

<b>Doc Type</b>	CPC
<b>Paper No</b>	3/96
<b>Title</b>	Public Response to Carpark Fees Revision for 1996
<b>CONTENTS</b>	<p>CPC 3/96</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Commercial Properties Committee</p> <p>Public Response to Carpark Fees Revision for 1996</p> <p>PURPOSE</p> <p>To inform Members of the public response to the increase in parking fees for Housing Authority (HA) carparks effective from 1 January 1996.</p> <p>BACKGROUND</p> <p>2. Charges for the Authority's 70,000 parking spaces are subject to annual review. Under long standing policy, carparks are let at market rates, subject to the subsidiary objectives of minimizing vacancies, maintaining administrative simplicity, encouraging patronage of estate shopping centres and offering concessionary rates to the disabled.</p> <p>3. Carpark charges for current year commencing on 1 January 1996 were approved by Members at the 31 August 1995 meeting (Paper No. CPC 50/95). Following the press release, some members of the public, Councillors and interest groups have expressed their concern over the rates of increase. Departmental staff have responded to a number of written enquiries and also held several meetings with interested organizations.</p> <p>RECENT DEVELOPMENT</p> <p>4. The protest against our increase has been fueled by the Government's recent announcement of revised parking fees for public carparks with mild upward adjustments ranging from 7.1% to 8.3%. Late last year, the Legislative Council decided to freeze a number of fee increase proposals. In comparison, the Authority's maximum increase of 31% became an easy target of criticism despite the lower base of its charges. Among others, the Sai Kung District Board has requested HA to freeze carpark fees at all public housing estates. It will issue a letter to other District Boards to rally support.</p> <p>RESPONSE OF THE DEPARTMENT</p> <p>5. Carparks are part of the Authority's commercial premises for which market value is charged without subsidy. In reviewing the level of charges annually, the Authority examines both the demand for parking spaces in housing estates as well as prevailing fees in comparable private sector and Government carparks, whilst seeking to avoid being 'a market leader'. Indeed, the current fees which have taken effect from 1 January 1996 are some 15 - 20% below mid-range private sector charges.</p> <p>6. To enable a more consistent relationship between HA charges and those in the private sector, the Authority has further regrouped and increased the number of charge bands from</p>

three to four for 1996. One effect of this change is that the percentage increase in some districts is higher than others. However, in districts where the increase is comparatively high, the new charges are well justified by evidence.

#### LATEST POSITION

7. The new charges were implemented on 1 January 1996. Feedback from estate staff confirms that parking spaces on public housing estates continue to be well sought after. There has been no increase in vacancy levels since the position reported to Members in August 1995. As at the end of December 1995, there was a waiting list of 3,788 for private car spaces and another 748 for lorry spaces. The Department will continue to offer a robust defence of the 1996 rates when called upon to do so.

#### INFORMATION

8. This paper is issued for Members' information.

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