

LCQ 20: Accelerating the sale of flats under Tenants Purchase Scheme

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (November 13):

Question:

The Hong Kong Housing Authority (HA) implemented, from 1998 to 2005, the Tenants Purchase Scheme (TPS) for tenants of 39 selected public rental housing (PRH) estates to buy the flats in which they lived at a discounted price. Since then, HA has not added any estate to TPS, and one of the reasons is that the co-existence of flat owners of TPS estates and HA's PRH tenants (mixed tenure) has given rise to quite a number of problems in estate management and repair. For example, the Housing Department (HD) cannot effectively carry out repair works in buildings that involve both sold and rental units. On the other hand, the Chief Executive (CE) has mentioned in this year's Policy Address that she will propose that HA make active preparations to accelerate the sale of about 42 000 flats that remain unsold in the 39 TPS estates. In this connection, will the Government inform this Council:

(1) of the numbers of complaints or requests for assistance, received by HD in each of the past five years, relating to the repair of the common areas (e.g. schools and slopes) in TPS estates, and the details of each case, including the amount of repair costs shared by each household;

(2) of its new thinking on resolving the problem of unclear delineation of powers and responsibilities in respect of the repair work for TPS estates caused by a mixed tenure;

(3) given that at present, the Government may invoke the Roads (Works, Use and Compensation) Ordinance (Cap 370) to resume private streets, whether the Government may invoke the Ordinance or other legislation to resume the common areas in TPS estates; if so, of the details; and

(4) as CE has indicated that while she has no in principle objection to a relaunch of TPS, the implementation of TPS will reduce the number of PRH flats available for allocation in the short term, and she will invite HA to look into the matter seriously when there is more certainty on the overall supply of public housing, of the specific indicators for "more certainty", and whether such indicators include the waiting time for PRH?

Reply:

President,

Our reply to Hon Chan Chun-ying's question is as follows:

(1) and (2) The Hong Kong Housing Authority (HA) launched 39 Tenants Purchase Scheme (TPS) estates from 1998 to 2005. At present, of the about 180 000 flats in these 39 TPS estates, about 42 000 flats remain unsold. Sitting tenants may still choose to purchase their flats.

Under TPS, the co-existence of flat owners and HA's tenants in the same estates has given rise to a number of estate management and maintenance problems. Due to mixed ownership in TPS estates, the Housing Department (HD) cannot effectively carry out maintenance works (such as ceiling seepage, pipe leakage, etc) which involve both sold flats and rental units simultaneously.

To be in line with Government policies and the Building Management Ordinance (BMO), HA encourages owners to participate in and decide for themselves the estate management issues and has all along been assisting owners of TPS estates to form Owners' Corporations (OCs) in accordance with BMO to manage their own properties and estates. After taking over the management of the estates, the OCs have the full responsibility for the day-to-day management and maintenance of the common areas and facilities in the estates.

As the owner of unsold flats in TPS estates, HA appoints representatives from HD to run in elections for the management committees of OCs; if elected, the HD representatives will take part in the management of the estates jointly with other members, including advising the OCs on the day-to-day management, the requirements of the Deeds of Mutual Covenant (DMC) and relevant legislation. In addition, HD representatives will encourage owners to act in the overall interests of the estates so as to safeguard the interests of all owners, including HA. HA will also convey unsold flat tenants' views on the management and requests for maintenance of the properties and common facilities in the estates, and encourage the OCs and the property management companies to maintain communication with HA tenants.

HD has not compiled the relevant information on the numbers of complaints or requests for assistance in the past five years regarding the maintenance of the common areas (e.g. schools and slopes within the boundaries delineated in DMCs) in TPS estates, the details of each case, and the amount of maintenance cost borne by each household in respect of the areas concerned eventually.

In 2019 Policy Address, the Chief Executive invited HA to make active preparations with a view to accelerating the sale of the unsold flats in the 39 TPS estates. We believe that this measure can further meet the home ownership aspirations of public rental housing (PRH) tenants and is also conducive to resolving the estate management and maintenance problems in TPS estates arising from mixed ownership. We plan to consult the Legislative Council Panel on Housing in the first quarter of 2020 on proposed feasible measures.

(3) If the Government resumes land by virtue of Roads (Works, Use and

Compensation) Ordinance (Cap 370), the purpose has to be for or incidental to road works or use. If the purpose of the resumption of common areas of the estates is to solve the estate management and maintenance issues arising from mixed ownership in TPS estates, this ordinance may not be applicable.

Similarly, other laws which involve land resumption are enacted with different legislative intents, purposes and applications. Whether or not the Government may resume the common areas in TPS estates by virtue of other laws depends on the actual use of the common areas to be resumed.

(4) In recent years, the Government and HA have been identifying land actively to increase PRH supply so as to address public's demand for PRH. In order to increase public housing supply, the Government has implemented a series of measures, including revising the public/private split for the coming 10-year period from 60:40 to 70:30 in December 2018; re-allocating nine sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for the use of public housing so as to provide about 11 000 public housing units; and exploring the feasibility of redeveloping the factory estates under HA for public housing development, etc. We hope to gradually alleviate the situation of insufficient public housing supply by implementing these measures. When the overall public housing supply can largely meet the public's demand and after consulting the relevant stakeholders, we will explore the feasibility of re-launching TPS and the relevant arrangements, where applicable, in due course.