

*Henry Henry*  
*Shankland*

*12 Dec 1975*

# \$500 million for new Government quarters

by **Garmen Chan**

THE Government is spending \$500 million to build quarters for its superscale employees in a bid to beat soaring rents.

The plan involves redevelopment of existing Government quarters and building of flats on new sites.

The first project under the scheme is the redevelopment of existing staff quarters at Mount Butler.

The Government will knock down 14 existing old houses and build high-rise luxury apartments which will have 168 flats.

The first two blocks, comprising 84 flats, will be completed next year.

The \$500 million plan would eventually

provide 1,200 luxury flats for top civil servants. This would enable the Government to release leased flats back to the private sector and avoid being hit by skyrocketing rent.

The strategy was outlined by the Governor, Sir Murray Maclehoze, in his policy speech in October.

He said the Government was considering new construction and more intensive development of Government property to reduce the number of private accommodations rented by the Government for its employees.

The Assistant Director of Accommodation of the Administration Branch, John Gilbert, said the Government planned to redevelop five old staff quarters.

"At the same time, we have identified nine sites to build quarters for our staff," he said.

The sites, all suitable for luxury accommo-

dation is located throughout the territory. Two of them are in Shatin.

Mr Gilbert admitted that the soaring rent in the private sector is the major factor in forcing the Government to build its own flats for employees.

The Government is spending \$54 million this year to rent 743 flats for its superscale civil servants. The average monthly rent is about \$6,000 for a flat.

Last year, the Government spent \$42 million in renting 850 flats for its civil servants. The average rent worked out to \$4,000 a month for a flat.

The Government is planning to gradually release its leased flats back to the market so as to ease the big demand on luxury accommodation.

But Mr Gilbert said the first flat would not

be released until 1982 or 1983.

In fact, the Government is going to rent 186 more flats next year to cope with the demands of its employees.

Soaring rent has already forced the Government to adjust its allowance for senior civil servants living in subsidised flats by 20 per cent last month.

Senior civil servants earning about \$6,500 a month are entitled to receive private tenancy allowance from the Government.

The subsidy ranges between \$2,100 and \$7,000 a month. For superscale civil servants earning above \$9,980 they are entitled to move into push quarters provided by the Government.

The Government owns some houses for civil servants, while at the same time, rent quite a few flats in the market for its employees.