

21 July 2017

By Fax (2509 0580), Email (ceo@ceo.gov.hk) & Post

Office of the Chief Executive Hong Kong Special Administrative Region People's Republic of China Tamar, Hong Kong

Dear Sirs.

Re: HKIS Views to 2018 Policy Address

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

The inadequate supply of housing both in terms of quantity and quality remains the most pressing concern of Hong Kong people. It is also regarded as one of the key causes of social discontent. More resources must be deployed to adequately provide the following.

1.1 Public Rental Housing (PRH)

- 1.1.1 The waiting time for first allocations has deteriorated to an alarming 4.5 years. The Housing Authority says that it will step up enforcement to evict households whose income and asset thresholds exceed its stated limits. The HKIS, in its "Views to the 2016 Policy Address," already suggested that more affluent households should be encouraged to upgrade to Home Ownership Scheme (HOS) flats through monetary incentives. This, coupled with appropriate enforcement, would be more effective than eviction alone and less provocative to the affected households.
- 1.1.2 If the waiting time cannot be shortened, the number of sub-divided units (劏房) rented by households on the waiting list is bound to increase and the safety of occupants of sub-divided units will be put at risk.



1.2 Subsidised Housing

1.2.1 The HKIS reiterates that given the price gap between HOS and private housing, it is essential to find ways to bridge this gap to complete the housing ladder.

1.3 Youth Hostel

1.3.1 NGOs should be encouraged to develop youth hostels within their existing compounds so that they would not have to compete for scarce land resources.

1.4 Elderly-friendly Housing

- 1.4.1 Hong Kong's rapidly ageing population reiterates the necessity of a corresponding policy to handle her housing needs.
- 1.4.2 The HKIS is conducting a study on the issue and will promulgate its recommendations soon. Principally, it considers that:
 - (i) Elderly Housing Schemes should not only be developed by referencing to elderly housing schemes of the Hong Kong Housing Society, but with modifications, so that other organisations such as the Urban Renewal Authority, and even NGOs would also be capable of developing them.
 - (ii) Elderly-friendly designs should be incorporated into privately developed projects through government land sales, incentives for redevelopment projects, and (in the long run) legislation.
 - (iii) The town planning standards should be made to echo the above. The HKIS is glad to take notice that the Hong Kong 2030+ has taken into consideration of the ageing population issue.
 - (iv) Above all, a centralised policy bureau has to be set up to oversee the hardware and software of the above suggestions. But foreseeing that this may take a while to realise, a committee led by the Chief Secretary, similar to the Commission for Poverty, should be set up as soon as possible to push ahead with appropriate measures or pilot schemes.



2. Building

2.1 Building Safety

- 2.1.1 The 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 buildings in multi-ownership since 2014. A supplementary proposal was prepared in 2015 with the aims to formulate an implementation plan for the setting up of the BRMA. The HKIS proposed a transitional body named "Building Repair and Maintenance Advisory Committee (樓宇維修工程諮詢委員會) (BRMAC)" be established during the transitional period before setting up of the BRMA.
- 2.1.2 Building maintenance and repair require extensive professional knowledge in surveying practice. The Home Affairs Department, should consider strengthening the co-operation with other relevant bureau and/ or departments, to promote the knowledge and culture of maintenance and repair works to the general public. The HKIS is prepared to offer opinions in this respect and discuss with the concerned parties if required.

2.2 Sub-divided Flat Units

- 2.2.1 The Institute realises the undesirable reality that sub-divided units (the "SDUs") are occupied as the homes of the low-income families but eradication of all SDUs in a quick pace is impractical and unrealistic. Nevertheless, we are concerned that the safety and hygiene conditions of many SDUs are far below acceptable level. Plans should be drawn up to bring about improvements to the situation.
- 2.2.2 Noting that it is difficult for the SDUs 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 for the standards of such improvement works. A pragmatic approach should be adopted to allow more SDUs be preserved after necessary interim improvement. In view of the compromised building standards of most SDUs, we consider that licensing or registration may not be an appropriate means to regulate the SDUs. Instead, a validation scheme may be more practical to encourage upgrading of sub-standard SDUs alongside with enforcement actions to phase-out the sub-standard SDUs in the long run.

- 2.2.3 Pending the long term supply of public housing, sufficient transitional housing is required in order to accommodate the occupants of SDUs affected by the improvement works or enforcement actions. We suggest erecting temporary buildings on unallocated government land or conversion of vacant government buildings or extension of existing public housing buildings for this purpose. The Government should allocate extra funding for the provision of temporary housing for the occupants of SDUs upon enforcement actions being taken by the Buildings Department and at the same time, increase the manpower resources of Buildings Department.
- 2.2.4 In the long run, we urge the Government to set out a clear policy to regulate the design and provision of small residential unit for singleton and elderly persons.

3. Land Supply

3.1 General View

3.1.1 The HKIS appreciates that the government is determined to explore all possible strategies to increase Hong Kong's land supply. However, we also believe that the government should facilitate the private sector's participation in increasing the supply of developable land so as to unlock the privately owned land resources that are currently under-utilised and/or lying idle. We suggest that the government should enhance and streamline 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 Brown Field Sites

3.2.1 The operations at Brown Field Sites have a role to play in Hong Kong's economy. Most of them cannot be accommodated within multi-storey buildings. In order to provide incentive for them to move to make room for more appropriate developments, suitable alternative locations should be identified for such uses and government should provide the necessary infrastructures such as access roads, drainage and sewage system, etc.



- 3.3 Allocate More Resources to the Recruitment of Professional Surveyors in the Lands Department
- 3.3.1 The resources for professional surveyors in the Lands Department are not sufficient to cope with the workload. At present, staff resources are primarily allocated to land sale and land control. Private land supply through lease modification and/or land exchange has therefore been severely affected. We strongly advise the Government to allocate more resources to the recruitment of professional surveyors in order to speed up the supply of privately owned development land.
- 3.4 Review of Definitions of "Industrial Use" under Land Grants
- 3.4.1 The arguably outdated definition of "industrial use" under land grants has restricted the efficient utilisation of such resources. A review of such definition according to latest changes in the market and the land premium policy for the change of such use should be undertaken.
- 3.5 Comprehensively Review and Rezone CDA, R(D), and R(E) Zones as Commercial and/or Residential Zones and Streamline the Processing of Planning Applications
- 3.5.1 Reviewing the effectiveness of CDA zoning is recommended. CDAs usually cover sizable areas of land. The difficulties in developing sizable CDAs have much to do with multiple ownership. Negotiations to reach a consensus on development among land-owners are often time-consuming and fruitless. The government should reduce the number of CDAs, as well as downsize and sub-divide large CDAs, to facilitate early implementation. Rezoning CDA, R(D), and R(E) zones as Commercial and/or Residential zones, according to planning intentions, would also be useful.
- 3.5.2 Streamlining the processing of planning applications would help expedite the planning process. We suggest: (1) limiting the number of impact assessments required for planning applications and (2) focusing on land use compatibility, broad brush traffic and other essential technical studies at the planning application stage. More detailed technical assessments can be required as conditions of the planning approval.
- 3.6 Streamline the Premium Assessment Process in Lease Modifications



- 3.6.1 Disputes over premium assessments during lease modifications/land exchanges are often the 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.
 - Regularly review the changes of construction cost and marketing cost by the government or its consultants.
 - Re-establish the Modification Section for centralised processing of lease modification/land exchange cases to enhance effectiveness and efficiency.
 - Review the various assumptions of land premium assessments.
 - The Pilot Scheme for Arbitration on Land Premium is useful. The government should review the feedbacks they receive so far from owners/developers. We suggest increasing the transparency of the process including (1) allowance for rebuttal and (2) the publication of the arbitration award if the parties agree.

4. Land Management and Planning

4.1 Determination of Land Boundaries

Certainty of the location of land parcels is essential for protection of 4.1.1 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 and is asking for the establishment of a Land Boundary Authority and mechanism to sanction modern boundary surveys so that they could gain legal status. 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. In the meantime, we urge the Government to consider adoption of administrative measures to provide practical and intermediate solution.

4.2 Building Information Modelling (BIM)

4.2.1 Since the Building Information Modelling Technology is still at the beginning stages of its employment, 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.

4.3 Spatial Data Infrastructure (SDI) in Hong Kong

4.3.1 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 policies to speed up Spatial Data Infrastructure (SDI) development, and formulating a digital framework and standards for development of Hong Kong as a smart city. In order to enhance the capability and usability of the data, it is important to set up a platform to openly integrate and deliver computer-readable, real-time and non-real-time data. 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.

5. Transport Planning and Management

The Institute reiterates that apart from the mass transit transportation 5.1 system, the road network planning (including pedestrians and cyclists) in Hong Kong should be compatible with the urban and/or city developments and planning. Apart from the needs of travel between home and working place, the needs of travel for schooling cannot be overlooked. 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 transport 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.

6. Public Project Developments and Professional Supports

6.1 Government Investments and Labour Supply



- 6.1.1 We welcome the government to allocate resource in the development of major infrastructure projects in recent years. However, we also note that the skillful labour force cannot cope with the need of these substantial projects.
- 6.1.2 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 sector projects.
- 6.2 Budget Over-run on Major Infrastructure / Civil Engineering Projects
- 6.2.1 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.
- 6.3 Sustainable Development of Young Generation
- 6.3.1 Surveying professionals have always played an important part in maintaining the healthy and stable development of the construction and real estate sector. To uphold the standard of the industry, a sustainable development plan for our younger generation in an organised manner is highly recommended.
- 6.3.2 The government may consider putting additional resources to the surveying disciplines of the universities and tertiary institutions to develop the younger generation to face with the new opportunities and challenges such as those brought about by the Belt and Road Initiative.

7. Promotion of Business and Professional Services

7.1 Under the CEPA framework, the HKIS relied on the government's 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 practising in the mainland, even though our members do possess professional qualifications which are mutually recognised. We would like to bring this up to the government again for attention and assistance.



8. Local research is much needed

- 8.1 The Institute finds that the researches made by professors and students in local universities are heavily engaged in subjects of "international significance". It is also important to have more researches conducted by our talented professors and scholars which have focus on local matters. This could help Hong Kong better understand the problems we are facing / foreseeing and then come up with possible "solutions".
- 8.2 The government should encourage more local research studies (in particular on subjects like land use and development, and transport) be conducted in the universities. This can probably be encouraged through the funding requirements of the University Grants Committee. In order to better address local subjects, it is recommended that the researchers should consult stakeholder groups including relevant professional institutes.

We sincerely hope that these ideas and proposals will be further explored by you together with your Policy Secretaries. Please contact HKIS Secretariat at 2526 3679 if you require more information or would like to set up a meeting on the above proposals.

Thank you for your attention.

Yours sincerely,

Sr Thomas Ho President

The Hong Kong Institute of Surveyors

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