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## Academic gives rent control tips

Any attempt by the Government to phase out rent control must be done slowly and gradually to avoid social unrest, according to an academic.

Dr Edward Chen, director of the Centre of Asian Studies of the Hongkong University, said drastic rent increases will bring undue hardship to tenants.

His comment followed the announcement that Government officials are working on an option to raise the rent of thousands of households close to their market levels.

While welcoming gradual decontrol, Dr Chen noted that more cheap flats should be built for the middle-income class or the "sandwiched" class to secure a better living environment.

Dr Chen, a senior lecturer of the Hongkong University's Economics Department,

agreed that the rent of many premises which have for years been subject to control have fallen far below the market level.

This had been an "injustice" to many landlords who were indirectly subsidising their tenants.

The premises he referred to are those that have been under control since the enactment of 1973 legislation.

Dr Chen suggested raising the present ceiling of 30 per cent every two years to a higher percentage.

Another way to increase rents was to lower the value of the regulatory factor in a complicated formula of rent control.

A third suggestion was to further relax rent control on premises with a rateable value of less than \$60,000. At present, flats with a rateable value of \$60,000 or more are free from control.