

25 September 2019

By Fax (2537 9083),
Email (policyaddress@pico.gov.hk) & Post

Policy Innovation and Co-ordination Office
26/F, West Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Mrs Lam,

Re: HKIS Views to 2019 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

1.1 Public Rental Housing

- 1.1.1 According to the latest figures released by the Housing Department, there will be a new supply of some 24,100 units of which only 16,800 units can be made available for the allocation to the public rental housing applicants in the Financial Year 2019/20. Obviously the supply is not able to meet the annual target of public rental housing units as set out in the 2018 Long Term Housing Strategy Report. If there is no improvement on the supply side, the average waiting time for first allocation will be increased to a very frustrating level; such as 6 years.
- 1.1.2 To tackle the shortage of the public rental housing supply, the Government is obliged to ensure sufficient land supply for building new public rental housing units (also applicable to other kinds of housing) in the forthcoming years.
- 1.1.3 Bigger efforts should be made to the redevelopment of those old public housing estates completed in the 1950s and 1960s. On the other hand, higher plot ratio for new public housing estates would be welcome in order to allow for a higher building design say from 40 to 60 floors (technically it could be dealt with by adding refuge floor).

1.2 Transitional Housing

- 1.2.1 We welcome the Government's decision to provide HK\$2 billion funding for various NGOs' transitional housing projects.

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1.2.2 We observe that the benefits of adopting Modular Integrated Construction (MiC) in the production of transitional housing have been widely recognized by the construction industry, building professionals and the NGOs. It is encouraging to see the Building Authority has taken initiatives to issue relevant Practice Notes/Guidance Notes to facilitate the MiC design and construction in Hong Kong. However, we suggest the Transport Department giving more active support to the road transportation of MiC items during the construction stage. Certainly, HKIS will continue to render our professional contributions in the MiC development.

1.3 Home Ownership Scheme (HOS)/Subsidized Housing for Sale

1.3.1 Some senior HKIS Members recall the successful Private Sector Participation Scheme (PSPS) Scheme adopted for producing subsidized housing for sale in the past. Under the PSPS Scheme, Government lands were sold by public tender to developers for building the subsidized housing units in commercial manner. Normally a private PSPS project can be done much faster than a government HOS project in terms of years. Therefore we would like to request the Government to revamp the PSPS Scheme with a view to speeding up the supply of subsidized housing for sale. We also opine that the general building quality of the HOS or PSPS flats should be better than the public rental housing units so as to rationalize the housing ladder positioning.

1.4 Home Starters Scheme Housing

1.4.1 The first Home Starters Scheme Housing developed by Urban Renewal Authority (URA) in Tokwawan is found well received by the qualified applicants. We therefore consider the Government should advocate more Home Starters Schemes in collaboration with the URA in order to help the first time homebuyers who cannot afford the private housing. The Home Starters Scheme Housing flats should be resold to those local first time homebuyers only.

1.5 Elderly Housing

1.5.1 Elderly-friendly building designs are considered necessary as a basic statutory domestic building design standards, similar to the disabled design codes, which will effectively enable the elderly people to live safely in their own home and hence result in delaying their demand for Aged Home facilities. The HKIS has produced a relevant design codes proposal and will be happy to discuss further with the Building Authority if such opportunity arises.



1.6 Affordable Private Rental Housing

1.6.1 Apart from the supply of private residential units for sale, it seems worthy to explore boosting private sector rental housing supply which is affordable for the accommodation of our young working people and new married couples. In this connection, some commercial sites in New Development Areas and about 116 industrial buildings currently zoned in Outline Zoning Plan Residential (Group E) zone may have immediate re-development or conversion opportunities for the supply of private rental housing. Of course, more thoughts will be needed in figuring out the detailed policy, land premium concession and technical implementation arrangements. The HKIS is happy to offer our inputs and assistance. That may probably be one of the quick solutions to housing supply.

2 Building

2.1 Building Safety

2.1.1 The HKIS has proposed for 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 an aim to formulating 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)” be established during the transitional period before the setting up of the BRMA. Although the Urban Renewal Authority (URA) has launched the Building Rehabilitation Platform (BRP) with a view to assisting the building owners in carrying out building repair works, the HKIS opines that the setting up of the BRMA by law is the only long-term solution to regulate the market in the long run.

2.1.2 Building maintenance and repair requires the input of proper professional knowledge in surveying practice. The Home Affairs Department should strengthen the co-operation with other relevant bureaux and/or departments to promote awareness and proper understanding of maintenance and repair works to the general public. The HKIS is prepared to offer assistance in this respect and discuss with the concerned parties if required.

2.2 Sub-divided Flat Units

2.2.1 The HKIS acknowledges that sub-divided units (the “SDUs”) have a role to play amidst the under-supply of public housing. However, a policy



should be drawn up to facilitate improvements on those intolerable safety and hygiene conditions of some of the SDUs.

- 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 formulating 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 to be preserved after the necessary interim improvements. The HKIS strongly advises the Government to adopt a validation scheme to encourage upgrading of sub-standard SDUs alongside 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 the 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 the 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 units for singleton and elderly persons.

2.3 Building Revitalisation

- 2.3.1 The HKIS supports the Operation Building Bright (OBB) 2.0 with \$3 billion subsidy to provide direct technical and financial assistance for the repair and maintenance of those private residential and composite buildings aged 50 or above.
- 2.3.2 In addition to the OBB 2.0 scheme that aims at up-keeping the physical condition of old buildings, the HKIS also suggests a subsidy scheme for building revitalisation works for buildings aged 30 to 50 to improve the quality of living and environmental standards in different districts. The scope of building revitalisation works includes alteration and addition works, renovation and upgrading works for provision of modern yet essential facilities and amenities for the building. Apart from the redevelopment of old buildings, such scheme can help preserving and bringing new life into existing districts and better utilise the existing land resources.



2.4 Pre-acquisition Survey for Second-Hand Domestic Premise

2.4.1 Unauthorised building work (UBW) is a building safety concern and has long been a problem in the society. With an aim at promoting building safety and elimination of UBWs in the long run, the HKIS has submitted its views to the Financial Secretary on 6 February 2018 for conducting pre-acquisition survey of second-hand domestic premises.

2.4.2 The HKIS's proposal generally covers the following:

- a. Buyer or Purchaser of second-hand domestic premises should appoint an Authorised Person/ Registered Professional Surveyor (Building Surveying) to conduct a survey before completion of transaction.
- b. The scope of pre-acquisition survey includes the assessment of overall safety condition, identification of UBWs and unauthorised change of use.
- c. The report will be a standardised format that shall be submitted within 7 days from the date of inspection.
- d. The Government may consider the relaxation of loan to value ratio to encourage conducting of pre-acquisition survey.

2.4.3 The HKIS considers the above proposal as an effective measure to promote building safety and discourage UBW construction. Meanwhile, it should be welcomed by banks and financial institutions for the reason of lowering the risk in mortgage loan approval.

2.5 Building Affairs Expert Determination Center

2.5.1 Building-affairs related disputes including water seepage, unauthorized buildings works, fitting out contractual disputes, workmanship of decoration, repair and maintenance works for existing buildings etc in private buildings are not difficult to find these days owing to the strata-title ownership coupled with the dense habitation characteristics. Unresolved disputes not only result in the disintegration of neighbourhood relationship, but may also generate building maintenance problems. As a consequence, this will give rise to health and safety concerns for the community at large. The prevailing tort claims and judiciary procedures are often considered as time-consuming and costly but not effective.

2.5.2 Meanwhile, the existing joint office for water seepage investigation is bearing big burdens in handling numerous complaint cases and difficult to resolve the disputes as anticipated by the public. In this connection,



a more efficient and effective mechanism to deal with disputes is needed. The new mechanism should be easily accessible and financially affordable by those in need of this service.

2.5.3 In this regard, the HKIS will set up a Building Affairs Expert Determination Center and will be operated by the Building Surveying Division of the HKIS to tackle the disputes. The Centre will not overlap with the functions of the Small Claims Tribunal or Lands Tribunal.

2.5.4 In the Building Affairs Expert Determination Center, the parties' disputes would be referred to an expert, such as Building Surveyor or other qualified building professionals, with corresponding and relevant experience and expertise in building-affairs related disputes. The parties who opt for the Centre would have to sign an ad hoc agreement, akin to an arbitration agreement, such that the parties would be bound by the decision of the expert. We propose that an ordinance for this Centre, similar to the Arbitration Ordinance (Cap. 341), should be drawn up to empower the expert for making judgments and orders to the parties.

3 Land Supply

3.1 General Views

3.1.1 The HKIS appreciates that the Task Force on Land Supply ("Task Force") has completed the study on land supply in December 2018 and the Government has announced to fully accept the recommendations tendered by the Task Force in February 2019.

3.1.2 The HKIS supports the Government to implement the recommended options of the Task Force as soon as practicable in order to increase the land supply in both short term and long term.

3.2 Brownfield Sites

3.2.1 The HKIS agrees to develop brownfield sites in short term to medium term. The HKIS also supports the Government to explore accommodating some of the suitable operations of brownfield sites at the proposed new multi-storey buildings. Incentives should be provided to the current operators for relocation of their operations.

3.2.2 The HKIS welcomes the proposed enhancements to general ex-gratia compensation to the operators on brownfield sites as suggested by the Government previously. Such enhancement measures should further be reviewed upon implementation.



3.3 Tapping into the Private Agriculture Land Reserve in the New Territories

3.3.1 Public-Private Partnership is an option that can be considered for developing agriculture land. The HKIS suggests that the Government should announce details of the proposed “Land Sharing Pilot Scheme” as soon as practicable.

3.4 Lantau Tomorrow Vision and Near-shore Reclamation outside Victoria Harbour

3.4.1 The HKIS agrees to develop the “East Lantau Metropolis” under “Lantau Tomorrow Vision” and near-shore reclamation outside Victoria Harbour. The Government should undergo detailed feasibility studies for the proposed reclamation works. The studies should cover various aspects, including estimated construction costs, details of planning and environmental impact concerns.

3.4.2 Public engagement exercises are suggested to be further arranged for the “Lantau Tomorrow Vision”.

3.5 Resources of Lands Department and Streamlined Arrangement

3.5.1 The HKIS welcomes Lands Department to set up a new “Land Supply Section” and to expand the existing “Building Plan Unit” in 2019. The new arrangement can improve the efficiency of Lands Department in handling land sales and lease modification cases as well as building plan approval applications. It can also speed up the supply of privately-owned development land in long term.

3.5.2 The HKIS supports the Government to continue to promote streamlined arrangements for development controls in order to consolidate standards and definitions and streamline the approval processes for developments.

3.6 Improving 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. The HKIS suggests improving the premium assessment processes:

- a. Enhance communications between the Lands Department and practitioners.
- b. Regular review on the changes of construction cost and marketing cost by the Government or its consultants.



- c. Review the various assumptions of land premium assessments.
- d. Review the Pilot Scheme for Arbitration on Land Premium. 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

- 4.1.1 Certainty of the location of land parcels is essential for the protection of the rights and interests of landowners 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 HKIS supports the Government's policy goal to provide a legal framework to allow landowners to ascertain the extent of their property through determination of land boundaries. The HKIS 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 solutions.

4.2 Building Information Modelling (BIM)

- 4.2.1 The HKIS welcomes the establishment of the Construction Innovation and Technology Fund which encourages the wider adoption of the Building Information Modelling Technology. We consider the Government should maintain the 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 the setting up of the relevant standards, providing training and promoting the 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 for managing Hong Kong in an effective manner. The Government should put forward policies to speed up Spatial Data



Infrastructure (SDI) development, and formulate a digital framework and standards for the 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 the development of innovative services with advanced information technology.

5 Transport Planning and Management

- 5.1 The Government should review the provision of mass transit transportation in the New Territories in order to cater for the substantial increase in population due to the development of agriculture land in the New Territories.
- 5.2 The HKIS reiterates that apart from the mass transit 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 the 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 programme, 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 to work out solutions to address the relevant parking needs.

6 Public Project Developments and Professional Supports

6.1 Budget Over-run on Major Infrastructure / Civil Engineering Projects

- 6.1.1 The social concerns and debates on various cases of budget over-runs in infrastructure / civil engineering projects have raised the attention and alarm in the local community on how the public expenditure is expended. We share the concerns of the public and suggest that the Government consider having a third party to conduct independent feasibility studies on the proposed projects or developments from the cost perspective. There will be benefits of seeking a second opinion on the viability of the project as well as possible cost improvements.



6.2 Sustainable Development of the Young Generation

6.2.1 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.

6.2.2 The Government needs to allocate additional resources to the surveying disciplines of the universities and tertiary institutions to nurture the younger generation to face the new opportunities and challenges such as those brought about by the Belt and Road Initiative and the proposed developments within the Greater Bay Area.

We sincerely hope that our ideas and proposals will be further explored by you together with your Policy Secretaries. Please contact the 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,

A handwritten signature in black ink, appearing to be 'Tony Leung', written in a cursive style.

Sr Dr Tony Leung
President
The Hong Kong Institute of Surveyors

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