

Press release

LCQ15: Vacant government quarters

Wednesday, November 16, 2011

Following is a question by Dr Hon Priscilla Leung Mei-fun and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (November 16):

Question:

It has been learnt that the number of expatriate senior civil servants employed in various departments of the Government of the Hong Kong Special Administrative Region (HKSAR) has been decreasing since the establishment of HKSAR, and local senior civil servants may buy their own homes in the private property market by means of applying for a housing allowance; the overall demand of the Civil Service for government quarters has been declining, and the vacancy rate of civil servant quarters in various districts across the territory which are within the purview of the Government Property Agency stands high. In this connection, will the Government inform this Council:

(a) of the total number of units and the total floor area (in terms of square feet) of the aforesaid properties currently held by the Government; the overall vacancy rate of such properties in each of the past three years;

(b) whether the authorities had leased out such vacant property units to the public or to private organisations in the past three years; if they had, of the respective number of units which had been leased out each year; if not, the reasons for that;

(c) of the expenditure incurred for the repair and maintenance of such vacant properties by the authorities in each of the past three financial years, including internal decoration of the units, as well as the overall maintenance of the building structure and common parts; and

(d) whether it has estimated the loss in government rental income in each of the past three financial years calculated using the prevailing market rent for the same period, as a result of such units being vacant for a prolonged period?

Reply:

President,

Government quarters are provided for allocation to eligible civil servants to meet their housing needs. Our long term goal is to sell the surplus government quarters or use them for other development purposes. As a transitional arrangement, the Government Property Agency (Agency) will lease out suitable units at market rent so as to make the best use of public resources. Individual government quarters may be temporarily vacant for various reasons. For example, the units are undergoing internal refurbishment or maintenance works; the units will shortly be allocated to eligible civil servants; preparatory work, including rental assessment, has to be done on the units before they are leased out, sold or used for other development purposes.

My reply to the various parts of the question is as follows:

(a) The total number of units, total saleable areas and overall temporary vacancy rates of non-departmental quarters (NDQs) in the current year and the past three years are set out in Annex.

(b) The total number of NDQs leased out in the current year and the past three years are set out in Annex.

(c) The estimated expenditure incurred for maintenance and repair of temporarily vacant NDQs (including the interior areas of the units, as well as the common parts and structure of the buildings) by the Government in the past three financial years are set out in Annex.

(d) As explained above, as a transitional arrangement, the Agency will lease out surplus NDQs before they are sold or used for other development purposes. Therefore no unit will be vacant for a prolonged period of time, resulting in loss in rental income.

Ends