



THE HONG KONG INSTITUTE OF  
**SURVEYORS**

香港測量師學會

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By Fax (2147 5770),  
Email ([policyaddressbudget@fstb.gov.hk](mailto:policyaddressbudget@fstb.gov.hk)) & Post

Policy Address and Budget Consultation Support Team,  
24/F, Central Government Offices,  
2 Tim Mei Avenue, Tamar, Hong Kong

Dear Sirs,

### Re: HKIS Views to 2016 Policy Address and 2016-17 Budget

The Hong Kong Institute of Surveyors (HKIS) is the only professional organization representing the surveying profession in Hong Kong. Our members contribute immensely in the real estate and construction industry, of which is highly related to everyone in Hong Kong from public / private housing, employment opportunities to competitiveness of Hong Kong etc.

On behalf of the Hong Kong Institute of Surveyors (HKIS), I have much pleasure in submitting our views and expectations as below for your consideration.

#### 1. Housing

Increasing Hong Kong's public and private housing supply remains one of its most pressing concerns. While the government is trying hard to increase supply through various means, the following issues must be addressed:

##### 1.1 Public Rental Housing (PRH)

The current speed of new unit construction falls short of the target of 200,000 units from 2015-2024 and, thus, cannot meet the target of three years for first allocation to applicants on the waiting list. As PRH theoretically caters to the lowest income groups, more affluent PRH households should be encouraged to move to Home Ownership Scheme (HOS) flats, which is one step up on the housing ladder, so as to release their units to needier prospective tenants. The prerequisite is that there is sufficient HOS flats to underwrite the motivation scheme to encourage relatively affluent PRH households to upgrade, which could include a monetary incentive.

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## **1.2 Subsidised Housing**

- 1.2.1 In view of the present wide price gap between HOS and private housing, there is a need to create another category of subsidised housing in between to make the housing ladder more complete.
- 1.2.2 The government should devise a scheme to motivate existing HOS owners to upgrade to private housing at an appropriate time (e.g. when private housing prices have stabilised at a certain level).

## **1.3 Youth Hostel**

The current progress of youth hostel development is slow, as most hostel projects are tied in with NGO projects, for which the land grant process is very time-consuming due to a public funding approval requirement. The government should review and streamline this process.

## **1.4 Senior Citizens' Housing**

With its rapidly aging population, Hong Kong's land grant conditions should include senior citizens' housing in its developments, which may assume the following forms:

- (i) homes for the elderly or
- (ii) a mix of smaller units designed for the elderly, like what the Housing Society is developing.

Either would enable the families of the elderly to care for them by potentially being nearby. Western examples may not be good references, as the Chinese have traditionally cared for their parents.

## **2. Building**

### **2.1 Building Safety**

- 2.1.1 The Hong Kong Institute of Surveyors (HKIS) has proposed the government to establish a Building Repair and Maintenance Authority (BRMA) to regulate the market and practitioners of building repair and maintenance works for private building of multi-ownership and submitted to the Development Bureau and Home Affairs Bureau in 2014. This year, a supplementary proposal was prepared with the aims to formulate an implementation plan for setting up the BRMA. HKIS proposed a



transitional body named “Building Repair and Maintenance Advisory Committee (樓宇維修工程諮詢委員會) (BRMAC)” to be established during the transitional period before setting up of the BRMA.

- 2.1.2 Building maintenance and repairs require extensive professional knowledge in surveying practice. The Home Affairs Department, as an effective communications channel to encourage the public to form OCs, should consider strengthening the co-operation with other relevant bureau and/ or departments, which are responsible to formulate and implement of the Buildings Ordinance, to jointly deliver the knowledge about maintenance and repairs work in technical aspects to the general public. The HKIS is pleased to offer opinions and discuss with the concerned parties if required.

## **2.2 Sub-divided Flat Units**

- 2.2.1 The Institute acknowledges the function of sub-divided units (the “SDUs”) in satisfying the present housing need of the Hong Kong Society at large, in particular, the low-income families and eradication of all SDUs is not practical and realistic. However, we note the safety and hygiene conditions of many SDUs are far below the acceptable level which requires immediate improvement.
- 2.2.2 Noting the great hardship to meet the prevailing requirements of the Building Regulations, we strongly suggest the Government to formulate a separate set of interim design and construction requirements allowing certain degree of concession of the current Building Regulations requirements to gauge the standards of improvement works. We see a pragmatic approach should be adopted to allow more SDUs could be preserved after necessary improvement. In view of the compromised standard of most SDUs, we consider licensing or registration is not an appropriate means to regulate the SDUs. Instead, a validation scheme may be more practical to encourage improvement of sub-standard SDUs alongside with strengthened enforcement actions by the Government with a view to phase-out the sub-standard SDUs in long run.
- 2.2.3 In parallel, sufficient transitional housing is required to accommodate SDU tenants affected by the improvement works or government enforcement actions by way of temporary buildings at unallocated government land or conversion of other vacant government buildings or extension of existing public housing buildings. We suggest the Government in allocating an



extra funding for temporary housing for SDUs upon the enforcement action to be exercised by Buildings Department and increase the manpower resources of Buildings Department.

- 2.2.4 In long run, we urge the Government to set out a clear policy to promote design and provision of small residential unit for singleton and elderly persons.

### **2.3 Healthy Built Environment**

- 2.3.1 The Institute also notices that a number of existing old residential buildings which have yet reached its economic life are lack of maintenance and quickly becoming dilapidated that would reduce its attractive in the second hand property market and hence the supply transactions. The situation is worsen under a cyclic action where the dilapidation is accelerated making redevelopment of building is the only solution, this would cause lots of existing old buildings stacked in the market with lower utilization rate or become unauthorized sub-divided units.

## **3. Land Supply**

### **3.1 General View**

- 3.1.1 We appreciate that the government endeavours to explore various strategies to increase Hong Kong's land supply, such as developing more New Towns, exploring potential reclamation sites, and utilising other purposed land including sewage treatment plant sites and caverns. We also urge the government to conduct regular land use reviews and increase development intensity. This would help the general public to better understand the pipeline of land supply through a relevant database of re-zoning applications, planning studies, etc.

- 3.1.2 To increase short-to-medium term land supply, the government should consider enhancing and streamlining the planning and land administration process with an aim to: (1) minimise works and approval processes that do not create value for the community and (2) set target times and monitoring processes for the approval of overall plans rather than of the individual steps of individual departments.

- 3.2 Comprehensively review and rezone existing CDA, R(D), and R(E) zones as normal commercial and/or residential zones and streamline the processing of planning applications**



- 3.2.1 Reviewing the effectiveness of CDA is recommended. CDA usually covers sizable areas of land. The difficulties in developing sizable CDAs have much to do with multiple ownership. Negotiations to develop a consensus on development are often time-consuming and fruitless. The government can minimise the number of CDAs, as well as downsize and break down large CDAs, to facilitate early implementation. Rezoning CDA, R(D), and R(E) zones as normal commercial and/or residential zones, according to planning intentions, would also be useful.
- 3.2.2 Streamlining the processing of planning applications would help expedite the planning process. We also suggest: (1) limiting the number of impact assessments required for planning applications and (2) focusing on land use compatibility, broad brush traffic studies, and other necessary technical studies when considering planning applications. Detailed technical assessments can be dealt with in the planning approval conditions.

### **3.3 Relaxation of Density Controls**

We suggest relaxing the density controls over the land on the outskirts of the New Towns.

### **3.4 Streamlining the Premium Assessment Process in Lease Modifications**

Disputes over premium assessments during lease modifications/land exchanges are considered deadlocks standing in the way of the development of privately-owned land. There are various ways to streamline the application and assessment processes:

- Enhance communications between the Lands Department and practitioners.
- Have the government or its consultants conduct regular studies on construction and marketing cost trends.
- Re-establish the Modification Section, as the centralised processing of lease modification/land exchange cases will enhance effectiveness and efficiency.
- Review the various assumptions of land premium assessments with a view to promoting greater land supply.
- Promote the Pilot Scheme for Arbitration on Land Premium.



### **3.5 Conclusion**

The HKIS appreciates that the government is making significant efforts to increase Hong Kong's long-term land supply. In terms of short-to-medium term strategies, the HKIS believes that streamlining the land administration and planning processes would facilitate the private sector's participation in increasing land supply and help unlock the land resources that are currently under-utilised and/or lying idle.

## **4. Revamp of Development Control Mechanism**

- 4.1 We welcome the regular update of practice notes by the Lands Department and the Buildings Department which enhance transparency to government practices and improve the efficiency in the development process. We would suggest formal liaison channels including regular discussion forums to be set up between us and the two above government departments in relation to the update/publication of practice notes.

## **5. Land, Management and Planning**

### **5.1 Determination of Land Boundaries**

- 5.1.1 Certainty of the location of land parcels is essential for protection of the rights and interests of land owners and the government. The Government has proposed to amend the Land Survey Ordinance (Cap 473) (LSO) to provide the channel for determination of the boundaries of a lot. The Institute supports the government's policy goal to provide a legal framework to allow land owners to ascertain the extent of their property through determination of land boundaries. The Institute understands that the Government is reviewing the related issues but a concrete proposal has not been put forward for the stakeholders to comment. We think that in view of the pressing need for providing more land for infrastructure and housing development, the Government should speed up the work in developing the legal framework for implementation of determination of boundaries so as to ensure certainty of the land boundaries and thus avoiding disputes and delay in the development process.
- 5.1.2 In conjunction with determination of boundary, the Government should also establish a cadaster for Hong Kong which is a system of public records of the land boundaries which allow the public to access the cadastral survey information in an open and efficient manner.



## **5.2 Building Information Modeling (BIM)**

- 5.2.1 With reference to the latest advancement of Building Information Modeling Technology, we consider the Government should impose policy for wider implementation of BIM in Hong Kong for improving the design, construction, cost control, project management, property management, preventive maintenance and facility management. The Government should facilitate setting up assistance loan scheme and standards, providing training and promoting application of BIM in Hong Kong.

## **5.3 Spatial Data Infrastructure (SDI) in Hong Kong**

- 5.3.1 Accurate, timely and up-to-date information are necessary for making policy decisions and managing Hong Kong in an effective manner. The Government should put forward measures for further development of the Spatial Data Infrastructure (SDI) of Hong Kong which is a platform for integrating and delivering information from different sources. It is an important tool for land use management, developing land and housing strategy, urban design, town planning, environmental studies, traffic management, greening and tree management. The SDI also facilitates development of innovative services with advanced information technology.

## **6. Resumption and compensation**

- 6.1 The Institute has pointed out over the years that resumption works has become a difficult task for the respective governmental departments. Objections and resistance to clearance are often seen in most government projects that involve land resumption or site clearance. Officers who are trying to enforce the regulations may probably face unreasonable challenges or resistances from the affected dwellers. Despite the adversarial forces, we anticipate that there will be an increase in resumption works, especially in the New Territories where new town developments are at the edge.
- 6.2 In addition, it is expected that the affected parties will ask for more on their compensation and settlement packages than the packages that are supposed to be provided based on assessment under relevant Ordinances. We consider the Urban Renewal Strategy Review launched a couple of years ago was a good reference. The Government should consider to run a similar programme to engage public participation in the resumption and compensation policy for the rural districts in the New Territories, or other alternative such as resettlement. In parallel, sufficient



staffing should be increased to cope with such work. It is also important that the private sector professionals can be attracted to provide the necessary professional services for the affected parties. We look forward to the opportunity to discuss the provisions of such professional services and relevant fee issues with the Government.

## **7. Transport Planning and Management**

- 7.1 A high efficiency transport planning and management is essential to the long-term growth and economic development of Hong Kong. The Institute reiterates that apart from the mass transit transportation system, the road network planning (including pedestrians and cyclists) in Hong Kong should be compatible with the urban and/ or city developments and planning. Traffic congestion in certain urban areas is example of the lack of co-ordination and forward planning between the transport network and the city development. Daily congestion at the conjunction of the main trunk roads between the New Territories East and Kowloon hinders the new town development in New Territories East and New Territories West. The Government should strengthen the co-ordination between transports planning and town planning at policy level. With the active government land sales program, we noted that various government lands which were for car parking purposes (mainly for private cars and lorries) have ceased to be available. There are also concerns about coach parking in various tourist and shopping districts. These issues need to be studied comprehensively and solutions to be worked out to address relevant parking needs.

## **8. Public Project Developments and Professional Supports**

- 8.1 **Government Investments and Labour Supply**
- 8.1.1 We welcome the Government to allocate resource in the development of major infrastructure projects in recent years. However, we also note that the social resources particular the skillful labour force cannot cope with the need of these substantial projects. Major infrastructure projects do benefit the overall industry, however, the Government should also invest in sizeable building construction projects which would provide a unique and sustainable platform for the growth and development of the local professional firms and contractors; and provide facilities to attract sufficient new blood to enter the construction industry in order to meet the demand of the sustainable development of the industry.





- 8.1.2 We suggest the Government to review the existing labour supply market in the construction and building industry to ensure that sufficient labour supply can be provided for public and private projects.

## **8.2 Budget Over-run on Major Infrastructure / Civil Engineering Projects**

- 8.2.1 For infrastructure projects under the current Government form of contract for Civil Engineering Works, the Engineering Consultant handles all design, contract administration and cost control functions. We consider that the Engineering Consultant is acting as both “the judge and the accused” when evaluating any claims submitted by the Contractor arising from his design or instructions. The Engineering Consultant may not be seen to be neutral and impartial in carrying out these conflicting roles in design and cost ascertainment. Furthermore the widely public use of New Engineering Contract (NEC) by the Development Bureau for Public Works projects (including building construction) has the same problem as the Project Manager under the NEC shall assume the above mentioned conflicting roles.

It should be noted that the spirit of the NEC is based upon collaborative approach by contracting parties i.e. the Employer and the Contractor. The collaborative approach may not be seen to have too much problem in the private sector. However it would be considered as unjust when public money is expended in Government funded Public Works projects. It may also unnecessarily increase the risk of collusion among stakeholders of the project.

- 8.2.2 With so many cases of budget over-run on infrastructure / civil engineering projects, we suggest the Government to appoint independent cost consultants (who may be Engineering Consultants, Cost Consultants or Quantity Surveyors) to improve the cost control and contract management of these Public Works projects. Furthermore, the proposed implementation of NEC in Government projects needs to be re-considered noting the increase risk of collusion and the likely increase in project expenditure resulting from the collaborative approach in agreeing compensation events.

## **8.3 Surveying professionals**

- 8.3.1 Surveying professionals play an important role in the property, economic and social development in Hong Kong. The role of surveyor in any construction projects is indispensable and able to safeguard the public interest. For instance, General Practice



surveyors can undertake the financial viability aspect of development projects and also the role of a project manager from planning to completion; Land Surveyors would provide precise boundary and alignment setting and development related land survey service; Building Surveyors play an key role in the building safety and maintenance, particular the recent building and window checking requirement initiative, Property & Facility Management Surveyors provide a comprehensive range of services in real estate management, while Planning & Development Surveyors, because of their background training in town planning and development experiences, can contribute to the society through property development & management of public and private projects, with balanced planning, financial, socio-economic and environmental objectives.

8.3.2 Nowadays, the general public is of more concerns over the disparity between the approved budgets and the anticipated final contract sums / expenditure of some of the infrastructure / civil engineering projects. With the well proven track record of Quantity Surveyors on contract and cost administration, we would recommend the Government to appoint Independent Cost Consultants / Quantity Surveyors to carry out contract and cost administration for public works projects.

8.3.3 The surveying professionals are one of the key stakeholders and play an important role in the property and construction field. We urge the Government to make use of and promote the surveying professional in government and other development projects.

#### **8.4 Professionals in the government departments**

8.4.1 In the past decades, the Government has tried its every effort to balance the need of the society and the expectation of civil servants. One of the achievements was to appoint professionals to lead some professional governmental departments. It is particularly important when the department comes across issues where technical knowledge and impartial professional advice are required. We urge the Government to make use of the surveying professional to serve in those departments which are specialized in landed property nature and required in-depth professional knowledge. The leader of these departments should, on one hand, possess professional knowledge to guide the internal works, and on the other hand, able to communicate with the public.



## **8.5 Sustainable development of young generation**

- 8.5.1 Surveying professionals have always played their parts to maintain a healthy and stable development of construction and real estate sector. To uphold the standard of the industry, a sustainable development plan for our younger generation in an organized manner is highly recommended.
- 8.5.2 Through education, the Government may consider putting additional resources to surveying discipline organized by recognized tertiary institutions and universities immediately to cater for the society need.

## **9. Promotion of business and professional services**

- 9.1 Under the CEPA framework, the HKIS relied on the Government with its continuous efforts to facilitate our professional services to gain access to the Mainland market and to encourage mutual recognition of professional qualifications. Yet, HKIS members still encounter difficulties and limitations concerning registration procedures in the Mainland which prevent us from practice in the Mainland, even though our members do possess professional qualifications which are mutually recognized. We would like to bring this up to the Government again for attention and assistance.
- 9.2 With excellent professional expertise, strong management skills, and integrated services with international standard quality, Hong Kong's surveying professionals play an important role in developing and upgrading its infrastructure along the "Belt and Road" initiatives. In order to further promote the surveying profession and improve cooperation with countries across Asia, Europe, and Africa, we urge the government to help surveying professionals open up markets in the countries mentioned in the Central Government's "Belt and Road" initiatives.
- 9.3 In order to achieve a better result and resolve those problems encountered by Hong Kong Professionals in conducting business in Mainland, we urge the Government to consider setting up a task force led by the Secretary for Development in order to engage into a higher level discussion with the Mainland officials. This may help to address and/ or tackle the fundamental problems of the current situation. With the establishment of our Beijing Office, the HKIS is pleased to provide assistance in this regard.



The above opinions / views shall only provide you with a broad outline of those issues that we, as property and construction professionals consider as important and urgent for a better society, and that we surveyors are in the best position to offer assistance. We sincerely hope that these ideas and proposals will be further explored with your Policy Secretaries. We are more than pleased to share our views with you, please contact Ms Karen Tam on 2526 3679 if you require more information or would like to set up a brief discussion meeting on the above proposals.

Thank you for your attention.

Yours sincerely,

Sr Vincent Ho  
President  
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