HA approves outcome of 2024 rent review for public rental housing and special concessionary measure

The following is issued on behalf of the Hong Kong Housing Authority:

The Subsidised Housing Committee (SHC) of the Hong Kong Housing Authority (HA) today (July 19) endorsed the outcome of the 2024 rent review for public rental housing (PRH) in accordance with section 16A of the Housing Ordinance (HO) and a one-off special concessionary measure for PRH tenants in accordance with section 17 of the HO.

"Section 16A of the HO provides that the HA shall conduct a rent review every two years in accordance with the mechanism stipulated therein and vary the PRH rent according to the change in the income index between the first and second periods covered by the review. The report compiled by the Commissioner for Census and Statistics (C for C&S) for the 2024 PRH rent review showed that the income index of the second period of the review (i.e. 2023) was higher than that of the first period (i.e. 2021) by 10.73 per cent. The HO also sets a 10 per cent cap on the rate of rent increase. To this end, PRH rent will be adjusted upwards by 10 per cent with effect from October 1, 2024. The increase is about \$230 per PRH household per month on average, and the range of adjustment is from \$49 to \$572," a spokesman for the HA said.

Meanwhile, having considered the prevailing socio-economic circumstances, the extent of the rent increase, the impact on the PRH tenants and the HA's financial position, the SHC also decided to provide a one-off special concessionary measure to PRH tenants by waiving the extra rent payable by tenants each month due to the rent adjustment in the first three months following the rent adjustment by virtue of section 17 of the HO. The provision of the special concessionary measure will result in about \$575 million of rental income foregone in 2024-25 for the HA, and the HA's rental housing operating account is estimated to have a deficit of about \$591 million in 2024-25.

"Excluding Comprehensive Social Security Assistance households, about 60 per cent of the tenants will have a monthly rent increase of \$250 or below, and about 2 per cent of tenants will have a monthly rent increase of \$100 or below. We believe that most of the PRH tenants should be able to afford the rent increase," the spokesman said.

"To ensure the rational use of the HA's financial resources, the special concessionary measure is not applicable to 'well-off tenants'. In addition, we will continue to adopt a prudent financial management principle when considering whether to provide rent waiver for PRH tenants in future rounds of rent review, so as to ensure that the HA has sufficient financial resources to undertake the massive housing construction programme," he said.

The rent adjustment will take effect from October 1, 2024. The HA will notify all PRH tenants in writing one month before the implementation date of the new rent.

The HO stipulates the PRH rent adjustment mechanism, which came into effect in 2008. Under this mechanism, PRH rent is reviewed every two years. Section 16A(7)(b) of the HO provides that the C for C&S shall compute the income index for the first and second periods under a rent review. The income index is compiled by comparing the income data of about 24 000 PRH households in each of the periods. The mechanism provides an objective basis for the HA to determine when and to what extent PRH rent should be adjusted, taking into account tenants' affordability. According to the mechanism, there is a 10 per cent cap on the rate of rent increase, whereas there is no floor in the case of rent reduction. The income of PRH households has increased cumulatively by 131 per cent from 2007 to 2023, while PRH rent will have only increased by 87 per cent cumulatively during the same period (upon the 10 per cent rent increase pursuant to the outcome of the current rent review), which shows that tenants' income increase has exceeded the rent increase.

<u>Applications open for six kindergarten</u> <u>premises</u>

â€<The Education Bureau (EDB) announced today (July 19) that six new estate kindergarten premises would be open for application by eligible applicant bodies under the Kindergarten Premises Allocation Exercise 2024. Details of the six kindergarten premises are set out in the Annex.

"The six new estate kindergarten premises, each providing six to nine classrooms, are located in Kwun Tong District, Yuen Long District, North District, Sha Tin District and Islands District, and will be available between 2025 and 2026. The EDB is entrusted by the Hong Kong Housing Authority to nominate operators for the kindergarten premises. The Exercise will be carried out on a competitive basis," a spokesman for the EDB said.

Since the implementation of the Kindergarten Education Scheme in the 2017/18 school year, apart from continuing to help kindergartens improve the environment of their premises, the EDB endeavours to provide more kindergarten premises owned by the Government for eligible applicant bodies to compete fairly for reprovisioning or operating kindergartens, which not only enables a reduction in rental expenses but also allows them to enjoy quality school premises. In addition, the EDB has adopted a streamlined mechanism starting from 2021 for assessing applications for nomination of suitable operators for kindergarten premises to reduce applicant bodies' administrative work.

Non-profit-making kindergartens, especially those bearing high rental expenses, having dilapidated school environments and facilities, and facing a surplus of kindergarten places in the district, are encouraged to apply for the above-mentioned kindergarten premises. The EDB will accord priority to kindergartens under the Scheme applying for relocation. Applications for operating new kindergartens will only be considered if no suitable applicants are found for relocation. Quality of education is the prime consideration. The EDB will take into account the operation plan, track record of school operation and relocation needs (if applicable) of the applicant bodies. The applicant body should be exempted from tax under Section 88 of the Inland Revenue Ordinance.

The application form, information on the operation plan, points to note and other reference materials for the Kindergarten Premises Allocation Exercise can be downloaded from the EDB's homepage at www.edb.gov.hk/en/edu-system/preprimary-kindergarten/allocation-of-kg/latest-news.html. The EDB will provide a template for preparation of the operation plan and set out the selection criteria in the "Points to Note" for applicant bodies' reference. Applicant bodies should carefully read the basic requirements and relevant instructions as stipulated in the "Points to Note" before submitting applications.

The duly completed application form, information on the operation plan, list of operating schools run by the applicant body (if any) and supporting documents should reach the EDB Kindergarten Education Division (Room 1432, 14/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong) by 5pm on September 19. Late applications or those not duly completed will not be processed. For enquiries, please contact EDB staff at 2892 5986.

SJ attends opening ceremony of Practical Legal Training for GBA Lawyers (with photos)

The Secretary for Justice, Mr Paul Lam, SC, attended the opening ceremony of the first Practical Legal Training for Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Lawyers today (July 19) in Guangzhou.

The Practical Legal Training for GBA Lawyers is being held at the Guangdong Judges College today and tomorrow (July 19 and 20). Organised by the Supreme People's Court and the Ministry of Justice, and hosted by the High People's Court of Guangdong Province and the Department of Justice of Guangdong Province, the Practical Legal Training has the participation of around 100 GBA lawyers. In the two days of the Practical Legal Training, experts and lawyers with ample practical experience from the people's courts,

arbitral institutions and commercial mediation institutions, etc on the Mainland are giving lectures on topics including civil and commercial litigation, arbitration and mediation.

Mr Lam said the Department of Justice (DoJ) has been actively working to facilitate the GBA Legal Professional Examination and the provision of practical legal training for GBA lawyers with the relevant Mainland authorities, in order to take forward the measures for enhancing the interface of talents under the Action Plan on the Construction of Rule of Law in the Guangdong-Hong Kong-Macao Greater Bay Area released by the DoJ in April 2024. Mr Lam said he was encouraged by the launch of the Practical Legal Training.

He said he looked forward to continuing to maintain close liaison with the relevant Mainland authorities to discuss future training work to facilitate the professional development of GBA lawyers, thereby contributing to the construction of the rule of law in the GBA.

Mr Lam will return to Hong Kong this afternoon.

Special traffic and transport arrangements for drone show in Tsim Sha Tsui East

The Transport Department (TD) today (July 19) reminded members of the public that, to facilitate the drone show to be held near Tsim Sha Tsui Promenade in Tsim Sha Tsui East at 7.30pm tomorrow (July 20), the following special traffic and transport arrangements will be implemented in Tsim Sha Tsui.

Road closures

In connection with the holding of the drone show that evening, road closures and the corresponding traffic diversions will be implemented in phases on roads in the Tsim Sha Tsui area, including Salisbury Road, Mody Road, Haiphong Road, and parts of Chatham Road South, Nathan Road and Kowloon Park Drive from around 5.30pm until crowds disperse and roads are reopened.

Public transport services arrangements

MTR lines including Island Line, Tsuen Wan Line, Tung Chung Line, East Rail Line and Tuen Ma Line will be strengthened subject to passenger demand.

In connection with the road closure arrangements (including suspension of Star Ferry Bus Terminus and Tsim Sha Tsui East (Mody Road) Bus Terminus), a total of 48 bus and five green minibus (GMB) routes operating in the affected areas will be temporarily diverted or suspended, and the associated bus stops and GMB stands located within the affected areas will be suspended or relocated.

Taxi stands (including taxi pick-up/drop-off points), public light bus stands, on-street parking spaces and private car parks on the affected roads in Tsim Sha Tsui will be temporarily suspended during the road closure period.

The short-working route of water taxi ferry service will be suspended from 12.30pm onwards.

For details of the special traffic and public transport arrangements, members of the public may visit the TD's website (www.td.gov.hk), its mobile application "HKeMobility" or refer to the passenger notices issued by the relevant public transport operators.

Due to road closures, the TD anticipates that the traffic along the concerned areas will become significantly congested. Motorists are advised to avoid driving to the affected areas. In case of traffic congestion, motorists should exercise patience and drive with care, and follow the instructions of the Police on site.

The TD appeals to members of the public to make use of public transport services as far as possible to avoid traffic congestion and unnecessary delays. The TD and the Police will closely monitor the traffic situation and implement appropriate measures when necessary. The Police may adjust the traffic arrangements, subject to the prevailing crowd and traffic conditions in the areas. The public should pay attention to the latest traffic news through radio, television or "HKeMobility".

Government to let by tender four sites in New Territories to brownfield operators

The Lands Department (LandsD) announced today (July 19) that a total of four pieces of government land in Tuen Mun and North District will be let by way of short-term tenancy through tender to eligible brownfield operators affected by the land resumption and clearance exercises before or within the third quarter of 2027 under relevant government development projects.

Brownfield operators, which were invited to participate in previous relevant tenders for a short-term tenancy for two or more times after the completion of clearance exercises of relevant government development projects, would be excluded from this tender.

The tender commences today and will close on August 20. Details of the four pieces of land and the list of relevant government development projects involved are described in a Government <u>Notice</u> gazetted today.

Under the prevailing arrangements, business operators affected by government development projects will be offered statutory compensation in accordance with the law, or ex-gratia allowances as an alternative, subject to fulfilment of relevant eligibility criteria.

A spokesperson for the LandsD said that in order to facilitate brownfield operators' relocation of businesses or operations, and to optimise the utilisation of land resources, the department has been identifying suitable vacant sites on government land to let through tender by way of a short-term tenancy.

The four pieces of land to be let through tender are suitable for a range of uses including industrial use, open storage, godown, workshop, recovery and recycling or reprocessing business and fee-paying public carpark.

The spokesperson stressed that the LandsD will continue to identify vacant sites suitable for use by those brownfield operators required to be displaced, and these sites will be let through tender by way of a short-term tenancy.