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Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 14 November 2018

**Amendments to motion on
“Studying the enactment of an ordinance on regulating subdivided units”**

Further to LC Paper Nos. CB(3) 42/18-19 and CB(3) 78/18-19 issued on 18 and 26 October 2018 respectively, four Members (Hon Alice MAK, Hon Vincent CHENG, Hon LEUNG Yiu-chung and Hon Andrew WAN) have respectively given notice of their intention to move separate amendments to Hon Mrs Regina IP’s motion on “Studying the enactment of an ordinance on regulating subdivided units”. As directed by the President, the respective amendments will be printed in the terms in which they were handed in.

2. The President will order a joint debate on the above motion and the four amendments. To assist Members in debating the motion and the amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Mrs Regina IP to speak and move her motion;
- (b) the President proposes the question on Hon Mrs Regina IP’s motion;
- (c) the President calls upon the four Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon Alice MAK;
 - (ii) Hon Vincent CHENG;

- (iii) Hon LEUNG Yiu-chung; and
- (iv) Hon Andrew WAN;
- (d) the President calls upon the public officer(s) to speak;
- (e) the President invites other Members to speak;
- (f) the President gives leave to Hon Mrs Regina IP to speak for the second time on the amendments;
- (g) the President calls upon the public officer(s) to speak again;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the four Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon Alice MAK to move her amendment to the motion, and forthwith proposes and puts to vote the question on Hon Alice MAK's amendment;
- (i) after Hon Alice MAK's amendment has been voted upon, the President deals with the other three amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon Mrs Regina IP to reply. Thereafter, the President puts to vote the question on Hon Mrs Regina IP's motion, or her motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and the marked-up version of the amendments are set out in the **Appendix**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Studying the enactment of an ordinance on regulating subdivided units”
to be held at the Council meeting of 14 November 2018**

1. Hon Mrs Regina IP’s original motion

That at present, there are in Hong Kong over 150 000 families and elderly singletons waiting for public rental housing, with an average waiting time of 5.3 years, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as ‘subdivided units’); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works; in this connection, this Council urges the Government to study the enactment of an ordinance on regulating subdivided units, the contents of which include:

- (1) by drawing reference from the Housing Act 2004 of the United Kingdom, establishing a licensing system for regulating the operation of subdivided units, and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households;
- (2) requiring the installation of separate water and electricity meters for each subdivided unit to prevent overcharging of water and electricity tariffs by landlords; and
- (3) regulating the rate of rental increase for subdivided units to prevent the households from being heavily burdened by rental.

2. Motion as amended by Hon Alice MAK

~~That at present, there are in Hong Kong~~ *the housing problem of grass-roots families in Hong Kong is acute and there are* over 150 000 families and elderly singletons waiting for public rental housing, with an average waiting

time of 5.3 years, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as ‘subdivided units’); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works; in this connection, this Council urges the Government to ~~study~~ ***adopt appropriate measures to regulate subdivided units by, among others, studying the enactment of an ordinance on regulating subdivided units, the contents of which; the relevant measures*** include:

- (1) by drawing reference from the Housing Act 2004 of the United Kingdom, ***and the experience of other countries, formulating policies on the regulation of subdivided units, which include*** establishing a licensing system for regulating the operation of subdivided units, and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households;
- (2) ~~requiring~~ ***enacting legislation to require*** the installation of separate water and electricity meters for each subdivided unit to prevent overcharging of water and electricity tariffs by landlords; ~~and~~
- (3) ***enacting legislation to regulate the rental of subdivided units, including*** regulating the rate of rental increase for subdivided units to prevent the households from being heavily burdened by rental;
- (4) ***before legislating for regulation, expeditiously providing a rental allowance for all grass-roots families which have been waitlisted for public rental housing for over three years and living in subdivided units;***
- (5) ***reviewing the Landlord and Tenant (Consolidation) Ordinance to provide tenants of subdivided units with appropriate tenancy protection, e.g. requiring landlords to sign stamped tenancy agreements with their tenants, stipulating such information as the charging mode for electricity and water tariffs and the notification period for deferred vacation in tenancy agreements; and***

- (6) *establishing a dedicated fund for transitional housing to be used for, among others, supporting the conversion of industrial buildings into subdivided units as transitional housing to ensure that the transitional housing units leased out in the form of subdivided units after conversion and their facilities are compliant with the legal requirements, so as to improve the living environment of grass-roots families.*

Note: Hon Alice MAK's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon Vincent CHENG

That *the housing supply in Hong Kong is tight, and* at present, there are ~~in Hong Kong~~ over 150 000 families and elderly singletons waiting for public rental housing, with an average waiting time of 5.3 years, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as 'subdivided units'); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works; in this connection, this Council urges the Government to study the ~~enactment of an ordinance~~ *formulation of measures* on regulating subdivided units, the contents of which include:

- (1) ~~by drawing reference from the Housing Act 2004 of the United Kingdom, establishing a licensing system for regulating the operation of~~ *overseas experience, conducting a study on the regulatory approach for* subdivided units, ~~and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households;~~ *the study should take full account of the impact of the regulatory approach on Hong Kong society, so as to establish a policy direction appropriate to the actual situation in Hong Kong;*
- (2) ~~requiring~~ *enacting legislation to require* the installation of separate water and electricity meters for each subdivided unit to prevent overcharging of water and electricity tariffs by landlords; and

- (3) ***legislating for the introduction of tenancy control for subdivided units and regulating the rate of rental increase for subdivided such units to prevent the households from being heavily burdened by rental, and protecting the security of tenure of tenants; before enacting legislation, setting up a rental allowance scheme to provide monthly rental allowance for public rental housing applicants currently living in rented subdivided units who have been waitlisted for public rental housing for over three years and passed the eligibility review for public rental housing, so as to alleviate their rental burden.***

Note: Hon Vincent CHENG's amendment is marked in ***bold and italic type*** or with deletion line.

4. Motion as amended by Hon LEUNG Yiu-chung

That ***the housing policy of the Government is ineffective and the supply of public housing is seriously lagging behind the demand;*** at present, there are in Hong Kong over 150 000 families and elderly singletons ***as well as over 117 000 non-elderly one-person applicants under the Quota and Points System*** waiting for public rental housing, with an average waiting time of 5.3 years ***for general applicants***, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as 'subdivided units'); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works ***and there is no legislation protecting the rights and interests of tenants of subdivided units who are hence made to face an unequal landlord-tenant relationship;*** in this connection, this Council urges the Government to ***study extensively consult the community on the study of*** the enactment of an ordinance on regulating subdivided units ***and the review of the relevant tenancy legislation***, the contents of which include:

- (1) by drawing reference from the Housing Act 2004 of the United Kingdom, establishing a licensing system for regulating the operation of subdivided units, and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households; ***and***

- (2) *reviewing the Landlord and Tenant (Consolidation) Ordinance and putting in place a rental stabilization mechanism, which includes requiring the installation of separate water and electricity meters for each subdivided unit to prevent overcharging of water and electricity tariffs by landlords; and*
- (3) , *while* regulating the rate of rental increase for subdivided units to prevent the households from being heavily burdened by rental.

Note: Hon LEUNG Yiu-chung's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon Andrew WAN

That ~~at present~~ *as at end of June 2018, apart from 117 900 non-elderly one-person applications under the Quota and Points System*, there are *also* in Hong Kong over 150 000 families and elderly singletons waiting for public rental housing, with an average waiting time of 5.3 years *for general family applicants*, and quite a number of applicants live in units of flats subdivided into separate units (commonly known as 'subdivided units'); according to the estimate of the Government in 2017, there were about 91 800 households living in subdivided units across the territory; the Chief Executive has undertaken in the newly released Policy Address that the Government will actively facilitate various short-term community initiatives to increase the supply of transitional housing and allow wholesale conversion of industrial buildings for transitional housing; in the light of these new initiatives, it is believed that quite a number of transitional housing units leased out in the form of subdivided units will emerge in Hong Kong, but the existing Buildings Ordinance cannot comprehensively regulate the safety of flat subdivision works; in this connection, this Council urges the Government to study the enactment of an ordinance on regulating subdivided units, the contents of which include:

- (1) by drawing reference from the Housing Act 2004 of the United Kingdom *and in the light of the supply of public housing and transitional housing in Hong Kong*, establishing *in phases* a licensing system for regulating the operation of subdivided units, and setting standards for the facilities, number of occupants and area of units, so as to ensure a comfortable and safe living environment for households;
- (2) requiring the installation of separate water and electricity meters for each subdivided unit *and allowing tenants of subdivided units to open water and electricity accounts of their own for paying tariffs* to prevent overcharging of water and electricity tariffs by landlords; ~~and~~

- (3) ~~regulating~~ *introducing rent control to regulate* the rate of rental increase for subdivided units *and providing a rental allowance for households which have lived in such units for three years or more* to prevent the households from being heavily burdened by rental; *and*
- (4) *requiring that all tenancy agreements of subdivided units must be stamped in future and providing tenants of subdivided units with tenancy protection by, among others, according priority to tenants for tenancy renewal except when the owners recover the units for self-occupation or the buildings undergo redevelopment;*

moreover, this Council also urges the Government to establish a registration system for households of subdivided units or conduct an annual survey on households of subdivided units (including those living in factory buildings) through the Census and Statistics Department, so as to ensure that the Government can grasp the actual number of households of subdivided units, thereby formulating appropriate regulatory policies for them.

Note: Hon Andrew WAN's amendment is marked in *bold and italic type* or with deletion line.