total	226 (100%)	631 (100%)	108 (100%)	1 041 (100%)	2 006 (100%)

**Table 2: Whether relaxation would enable the market to operate more freely**

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes	139 (62%)	392 (62%)	96 (89%)	816 (78%)	1 443 (72%)
No	53 (24%)	81 (13%)	4 (4%)	86 (8%)	224 (11%)
Don't know/didn't answer	34 (15%)	158 (25%)	8 (7%)	139 (13%)	339 (17%)
Total	226 (100%)	631 (100%)	108 (100%)	1 041 (100%)	2 006 (100%)

**Table 3: Whether a grace period should be allowed**

(among the 1 255 respondents who supported relaxation)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes ( <b>Option D</b> )	90 (79%)	293 (85%)	56 (62%)	593 (84%)	1 032 (82%)
No ( <b>Option C</b> )	17 (15%)	29 (8%)	33 (36%)	94 (13%)	173 (14%)
Don't know/didn't answer	7 (6%)	21 (6%)	2 (2%)	19 (3%)	49 (4%)
Total	114 (100%)	344 (100%)	91 (100%)	706 (100%)	1 255 (100%)

**Table 4: Whether relaxation should be on a selective basis**

(among the 1 255 respondents who supported relaxation)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes	51 (45%)	196 (57%)	29 (32%)	342 (48%)	618 (49%)
No	52 (46%)	122 (35%)	56 (62%)	317 (45%)	547 (44%)
Don't know/didn't answer	11 (10%)	26 (8%)	6 (7%)	46 (7%)	89 (7%)
Total	114 (100%)	344 (100%)	91 (100%)	706 (100%)	1 255 (100%)

**Table 5: Whether relaxation for tenancies above a certain rental level**  
(among the 618 respondents who supported relaxation on a selective basis)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Yes ( <b>Option A</b> )	22 (43%)	81 (41%)	15 (52%)	144 (42%)	262 (42%)
No	26 (51%)	96 (49%)	13 (45%)	174 (51%)	309 (50%)
Don't know/didn't answer	3 (6%)	19 (10%)	1 (3%)	24 (7%)	47 (8%)
Total	51 (100%)	196 (100%)	29 (100%)	342 (100%)	618 (100%)

**Table 6: From which (monthly) rental level should security of tenure be relaxed**  
(among the 262 respondents who supported relaxation for a certain rental level)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Over \$2,000	2 (9%)	32 (40%)	3 (20%)	18 (13%)	55 (21%)
Over \$5,000	4 (18%)	20 (25%)	6 (40%)	53 (37%)	83 (32%)
Over \$10,000	9 (41%)	9 (11%)	2 (13%)	42 (29%)	62 (24%)
Over \$15,000	0 (0%)	4 (5%)	2 (13%)	8 (6%)	14 (5%)
Over \$20,000	6 (27%)	8 (10%)	1 (7%)	16 (11%)	31 (12%)
Don't know/didn't answer	1 (5%)	8 (10%)	1 (7%)	7 (5%)	17 (7%)
Total	22 (100%)	81 (100%)	15 (100%)	144 (100%)	262 (100%)

**Table 7: Whether to relax security of tenure for new tenancies only**  
(among the 618 respondents who supported relaxation on a selective basis)

	Tenant		Property owner		Total
	Private housing	Public housing	Landlord	Owner-occupier	
Agreed ( <b>Option B</b> )	10 (20%)	41 (21%)	5 (17%)	85 (25%)	141 (23%)
Did not agree	41 (80%)	142 (72%)	24 (83%)	253 (74%)	460 (74%)
Don't know/didn't answer	0 (0%)	12 (7%)	0 (0%)	4 (1%)	16 (3%)
Total	51 (100%)	196 (100%)	29 (100%)	342 (100%)	618 (100%)

## **Opinion Survey on Relaxation of Security of Tenure**

### **Introduction**

Hi. My name is \_\_\_\_\_. This is a telephone survey on Government's proposal to relax security of tenure. I hope you wouldn't mind sparing a bit of your time to give us your opinion. All information you give will be kept strictly confidential.

### **Selecting the Suitable Respondent**

1. I would like to invite one of your family members to be the respondent of the opinion survey. He or she must be aged 18 or above and can answer questions relating to the rental / owner-occupied flat you are living in. May I ask which one of your family members is the most suitable person?

- |   |   |
|---|---|
| (1) The one speaking is the most suitable person.     | Go on with the questions  |
| (2) The one speaking is not the most suitable person. | Then may I speak to the most suitable person of your family? Repeat the introduction. |

If the most suitable person is not at home, ask for the name of the person and fix a time to call again.

1A. Would you please tell me whether your flat is rented or owner-occupied? Is it a public rental housing flat, Home Ownership Scheme flat or a private flat?

1. A leased private domestic flat (including a subleased room or bedspace)
2. An owner-occupied private flat
3. A public rental flat (including public rental housing / interim housing / rental flat of Housing Society)
4. A self-owned subsidized housing flat (including Home Ownership Scheme flat / Tenant Purchaser Scheme flat/ flats sold by Housing Society)
5. Temporary Housing
6. Staff quarters
7. Others
8. No idea / Not clear
9. Decline to answer

Under the current security of tenure provisions, landlords need to renew tenancies with tenants on expiry of the tenancies so long as tenants are willing to pay the prevailing market rent, unless landlords can successfully provide reasons not to do so on certain statutory grounds such as redevelopment, self-occupation or non-payment of rent by the tenants. Government is now proposing to relax such security of tenure provisions. What is your view on this?

2. Do you think the security of tenure should be relaxed?
  - (1) Yes
  - (2) No Jump to Q8
  - (3) No idea / No comment Jump to Q8
  
3. Do you think the security of tenure should be relaxed on a selective basis?
  - (1) Yes
  - (2) No Jump to Q7
  - (3) No idea / No comment Jump to Q7
  
4. Do you think the relaxation should first apply to tenancies above a particular rental level or to all tenancies at the same time?
  - (1) Apply to tenancies of a particular rental level first
  - (2) Apply to all Jump to Q6
  - (3) No idea / No comment Jump to Q6
  
5. In your opinion, what should be the rental level above which the relaxation should apply? (The following options may be read out)
  - (1) Monthly rent over \$2,000
  - (2) Monthly rent over \$5,000
  - (3) Monthly rent over \$10,000
  - (4) Monthly rent over \$15,000
  - (5) Monthly rent over \$20,000
  - (6) No idea / No comment
  
6. Do you think the relaxation of security of tenure should apply to new tenancies only, or to both new and existing tenancies?
  - (1) Apply to new tenancies only
  - (2) Apply to both new and existing tenancies
  - (3) No idea / No comment
  
7. Do you think a grace period should be given to allow landlords and tenants to adjust to the changes before the security of tenure is fully removed?
  - (1) Yes
  - (2) No
  - (3) No idea / No comment



8. Do you think the relaxation of security of tenure will result in the market operating more freely?
- (1) Yes
  - (2) No
  - (3) No idea / No comment
9. Do you think tenants in general are now in a position to negotiate with landlords for a tenancy that spans longer than two years?
- (1) Yes
  - (2) No
  - (3) No idea / No comment

If the answer for Q1A is (1) leased private domestic flat, proceed to the next question. Otherwise, jump to Q15.

10. Is the rental flat you currently live in under a 'verbal tenancy' or a 'written tenancy'?
- (1) Verbal tenancy
  - (2) Written tenancy
  - (3) No idea
  - (4) Decline to answer
11. Are you renting the whole flat, a room or a bedspace?
- (1) The whole flat Jump to Q14
  - (2) A room
  - (3) A bedspace
  - (4) Others Jump to Q14
  - (5) No idea
  - (6) Decline to answer
12. How many rooms and bedspaces are subleased in the flat that you are renting, including the one you are occupying?
- (1) One
  - (2) Two
  - (3) Three
  - (4) Four or more
  - (5) No idea
  - (6) Decline to answer

13. Are there any vacant rooms or bedspaces for subleasing in the flat that you are renting?  
If yes, how many?
- (1) None
  - (2) One
  - (3) Two
  - (4) Three
  - (5) Four or more
  - (6) No idea
  - (7) Decline to answer
14. How much rent (excluding rates, government rent and management fee) are you paying each month?
- (1) \$2,000 or less
  - (2) \$2,001 to \$5,000
  - (3) \$5,001 to \$10,000
  - (4) \$10,001 to \$15,000
  - (5) \$15,001 to \$20,000
  - (6) \$20,000 or more
  - (7) No idea
  - (8) Decline to answer
15. Apart from the flat you are living in, do you own any other domestic flat(s) which you have let out? If so, how many such flats?
- (1) None
  - (2) One
  - (3) Two
  - (4) Three
  - (5) Four or more
  - (6) Decline to answer

Personal Information

[D1] [Interviewer to fill in]

Sex of the respondent: 1. Male 2. Female

[D2] What is your age? (based on last birthday)

1. 18 - 29 years old
2. 30 - 39 years old
3. 40 - 49 years old
4. 50 - 59 years old
5. 60 years old or above
6. Decline to answer

[D3] What is the highest level of education you attained?

- |                                |                                |
|--------------------------------|--------------------------------|
| 1. No schooling / Kindergarten | 5. Matriculation (F.6 – F.7)   |
| 2. Primary                     | 6. Post-secondary (non-degree) |
| 3. Secondary (F.1-F.3)         | 7. University degree or above  |
| 4. Secondary (F.4-F.5)         | 8. Decline to answer           |

[D4] Are you currently employed?

- |        |                    |                                   |
|--------|--------------------|-----------------------------------|
| 1. Yes | 2. No (Jump to D6) | 3. Decline to answer (Jump to D6) |
|--------|--------------------|-----------------------------------|

[D5] What is your present occupation?

- |  |                                   |
|--|-----------------------------------|
| 1. Managerial and administrative staff | 6. Craftsman and the like         |
| 2. Professional                        | 7. Machine operator and assembler |
| 3. Associate professional              | 8. Non-technical worker           |
| 4. Clerk                               | 9. Others                         |
| 5. Services and retail sales staff     | 10. Decline to answer             |

[D6] Including yourself, how many persons are living in your flat (excluding domestic helper(s))? \_\_\_\_\_

Decline to answer \_\_\_\_\_

[D7] What is the total monthly income of your family?

- |                          |                          |
|--------------------------|--------------------------|
| (1) \$5,000 or less      | <input type="checkbox"/> |
| (2) \$5,001 - \$10,000   | <input type="checkbox"/> |
| (3) \$10,001 - \$15,000  | <input type="checkbox"/> |
| (4) \$15,001 - \$20,000  | <input type="checkbox"/> |
| (5) \$20,001 - \$25,000  | <input type="checkbox"/> |
| (6) \$25,001 - \$30,000  | <input type="checkbox"/> |
| (7) \$30,001 - \$35,000  | <input type="checkbox"/> |
| (8) \$35,001 - \$40,000  | <input type="checkbox"/> |
| (9) \$40,001 - \$45,000  | <input type="checkbox"/> |
| (10) \$45,001 - \$50,000 | <input type="checkbox"/> |
| (11) \$50,000 or more    | <input type="checkbox"/> |
| (12) Decline to answer   | <input type="checkbox"/> |
| (13) No idea             | <input type="checkbox"/> |

End of Interview