

Press December 3, 1995

Headline : *New Rents for Housing Estates*

Content : The following is issued on behalf of the Housing Authority:

The Housing Authority's Management and Operations Committee (MOC) today (Saturday) reviewed the rents for four former Housing Authority estates and set the rents for four new estates.

The rents for 12,783 flats in four former Housing Authority estates will be increased by 17.4 per cent on average from April 1, 1996. The revised rents will remain in force until March 31, 1998.

The four estates are North Point, Sai Wan, So Uk and Wah Fu (Phases I-III) Estates.

The Chairman of the MOC, Mr Chan Kam-man, said the increase was reasonable and the revision would only cover part of inflation, rates increases as well as rising cost in management and maintenance.

"In rent reviews, our main consideration is tenants' affordability, I.e. the median rent-income ratio (MRIR) not to exceed 15 per cent," Mr Chan said.

"Since the rents were last reviewed in December 1993, the Consumer Price Index (A) has gone up by 17.5 per cent and the nominal wage index by 19.9 per cent. We believe the new rent are well within tenants' affordability,"

Mr Chan also pointed out that despite the rent revision, the estate operating expenses for these four estates had risen by 34.1 per cent over the past two years.

"Tenants in financial hardship can apply for a 50 per cent rent reduction under the revised Rent Assistance Scheme," he stressed.

As a result of the lower than forecast rent revision, the Authority is expected to incur a higher operating deficit in respect of these estates was estimated to be \$23.6 million in 1996/97 and \$40.4 million in 1997/98 according to the forecast increase of 18%.

The Committee also endorsed the rents for 8,031 flats in four new estates to be completed between April and September 1996.

The new flats are in Hing Tung, Tsz Lok and Lam Tin Estates in the urban area and Chung On Estate in Ma On Shan.

The new rent per square metre will be \$55.3 for all the flats in Hing Tung Phase Two, Tze Lok Phase Two and Lam Tin Phase One. Rent per square metre will be \$48.4 for Chung On Phase One.

"On account of the reported incomes of the prospective tenants, the proposed new rents should be within their affordability," Mr Chan said.

"Meanwhile, members also approved an across-the-board increase of four per cent in new rents for all districts and the rents will remain in force for about three years."

The new adjustment by district are as follow:

District	Current \$/Sq Metre	Revised \$/Sq Metre	New Rent
Urban			
Shatin/Tsuen Wan/	53.2	55.3	
Kwai Chung	51.3	53.4	
Tsing Yi/Tai Po/			
Tseung Kwan O/Ma On Shan	46.5	48.4	
Fanling/Sheung Shui	37.6	39.1	
Yuen Long/Tuen Mun	33.2	34.5	
Tin Shui Wai	30.5	31.7	
Islands			
Converted Blocks (Urban)	30.5	31.7	
Converted Blocks	35.5	36.9	
(Tsuen Wan/Kwai Chung)	33.9	35.3	

End

Saturday, December 2, 1995