



Sha Tin District Council

Report on the Meeting of the  
Development and Housing Committee held on 28 April 2020

- (1) The Committee discussed the following:
- (i) the responses of government departments to matters arising from the previous meeting and passed the following provisional motion:

“Since Chun Yeung Estate is used as a quarantine centre, the Development and Housing Committee of the Sha Tin District Council strongly requests the Housing Department to, in light of the situation that Chun Yeung Estate being used as a quarantine centre since 8 February and the allocation status in future, handle the cases in which the prospective tenants and their family members may have deceased, or there are any changes in their marital status, health and financial conditions during this period on compassionate grounds.” (Unanimously passed);
  - (ii) the responses of the Housing Department (HD) and the Hong Kong Police Force to the question on “Inactive Law Enforcement by the Housing Department and the Hong Kong Police Force Against Illegal Gambling in Public Housing Estates, Tenants Purchase Scheme Estates, Home Ownership Scheme Estates and Private Housing Estates in Sha Tin”; and
  - (iii) the responses of the HD, the Link, the Hong Kong Housing Society, Sunlink Holdings (H.K.) Limited, People’s Place of GAW Capital Partners, Chinachem Group, the MTR Corporation Limited, Kai Shing Management Services Limited, Hong Yip Service Company Limited, the Financial Services and the Treasury Bureau and the Food and Environmental Hygiene Department to the question on “Rent Reduction for Shopping Malls and Markets in Sha Tin”.

(2) The Committee endorsed the following:

- (i) the nomination of Mr SIN Cheuk-nam as the representative of the Sha Tin District Council to the Selection Panel of Office of the Permanent Secretary for Transport and Housing (Housing); and
- (ii) the motion on “Requesting Link Real Estate Investment Trust to Lower the Rent of Shopping Malls, Markets and Parking Spaces”:

“Background

The Sha Tin District has been developed into a new town since the early 1970s and its population has now reached 660 000, of which near 360 000 residents live in public housing estates or residential developments in the vicinity, and they mostly rely on the shopping malls in public housing estates for daily necessities.

Since the Housing Department divested the assets and established the “Link Real Estate Investment Trust” (previously known as “The Link Real Estate Investment Trust”) in early 2004, the Link has actively carried out various asset enhancement initiatives and “upgraded” its assets, including shopping malls and car parks, through projects of various scales, to a standard that is comparable with private shopping malls. Besides, the Link has also introduced a number of chain stores to shopping malls in public housing estates by introducing many “quality” merchants. Indeed, the asset price and the stock price of the Link have significantly increased upon such a move: according to the 2019 interim report of the Link, as at September 2019, the average monthly unit rent was \$69.6 per square foot, which was an increase of 2.3% as compared with \$68 in the corresponding period in 2018. Meanwhile, the revenue and net property income respectively increased by 8.2% and 8.3% year-on-year to \$5,332 million and \$4,071 million. However, the increase of asset price and stock price comes at the expense of the interest of residents living in the vicinity and small shop tenants: apart from a large increase in the prices of goods sold in the shopping malls, which has added to the financial burden of residents in their daily lives, many small shops in housing estates have to close down and no longer exist in Sha Tin, and thus the choice of merchants for residents is drastically limited.

Moreover, the outbreak of Wuhan Pneumonia (also known as COVID-19) since December 2019 has hit different industries, including retail, catering, construction, to various extents. Some merchants have already suffered losses for months and are actively considering closedown or even have already closed down. Even though the Link has reserved \$80 million for the establishment of the “Support Scheme for Small and Medium-sized Tenants”, under which relief measures including rent payment by instalments, waiving late payment interests and service charges are offered to individual tenants, only a few of them have benefited, and the relief measures are only a drop in the bucket to small shop tenants, which fail to effectively cut their operating cost during this period.

Being the largest real estate investment trust in Hong Kong, the Link owns 12 shopping malls and 22 car parks in the Sha Tin District and is one of the biggest owners in the district, and therefore many residents in the district are shop tenants of shopping malls, or tenants of parking spaces owned by the Link. It is hoped that the Link can fulfil its social responsibility and ride out the difficult times with the general public at this moment by granting a rent concession to the shop tenants of its shopping malls, wet markets and tenants of parking spaces.

### Motion

The Development and Housing Committee of the Sha Tin District Council urges the Link Real Estate Investment Trust and current owners of the shopping malls, wet markets and car parks that were divested by the Hong Kong Housing Authority to:

1. provide monthly rent concessions of at least 50% for tenants of the shopping malls, wet markets and car parks under their ownership in Sha Tin during the epidemic;
2. reduce the rent by a minimum of 20% for all tenants of the shopping malls and wet markets under their ownership in Sha Tin after the epidemic;
3. reduce the monthly rent by a minimum of 20% for tenants of all parking spaces in the car parks under their ownership in Sha Tin after the epidemic;

4. reduce the hourly rent by a minimum of 20% immediately at the car parks under their ownership in Sha Tin;
5. formulate a rent level scale with reference to the rent level of the shopping malls and wet markets under the Hong Kong Housing Authority;
6. determine the rent level with reference to the change of Consumer Price Index (A) when renewing tenancies with shop tenants; and
7. fully disclose the rent level of the shopping malls and wet markets under their ownership in Sha Tin for public reference.”  
(Unanimously passed)

- (3) The Committee noted the “Population of Public Housing Estates and Private Sector Participation Scheme Courts in Sha Tin”.

Sha Tin District Council Secretariat  
STDC 13/55/50

May 2020