

LCQ20: Shop rentals

Following is a written reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, to a question by the Hon Emily Lau in the Legislative Council today (November 12):

Question:

The Administration stated in its reply to my question on October 29 that it "shall write to The Link Management Limited and urge the latter to try to assist small tenants in its properties and provide them with appropriate support measures, so as to help them tide over the difficulties arising from the current financial crisis". In this connection, will the Executive Authorities inform this Council whether:

(a) they have written to The Link Management Limited (The Link); if they have, of the date and content of the letter, and whether The Link has replied to the letter; if so, of the details of the reply;

(b) they will write to the proprietors of other major shopping malls to make the same appeal; if they will not, of the reasons for that;

(c) they will find out from The Link and the proprietors of other shopping malls the levels of increase in shop rental and the number of tenants whose tenancy agreements have been terminated since this year; and

(d) they have plans to lower the rental of the shops under the Government in order to help the tenants tide over their financial difficulties; if so, of the details; if not, the reasons for that?

Reply:

President,

(a) We wrote to The Link Management Limited at the end of October this year, relaying the concern of its tenants about the rates of rental increases. We also mentioned in the letter that many small shop tenants were suffering from credit squeeze and weakened consumer confidence, and appealed to The Link Management Limited to consider providing small shop tenants with appropriate support measures so as to help them tide over the current difficulties. We have yet to receive a reply from The Link Management Limited.

(b) We have written to the Real Estate Developers Association of Hong Kong making the same appeal. The Association has replied that it will distribute our appeal letter to its member organisations.

(c) The occupancy rate and tenant mix in The Link Management Limited's premises and other private commercial premises involve the operational arrangements of these companies and commercially sensitive information. In addition, tenancy arrangements between owners of private premises and their tenants are private transactions, in which the Government should not intervene.

(d) Together with the relevant bureaux, departments and organisations, we are now actively examining the feasibility of introducing more support measures for small and medium enterprises, including that mentioned in this question. We will make public announcements as soon as the decisions are available.

Ends/Wednesday, November 12, 2008