



THE HONG KONG INSTITUTE OF
SURVEYORS

香港測量師學會

28 September 2018

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

The Honourable Mrs Carrie Lam Cheng Yuet-ngor, GBM, GBS
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China

Dear Mrs Lam,

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

1.1 Public Rental Housing

- 1.1.1 In order to uphold the 10-year target of 200,000 public rental housing units supply as set out in the 2017 Long Term Housing Strategy Report, the Government therefore is obliged to ensure sufficient land supply for building these new public rental housing units in the forthcoming years.
- 1.1.2 On the other hand, speeding up the redevelopment of those old public housing estates completed in the 1950s and 1960s would definitely help to increase the new public rental housing supply.
- 1.1.3 The current waiting time for first allocations has been deteriorating to 5.3 years on average, which is very unsatisfactory. Apart from the issue of land supply, it is considered appropriate for the Transport and Housing Bureau to review the current internal procedures and logistics with a view to improving the efficiency of public housing production as well as the re-allocation of vacant units.

1.2 Transitional/Temporary Housing

- 1.2.1 In recent years, more and more people are forced to rent sub-divided units in old private buildings for accommodation due to the prolonged waiting time for their allocation of public rental housing units. It is roughly estimated that more than 210,000 persons are now accommodated in these extremely small sub-divided units with inferior living environment and poor building conditions. Tragedies may likely happen due to a fire outbreak or even collapse of building structure.

Page 1 of 11

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It is indeed a severe social problem that the Government has to tackle without delay under a thoughtful policy for transitional/temporary housing.

- 1.2.2 Starting from January 2018, some HKIS Members have been offering professional support on a voluntary basis to the Hong Kong Council of Social Service (HKCSS) Community Housing Movement. We understand that the Community Housing Movement has received a funding of HK\$50 million from the Community Chest. This pilot scheme has been successful in providing better accommodation to the needy families who are waiting for public housing allocation. We support the HKCSS's request for more funding and resources support from the Government in order to expand the Scheme. In this connection, the Government should consider providing financial incentives such as property tax exemption for those private landlords offering their flat units for the HKCSS Community Housing Movement.
- 1.2.3 We also support making use of the advanced Modular Integrated Construction (MiC) technology in producing transitional housing.

1.3 Home Ownership Scheme (HOS) Flats

- 1.3.1 The HKIS welcomed the recent policy change on lowering the sales price of HOS flat units. Against this background, the HKIS would consider it appropriate to extend the HOS flat units re-sale time limit from 5 years to 10 years with a view to increasing the supply of second-hand HOS flat units to the eligible purchasers in the HOS Secondary Market.
- 1.3.2 Also, the Government is urged to ensure there is sufficient land supply for building some 80,000 HOS housing units in the coming 10 years as planned in the Long Term Housing Strategy.

1.4 Home Starters Scheme

- 1.4.1 The Home Starters Scheme is designed to help first-time homebuyers who cannot afford private housing. Similar to the HOS flats that is subsidised by the Government, the HKIS opines that it is appropriate to set a re-sale time limit of 10 years so as to avoid undesirable speculation activities.

1.5 Elderly Housing

- 1.5.1 With the advent of an elderly society in Hong Kong, the HKIS has been proposing to the Government to formulate a comprehensive elderly housing policy to cope with the rapid increase in elderly housing needs during their different periods of age/health conditions.
- 1.5.2 We opine that a local community coordinated approach in elderly housing, medical care and social services on a district base should be adopted by the Government. District Officer may be the ideal person to



champion the leadership in coordinating the local resources of elderly services provided by various social work NGOs, service providers of religious institutions, public housing and private housing estate managers, aged homes, clinic/day time medical care centres and hospitals in the district. The idea of co-living between the elderly and young people should also be explored for the sake of a better balanced community building.

- 1.5.3 Elderly-friendly building designs are considered necessary as a basic statutory domestic building design standard, 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 code proposal and would 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 rental housing supply in the private sector, which is affordable accommodation for our young working people and new married couples. In this connection, some commercial sites in the New Development Areas and about 116 industrial buildings currently zoned in OZP R(E) zone, may have immediate re-development or conversion opportunities for the supply of private rental housing, which may probably be one of the quickest solutions to the housing supply problems. Of course, more thoughts are needed in figuring out the detailed policy, land premium concession and technical implementation arrangements. The HKIS would be pleased to offer its input and assistance.

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) (BRMAC)" be established during the transitional period before the setting up of the BRMA. Although the Urban Renewal Authority (URA) is setting up a 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 Institute 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 that the Government formulates 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 Institute 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 the upkeep of 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 to preserve and bring new life into existing districts and better utilise the existing land resources.

2.4 Pre-acquisition Survey for Second-Hand Domestic Premises

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 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 Water Seepage Problems in Private Buildings with Multi-ownership

2.5.1 The strata-title ownership coupled with the dense habitation characteristics are essentially perceived as the root cause of most water seepage disputes in private buildings. 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. 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 water seepage disputes is needed. The new mechanism should be easily accessible and financially affordable by those in need of this service.

- 2.5.2 The HKIS proposes an expert determination scheme for tackling the water seepage problems in private buildings. The proposed scheme (“the Scheme”) will be taken out from the judiciary system and will not overlap with the functions of the Small Claims Tribunal or Lands Tribunal.
- 2.5.3 Under the Scheme, 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 water seepage investigation. The parties who opt for the Scheme 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 Scheme, similar to the Arbitration Ordinance (Cap. 341), should be drawn up to empower the expert for making judgments and orders to the parties. Such Scheme can further extend to other building affairs related disputes, for instance, workmanship of decoration, fitting out, repair and maintenance works for existing buildings.
- 2.5.4 We are prepared to offer proposals of the above schemes and discuss with the concerned parties if required.

2.6 Optimising the use of Industrial Buildings

- 2.6.1 The HKIS supports the Government to revisit the industrial building revitalisation scheme, which would help to resolve the mixed-use problems in existing industrial buildings and utilise the land resources.
- 2.6.2 In order to attract greater participation of buildings with strata title, which are indeed most needy for improvement, the HKIS proposes the Government to adopt a flexible approach in the application criteria to facilitate even partial conversion of existing industrial buildings.
- 2.6.3 The provision of full car parking facilities in accordance with the Hong Kong Planning Standards and Guidelines has been a hardship for compliance by strata ownership in the previous scheme. A holistic review of the car parking provision standards should be conducted in order to ensure the success of the new scheme.

3 Land Supply

3.1 General Views

- 3.1.1 The HKIS appreciates that the Government has addressed the shortage of land supply and has assigned the Task Force on Land Supply (“Task Force”) to study and propose 18 options for public consultation. The HKIS has actively formed a Land Supply Working Group and has



conducted a survey on the preference on the 18 options suggested by the Task Force. We have summarised the survey results as follows:-

Ranking	Options	Details	(1&2) - Being most preferred
1	8.	More New Development Areas in the New Territories	77%
2	6.	Developing the East Lantau Metropolis	76%
3	1.	Developing Brownfield Sites	70%
	5.	Near-shore Reclamation outside Victoria Harbour	70%
5	2.	Tapping into the Private Agricultural Land Reserve in the New Territories	65%

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

3.2.1 The Government should consider the best way to develop the agriculture land reserve in the New Territories including through Public-Private Partnership. On the one hand, the under-utilised land can be unlocked. On the other hand, the Government can incorporate conditions requesting the developers to build the public housing or subsidised housing on these plots of lands.

3.2.2 We suggest that the Government should immediately undertake a comprehensive planning on the existing land uses, transportation and provision of infrastructure in the New Territories in order to establish New Town Developments in these areas. A higher plot ratio could be assigned in these new town development areas with the support of adequate and good provision of infrastructure.

3.3 Brownfield Sites

3.3.1 The operations at Brownfield Sites have a role to play in Hong Kong's economy. Most of them cannot be accommodated with multi-storey buildings. To provide an incentive to the operators to relocate to make room for more appropriate developments, suitable alternative locations should be identified for such uses, and the Government should provide the necessary infrastructures such as access roads, drainage and sewage system, etc.

3.4 Developing the East Lantau Metropolis and Near-shore Reclamation outside Victoria Harbour

3.4.1 There is no single solution which can resolve the problem of shortage in land supply. We agreed with the suggestion of the Task Force to develop the East Lantau Metropolis.



3.4.2 Apart from the above, we also support the near-shore reclamation outside Victoria Harbour subject to a further study on the environmental impact assessment and marine protection assessment.

3.5 Allocate more resources to the Recruitment of Professional Surveyors in the Lands Department

3.5.1 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 sales 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.

3.6 Review of definitions of “Industrial Use” under Land Grants

3.6.1 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 the latest changes in the market and the land premium policy for the change of such use should be undertaken.

3.7 Comprehensively Review and Rezone CDA, R(D), and R(E) Zones as Commercial and/or Residential Zones and Streamline the Processing of Planning Applications

3.7.1 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 landowners are often time-consuming and fruitless. The Government should reduce the number of CDAs, as well as to 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.

3.7.2 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.

3.8 Streamlining the Premium Assessment Process in Lease Modifications

3.8.1 A Working Group has been established by the HKIS to study the rationale behind the differentiation in premium assessment between the developers and the Government. It is found that the problem areas focus on agriculture and industrial land. We would suggest charging a



standard rate in order to encourage the developers to convert an agriculture/industrial land to residential use. This would expedite the dispute and also save the resources on both sides.

3.8.2 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:-

- (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) Re-establish the Modification Section for centralised processing of lease modification/land exchange cases to enhance effectiveness and efficiency.
- (d) Review the various assumptions of land premium assessments.
- (e) 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

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 Institute 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 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 solutions.



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 a 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 an assistance loan scheme and 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 Institute 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 may consider allocating 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.

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,

Sr Dick Kwok
President
The Hong Kong Institute of Surveyors

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