

HONG KONG HOUSING AUTHORITY
Special Conditions of Tender
Fu Tip Estate (Phase 1)– Shop

Tenders by way of RENTAL TENDERING are invited for the 3-year tenancy of the following premises located in Fu Tip Estate (Phase 1) , Tai Po, New Territories.

<u>Shop No.</u>	<u>Approximate Area in m²</u>	<u>Trade</u>	<u>Reference Rent (HK\$)</u>
Ban Tip House No. LG03	41	Household Utensils, Furniture, Hardware, Toys & Stationery	20,000

The monthly rent (exclusive of rates) for the above premises is subject to tender.

2. Tenderers are reminded that the tenancy offered will be for a fixed term of 3 years with no option to renew.
3. Only the designated trade will be considered. Tendered rent will be final and not subject to negotiation. Tenderers shall tender monthly fixed rent for the whole lease term of 3 years.
4. Tenderers should note that under the Tenancy Agreement, either party may terminate the tenancy by giving to the other at least three calendar months' notice in writing. However, in case of breach of any of the conditions contained in the Tenancy Agreement by the tenant, the Hong Kong Housing Authority (HA) shall be entitled to determine the tenancy by giving to the tenant 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 1 calendar month.
5. The stated area of the premises is approximate only and no warranty is made as to its precise accuracy. Plans showing the layout of the premises are displayed in the Tai Po, North & Shatin District Tenancy Management Office (8) at Unit 221-240, 2/F, Shek Yuk House, Chun Shek Estate, Shatin, N.T.. The layout of the commercial facilities and area of shop premises are subject to changes, i.e. final acceptance by HA's Independent Checking Unit (ICU) and HA reserves the right to make any necessary amendment.
6. The attention of tenderers is drawn to the fact that 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.
7. Tenderers should note that under the Tenancy Agreement, if the rent, or any part thereof shall be unpaid for fourteen days after the same shall become payable (whether formally demanded or not) or if the rates or any part thereof shall be unpaid for fourteen 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, rates in arrears and such interest shall be payable and calculated from the date upon which such payment in arrears fell due and not fourteen 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.

8. (a) Subject to the conditions set out in sub-clause (b), the tenant will have a rent-free period. The period may range from 1 month to 3 months according to the followings :

<u>Size of Premises</u>	<u>Rent-free Period</u>
Less than 100m ²	One month
Between 100m ² – 250m ²	Two months
Larger than 250m ²	Three months

- (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 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 8(a) above.

Irrespective of the amount of rents paid, full rates and air-conditioning charges (if any) will be collected in full without reduction.

9. Tenderers should note that the tenant has to commence business of the designated trade within 1 month from the date of commencement of tenancy agreement.

10. Tenderers should note that if the tender is submitted in the name of a limited company, tenderers are also required to submit a copy of “Certificate of Incorporation” issued by the Companies Registry. 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.

11. Tenderers should note that if the tender is submitted in the name of a limited company, the successful tenderer is required to keep all proper books and accounts necessary for showing the daily gross receipts attributable to the successful tenderer’s business at the premises and to prepare and submit to the HA within fourteen days after the end of each month a statement certified by the tenant’s accountant showing the monthly Gross Receipts for that month. The tenant shall permit the HA and his agents at all reasonable times to inspect and take copies and extracts from the tenant’s books, documents or records which were or ought in the opinion of HA or his agents to be taken into account in the calculation of the Gross Receipts. Within sixty days after each financial year/Accounting Period during the term of this tenancy, the tenant shall at his own expense furnish to HA a certificate from the tenant’s Auditors (who shall be independent Certified Public Accountants registered under the Professional Accountants Ordinance in Hong Kong) certifying the correctness and completeness of the tenant’s Gross Receipts with breakdown of each month’s figure of the preceding year/Accounting Period.

12. Fu Tip Estate is under the development of Chung Nga Road East and Tai Po Area 9 in Tai Po District which will be scheduled for completion by 2 phases from 2021 to 2023. Fu Tip Estate (Phase 1) consists of a domestic block namely Ban Tip House providing 655 public rental housing (PRH) units. Shops with a total lettable area of about 397 square meters will be provided to serve the residents.

13. The premises shall be leased on an ‘as is’ condition. The successful tenderer 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 successful tenderer.

14. Tenderers are advised to note that the designed electricity loading available to the premises is 63ATPN. Should additional loading beyond the designed capacity be required, any upgrading shall be subject to prior approval from Estate Housing Manager. The upgrading works shall be carried out by contractors appointed by the Housing Department and at the expense of the tenant.

15. The tenant may be required to vacate and relocate to other premises without any allowance or compensation of HA upon the expiry of the tenancy. To enhance the shop front control, the prospective tenant should note the requirement for fitting-out renovation of the premises upon renewal of tenancy and the renovation works should be approved by the Housing Department.

16. The successful tenderer shall be required to carry out fitting-out works for the premises to meet the requirements of the existing Fire Safety (Commercial Premises) Ordinance, and to apply for a valid licence from the relevant authority. All the costs involved shall be borne by the tenant.

17. Tenderers should note that addition to/modification of building works/services installations shall be approved by HA. Subject to the approval by HA, alteration/addition/modification of the following building services installation shall be carried out by contractors appointed by the Housing Department and at the expenses of the tenant, which shall include but not be limited to automatic fire alarm system, audio & visual fire alarm system, fire shutters, building management system, upgrading of electricity supply/air conditioning supply (if any) for tenant's premises, landlord system/installation as well as any installation at landlord area. The on-cost rate for works with estimated works value below \$500,000.00 is 20%. For estimated works value \$500,000.00 or above, the on-cost rate is 21.5% or the individual costing for the on-cost upon confirmation with the prospective tenant. The above rates are subject to change without further notice. Such building works/services installations shall become fixtures of the premises and shall also become the properties of HA upon vacation of the premises.

18. Tenderers should note that the tenant is required to appoint its own Authorized Person and Registered Structural Engineer for any structural works that require any revised building plan submission to HA's Independent Checking Unit (ICU) and the Fire Services Department (FSD) for licensing application.

19. Tenderers are reminded that tenders from any persons/companies already operating the same trade or from those who have successfully bid for a tenancy of the same trade in this estate (whether a tenancy agreement has been signed or not) may not be considered.

20. Tenderers are reminded to note that the premises is predominantly for the sale of non-electrical household goods, the scope of business of the Trade "Household Utensils, Furniture, Hardware, Toys & Stationery" excludes the sale of large electrical appliances such as washing machines, clothes dryers, refrigerators, range hoods, water heaters, air-conditioners and television sets etc..

21. Tenderers are advised to note that neither self-toilet facilities nor toilet connection point is provided within the premises. Public toilets are available in the vicinity.

22. Tenderers are advised to note that the shop no. LG03 is situated at the lower ground floor of Ban Tip House.

23. Tenderers are advised to note that design floor loading of the premises is 5 KN/m². All installation shall comply with the designed imposed load of the premises.

24. Tenderers are advised to observe and perform the provisions of all Ordinances and Regulations and all by-laws directions and orders of competent authority and to obtain all licences and permits from the appropriate authority or authorities at his own expense that may be required in connection with the business carried on in the premises and to make no claim of any kind whatsoever against HA in the event of the tenant's failure or inability for any reason to obtain or renew any such licence or permit.

25. Tenderers should note that 1st layer of sprinkler system is provided inside the premises. Subject to prior approval from HA, the successful tenderer (if necessary) shall design and carry out the proposed sprinkler connection works to the existing fire services system of the estate at his own cost. All installation shall comply with the requirements for relevant licensing/statutory authority. Right of access shall be given to the landlord or his agents for carrying out inspection/repair/maintenance works to the said installations throughout 24 hours and in case of emergency.
26. The successful tenderer should be required to carry out fitting-out works for the premises to meet the requirements of the Buildings Energy Efficiency Ordinance (Cap.610) and Building Energy Code of the Electrical and Mechanical Services Department (EMSD). All the costs involved shall be borne by the tenant. The tenant is also responsible for their future maintenance.
27. The successful tenderer is advised to obtain FSD's consent on specific requirements for the proposed trade at his own arrangement and to apply for a valid licence from the relevant authority. The successful tenderer is responsible for installation and subsequent maintenance of all required standalone F.S. system. All the costs involved shall be borne by the tenant. Battery operated emergency lighting and exit sign, if required, shall be provided by the tenant and fed by his own electrical system. The tenant is also responsible for their future maintenance.
28. The successful tenderer shall be required to install his own air-conditioning system on the premises and the air-conditioning plant/condenser must be placed in the reserved space as approved by the Housing Department. Prior approval from Estate Housing Manager is required before any installation work of air-conditioning plant/condenser and routing of pipe/duct. Properly connected condensation drainage should be provided where air-conditioning units are used. All the costs involved shall be borne by the tenant.
29. Tenderers are advised to note that pipes for floor drain are provided in the premises. Any modification works shall be subject to prior approval from Estate Housing Manager and the cost involved shall be borne by tenant.
30. Tenderers are advised to note that there is no provision of pipe for metered water supply in the premises.
31. The successful tenderer should apply to the relevant public utility company and Water Authority directly for the installations of the electricity meter and water meter (if necessary) with whole cost borne by the tenant. Any delay in application or approval shall have no effect on the commencement date of the tenancy. The successful tenderer shall only commence business on such date as may be fixed by HA.
32. Tenderers are advised to note that throughout 24 hours and in case of emergency, right of access shall be given to the landlord or his agents for carrying out inspection, repair or maintenance works to building works and/or building services installations for other premises in the estate which are/will be routed through the said shops. Sufficient access panels shall be provided for the landlord in carrying out inspection, repair or maintenance works to building works and/or building services installations in case of fitting and furniture installed by the tenant. The landlord has the rights to request the tenant to remove tenant's installation including false ceiling and furniture at his own cost for the sake of inspection, repair or maintenance works by the landlord or his representatives.

33. Tenderers are advised to note that ventilation louvre(s)/opening(s) or/and ventilation duct connection point(s) is/are provided in the premises, any modification and upgrading shall be subject to prior approval of Estate Housing Manager and the costs for any upgrading shall be wholly borne by the tenant. The tenant shall install the air intake and/or exhaust ducting(s) with related equipment and fire dampers (if necessary) at his own cost to fulfil relevant authorities' licensing requirement/fitting-out guidelines. The tenant shall be responsible for the maintenance and management of the air intake/exhaust ducting(s) and fire dampers (if any) and shall cause the least impact to the aesthetic outlook of the estate. Prior approval from Estate Housing Manager is required before installation works.
34. Tenderers are advised to note that Communal Aerial Broadcast Distribution (CABD) outlet and telephone conduit are provided in the premises. Any upgrading works shall be subject to prior approval from Estate Housing Manager and all the costs involved shall be borne by the tenant. The successful tenderer has to liaise with the Telecommunication Companies for services application.
35. Tenderers should note that when the shop premises is completed, as Fu Tip Estate may still be under construction, hoardings will be erected along the construction sites until the works are completed. Besides, the shop premises will open in phases to tie in with the project development of the estate. Notwithstanding the effect of the construction works or phased opening, be it positive or negative towards commercial tenants, the rent stipulated in the tenancy agreement with the HA shall remain unchanged throughout the lease term.
36. During the fitting-out of the premises, the tenant is required to erect hoardings to the premises and minimize the nuisance caused to the public as far as possible. The design and decorative painting on the hoarding should be up to the satisfaction of Estate Housing Manager.
37. Tenderers should note that glass/metal door are provided for premises. The successful tenderer 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 subsequent maintenance of the concerned glass/metal door. All the costs involved shall be borne by the tenant.
38. Tenderers are advised to note that no roller shutter will be provided to fire escape exit(s) and part of the shop front.
39. The tenant is required to install and at all times maintain displays of merchandise goods or services in the shop front windows or showcases of the premises to the satisfaction of Estate Housing Manager to a standard and composition appropriate in the opinion of 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 Estate Housing Manager that such display will in the opinion of Estate Housing Manager affect the reputation or standing of the estate.
40. No neon sign or sign of any kind to any part of the external walls of premises will be permitted. The glazed shop front provided by HA shall not be removed or altered in any way. The tenant is required to fit out the shop including the false ceiling, shop signs etc., according to the colour scheme and specifications laid down by the Estate Management Office. Details of the fitting out criteria are available from the Estate Management Office.
41. The tenant is reminded not to affix or cause or permit any poster signboard or advertising matter of any kind to be affixed to any part of the exterior of the said shop or the shop front glasses except such as has been approved by Estate Housing Manager in writing and then only in a place and in a manner approved by Estate Housing Manager. Poster stands or notice boards shall be designed for this purpose with prior approval. All displayed notices and publicity materials within the said shop shall not be in hand-written form.

42. The tenant should at his own expense to keep lit all shop front, windows, showcases and shop sign of the premises during the opening hours of the premises and core business hours of the retail facilities of the estate.

43. The tenant is advised to note that the shop front areas including but not limited to the glass panes and the entrance areas of the shop premises should not be obstructed by the tenant's fixtures and fittings. Unless with the Landlord's approval, any fixtures or display units located along the frontage area is required to set back at least 100mm and display units shall not exceed 1350mm in height. Fixtures or display units exceeding 1350mm in height shall be positioned inside the shop premises against the back wall.

44. The tenant should keep the shop open for business at all times of the year daily during core business hours of the retail facilities of the estate.

45. All gates of any material installed at the shop front, if any, must remain open during the business hours.

46. Tenderers should note that the intake schedule of domestic flats of Fu Tip Estate (Phase 1) is anticipated to be as follows :

<u>Fu Tip Estate</u>	<u>Name of Block</u>	<u>Anticipated Intake Schedule (starting month)</u>	<u>No. of Flats</u>
Phase 1	Ban Tip House	July 2021	655

Note: The above information is subject to change without further notice.

Tenderers are advised that delay in the completion of building works and other circumstances unforeseen at the time of this tender may affect the handing over date of the premises and the build-up of the population of the estate. Tenderers must take the above into consideration when making their tenders and no requests of variation in rent will be entertained during the tenancy term. For occupancy counting, the number of flats let in any month shall mean rental estate flats let with dates of commencement of tenancies falling within those months; and Home Ownership Scheme flats where the keys have been handed over to owners. The number of flats to be used as a basis for calculations will be determined by HA. HA may in its absolute discretion grant a rent rebate of the agreed rent in the circumstance that in the ensuing months of the above specified intake schedule the accumulated total number of flats let at the end of the preceding month is less than the accumulated total number of flats scheduled for intake up to that month as specified above. Rent rebate may be arranged as follows:

<u>Flats occupied as percentage of flats within catchment area scheduled for intake</u>	<u>Rent payable as percentage of rent stated in tenancy agreement (rounded to nearest \$100)</u>
above 90%	100%
above 80% up to 90%	85%
above 70% up to 80%	70%
above 60% up to 70%	60%
above 40% up to 60%	40%
above 20% up to 40%	20%
up to 20%	10%

Any such rent rebate should come into effect in the ensuing month of the intake schedule and will only be granted to the tenant for a maximum period of 36 months starting from the commencement date of the first commercial tenancy of the commercial centre. In all cases, full rent will become payable once over 90% of the flats in the estate scheduled for intake by the preceding month are let as specified above or after the expiry of the 36 months rent adjustment period starting from the commencement date of the first commercial tenancy of the estate/commercial centre, whichever is the earlier date. For the commercial letting with rental offer at 'base' or 'turnover' rent calculated against the amount of the monthly turnover, whichever is the greater, the rent rebate cease to apply for the month when turnover rent becomes payable. Irrespective of the amount of rent paid, air-conditioning charges and rates should be payable in full without adjustment.

47. Tenderers are advised to note that delay in the completion of building works and other circumstances unforeseen at the time of this tender may affect the handing over date of the premises and the build-up of the population of the estate. Tenderers must take the above into consideration when making their tenders. Agreed rent is not subject to variation whatsoever. The successful tenderer makes no claim of any kind whatsoever against HA in the event of any delay of intake. The successful tenderer will be notified individually the intake arrangement by the Estate Housing Manager in due course.

48. The successful tenderer shall only commence business on such date as may be fixed by HA.

49. Tenderers are requested to note that the premises under tender as listed above do not represent the total number of premises available for letting in the estate. There are some other commercial premises in the estate which have been let/will be let by open tendering or by means other than open tendering for the above-mentioned trade(s) or other trades as HA may in its absolute discretion determine.

50. Tenderers are advised to note that HA may at any time appoint property management agents to manage, subject to the supervision by HA, any selected estate/shopping centre of which the premises form part on such terms and conditions as HA shall deem fit.

51. Tenderers are reminded that HA has kept a central record of those ex-commercial tenants who have breached the terms and conditions of the tenancy. Tenders submitted by these ex-commercial tenants who have been in breach of the terms and conditions of the tenancy may not be considered.

52. Tenders, in duplicate, must be made in the Form of Tender attached and enclosed in a sealed envelope clearly marked "Fu Tip Estate (Phase 1)- Shop". Any tender not marked with the name of the Estate on the cover of the sealed envelope may be invalidated.

53. Completed Tender Forms must be deposited in the Tender Box located in the Commercial Properties Management Unit of the Estate Management Division, Housing Department at Wing A, Level 3, HKHA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon before 10:00 a.m. on Friday, 16 April 2021. Late tenders will not be considered. HA will not be responsible for any mislaid tenders submitted by methods otherwise.

54. The tender closing time and date will automatically be deferred to 10:00 a.m. on the following Monday or next earliest possible working day of the following week in the following circumstances:

- (i) If Tropical Cyclone Warning Signal No. 8 or above is issued before and remains in force for any duration within two (2) hours before the tender closing time on the tender closing date; or
- (ii) If a "Black" Rainstorm Warning is announced by the Government (via the Information Services Department) before and remains in force for any duration within two (2) hours before the tender closing time on the tender closing date; or

- (iii) When the Director of Housing announces the closure of the Hong Kong Housing Authority Customer Service Centre due to unforeseen circumstances and remains closed for any duration within two (2) hours before the tender closing time on the tender closing date.

For the avoidance of doubt, the tender closing time and date will remain unchanged if Tropical Cyclone Warning Signal No. 8 or above or the “Black” Rainstorm Warning is lowered or cancelled, or the Hong Kong Housing Authority Customer Service Centre is reopened, two (2) hours or more before the tender closing time on the tender closing date.

55. For enquiry, please phone : 2694 4408.

56. Where there is a conflict between the General Conditions of Tender and the Special Conditions of Tender, the Special Conditions of Tender shall prevail.