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80pc rise in rents resented

SHOP-OPERATORS of a public housing estate in Shatin yesterday petitioned the government over the Housing Department's move to increase their rents by 80 to 100 per cent annually.

"It is hard for us to accept such terms as we have been operating at a low profit, some even suffering losses, for the past three years," the tenants of Woche shopping arcade said.

They demanded the rent increase should not exceed 20 per cent each year and hoped the Housing Department would freeze the rent increase for the next three months.

They said they had sent two letters to the secretary for housing expressing their grievances on November 11 and 23 - but without getting any reply.

"We are growing impatient because the deadline for renewing the tenancy agreements is very close. If we close down our business, we will lose all our investments in decorations and equipment," they said.

"Moreover, our business has been hard-hit by the current economic recession. If the Housing Department insists on rent increases, it will drive us out of business," they said.

A Housing Department spokesman said the rent review was due for 78 operators of rental commercial premises. The rent increases at the estate were in line with the department's policy of bringing their rents close to or in line with true market levels upon renewal of tenancies.

"As a result, there will be no changes to the existing rents for 12 premises as they already reflect the current market levels, while 23 will be charged concessionary rates. The other 43 will have their rents increased to represent full market values," he said.

He said 28 commercial operators had renewed their tenancies based on reassessed rents, and 14 of these signed on Thursday.

He said another 49 operators had informed the department that they were prepared to renew their tenancies.

"For the remaining 21 operators, renewal procedure will be completed upon expiry of their tenancies next month or in January," he said.