

Memorandum for Cabinet by the Hon. Minister of Works  
and Housing

Rent of Government Premises let by Tender

Some months ago the present Administration revised the policy of the Colonial Administration of leasing new Government dwellings partly at rentals assessed by the Public Works Department architects (to direct cases and by points) and partly by tender to the highest bidders. It was decided that no new Government dwellings becoming available during the current 5-Year Plan should be leased by tender.

The tenants of Government dwellings let by tender are asking that the rents of their premises be reduced to the level assessed by the Public Works Department Engineers. They are supported by a very large section of the people's representatives in Parliament and by other recognised bodies who had all along been very much against the tender system.

These tenants offered the rent they are paying of their own free will and they were granted the lease solely because the rent offered by them was higher than that offered by others - in some cases by a few shillings only. They were moreover bound by a lease agreement to retain the lease for at least four years, being at the same time granted to option to stay on for a further four years. To revise the rent with a view to lowering it before the lapse of the initial period of four years would perhaps be unjust on other tenderers who were unsuccessful because their offer (presumably higher than the estimated rent) was a little lower than the actual rent offered by the successful tenderer, but it must be remembered that many of the successful tenderers offered rents which they could ill-afford to pay because they had no other means of improving their housing position.

Once the letting policy has been revised and the tender system removed, tenants of tender premises should not be made to continue paying high rents indefinitely, and it is felt that once they have fulfilled their contractual obligations they should be treated as ordinary tenants, paying rents ordinarily charged to others. Should these tenants elect to move out of their premises on completion of the first four year period, their premises would not be let at the tender rates but at the rates assessed by the Public Works Department.

Hon. Ministers are, therefore, asked to agree that the rent payable by tenants of tender premises should be at the rate assessed by the Public Works Department on completion of the contractual four year period of occupation.

22nd January, 1966.

M.H.14/62