

Hong Kong Housing Authority
Short-term Tenancy
Conditions of Letting (Part I)

Letting Negotiations

Date : From 18 March 2013 to 28 March 2013
(Monday to Friday, except public holidays)

Time : 9:30 a.m. to 12:00 noon and 2:00 p.m. to 4:00 p.m.

Venue : Commercial Properties Management Unit,
Podium Level 1, Hong Kong Housing Authority Customer Service Centre,
3 Wang Tau Hom South Road, Kowloon

- The commercial premises listed in the Schedule below are available for letting by “Walk-in Application on a First-come-first-served Basis” under a 12-month tenancy.

Schedule

<u>Estate/Court</u>	<u>Unit No.</u>	<u>Approximate Area (m²)</u>	<u>Designed Electricity Capacity</u>	<u>Trade</u>	<u>Monthly Upset Rent (\$)</u> (exclusive of rates)
Cheung Kwai Estate (Islands) (Tel: 2981 4658)	Cheung Wong House Shop 3	42	63ATPN	Household Utensils and Hardware	\$2,000
Cheung Ching Estate (Kwai Tsing) (Tel: 2495 2224)	Modular Market Shopstall 20	12	30 ASPN	Bedding, Carpets, Curtains and Wallpaper	\$2,400
Lai King Estate (Kwai Tsing) (Tel: 2743 3814)	Yat King Modular Market Shopstall 13	2.5	30ASPN	Florist	\$1,550
	Shopstall 19	2.5	30ASPN	Bedding, Carpets, Curtains and Wallpaper	\$1,700
Nam Shan Estate (Sham Shui Po) (Tel: 2784 6702)	Market Shopstall G069 + G070	6.4	32ASPN	Vegetables	\$1,900

<u>Estate/Court</u>	<u>Unit No.</u>	<u>Approximate Area (m²)</u>	<u>Designed Electricity Capacity</u>	<u>Trade</u>	<u>Monthly Upset Rent (\$)</u> (exclusive of rates)
Pok Hong Estate (Sha Tin) (Tel: 2647 0815)	Market Shopstall 9	6	20ASPN	Choose one of the followings: 1) Clothing Alteration 2) Clothing, Footwear and Allied Products 3) Electrical & Plumbing Repairs	\$3,500 \$4,100 \$3,900
Shek Kip Mei Estate (Sham Shui Po) (Tel: 2784 6064)	Market Shopstall 102	2.5	15ASPN	Grocery and Provision Store	\$1,400
Wah Fu (II) Estate (Southern) (Tel: 2538 0074)	Market Shopstall 37	5.9	30ASPN	Beancurd and Sprouts	\$1,800
	Shopstall 41	5.9	30ASPN	Beef and Mutton	\$4,000
Siu Hong Court (Tuen Mun) (Tel: 2465 1156)	Market Shopstall 40	5.4	32ATPN	Choose one of the followings: 1) Aquarium and Florist 2) Beancurd and Sprouts 3) Chilled/Frozen Poultry Carcass	\$2,600 \$4,500 \$2,400

(The premises listed above may be successfully let during the captioned period. Therefore the above schedule is subject to change. The relevant updated information is obtainable at the Commercial Properties Management Unit.)

- The stated areas of the premises listed above are approximate only and no warranty is made as to their precise accuracy. Plans showing the layout of the premises are displayed in the Management Office of the estate/ court/ shopping centre concerned.

3. **Time, Date and Venue for Letting**

Interested parties shall bring along their Hong Kong Identity Cards and deposits (in the amount equivalent to one month's rent and in the form of crossed cheques or cashier's orders made payable to the "Hong Kong Housing Authority". No cash is accepted.) to the following venue at the below-mentioned time and on the below-mentioned date for registration, and the premises will be let in the order of their registration numbers. For those who fail to furnish their Hong Kong Identity Cards and the deposits, their priority for leasing will be deferred.

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Podium Level 1, Hong Kong Housing Authority
Customer Service Centre,
3 Wang Tau Hom South Road, Kowloon.

4. Rainstorm Warning or Typhoon Signal

When Typhoon Signal No. 8 or above is hoisted or the “Black” Rainstorm Warning is announced, the Commercial Properties Management Unit (CPMU) of the Housing Department will be closed for registration and letting negotiations. If Typhoon Signal No. 8 or the “Black” Rainstorm Warning is lowered or withdrawn at or before 12:00 noon, CPMU will open at 2:00 p.m. on that day as usual for registration and letting negotiations. If the typhoon signal or the rainstorm warning is hoisted or announced at or after 2:00 p.m., walk-in application for that day will be automatically cancelled.

5. Qualification and Identity of Tenants

- (a) Prospective tenants shall rent the commercial premises under the Hong Kong Housing Authority (HA) in their personal capacity (at the age of 18 years or above) or in the name of a limited company.
- (b) Any person who signs the Leasing Proposal for the prospective tenant as his agent or trustee shall furnish a valid authorisation letter together with a copy of the prospective tenant’s Identity Card and disclose in the Leasing Proposal his name and address. If no such disclosure is made, the person who signs the Leasing Proposal shall be deemed as the prospective tenant and no subsequent disclosure of any trust, agency, etc. will be recognized by HA.
- (c) If the tenancy is taken up in the name of a limited company, the Certificate of Incorporation, the Company's Memorandum and an authorisation letter (such as Notes of Meeting of the Board of Directors) shall be furnished.

6. Monthly Rent and Rates

- (a) Tenants must pay the monthly rent (exclusive of rates) of the commercial premises as stated in the Schedule for a 12-month short-term tenancy. The amount of the rent is final and non-negotiable.
- (b) Tenants must pay rates for their leased premises. If the rates of the premises are yet to be assessed on commencement of the tenancy, tenants are required to pay to HA monthly in advance provisional rates based on an estimate by HA as to the likely amount of rates that would be assessed and demanded.

7. Designated Trade

Only the designated trade as listed in the Schedule can be run on the commercial premises.

8. **Deposit and Execution of Tenancy Agreement**

(a) (i) Prospective tenants shall sign a letter of consent on the day of letting negotiation and submit instantly a cheque or cashier's order as **deposit (in the amount equivalent to one month's rent)**. No cash is accepted. All cheques or cashier's orders will be banked on the day of successful leasing. HA maintains a record of dishonoured cheques. Prospective tenants whose cheques have been dishonoured by banks are required to pay the deposit by cashier's order.

(ii) Prospective tenants shall attend an interview or execute a Tenancy Agreement whichever is applicable within the time specified in the written notice issued by HA or such person as authorised by HA, which time shall be not less than seven days from the date of the notice. The tenancy shall commence and rent shall be payable from the date of the execution of the Tenancy Agreement. In the event the prospective tenants fail for whatever reasons to attend the interviews or to execute the Tenancy Agreement within the time specified, HA may by notice in writing to the prospective tenants forthwith cancel the Leasing Proposal and the letting of the premises to the prospective tenants hereunder. Upon the cancellation of the Leasing Proposal and the letting of the premises as aforesaid, the **entire deposit** shall forthwith be absolutely forfeited to HA as liquidated damages and not as a penalty without any further notice and HA may let the premises to such other persons and/ or deal with the premises in such manner as HA shall consider appropriate, and the prospective tenants shall not have any claim whatever for compensation or refund of the deposit or in respect of the premises or otherwise against HA.

Prospective tenants are therefore urged to consider the effects of this clause most carefully before submitting any leasing proposals. The amount to be forfeited is not negotiable.

(iii) Any notices required to be given under this Leasing Proposal by HA to the prospective tenant if sent by post shall be deemed to have been validly given if addressed to the prospective tenant and sent by ordinary prepaid post to the address of the prospective tenant herein provided or to his last known address given to HA and shall be deemed to have been served on the second business day after the date of posting.

(iv) The effective date of the Tenancy Agreement shall be determined by the Housing Manager of the estate/ court/ shopping centre upon execution of the Tenancy Agreement. On signing the Agreement, in addition to the payment of the rent for the first month in the amount of monthly rent as specified in the Schedule, the prospective tenant shall be required to pay a deposit equivalent to one month's rent to HA. This deposit shall be refunded on the termination of the tenancy provided that there are no outstanding rent or other charges against the tenant's account. The deposit of one month's rent previously paid may in lieu of refund be offset as part payment of the said first month's rent or deposit to HA with any deficiency to be paid up by the prospective tenant.

- (b) Prospective tenants are reminded that if manipulation of this letting system by walk-in application on a first-come-first-served basis is discovered and such has been proved to the satisfaction of the Director of Housing, then the said Director can at his discretion reject the leasing proposals from such prospective tenants and forfeit their **entire deposit** to HA as liquidated damages. The decision by the Director of Housing as to whether this letting system by walk-in application on a first-come-first-served basis has been manipulated and as to the prospective tenants involved in the manipulation is final.
9. The tenancy shall only be granted to the tenants/ limited companies who will occupy the premises for their own use and no assignment, sub-letting or parting with the possession of the premises or any part thereof shall be permitted.
10. The granting of a commercial tenancy does not confer upon the tenants any exclusive right to any particular trade on the estate/ court/ shopping centre/ market and that HA reserves the right to let other premises on the estate/ court/ shopping centre/ market in whatever manner for the same trade according to the needs of the estate/ court/ shopping centre/ market as assessed by HA. Change of use of the premises during the term of the tenancy shall not be permitted.
11. Tenants shall be responsible for the fitting out of the premises and shall accept the premises in the state and condition in which they are at the date when possession is given. Plans for the intended conversion must be approved in writing by the Director of Housing and no conversion works shall be started until such written approval is obtained. Tenants shall comply with all requirements, statutory or otherwise, imposed by the Food and Environmental Hygiene Department, Fire Services Department, Labour Department or any other departments or authorities concerning any conversion work or the operation of the business.
12. Tenants shall not assign the tenancy. Upon termination of the tenancy, tenants will be required to deliver up vacant possession of the premises to HA unconditionally.
13. Under the terms of the Tenancy Agreement, HA shall be entitled to transfer and assign the reversion of the premises and all the rights and obligations under the Tenancy Agreement to any third party on such terms and conditions as HA shall think fit without any interference or any claim or demand for compensation whatsoever by the tenants.
14. The Conditions of Letting (Part I) shall not affect the principles stipulated in the Conditions of Letting (Part II) that follows. Where there is a conflict between the two Parts, the Conditions of Letting (Part II) shall prevail.

Hong Kong Housing Authority
Short-term Tenancy
Conditions of Letting (Part II)

1. The commercial premises listed in paragraph 1 of the Conditions of Letting (Part I) (the premises) are let by way of Short-term Tenancy for a term of twelve months. Tenants may, at least one calendar month before expiry of the Short-term Tenancy, apply to the Housing Authority (HA) for conversion to a standard 3-year term of tenancy subject to the approval and rental re-assessment (exclusive of rates and air-conditioning charges) of HA.
2. Only the designated trade/trades will be considered. The tenant must pay the monthly rent (exclusive of rates and air-conditioning charges) for the premises as stated in the Schedule and no negotiation is allowed.
3. Under the Tenancy Agreement, either party may terminate the tenancy by giving to the other at least one calendar month's notice in writing. For the avoidance of doubt, where HA invokes section 19(1)(b) of the Housing Ordinance (Cap. 283) to terminate the tenancy, the period for the notice to quit issued under that section shall be one calendar month.
4. The stated area of the premises is approximate only and no warranty is made as to its precise accuracy.
5. Whenever the tenancy is terminated for whatever reasons, the tenant is required to deliver up vacant possession of the premises to HA unconditionally, and shall not be entitled to any claim for compensation. HA shall have the full right to relet the premises or otherwise dispose of the premises in such manner and to such person as it may think fit, free from the interference of any person.
6. Prospective tenants should note that under the Tenancy Agreement, if the rent, air-conditioning charges or any part thereof shall be unpaid for 14 days after the same shall become payable (whether formally demanded or not) or if the rates or any part thereof shall be unpaid for 14 days after the same shall become payable, the tenant shall further pay to HA interest at the rate of 2% per month on the amount of rent, air-conditioning charges or rates in arrears and such interest shall be payable and calculated from the date upon which such payment in arrears fell due and not of 14 days thereafter until full payments are made. For the avoidance of doubt, the day on which the rent, rates or any part thereof shall become payable is included in the reckoning of the said period of fourteen days.
7.
 - (a) Subject to the conditions set out in sub-clause (b) below, the tenant will have a rent-free period of one month.
 - (b) The rent-free period is to be granted subject to -
 - (i) no breach of any terms and conditions of the tenancy agreement; and
 - (ii) no termination of the tenancy by the tenant

during the period of six months from the commencement of the tenancy (the “Period”). If at any time during the Period there is any breach of the terms of the tenancy agreement and the tenancy is terminated by HA in consequence of such breach or if the tenancy is terminated by the tenant prior to the expiration of the Period, without prejudice to any other rights of HA under the tenancy agreement, the tenant shall forthwith pay to HA the rent for the period as set out in sub-clause 7(a) above. Irrespective of the amount of rents paid, full rates and air-conditioning charges (if any) will be collected in full without reduction.

8. The tenant has to commence business of the designated trade within one month from the date of commencement of tenancy agreement.
9. If the leasing proposal is submitted in the name of a limited company, HA may require the directors(s) and the shareholder(s) of the limited company to provide personal guarantees to HA to guarantee the due payment of rent and due observance and performance of the terms and conditions under the tenancy agreement by the tenant.
10. Tenants shall accept the premises in the state and condition in which they are found at the date when possession is given and shall be responsible for the fitting out of the premises to meet the requirements of HA and other competent authorities. All modifications to the building services installations must be carried out by contractors appointed by the Housing Department and at the expense of the tenants.
11. Prospective tenants are advised to note the designed electricity loading available to each set of the premises. Should additional loading beyond the designed capacity be required, any upgrading is subject to the approval of the Housing Manager of the estate/ court/ shopping centre and the costs for any upgrading shall be wholly borne by the tenant.
12. Prospective tenants are advised to note that HA may at any time appoint property management agents to manage, subject to the supervision by HA, any selected shopping centre or market of which the premises form part on such terms and conditions as HA shall deem fit.
13. Prospective tenants (including corporations) who have been tenants of the premises under letting and the family members of such persons will not be considered unless such persons have physically vacated the premises concerned and have observed and performed all the tenancy conditions in respect of the premises.
14. Prospective tenants are advised to note that the premises listed in paragraph 1 of the Conditions of Letting (Part I) do not represent the total number of premises available for letting on the estate/ court/ market. There are some other commercial premises on the estate/ court/ market which have been let/ will be let by open tendering or by means other than open tendering for the abovementioned trades or other trades as HA may in its absolute discretion determine.

15. Prospective tenants are reminded that HA has kept a central record of those ex-commercial tenants who have breached the terms and conditions of the tenancy agreement. Leasing proposals submitted by these ex-commercial tenants may not be considered.
16. Prospective tenants are reminded that leasing proposals from any persons/companies already operating the same trade in the estate/ court/ market may not be considered.
17. Prospective tenants shall be required to carry out fitting-works for the premises to meet the requirement of the existing Fire Safety (Commercial Premises) Ordinance, and to apply for a valid licence from the relevant authority. All the costs involved will be borne by the tenant.
18. Prospective tenants are advised to note that improvement schemes will be carried out in Cheung Ching Estate, Nam Shan Estate, Pok Hong Estate, Wah Fu (II) Estate, Shek Kip Mei Estate, Lai King Estate and Siu Hong Court where the subject premises are located. Notwithstanding the effect of improvement works, be it positive or negative towards commercial tenants, the rent stipulated in the tenancy agreement with HA shall remain unchanged throughout the lease term. Information on further details of the improvement will be given by the Estate/Court Management Office once available.
19. For letting of shop in Estate, the prospective tenant is required to install and at all times maintain displays of merchandise goods or services in the shopfront windows or showcases of the premises to the satisfaction of the Estate Housing Manager to a standard and composition appropriate in the opinion of the Estate Housing Manager to the reputation and standing of the Estate and to alter any window or other display of goods or merchandise in or at the premises immediately upon notice by the Estate Housing Manager that such display will in the opinion of the Estate Housing Manager affect the reputation or standing of the Estate.
20. For letting of shop in Estate, the prospective tenant shall be required to install his own air-conditioning system on the premises, and installation of air-conditioning plant and routing of pipe/duct work require prior approval from Estate Housing Manager. Properly connected condensation drainage should be provided where air-conditioning units are used.
21. Prospective tenant should note that the shop front roller shutter and rear door/metal gate, if any, of the premises were being kept in the state for security consideration. Prospective tenant shall accept the premises in the state and condition in which they are found at the date when possession is given and shall be responsible for subsequent maintenance of the concerned roller shutter and door/metal gate. All the cost involved will be borne by the tenant.
22. For running the trade of “Grocery and Provision Store”, prospective tenants are advised to note that selling of cooked food is not allowed.

23. For the commercial premises in Nam Shan Estate, prospective tenants are advised to note that there is no partition wall in-between Shopstalls Nos. G069 and G070.
24. Prospective tenants are advised to note that the business hours of the market in Cheung Ching Estate, Lai King Estate and Nam Shan Estate are daily from 7:00 a.m. to 8:00 p.m. and in Shek Kip Mei Estate are daily from 6:00 a.m. to 9:00 p.m.
25. Prospective tenants are advised to note that tenant should keep the shopstall open for business not less than 20 days in any calendar month. On each business day, the shopstall should open for a minimum of four hours. The tenant should obtain the prior consent from the Landlord if tenant is not able to open the shopstall for business for at least 20 days. If the tenant fails to do so, it will be considered as a material breach of the Tenancy Agreement and the Landlord shall be entitled to determine the tenancy without prejudice to the rights of the Landlord.
26. **Other Conditions**
- (a) Prospective tenants have to accept the premises and the installations there in the state and condition they are found at the date when possession is given and shall be responsible for the fitting out of the premises to meet the requirements of the licensing authority and other relevant authorities. All fitting out works must be carried out in accordance with the criteria specified by the Management Office of the estate. Details on the criteria for each premises are available at the Management Office of the estate/market concerned. Tenants are not allowed to remove or alter in any way any building services installations inside the premises provided by HA without the consent of the landlord. If approval is obtained from the landlord to add and/or alter such installations, works shall be carried out by contractors appointed by HA and at the expense of the tenants.
- (b) Fitting out plans shall be approved in writing by the Director of Housing and no conversion works shall be started until such written approval is obtained. Prospective tenants shall comply with all requirements, statutory or otherwise, imposed by the Food and Environmental Hygiene Department, Fire Services Department, Labour Department or any other departments or authorities concerning any conversion work or the operation of the business.

27. **Enquiries**

For details about the premises or arrangement for visit to the premises, please contact the Management Office of the estate concerned (telephone numbers of the respective offices are listed in the Schedule in paragraph 1 of the Conditions of Letting Part I).

Enquiry hotline: 2711 5138

IMPORTANT NOTICE

1. No charge is made by the Hosing Authority on the supply of the leasing proposal and for the processing of the proposals. Any person purporting to offer assistance in respect of this leasing proposal in return for a reward should be reported immediately to the authority concerned.
2. Any prospective tenant who attempts to influence acceptance of his or her proposal by approaching any member of the staff of the Housing Department or by the use of any other improper means shall render his or her proposal invalid.
3. Prospective Tenants are warned that offering or giving any gratuity, money or gift as an inducement to any employee of the Housing Department in relation to the leasing proposal constitutes an offence under the Prevention of Bribery Ordinance and such cases will be reported to the Independent Commission Against Corruption.
4. The tenant shall not communicate to any person other than Housing Department the amount of the rental offer, adjust the amount of the rental offer by arrangement with any other person, make any arrangement with any other person about whether or not he / she or that other person should or should not submit a proposal or otherwise collude with any other person in any manner whatsoever in the letting process until the tenant is notified by the staff of the Housing Department of the outcome of the letting exercise. Any breach of or non-compliance with this clause by the tenant shall, without affecting the tenant's liability for such breach or non-compliance, invalidate his/her proposal. The clause shall have no application to the tenant's communications in strict confidence with his / her own consultants or insurers to solicit their assistance in preparation for leasing proposal's submission.

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Notes on Personal Data (Privacy) Ordinance

The personal data provided by means of the Leasing Proposal will be used by the Hong Kong Housing Authority for processing the letting of commercial premises.

Personal data include names, Hong Kong Identity Card numbers and age of prospective tenant and other persons listed in the Leasing Proposal and their relationship, prospective tenant's bank account number, address and contact telephone number.

The provision of personal data by means of the Leasing Proposal is voluntary. However, if the required information is not provided in the Leasing Proposal, the Hong Kong Housing Authority may not be able to process the proposal further.

The data subject(s) in the Leasing Proposal has/ have the right of access and correction in respect of his/ her/ their personal data. Enquiries concerning the personal data collected by means of the Leasing Proposal, including the making of access and correction, may be addressed to :

**The Departmental Data Controlling Officer
Human Resources Management (1) Section
Hong Kong Housing Authority Headquarters
33 Fat Kwong Street
Ho Man Tin
Kowloon**