

(Translation)

The Federation of H.K., Kln., and N.T. Public Housing Estates Resident and Shopowner Organization

Ms Rosanna WONG
Chairman
Hong Kong Housing Authority

27 January 2000

Dear Madam,

Demand for freezing PRH rents and object to the reduction of supply of public housing

We petitioned the Authority last May to freeze the rents of PRH for three years in order to relieve burdens of the grass-roots. We are strongly opposed to any increase of PRH rents in the light of the economic downturn and high unemployment rate. Any increase in rents would add to the burden of PRH tenants.

The economy of Hong Kong has shown slight improvement in 2000. However, the living of the grass-roots has not improved. We are still confronted with problems like closing down of business, unemployment, redundancy, and reduction and freezing of wages. Recently, the Government has announced that the unemployment rate is 6.1%, that is about 220 000 persons are unemployed. The Housing Society has just decided to freeze the rents of its estates because of a decrease in the rent level of private properties and the costs of estate management. Thirty-three thousand households have benefited.

We consider that the Authority with a surplus of \$22.6 billion should not take the lead to increase rents. It should help relieve the burden of the public by freezing rents.

The Housing Bureau announced that it planned to replace 6 000 HOS flats with housing loans from 2003/2004 onwards. We believe that only adequate supply of public housing can prevent the soaring up and fluctuation of private property prices. Reduction of production of HOS flats and increase of housing loans will only “push up” the property market. With additional supply of land, private developers surely will lower the bidding price. They may not start work on the sites immediately after they have acquired them. They may also hold up the sale of the flats until prices are high enough.

We suggested that the land made available from reduction of HOS flats should be used for PRH flats. An annual production of 50 000 PRH flats will thereby be ensured to fulfill the housing need of the public and shorten the waiting time for PRH.

We strongly urge the HA:

1. to continue to freeze the PRH rents; and
2. not to reduce the supply of public housing.

WONG Kwun
Chairman of the Federation of HK, Kln and
N.T. Public Housing Estates Resident and
Shopowner Organization