Press Release For Immediate Release 26 September 2019

HKIS's 6 Suggestions on 2019 Policy Address

The Chief Executive of the Hong Kong Special Administrative Region, Ms Carrie Lam, will release the 2019 Policy Address in October. The Hong Kong Institute of Surveyors (the "HKIS") had been concerned about the building, housing and land policy in Hong Kong and hence, has come up with six suggestions. The HKIS hopes that the Government actively adopts and coordinates the views from different stakeholders, address the inadequacy of land and housing supply in Hong Kong, and offer the relevant solution in the Policy Address.

Land Policy

(1) "Land Sharing Pilot Scheme" and "Lantau Tomorrow Vision"

According to the latest figures from the Housing Department, there are about 24,100 public housing units available in the Financial Year 2019/20, which is 30% lower than that in 2018/19, i.e. 34,679 units. The HKIS believes that the Government is obliged to expedite the identification of land lots to ensure adequate housing supply in the forthcoming years. The HKIS suggests that the Government should announce the details of the "Land Sharing Pilot Scheme" as soon as possible, and develop agricultural land through public-private partnership.

On the other hand, the HKIS agrees to increase the land supply by developing 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. Public engagement exercises are suggested to be further arranged to address public concerns.



(2) Improving the Premium Assessment Process in Lease Modifications

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, (2) the publication of the arbitration award, if the parties agree, and (3) set the upper and lower limits for the final amount of the arbitration land premium for the amount proposed by both parties.

II. Housing Policy

(3) Re-launching the "Private Sector Participation Scheme (PSPS)"

Hong Kong has adopted the successful Private Sector Participation Scheme (PSPS) Scheme 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 Home Ownership Scheme (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.

(4) Affordable Private Rental Housing

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 pleased to offer our inputs and assistance. That may probably be one of the quick solutions to housing supply.



III. Building Policy

(5) Establishing Unified Standards for the "Modular Integrated Construction (MiC)"

In recent years, the Government actively encourages the construction industry to implement the "Modular Integrated Construction" (MiC) and reduce the on-site construction procedures. The HKIS agrees and fully supports this policy. Currently, despite regulations on fire protection and structural safety, unified design standard is non-existent in the industry. As a result, design quality may vary. The HKIS suggests relevant government departments and law enforcement bodies cooperating with the Construction Industry Council and other professional institutes to form a task force, and discuss the unified standards and regulations for sustainable development of MiC.

(6) Pre-acquisition Survey for Second-Hand Domestic Premises

The HKIS recommends the government to support buyers to appoint professionals to conduct a survey before completion of transaction of second-hand domestic premises, which will help improve building safety. The differences between on-site conditions and approved building plans can be identified by surveying second-hand domestic flats, and thereby, ensuring safety and maintenance, as well as vastly minimizing the construction of Unauthorized Building Works. Ultimately, this will be beneficial to both buyers and sellers. To push forward the recommendation, the HKIS is currently drafting the guidelines which include standard templates of pre-acquisition survey reports. The Institute is also looking forward to the participation from the general public.





Picture: (From left to right) Sr LAU Chun-kong, Past President and Chairman of Land Policy Panel, the HKIS; Sr Vincent HO, Past President and Chairman of Building Policy Panel, the HKIS; and Sr Francis LAM, Chairman of Housing Policy Panel, the HKIS.

About The Hong Kong Institute of Surveyors

Established in 1984, The Hong Kong Institute of Surveyors (HKIS) is the only surveying professional body incorporated by ordinance in Hong Kong. As of 8 August 2019, the number of members reached 10,561, of which 6,921 were corporate members.

The HKIS work includes setting standards for professional services and performance, establishing codes of ethics, determining requirements for admission as professional surveyors, and encouraging members to upgrade skills through continuing professional development.

The HKIS has an important consultative role in government policy making and on issues affecting the profession. We have advised the government on issues such as unauthorized building works, building safety campaign, problems of property management, town planning and development strategies, construction quality and housing problems. We are working on amendments to standard forms of building contract and have issued guidance notes on floor area measurement methods.

Official Website: http://www.hkis.org.hk

Facebook Page: https://www.facebook.com/hkisofficial

Media Enquiry:

Corporate Communications
Department , The Hong Kong
Institute of Surveyors

Tel: +852 2526 3679 Tax: +852 2868 4612 E-mail: media@hkis.org.hk Red Asia Communications Limited

Ms Carol Lee Ms Shiny So