



THE HONG KONG INSTITUTE OF
SURVEYORS

香港測量師學會

20 August 2015

By Fax (2845 3489) & Post

The Honourable Paul Chan, MH, JP
Secretary for Development
Development Bureau
18/F, West Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Mr Chan,

The Hong Kong Institute of Surveyors (HKIS) - Land Supply Policy Discussion Forum

Thank you for delivering a keynote speech at the captioned Forum organised by the HKIS Land Policy Panel on 6 July 2015, and outlining Government's multi-pronged strategies in tackling the shortage of land supply.

The Forum also featured the presentations made by Sr P C Lau SBS, Sr Victor So JP and Sr the Honourable Tony Tse BBS, Legislative Councillor. Representatives from the Lands Department and Planning Department were also present. The Forum brought out valuable comments from the guest speakers and our members so as to assist the Hong Kong SAR Government to address the various issues identified.

On behalf of the HKIS, I have much pleasure in summarising the views, comments and recommendations regarding land supply policies collected during the Forum.

1. General

As HKIS members have a very significant involvement in the development and construction fields, adequacy of developable land and housing supply are of great concern to us. We appreciate that the Development Bureau is endeavoring to explore various strategies to increase land supply including:-

- New Town Developments – North East New Territories (NENT), Hung Shui Kiu, Tung Chung New Town Extension and Kwu Tung North.
- Rezoning land designated for other purposes such as Country Park and Green Belt to Residential uses.
- Potential reclamation sites.
- Utilise other purpose land including sewerage treatment plant site, disused quarries and caverns.
- Land use reviews and increase development intensity.

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2. Other Possible Strategies Discussed at the Forum

To increase short-to-medium term land supply, guest speakers and members proposed and discussed various initiatives to streamline the land administration and planning processes, and examined the other potential sources of land.

- Country Park land as a potential source – in particular, sites with low ecological value.
- Removal of planning constraints of Comprehensive Development Areas (CDAs) and Residential (E) (R(E)) zones.
- Relaxation of density control at the outskirts of New Towns.
- Streamline the premium assessment process in lease modification.

3. Development of Country Park Land

Opinions towards development of land within country parks were diverse. Sr P C Lau brought up the idea of developing land within country parks with low ecological value for its readily availability and low development cost. He proposed for the Government to establish a comprehensive platform to discuss the issue with multiple perspectives from specialists, scholars, and other stakeholders.

Some members echoed with Sr Lau as Hong Kong is facing an acute shortage of developable land. Portions of country park land at the fringes can be developed, given that the country parks, as a whole, account for as high as over 40 percent of the total area of Hong Kong – much higher than in South Korea, Japan, United States and Singapore. Slight decrease in the ratio in return for the much needed developable land is worth considering.

One of the members felt strongly against it and stressed that making use of country park land should be the last resort. Instead, brown field sites such as unused agricultural land and idle industrial buildings should be looked at carefully for residential use. He pointed out that special waiver at nil premium to encourage conversion of industrial buildings into commercial use was well received. Similar approach can be considered to speed up the supply of residential units from conversion of industrial buildings.

Many of our members have different views on the development of country park land. The HKIS would need to gather further feedbacks and comments from our members on this subject.



4. Removal of Planning Constraints of CDAs and R(E) zones and streamlining processing of planning applications

Members doubted the effectiveness of CDAs. Each CDA usually covers sizeable area of land. From the research of Sr Tony Tse, there are 65 CDAs in the urban areas, including Tsuen Wan and Kwai Ching, which totally account for circa 160 hectares. To-date, only 6 of them have been implemented covering a total area of 36 hectares. 69 CDAs are in the New Territories, covering a total area of 560 hectares. Only 8 of them have been implemented so far with a total area of 66 hectares. The difficulties in developing sizable CDAs have much to do with the multiple ownerships. Negotiation for consensus to development is often time-consuming and fruitless.

Members suggested reviewing the CDAs and streamlining the processing of planning applications. It becomes a common practice for Government departments to dig into extremely detailed technical matters in planning applications, which can be more appropriately dealt with through imposition of planning approval conditions. As a result, over excessive time is wasted in resolving unnecessarily detailed matters in the "planning" stage. Suggestions include the following:-

- Minimize the number of CDAs.
- Limited number of Impact Assessments be required upon planning applications.
- Focus mainly on Land Use Compatibility and broad brush Traffic Studies or other necessary technical studies in considering planning applications.
- Detailed technical assessments to be dealt with in planning approval conditions.
- Downsize and breakdown large CDAs to facilitate early implementation.
- Rezone CDAs to specific uses according to planning intention.

For R(E) zones, members proposed to include more compatible uses such as 'Hotel' and that the special waiver policy be applicable for wholesale conversion.

5. Relaxation of Density Control

Some members suggested relaxing the density control of the land at the outskirts of New Towns.

6. Streamlining Premium Assessment Process in Lease Modification

Dispute on premium assessments in the course of Lease Modification/Land Exchange has been considered a dead-lock standing in the way of the development of privately owned land. Members proposed the following:-

- More promotion be made of the Pilot Scheme for Arbitration on Land Premium.



- Enhance communications between the Lands Department and members of the HKIS.
- Regular updates of cost items in premium assessment such as construction and marketing costs by Lands Department.
- Standardisation of premium rates: Members proposed that the modification process be simplified by adopting the zonal premium rates for different uses in different geographical districts. A pilot scheme can be implemented at the initial stage. Precedents of adopting the standard rates systems include acquisition of agricultural land and the waiver fees for upper floors industrial accommodation.
- Re-establish the Modification Section in Lands Department: Centralisation of handling lease modification/ land exchange cases will enhance effectiveness and efficiency.

7. Conclusion

The HKIS appreciates the Government is putting much emphasis on looking for alternate ways and means to increase long-term land supply. For short-to-medium term strategies, the HKIS would suggest the Development Bureau to consider streamlining the land administration and planning processes so as to facilitate the private sector's participation in land supply and to help unlock the under-utilised land resources that are currently lying idle.

We sincerely hope that the above ideas and proposals will be further explored. We would be pleased to share our views with you. Please feel free to contact myself and/or the HKIS Secretariat on 2526 3679 if you require more information or would like us to elaborate on the above views.

Thank you for your attention.

Yours sincerely,

Sr Vincent Ho
President
The Hong Kong Institute of Surveyors

- cc Mr Eric Ma, Under Secretary for Development (By fax only)
Mr Allen Fung, Political Assistant to Secretary for Development (By fax only)
Sr P C Lau, Member of Lantau Development Advisory Committee, HKSAR (By fax only)
Sr Victor So, Chairman of Urban Renewal Authority (By fax only)
Sr the Honourable Tony Tse, Legislative Councillor (By fax only)
Sr C K Lau, Chairman, HKIS Land Policy Panel
Sr Tony Chan, HKIS Land Policy Panel Forum Moderator