

P.O.Box 90265, T.S.T. Post Office, T.S.T.,
Sandwich Class Housing Owner's Rights Concern Group
(夾屋業主權益關注組)
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Date: 7th January, 1999

**Housing Bureau
18/F, Murray Building,
Garden Road,
Hong Kong.**

Attn. : Mr. Dominic Wong
(Secretary for Housing)

Dear Mr. Dominic Wong

Important Statement
Against Sandwich Class Housing change
to Private Housing sell and rent

In accordance with the press, the Housing Society is going the 'privatize' the remaining three sandwich class developments located in Tsang Kwan O, Ma On Shan and Kennedy Town. In addition, it is also a plan to let the unsold flats in Pinnacle in Tsang Kwan O. We strongly feel this change of policy of the Housing Society is good to nobody.

From the perspective of the sandwich class property owners, it is a matter of injustice and deceit. One of the major reasons for purchasing the flats is that we expect that all owners live in their own properties. We value good and long lasting neighbor relationships and we expect that all sandwich class flats are owners-live-in. Letting out the flats has completely destroyed our expectation towards one of the many quality elements of the sandwich class housing. The Housing Society and the government broke their promises by specifying the use of the flats but later changing the rule of the game completely. All the sandwich class owners had undergone a series of scrutiny and while the will-be tenants are of free will to rent those flats. We consider this is highly discriminative. The government and the Housing Society alike have deserted us and tried every effort to evade their responsibilities. The sandwich class housing scheme was meant to help out the sandwich class of their housing problems and the government and the Housing Society should continue their

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support to us instead of treating us like an unwanted child. In addition, there are numerous of restrictions imposed on the sandwich class housing scheme flats to prevent speculation. The principle is questionable if the government approves the switch of the remaining sandwich class developments into private developments and/or the letting of the unsold flats.

From the private developers perspective, the approval by the government to sell those designated sandwich class developments to the private sector purchasers does create keen competitions and exert pressure on the already weak property market. As the land band of the Housing Society is granted by the government and does not need to go through the tendering process, it is highly unfair to the private developers who do not have any government subsidies. The Housing Society's land costs tend to be relatively low and the sites may also be in better areas as the Housing Society does not need to go through such tendering process. Paying less means a lighter money belt for the government. And as a taxpayer of the society, we consider that the change is unfair to the society as a whole, and in particular, to the sandwich class who are the major taxpayers.

There are still a lot of middle income group who needs this type of housing. We recalled that during the last sale, the Housing Society suddenly stopped selling the flats to the type II families. If the Housing Society continued the sale exercise, they might be able to sell some or probably all of the remaining flats by adjusting the sale price to the market level. The fact is that then market value set by the Housing Society was about 10% to 20% higher than the then market level. Have the Housing Society and the government ever thought of a way to lessen the restrictions of the sandwich class flats to make them more attractive rather than to change the purpose of the existing developments to create a tense competitive environment with the private sector developers.

In considering of the above facts we are of the opinion that the proposed ideas of the Housing Society are highly unfair and undesirable. It has misled the public that they themselves also consider that the sandwich class flats are unwanted second class properties. No wonder that we do not enjoy the same treatments from banks on mortgages offered to private developments and also to the home ownership scheme flats. We are highly disappointed with the government and the Housing Society of

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being so irresponsible and unfair to the sandwich class people. We strongly oppose to the ideas proposed by the Chairman of the Housing Society made during his interview with the press on 29th December, 1999.

Yours faithfully,

Sandwich Class Housing Owner's Rights Concern Group

c.c. Chief Executive's Office

c.c. Legislative Council Secretariat Complaints Division