

FEHD Market Stalls Auction Rules and Conditions

A. Introduction

- (1) Subject to the Participation Conditions below, the basic rule is that a stall will be allocated to the person making the highest bid (which will be repeated thrice) at the fall of the hammer. The Food and Environmental Hygiene Department (the Department) reserves the right to withdraw any stall from being auctioned before the fall of the hammer.

B. Participation Conditions

- (2) Except those persons specified in paragraph (3) below, the following persons can take part in an open auction-
 - (a) any person who is 18 years of age or above and is an ordinarily resident in Hong Kong. (Please refer to Section 2 of the Immigration Ordinance (Cap. 115) for interpretation of “ordinarily resident”.);
 - (b) a charitable organization which has been approved by the Department to take part in open auctions and is represented by an authorized representative with proper documentary proof to show his capacity (such authorized representative must be 18 years of age or above).
- (3)
 - (a) Except for item (3)(b) below, a stall tenant, whose tenancy has been terminated due to breach of tenancy condition or relevant legislation, will be disqualified from bidding for any market stall for one year from the date of termination.
 - (b) A stall tenant, whose tenancy has been terminated due to non-payment of rent, is prohibited from bidding for any stall until the rental in arrears plus interest thereon are settled.
 - (c) An existing stall tenant, who is repaying any rentals in arrears of the tenancy by instalments, is prohibited from bidding for any stall until the rentals in arrears are settled.
 - (d) Any person who rents the same stall in a public market twice each time for a period of three months or less within a period of 12 months will be blacklisted and prohibited from bidding any stall in that particular market for 12 months, counting from the date of termination of the second tenancy (Tenants renting market stalls on a short-term tenancy are excluded).
 - (e) A bid by a person, who is prohibited from bidding for any stall, shall become null and void even if the bid is accepted.

C. Deposit and Market Stall Rent

- (4) A successful bidder is required to pay at the fall of the hammer –
 - (I) Stalls not let on short-term tenancy

- (a) a deposit equivalent to two months' rent plus air-conditioning charge (if applicable). Subject to clause (4)(I)(b) below, this deposit is refundable when the tenant delivers vacant possession of the stall to the Department on or before the effective date of termination of the tenancy after giving notice in writing to the Department in accordance with the relevant clauses in the tenancy agreement; and
- (b) one month's rent and air-conditioning charge (if applicable). Thereafter, rent and air-conditioning charge (if applicable) are payable monthly in advance. The tenancy cannot be terminated by the tenant in the first three months after the commencement of the tenancy agreement. If the tenant terminates the tenancy within the first three months after the commencement of the tenancy agreement, the tenant shall pay to the Department an amount equivalent to three months' rent plus air-conditioning charge (if applicable), less the same he has paid under the tenancy agreement for any period which falls within that three months. The amount to be paid is in addition to any other charges or costs due to the Department.
- (c) Bidders should note that the government will put in place an arrangement to adjust market rental annually to catch up with inflation commencing 1.7.2017,. Specifically, those entering into non-short-term tenancy agreement with the government through the open auction of vacant market stalls in the public markets, the rental of these public market stalls will be adjusted annually on the due date for rental adjustment as to be specified in the tenancy agreement, as the case may be, in line with the average of the year-on-year rates of change in Consumer Price Index(A)(CPI(A)) in the 12-month period six months preceding the respective rental adjustment dates.

(II) Stalls let on short-term tenancy

- (a) a deposit equivalent to one month's rent plus air-conditioning charge (if applicable). Subject to clause (4)(II)(b) below, this deposit is refundable when the tenant delivers vacant possession of the stall to the Department on or before the effective date of termination of the tenancy after giving notice in writing to the Department in accordance with the relevant clauses in the tenancy agreement; and
- (b) one month's rent and air-conditioning charge (if applicable). Thereafter, rent and air-conditioning charge (if applicable) are payable monthly in advance. The tenancy cannot be terminated by the tenant in the first month after the commencement of the tenancy agreement. If the tenant terminates the tenancy within the first month after the commencement of the tenancy agreement, the tenant shall pay to the Department an amount equivalent to one month's rent plus air-conditioning charge (if applicable), less the same he has paid under the tenancy agreement for any period which falls within that one month. The amount to be paid is in addition to any other charges or costs due to the Department.

D. Payment of Rent and Deposit

- (5) Immediately after bidding the stall, a successful bidder will be required to register in person on the spot in his/her own name as tenant of the stall bid and to pay the deposit and rent plus air-conditioning charge (if applicable) as mentioned in paragraphs (4) in cash or by cheque. Post-dated cheques will not be accepted.
- (6) No refund of deposit will be made if a bidder abandons his tenancy right of the stall after his successful bidding.
- (7) No refund of deposit will be made if the successful bid becomes null and void for reason stated in paragraph (3) above.
- (8) If the successful bidder fails to take the necessary steps to become the tenant of the stall, the successful bidding will be revoked with no refund of deposit and the auctioneer is entitled to put the stall up for "re-auction".

E. Signing of Tenancy Agreement

- (9) A successful bidder will be invited by letter to sign a tenancy agreement for 3 years (except otherwise specified), or 3 months for short-term tenancies, at the following offices –

For market stalls in Hong Kong

Hawkers and Markets Office (Hong Kong) - 8/F, Lockhart Road Complex, 225 Hennessy Road, Wan Chai, Hong Kong

For market stalls in Islands District

Islands District Office (Environmental Hygiene) - 6/F, Harbour Building, 38 Pier Road, Central, Hong Kong

For market stalls in Kowloon

Hawkers and Markets Office (Kowloon) - 2/F., 148 Sai Yee Street, Mongkok, Kowloon

For market stalls in the New Territories

At respective district offices

(Specimen of the tenancy agreement is available for inspection at the above Hawkery and Markets Office and respective district offices during office hours.)

- (10) Market stall tenant shall not assign, sublet, transfer or otherwise part with any of the benefits or obligations of the stall tenancy agreement. Before entering into the market stall tenancy agreement with this Department, a successful bidder shall sign a declaration (a sample at [Appendix I](#)) that he/she shall not assign, sublet, transfer or otherwise part with any benefits or obligations of the stall tenancy agreement.
- (11) If there are additional installations left behind by the ex-tenant in the stall, the successful bidder will be required to sign an undertaking (a sample at

[Appendix II](#)) to acknowledge his acceptance of such installations and the associated rights and obligations before entering into the tenancy agreement.

- (12) A successful bidder will be required to enter into agreement and to sign the declaration and undertaking (If applicable) on the date specified in the letter prescribed in paragraph (9) above. Failure to enter into tenancy agreement and to sign the declaration and undertaking (If applicable) within two weeks from the date specified, save with the approval of the Department, will lead to forfeiture of the deposit and his/her right to lease the market stall.

F. Transfer or Succession of Tenancies

- (13) Bidders should note that transfer or succession of the tenancy agreements signed by successful bidders is not permitted. However, this does not affect the rights of a tenant's legal personal representative.

G. Erection of Cooked Food Stall Structure

- (14) A successful bidder for a stall designated as being used for the sale of cooked food shall provide a structure in strict conformity with the design and dimension specified by the Department if no such structure has already been provided.

H. Communal Seating of Cooked Food Centres and Cooked Food Markets

- (15) Cooked food centres and cooked food markets under FEHD generally offer communal seating, which is for the shared use of all customers and not for the exclusive use of any one stall. According to the tenancy agreement, a tenant shall not in any manner occupy the communal seating for the exclusive use of his/her stall.

I. Supply of Electricity and Water

- (16) The successful bidder himself is required to arrange for the supply of electricity and water direct with the Hong Kong Electric Co. Ltd./China Light and Power Co. Ltd. and the Water Supplies Department.

J. Stall Usage

- (17) The Department reserves the right to specify from time to time the number of stalls to be designated for selling the prescribed commodities or to vary the specific purpose or use of an individual stall in a market.

K. Additional Installations of the Stall

- (18) There are additional installations (e.g. roller shutter, wire-mesh stall top cover, etc) left behind by the ex-tenants in some of the market stalls. The Government does not guarantee that such installations are fit for use by the incoming tenants or are in good working condition. Subject to the consent of the Government, an incoming tenant may remove such installations at his

own expense. He will be responsible for the removal and disposal of the installations (except those allowed to be retained in the stall with Government's permission) upon expiry or termination of the tenancy at his own expense.

- (19) Information on stalls with additional installations and details of such installations can be found in **Annex I**, **Annex II** (If applicable) and **Annex IV** (If applicable).

L. Surrender of Hawker Licence

- (20) Successful bidders shall surrender to the Director of Food and Environmental Hygiene any hawker licences held by them upon the tenancy of the market stall commences. If for any reasons the tenancy agreement is terminated in future, the cancelled hawker licences will not be returned.

M. Prevention of Bribery / Collusion

- (21) Bidders are advised that it is an offence under Sections 7(1) and 7(2) of the Prevention of Bribery Ordinance (Cap. 201) for any person to offer an advantage or to solicit or accept an advantage respectively as an inducement to or reward for refraining from bidding at an auction. Anyone who defrauds the Department at an auction by dishonest means is liable to criminal prosecution.
- (22) If the auctioneer suspects that someone is conspiring to refrain from competitive bidding causing everyone to win the bid for their stalls at the upset prices during an open auction, the auctioneer has the right to revoke the bidding and withdraw the market stall from the auction even if the bid is accepted.
- (23) A successful bidder shall submit on the spot to the Department a warranty (a sample is at [Appendix III](#)) signed by him/her in the presence of the Department officers immediately after he/she has successfully bid the stall, failing which his/her bid will be revoked, and the auctioneer may put up the relevant stall for re-auction at any time or make other decisions.

N. Remarks

- (24) This Department may arrange for the retro-fitting of air-conditioning system in some of the markets/cooked food centres. Please note that the tenants of the market concerned would be required to pay the air-conditioning system recurrent and maintenance costs after the completion of the installation works. In addition, some of the market stalls may be affected during the installation of the air-conditioning systems.
- (25) According to the past auction experience, the successful bids in respect of some stalls may become null and void for some specific reasons, and the auctioneer would immediately on the spot put up the stalls for re-auction. Therefore persons who are unsuccessful in bidding a particular stall in the first attempt are requested to wait until the deposit and rent of the stall have

been paid and registration of the stall has been completed, or else they will miss the chance of bidding the stall when it is put up for re-auction.

- (26) With a view to providing one more chance for the bidders who have not decided to offer bid in the first round of the auction, a second round of auction for the unbid stalls will be held immediately after completion of the first round auction. The auctioneer will announce such arrangement before conducting the first round auction.
- (27) The first and second rounds of auction are for stalls not to be let out on short-term tenancy. Successful bidders are required to sign a tenancy agreement for a term of three years (except otherwise specified). Afterwards, the auctioneer will conduct another round of auction for stalls to be let out on short-term tenancy. Successful bidders are required to sign a tenancy agreement for a term of three months. The auctioneer will announce such arrangement before conducting the auction.
- (28) By making a bid, the bidder represents that he/she agrees to be bound by the above auction rules and conditions.

Food and Environmental Hygiene Department
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