

城市規劃委員會

香港北角渣華道三百三十三號  
北角政府合署十五樓

TOWN PLANNING BOARD

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來函檔號 Your Reference:

覆函請註明本會檔號  
In reply please quote this ref.: TPB/C/TPB/8

22 February 2010

Secretary for Development,  
9/F, Murray Building,  
Garden Road, Central,  
Hong Kong  
(Attn: Mr. Tommy Yuen)

Dear Sir,

**Application for Amendment to the  
Approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22 and  
Approved Urban Renewal Authority Staunton Street/Wing Lee Street  
Development Scheme Plan No. S/H3/URA1/2 from  
“Comprehensive Development Area” to “Residential (Group C)”,  
60-66 Staunton Street, 4-6 Chung Wo Lane and  
Adjoining Government Land, Sheung Wan  
(Application No. Y/H3/5)**

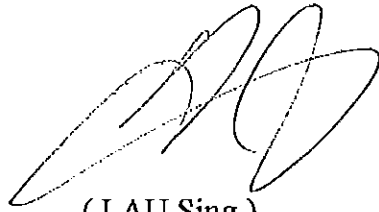
On 29.1.2010, the captioned section 12A application was considered by the Metro Planning Committee (the Committee) of the Town Planning Board (TPB). Having taken into account all relevant considerations, the Committee decided not to agree to the application.

During the deliberation of the application, individual Members had expressed some views about the general urban renewal matters (paragraph 63 of the minutes of meeting refers). As the Development Bureau was currently undertaking the Urban Renewal Strategy Review, Members thus agreed to relay their views to the Development Bureau for consideration. Relevant extract of the Committee's minutes is attached for your reference.

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I should be grateful if you would take note of the individual Members' views on the matter which were expressed in their own personal capacity.

Yours faithfully,

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned above the printed name.

( LAU Sing )

for Secretary, Town Planning Board

c.c.

DPO/HK, PlanD

TPB/Y/H3/5

**Extract of the Minutes of**  
**the 412th Meeting of the Metro Planning Committee held on 29.1.2010**

**Agenda Item 5**

**Section 12A Application**

[Open Meeting (Presentation and Question Sessions Only)]

Y/H3/5                      Application for Amendment to the  
Approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22  
and Approved Urban Renewal Authority Staunton Street/Wing Lee Street  
Development Scheme Plan No. S/H3/URA1/2  
from "Comprehensive Development Area" to  
"Residential (Group C)", 60-66 Staunton Street, 4-6 Chung Wo Lane  
and Adjoining Government Land, Sheung Wan  
(MPC Paper No. Y/H3/5A)

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63.                      While the concern on the URA's acquisition price as raised by the representatives of the three other owners was outside the jurisdiction of the TPB, Members noted that the representatives had not indicated the exact amount offered by the URA in acquiring their properties. There was also doubt on whether the acquisition price was unreasonably low given that the URA had already acquired eight properties within Site C. In addition, the URA allowed the affected owners to employ independent surveyor to assess the value of their properties. Nevertheless, a Member was sympathetic with the owners in that the redevelopment scheme by the URA had been delayed for a long time. There might be a considerable difference between the acquisition price offered to the owners and the current price of property in the market. Hence, the owners might not be able to purchase a replacement property with the URA's acquisition price. Another Member said that instead of acquiring properties for urban renewal, the URA should consider undertaking urban renewal in co-operation with the owners/residents. This could solicit wider support from the affected owners/residents in urban renewal project while maintaining the original character of the area.

**立法會**  
**Legislative Council**

LC Paper No.  
CB(1)1712/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/DEV/1

**Panel on Development**

**Minutes of meeting**  
**held on Tuesday, 23 February 2010, at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon WONG Yung-kan, SBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon CHEUNG Hok-ming, GBS, JP  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king  
Dr Hon Priscilla LEUNG Mei-fun  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Dr Hon Samson TAM Wai-ho, JP

**Members attending** : Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Ronny TONG Ka-wah, SC

Dr Hon PAN Pey-chyou

**Member absent** : Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers attending** : **Agenda item IV**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Thomas CHOW Tat-ming, JP  
Permanent Secretary for Development  
(Planning and Lands)

Ms Winnie SO Chui-ying  
Principal Assistant Secretary for Development  
(Planning and Lands) 4

**Agenda item V**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Thomas CHOW Tat-ming, JP  
Permanent Secretary for Development  
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP  
Deputy Secretary for Development  
(Planning and Lands) 2

Mr AU Choi-kai, JP  
Director of Buildings

Mr HUI Siu-wai  
Assistant Director / Existing Buildings (2)  
Buildings Department

**Agenda item VI**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Thomas CHOW Tat-ming, JP  
Permanent Secretary for Development  
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP  
Deputy Secretary for Development  
(Planning and Lands) 2

Mr AU Choi-kai, JP  
Director of Buildings

Mr HUI Siu-wai  
Assistant Director / Existing Buildings (2)  
Buildings Department

**Attendance by invitation** : **Agenda item IV**

Mr Quinn LAW Yee-kwan  
Managing Director of the Urban Renewal Authority

Ms Iris TAM Siu-ying, JP  
Executive Director of the Urban Renewal Authority

**Clerk in attendance** : Mr WONG Siu-yee  
Chief Council Secretary (1)4

**Staff in attendance** : Mr Daniel SIN  
Senior Council Secretary (1)5

Ms Christina SHIU  
Legislative Assistant (1)7

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Action

- I Confirmation of minutes**  
(LC Paper No. CB(1)1124/09-10 -- Minutes of meeting on  
24 November 2009)

The minutes of the meeting held on 24 November 2009 were confirmed.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)1061/09-10(01) -- Issues raised at the meeting between Legislative Council Members and Sham Shui Po District Council members on 7 January 2010 relating to public rental housing development project on Site 6 of Northwest Kowloon Reclamation

LC Paper No.  
CB(1)1145/09-10(01)

-- Submission on Shun Ning Road redevelopment project from a deputation (順寧道重建關注組) dated 5 February 2010

LC Paper No.  
CB(1)1161/09-10(01)

-- Administration's paper on 76WC -- Improvement to Hong Kong Central mid-level and high level areas water supply -- remaining works

LC Paper No.  
CB(1)1170/09-10(01)

-- Referral from the Complaints Division regarding suggestions to amend the Town Planning Ordinance (Cap.131) and the Administration's written response)

2. Members noted that the above information papers had been issued since the meeting on 26 January 2010.

**III Items for discussion at the next meeting**

(LC Paper No.  
CB(1)1157/09-10(01)

-- List of outstanding items for discussion

LC Paper No.  
CB(1)1157/09-10(02)

-- List of follow-up actions)

3. Members agreed that the following items should be discussed at the regular meeting scheduled for 30 March 2010 --

- (a) Progress report on heritage conservation initiatives; and
- (b) Work progress of the Development Opportunities Office.

**IV Review of the Urban Renewal Strategy**

- |                                      |   |
|--------------------------------------|---|
| (LC Paper No.<br>CB(1)1157/09-10(03) | -- Administration's paper on review of the Urban Renewal Strategy   |
| LC Paper No.<br>CB(1)1157/09-10(04)  | -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief) |

4. The Secretary for Development (SDEV) said that new approaches and media were used to gauge community views during the public engagement stage of the review of the Urban Renewal Strategy (URS). These included on-line discussion forums in addition to the conventional methods of road show exhibitions, public forums and topical discussions. Professional institutes, youth organizations, community groups, district councillors' offices and schools were subsidized to implement public engagement projects. Seven District Councils (DCs) in the nine target areas of the Urban Renewal Authority (URA) had been invited to launch a District Aspirations Study (DAS) in their respective district to explore the future urban renewal processes. SDEV added that the URS review adopted an evidence-based approach which provided data and information for future planning. In addition to conducting a study on urban renewal experience in six Asian cities, five topical studies were commissioned, including a building conditions survey (to be completed in end 2010), a tracking survey on redevelopment projects of URA (to be completed in early 2011), and studies on building maintenance programmes, economic impact assessment on the URA's urban regeneration projects, and the achievement and challenges of urban renewal in Hong Kong. The latter three studies were scheduled for completion in the first quarter of 2010.

5. SDEV further said that the URS review had progressed to the consensus building stage. The Steering Committee on Review of the Urban Renewal Strategy (Steering Committee), having considered the public views collected, accepted that urban regeneration should be bottom-up, and a community consensus should be sought on what and where urban renewal projects should be planned. Urban renewal should be district-based rather than project-based, where local views would be reflected. The current practice of withholding planning information on URA's redevelopment projects to avoid speculative activities should be reviewed. The 4Rs strategy (i.e. redevelopment, rehabilitation, preservation and revitalization) should continue to be adopted for urban regeneration, and URA could perform a facilitator role. On compensation policies, the Steering Committee considered that the suggestion of offering a wider choice than cash payment to affected parties should be further explored. The perceived conflicting roles of social workers in the social service teams providing

support to affected parties would need to be addressed. The URS review would be completed by mid-2010 and a revised URS would be prepared by the end of 2010.

### General issues

6. Mr WONG Kwok-hing supported the broad principles and directions of the URS review, but said that housing issues faced by affected residents, including the supply of accommodation and rental levels, arising from an urban renewal project should be examined. In older districts like Tsuen Wan, owners and tenants of old buildings had diverse views and interests towards urban redevelopment. He asked how the Administration would establish a platform that stakeholders could participate and form a consensus. SDEV responded that the Administration was seeking a consensus on the overall strategy for urban renewal rather than individual projects. However, through its District Aspirations Study, Tsuen Wan District Council had explored and identified the direction and potential of redevelopment; and the process would help reduce resistance to the future implementation of the revised URS. In response to a further question by Mr WONG, SDEV said that members would be consulted on a draft of the revised URS before it was finalized.

7. Mr CHAN Kam-lam considered it unnecessary for URA to withhold information on its planned urban renewal projects to avoid speculation activities. The approach to urban renewal should be bottom-up, and the Administration and URA should further explore how this could be achieved. A bottom-up approach in urban renewal, coupled with the lowering of the application threshold for compulsory sale for redevelopment, would allow sufficient owners' participation. The discussion on urban renewal had focused on worries about how large developers might take advantage of small property owners in a redevelopment project. In reality, redevelopment could hardly proceed without a developer, and property owners in fact welcomed the participation of large scale developers as they might offer better terms, and owners were more confident of materialization of the redevelopment. As regards compensation options, the Administration should bring the "flat-for-flat" and "shop-for-shop" options up for open discussion so that the public would realize that the options, which might appear just and equitable, might turn out exposing owners and shop operators to higher risks.

8. Ir Dr Raymond HO welcomed the Administration's initiative to involve community groups in the public engagement process. He said that the Administration should be more creative in developing compensation options for affected property owners, and involving their participation in redevelopment. For example, cash could be paid upfront to an affected owner to meet the immediate cost of temporary accommodation. The owner could then be offered a unit of the same size in the redeveloped property when it was completed. He believed that the approach would not only speed up urban renewal, but also reduce resistance.

9. SDEV responded that the Administration would examine how the bottom-up approach would be put into practice, as it was a key comment received during the public engagement stage. The Administration was working on feasible alternative compensation options for projects undertaken by URA. Where redevelopment was undertaken by private sector, the "flat-for-flat" compensation option was only feasible in cases where the redevelopment potential was high taking into account the plot ratio and the land leases. These conditions were often not present in many redevelopment projects. However, as URA was tasked to perform a social mission and to provide community facilities during urban renewal, it had to undertake projects that might involve a deficit. With this social objective in mind, there was little room for URA to commit on offering a unit of comparable size to affected owners upon redevelopment. Cash payment of an equivalent value might be a more practical approach.

10. Prof Patrick LAU supported the bottom-up and district-based approaches in urban renewal. However, he found a clear government leadership missing in setting the overall planning direction for Hong Kong. The planning output from the various District Aspirations Studies should complement the overall territorial planning. Planners should have a grasp of the local history and current situations of each district before its development potential could be evaluated. He suggested that a three-dimensional model should be developed for each district to facilitate the public in visualizing, for example, which particular areas could be redeveloped with a higher intensity.

11. SDEV responded that the Administration was proceeding in a similar direction in urban renewal. A three-dimensional model was developed to aid heritage conservation efforts in Central, and District Aspirations Studies were conducted to identify the district aspirations for the 4Rs strategy in URA's target areas. Whether a three-dimensional model could be built for each district would depend on availability of resources.

12. Mr LEE Wing-tat said that the progress of urban renewal was too slow, as only a very small portion of the 225 target redevelopment projects were implemented so far. Mr Albert HO said that URA lacked transparency in withholding information on the income, expenditure and profit of individual projects. The information would reveal how surplus from an urban renewal project in one district might be used to finance other projects in a different district. Some residents might hold the view that the surplus, or at least a certain percentage of the surplus, from a redevelopment project in a district should be used to serve the local needs of that district. Mr LEE and Mr HO considered that these issues should be addressed in the URS review.

13. As regards whether affected tenants or shop operators should be relocated within the same district, Dr Priscilla LEUNG said that the option to allow shop operators to continue operations in the redeveloped area, at a concessionary rent,

should be considered. However, she doubted whether tenants must be relocated within the same district if this arrangement necessitated the implementation of more public rental housing developments in the redeveloped area, because such developments would increase intensity. If transportation issues were adequately addressed, relocating the tenants to another district should not be too much of a problem as there would still be adequate provision of community facilities to serve the needs of these tenants in other districts.

14. Ms Cyd HO said that urban renewal aimed to improve the living conditions of residents in an old area. Living conditions meant not only the physical conditions of living quarters, but also the social network. The latter could be preserved by providing more public rental housing within the redeveloped area so that affected tenants could remain in the neighbourhood. The Administration had the responsibility to provide affordable accommodation to those in need. The responsibility could not be passed on to the market, nor should the Administration refrain from providing further public rental housing just because District Councils did not support new public rental housing developments in their districts. She suggested that the Administration should, in the next population census exercise, gather information about the household income of grassroots families, their expenditure on rents, and the number of these households who were living in old buildings aged over 50 years. The Administration could then conduct studies to determine the speed of supplying public rental housing.

15. SDEV noted members' various views on urban renewal. She said that URA relied on the Hong Kong Housing Society and the Housing Authority to provide public rental housing units for affected residents with housing needs. While URA would make an effort to preserve the social network, given the limited supply of public rental housing units and the local resistance towards proposals for new public rental housing developments, it was difficult for URA to commit on offering rehousing to affected residents in the original district. She would relay Ms HO's views to the Secretary for Transport and Housing and the relevant departments.

16. As regards tracking surveys, Ms Cyd HO asked whether they covered small shop operators. As small operators often experienced difficulties in setting up their businesses again following redevelopment, the surveys would provide clear evidence on the extent of the impact of redevelopment on them. She was also concerned whether the households who participated in the surveys were among the first or the last batch of affected residents to leave after accepting the compensation package, because their response towards urban renewal would likely to be very different.

17. Ms Iris TAM Siu-ying, Executive Director of URA, advised that two tracking surveys were underway. The stage 1 survey for the Hai Tan Street project covered over 170 households including owners, tenants and commercial operators.

Tenants were more responsive and they were mostly concerned about where they were to be relocated. The stage 1 survey for the Kwun Tong Town Centre project covered more than 400 respondents from about 300 households with unexpectedly large number of residents already moved away before the survey commenced. The survey did not include any commercial operators at this stage.

#### Acquisition cost of old properties and selling price of redeveloped properties

18. Mr LEE Wing-tat said that there was often a wide gap between the acquisition cost of old properties and the selling price of the redeveloped properties. The huge differential motivated developers to stockpile units in old buildings. The Administration should address the problem. SDEV responded that Hong Kong was a market economy; it was only natural that economic activities, including redevelopment, were profit-driven. Government would intervene only if there were inequitable or unjust practices. The proposal to lower the application threshold for compulsory sale would increase the cost of stockpiling real estate properties and deter speculation activities.

19. Expressing a similar concern, Mr KAM Nai-wai said that there was a substantial difference between the acquisition cost and the selling price of units of URA's joint redevelopment projects. He asked how the revised URS would address that inequitable situation and suggested that a mechanism could be introduced so that small property owners could share the profits of redevelopment. SDEV said that URA, being a public organization with a social mission, could not guarantee the affected owners that they could always achieve their expected level of return from redevelopment. However, the compulsory sale for redevelopment mechanism, together with URA as a facilitator, would enable owners to participate in redevelopment.

20. Mr Frederick FUNG said that the phenomenon of substantial disparity between acquisition cost of old properties and selling price of redeveloped property also occurred in Sham Shui Po. Furthermore, shop operators were unable to buy another shop of comparable size within the district using the compensation they received. He criticized the Administration as being self-contradictory when it claimed it would not use public funds to facilitate redevelopment just to enable small owners to profit from the redevelopment, while the compulsory sale for redevelopment mechanism benefited large developers substantially. He also criticized that a profit-driven attitude towards urban renewal had helped push poor residents and shop operators alike towards desperation. He added that residents in Sham Shui Po were the happiest among all districts because of their strong social ties and mutual care, but the community network was rapidly eroded with urban renewal.

21. SDEV said that under a market economy, property developers would only be motivated to participate in an urban renewal project if it was profitable. On the

other hand, URA had to achieve a social mission through urban renewal by offering reasonable compensation to affected owners, assisting tenants to relocate, improving the environment, and providing community facilities and open space. These measures would not generate profit, and the relevant costs should be taken into full consideration.

#### Proposal to lower the application threshold for compulsory sale for redevelopment

22. Mr CHAN Kam-lam said that as a major concern was how profits from redevelopment should be shared among developers and affected property owners, the latter should be involved in the planning process, and a more equitable system should be introduced for them to share the profits upon completion of a redevelopment project. SDEV responded that the Land (Compulsory Sale for Redevelopment) Ordinance (LCSRO) provided a legal framework under which owners could organize themselves to redevelop their properties, usually in collaboration with a property developer, and share the profits. Some small property owners, however, preferred the assistance of a professional intermediary or a facilitator instead, and URA could play such a role.

23. Ms Starry LEE said that while there were merits in the Administration's proposal of lowering the application threshold for compulsory sale for redevelopment, especially for areas with many dilapidated buildings, she doubted whether the lower threshold should apply across the board. For areas where the land values or rental values were high, many of the properties therein would have already been acquired. The proposal would only end up increasing land supply for developers to profit. SDEV explained that setting too many restrictions in the proposal would defeat the intent of the LCSRO. Contrary to the common notion that small owners would object to the proposal, many small property owners in fact hoped to redevelop their properties as early as possible in order to improve their living conditions. The Administration would consider whether URA could assume a facilitator role to help small property owners, subject to the conditions that URA's involvement would not affect its other initiatives and resources were available. The bottom-line was that no public funds should be used to satisfy owners' desired level of profits from redevelopment.

24. Mr James TO criticized that the LCSRO could not allow small property owners to share the profits of redevelopment. Developers acquired owners' properties at a low price, and made a huge profit after redevelopment. The proposal to lower the application threshold should be deferred until the completion of the URS review. He suggested that the Administration should consider introducing a mechanism similar to windfall tax, so that a certain portion of the profits from a redevelopment project would be distributed among affected property owners. Alternatively, owners could be given an opportunity to participate in the redevelopment project. It was up to owners to decide whether to participate, but at least they should be given a chance to do so. As regards the use

of public funds when URA was invited to participate in a redevelopment project, he asked whether URA would still offer compensation according to the existing policy even if this would make the project not viable financially. Alternatively, URA could offer affected property owners compensation up to two or three times the current property value or an equivalent property unit with the proviso that the owners would forfeit any claim of the profits from redevelopment.

25. SDEV said that the LCRSO provided the legal basis if owners wished to share the profits of redevelopment, and URA could play a facilitator role. Resumption of land by Government required approval from the Chief Executive in Council. While being ready to make such a recommendation to implement an urban renewal project for improving the local environment or achieving wider community benefits, SDEV said that careful consideration and strong justifications would be required to invoke the statutory authority just to enable individual private property owners to share the profits of redevelopment. While URA might in future perform the role of a facilitator in a redevelopment project initiated by the owners, owners must comply with the relevant requirements, including making proper arrangements for relocating tenants, under those circumstances. She stressed that public rental housing resources should not be made available to owners who only wished to share the profits of redevelopment but were unwilling to undertake the responsibility of relocating the affected tenants. The precise roles of each party under different redevelopment modes would still need to be worked out.

26. Mrs Regina IP said that the LCSRO was enacted during the economic downturn in 1999 to encourage the private sector to participate in redevelopment. The circumstances at present were entirely different, with widening gap between the wealthy and the poor and soaring of property price. Small property owners often found themselves unable to buy another comparable property with the proceeds they received from a compulsory sale. It was unfair to small property owners to undermine their interests by making it even easier for their properties to be acquired. The proposal would also give the public an impression that the Administration was trying to protect developers' interests only. The principles underpinning the URS could equally apply to other private redevelopment projects. As the URS review had proceeded to the final stage where a community consensus on the approach to urban renewal would soon be established, she suggested that the proposal to lower the application threshold should be considered after the completion of the URS review. As the Administration had indicated on another occasion that building safety was not a consideration for the proposal, there should be no urgency to implement the proposal at this stage.

27. Mr Albert HO considered that the compulsory sale mechanism should be reviewed because the recent discussion on the proposal to lower the application threshold had exposed many problems with the mechanism; but there had not been any review since the enactment of the legislation in 1999.

28. Dr Priscilla LEUNG said that community views on the proposal to lower the application threshold were quite equally divided. However, she was more supportive of early redevelopment of old buildings following the building collapse incident in Ma Tau Wai. In Tai Kok Tsui, for example, many properties in old buildings were held by developers or investors who would not care about the conditions of the buildings. These buildings became a potential safety hazard. More local residents were shifting towards supporting early redevelopment.

29. SDEV clarified that the proposal was not made hastily, and was not intended to benefit developers. She had not received specific advice from developers on the matter. It was after consultation and opinion surveys conducted back in 2006 that the Administration decided to propose to lower the application threshold for lots with all buildings aged 50 years or above, as those buildings represented the majority of the buildings served with repair orders by the Buildings Department. Many small property owners were already questioning why the Administration had taken so long to put up its proposal. They had been denied of the opportunity to improve their living conditions through redevelopment just because some of the properties in their old buildings were held up for speculation. The proposal would redress the obstacle and the Subcommittee on Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice would deliberate on the subject further. It was time to decide on the matter, and the Administration would need to give the public an explanation if it did not take the proposal forward.

**V Building safety concerns arising from the collapse incident**

(LC Paper No. CB(1)1157/09-10(05) -- Administration's paper on building safety

LC Paper No. FS11/09-10 -- Fact sheet on "A summary of local press reports on building safety concerns arising from the collapse incident at Ma Tau Wai Road from 30 January to 19 February 2010" prepared by the Research and Library Services Division)

30. SDEV said that the approach to enhancing building safety would cover four major areas, namely, legislation, enforcement, support services and public education. The Director of Buildings (DB) said that following the building collapse incident in Ma Tau Wai on 29 January 2010, immediate inspections were conducted on the adjoining buildings. Temporary strengthening works were completed by 11 February 2010 to protect these buildings and the public. By 13

February 2010, the most dangerous sections of the remaining parts of the partially collapsed buildings had been cleared, while further investigation on the cause of the incident was being conducted.

31. Mr WONG Kwok-hing said that the expected increase in workload arising from the implementation of various building safety measures could be met by those non-civil service contract (NCSC) staff whose contracts would expire with the completion of the ten-year clearance programme of unauthorized building works (UBWs) in March 2011. These contract staff, who had accumulated useful experience from their involvement in various enforcement duties, should be retained. SDEV said that some 500 contract staff members were employed using a time-limited one-off allocation provided specifically for tackling UBWs. She agreed to review the work priorities of the Buildings Department (BD) and the manpower required to enhance building safety.

32. As regards registration of minor works contractors, Mr WONG Kwok-hing was concerned whether the small number of registered minor works contractors could meet the market demand. He considered that the Administration could boost registration through collaboration with labour unions. DB responded that the number of applications was not high during the initial registration period. As more than 1 500 contractors had enrolled in or were attending the relevant training courses required for registration, the Administration expected that they would apply for registration after completion of the training courses. By that time, the number of registered minor works contractors would increase.

33. Mr WONG Kwok-hing suggested that the Administration should keep a record of new advertisement signboards on external walls of buildings, and their installation should only be approved with the consent of the respective owners' corporations. DB explained that many people did not follow the existing statutory procedures by seeking prior approval for installation of advertisement signboard. The new minor works control system would simplify the procedure by dispensing with the need for prior approval for small to medium sized advertisement signboards, provided that the construction works were carried out by a registered professional and/or registered contractor, who would have to notify BD about the works with the notification signed by the owner. The procedure would enable BD to trace the ownerships of advertisement signboards if required.

34. Mr Frederick FUNG said that there was no conclusive evidence so far that attributed the lack of repair and maintenance to the building collapse in Ma Tau Wai. Members should not leverage on the incident to push through the Buildings (Amendment) Bill 2010. He criticized that the bill was inadequate in that it did not address UBWs within individual units, interior alteration works or leakage of pipes or drains as a result of such alterations. UBWs and alteration works often caused building defects and affected safety, but the proposed inspection schemes might not be effective to solve such problems. The building collapse in Ma Tau

Wai also revealed a building management issue, which must be addressed together with enhancing building safety. He considered that policies on building management and building safety should be handled by one bureau to achieve better integration. Consideration should also be given to entrusting building management of individual or groups of old buildings to non-governmental organizations.

35. SDEV responded that the Administration would actively support Members in examining the bill carefully. On the scope of the bill, the Permanent Secretary for Development (Planning and Lands) (PSPL) explained that registered inspectors would need to report to the Building Authority (BA) if he discovered any UBWs and to assess their safety. BD staff had the power under the current legislation to enter private premises to conduct a closer examination and to order rectification as circumstances warranted. As regards management of old buildings, PSPL said that the Hong Kong Housing Society (HKHS) provided technical and financial support to owners' corporations. The Development Bureau was working with the Home Affairs Bureau on measures to strengthen management of old buildings.

36. Ms Starry LEE criticized the Administration's current policy on tackling UBWs as being too rigid. As a result, there was little control against UBWs and interior alteration works even when they caused building defects such as leakage in drains and pipes. As BD accorded priority to clearing UBWs that posed imminent danger, it might take several years before any action was taken for certain UBWs, even at the request of the respective owners' corporations. The policy would only encourage proliferation of UBWs.

37. SDEV responded that the current enforcement policy against UBWs was developed after thorough public discussion and consultation. The ten-year programme of priority clearance of UBWs would be completed by March 2011, and the Administration would consider the next stage of action to be taken and the improvement measures that should be introduced. DB added that alteration works carried out inside individual flats did not necessarily breach the regulation or cause structural damage to buildings. In the event that the adding of partitioning or raised floor slabs had overloaded the floor causing structural safety problems or any alteration of drainage pipes had resulted in water seepage and health nuisance problems, BD would take enforcement actions.

38. Ms Starry LEE said that when the proposal to lower the application threshold for compulsory sale took effect, more old buildings were expected to be redeveloped and piling works among old building clusters would increase. Currently, affected tenants or owners were not given sufficient information or warning about the possible impact of piling on their buildings. She was concerned about the extent to which old buildings could survive the vibration, and whether BD had imposed safeguards on piling activities to protect old buildings from

damage. DB responded that stringent conditions that specified an upper limit on vibration intensity were imposed when BD approved a piling application. The limit was determined taking into account the conditions of buildings in the vicinity of the piling site, and piling activities were frequently monitored to ensure compliance with the relevant requirements.

39. Mr LEE Wing-tat said that priority should be accorded to taking enforcement actions against unauthorized plumbing works as they were prone to leakage. Property owners had high incentives to split their flats into suites in order to receive more rental income. The large number of pipes and sanitary facilities in buildings with split suites would increase the risk of leakage. BD should collaborate with the Home Affairs Department to take joint action against splitting of flats into suites. DB responded that building safety was one of the primary objectives of the Buildings Ordinance (Cap. 123), BD would take enforcement actions when such works caused problems of structural safety or water seepage resulted in health nuisance but not against the division of flats per se.

40. Mr LEE Wing-tat remarked that the relevant policy should then be reviewed, as the Administration's tolerance would only encourage proliferation of splitting of flats. SDEV said that from her recent inspection to buildings in Ma Tau Wai, the problem of splitting of flats was widespread, and the situation reflected a high demand for individual suites. She had, accordingly, instructed BD to run a few test cases to examine the extent to which the current legislation and BD's authority were sufficient to tackle the problem, and to identify measures that needed to be explored.

41. Mr CHAN Kam-lam said that there was a need to expand BD's establishment to cater for the increasing workload because there were still about 600 buildings that did not comply with repair orders, and BD could not spare the manpower on enforcement. PSPL said that property owners served with a repair order had to complete the required repair works within the specified time limit. The Administration was considering how BD could take up the repair works earlier in cases where the owners were unable to carry out the works themselves.

42. To improve building management, Mr CHAN Kam-lam suggested that formation of owners' corporations or owners' committees should become mandatory for all new buildings. He also suggested that if it was not practical to engage a management company for a building, one company, possibly with the assistance of HKHS, might be engaged to undertake management of buildings in the whole street block. HKHS should be more proactive in raising owners' awareness of their responsibilities in building maintenance and management. PSPL said that most new buildings had a management company to handle day-to-day management matters. Besides, HKHS operated ten Property Management Advisory Centres which could provide technical and financial assistance to owners and the public. As making the formation of an owners'

corporation a statutory requirement for each new building involved a major policy change, further discussion with the Home Affairs Bureau would be necessary.

43. Prof Patrick LAU enquired about the cause of the building collapse in Ma Tau Wai, and the number of old buildings inspected thereafter by BD that were given repair orders involving structural damage or other structural problems. He queried whether BD staff could identify the structural defects of buildings by inspecting the common areas and external walls only. He was disappointed that the Construction Industry Council (CIC), which was set up as a forum to address construction safety issues, had not yet put forward any views on the collapse incident.

44. DB responded that the investigation into the collapse incident was still in progress, and was expected to be concluded in mid-March 2010. As BD's inspectors had to complete the inspection of some 4 000 buildings within a short time, attention was focused on the common areas and external walls. They could enter private premises to conduct further investigation if there was a need to do so. Up to 22 February 2010, 2 938 old buildings were inspected and repair orders were recommended to be issued in respect of 682 (or 23%) of the buildings. No structural danger in any of the buildings had been found. SDEV added that as BD and the Police were conducting investigations on the incident, CIC might not consider it appropriate to comment on the possible cause of the incident at this stage. CIC would be invited to participate in improving the training of and raising awareness among construction workers on construction safety.

45. Mr KAM Nai-wai said that the Administration should help co-ordinate property owners to clear all UBWs in their buildings in one go when some of them received an order from BD to remove certain UBWs. Although BD's Co-ordinated Maintenance of Buildings Scheme was quite effective, only about 150 cases could be handled each year. He asked if the scheme could be expanded. In particular, he found the social worker team deployed under the scheme particularly useful.

46. SDEV said that the Co-ordinated Maintenance of Buildings Scheme was indeed very labour-intensive as it covered a wide range of services such as helping owners to set up owners' corporations and had its own in-house social worker team. As it already took a lot of resources to handle 150 cases a year, it would be difficult to further expand the scheme. That said, she would personally review the overall manpower provision of BD in the light of the expected increase in workload, the suggestions from members, and the expiry of the contract of the some 500 NCSC staff by March 2010.

47. Mr KAM Nai-wai considered the 60-installment interest-free Building Rehabilitation Loan Scheme offered by URA commendable and suggested that the Administration should, likewise, waive the interest from the repayment under the Comprehensive Building Safety Improvement Loan Scheme, because while the

interest income was relatively small, the encouraging effect was large. SDEV said that the Administration provided various support, including different loan schemes and building materials support to encourage property owners to maintain their properties. The Administration would consider consolidating the best of different schemes together. Any change to the Comprehensive Building Safety Improvement Loan Scheme would require internal scrutiny within the Administration and support from Members.

48. Mrs Sophie LEUNG said that building maintenance and management depended on property owners' initiatives and awareness of their own responsibility. The Administration should consider establishing a building maintenance fund so that property owners would bear greater responsibility towards the cost of building repairs. Owners would be more conscious in managing their properties in order to reduce maintenance expenses. SDEV subscribed to Mrs LEUNG's views and agreed to address the issues with the Home Affairs Bureau.

49. In connection with the inspection of old buildings following the building collapse incident in Ma Tau Wai, Mr James TO asked whether BD staff had exercised the authority under section 22 of the Buildings Ordinance (Cap. 123) and entered individual private premises to investigate whether there were any structural problems. DB responded that the inspections were mainly focused on common areas and external walls. Nevertheless, staff were reminded of the need to enter individual private premises if it facilitated their investigation into suspected structural problems.

Admin 50. Mr TO requested the Administration to provide information on the number of buildings, among the 2 463 buildings inspected after the collapse incident, where staff of BD had entered individual premises of those buildings to carry out inspection.

**VI Progress of enforcement action against unauthorized building works**  
(LC Paper No. CB(1)1157/09-10(06) -- Administration's paper on progress of enforcement action against unauthorized building works  
LC Paper No. CB(1)1157/09-10(07) -- Paper on unauthorized building works prepared by the Legislative Council Secretariat (Background brief)

51. Members noted the submission from 屋宇署非公務員合約僱員工會 tabled at the meeting.

*(Post-meeting note: The soft copy of the submission (LC Paper No. CB(1) 1235/09-10(01)) was issued to members by email on 24 February 2010.)*

52. SDEV invited members' views on the Administration's future enforcement strategies against UBWs. She said that members' input would assist her review of the overall manpower needs in BD following the completion of the ten-year UBW clearance programme in 2011.

53. Mrs Regina IP criticized that the ten-year UBWs clearance programme still failed to redress many problems caused by UBWs. Citing Kwan Yick Building in Central and Western District, Mrs IP said that UBWs had created many management and hygiene problems and BD had been slow in tackling the matter. She was concerned that it would be even more difficult for public complaints on UBWs to receive the Administration's attention when the clearance programme was completed.

54. SDEV said that it was ultimately a question of resources as to how much the Administration could do against UBWs, and the time-limited resources could not be extended indefinitely. As regards Kwan Yick Building, SDEV said that BD would need to investigate whether the structures in question fell within one of the seven types of UBWs that warranted priority clearance under established policy. Any enforcement action taken outside the priority clearance policy would create a precedent that should be supported by policy, and should apply equally to other buildings with similar problems. The case would be taken into consideration in the Administration's review on the way forward.

55. Ms Cyd HO said that some civil servants had concerns about whether BD's contract staff had the professional competence to assess the risks of UBWs. Apart from raising concerns on professional standards, Ms HO also expressed concern whether adequate equipment was provided to aid BD staff in carrying out inspection of old buildings. SDEV said that the Administration would review BD's staffing provision. Being a multi-discipline department, BD required staff from relevant disciplines to perform tasks related to building safety and building maintenance. The Administration would not compromise on the professional quality of staff, whether or not they were civil servants.

56. Ms Cyd HO asked how the Administration would handle the situation where UBWs were stacked one upon the other, and whether BD would help co-ordinate owners or work with the owners' corporations to carry out clearance in an orderly manner. Expressing similar concerns, Mr James TO said that he was aware of cases where UBWs protruded from a building and stacked one upon another. He was concerned about which party would be liable if UBWs at the lower floors tumbled while those at the upper floors were being cleared. He was also concerned that elaborated and expensive support would be necessary to

prevent UBWs from tumbling during clearance, and that owners had to bear the relevant cost. He suggested that BD should provide professional input to owners to ensure safe clearance operation, and co-ordinate the clearance among owners to remove all UBWs in one operation. The cost could be shared among the owners.

57. DB responded that owners were expected to co-ordinate clearance among themselves, although BD would assist if requested. While removal orders would be served on all concerned owners at the same time, flexibility was allowed in the course of enforcement. For example, in the situation of multi-storeyed UBWs, deferral of the removal of the UBWs at the lower floors would be tolerated until those at the upper floors were cleared. In case where removal orders were not complied with, owners of UBWs at the upper floors would be prosecuted first.

## **VII Any other business**

### Proposal to set up a subcommittee on building safety and related issues

(LC Paper No. CB(1)1119/09-10(01) -- Letter dated 4 February 2010 from Prof Hon Patrick LAU Sau-shing proposing the setting up of a subcommittee on building safety and related issues

LC Paper No. CB(1)1157/09-10(08) -- Proposed terms of reference, work plan and time frame of the proposed subcommittee provided by Prof Hon Patrick LAU Sau-shing)

58. At the invitation of the Chairman, Prof Patrick LAU said that his proposal of setting up a subcommittee aimed to provide a dedicated forum to monitor how the Administration implemented measures to improve building safety and related issues, in terms of legislation, enforcement, support and public education. In anticipation that the Administration would complete the investigation of the Ma Tau Wai building collapse incident by mid-March, the proposed subcommittee could also follow up on the building safety concerns arising from the investigation and improvement measures identified.

59. Ms Cyd HO expressed support for setting up a subcommittee and suggested that the proposed subcommittee should also discuss complementary measures for redevelopment or demolition of an unsafe building. These would include how affected owners or displaced tenants should be handled and the social impacts of redevelopment projects.

60. Mrs Sophie LEUNG considered that Ms Cyd HO's suggestion would stretch the proposed subcommittee's scope too far, and pointed out that issues related to urban renewal could continue to be discussed by the Panel. Mr James TO concurred that the subcommittee should focus on building safety issues, but it could still discuss matters such as compensation and relocation when they were related to building safety issues. Ms Cyd HO agreed to this approach and added that issues such as relocation of affected residents during clearance of unsafe buildings could not be ignored and should be examined in connection with building safety issues.

61. Members agreed to Prof Patrick LAU's proposal of setting up a subcommittee under the Panel to study building safety enhancement and related issues. The Chairman instructed that a paper be provided to the House Committee to seek its agreement for activating the subcommittee.

*(Post-meeting note: A draft paper for the House Committee was circulated to Panel members after the meeting. The House Committee agreed on 12 March 2010 to activate the Subcommittee on Building Safety and Related Issues to allow it to commence work immediately.)*

62. There being no other business, the meeting ended at 5:45 pm.

## **Land and Development Advisory Committee (LDAC)**

### **Summary of LDAC Discussion on Review of the Urban Renewal Strategy – Consensus Building Stage (13 May 2010)**

LDAC members were consulted as part of the Consensus Building Stage (Stage 3) of the Urban Renewal Strategy (URS) Review at the Fifth meeting of LDAC held on 13 May 2009. The Administration briefed members on the ten preliminary proposals developed by the Steering Committee of the URS Review on the future directions of the URS.

#### **“Bottom-up” approach**

- A member welcomed the proposed new directions of the URS but said that the “bottom-up” approach for planning of urban regeneration should be in line with the overall policy framework for urban renewal.
- The Administration responded that a “top-down” approach for urban regeneration could no longer meet the public’s aspirations today. The URA would therefore reconsider its redevelopment project plan based on a “bottom-up” public engagement approach and objective criteria such as building safety and building age.
- The Administration explained that the proposed district urban renewal forums would be served by professionals in the respective district planning offices of Planning Department and that would help ensure that the discussions and findings would be consistent with the overall policy framework of urban regeneration. The forums would benefit from community views as non-official members would be invited to participate in them.

#### **Owner participation**

- A member asked if there was a channel for owners to invest their cash compensation entitlements in the redevelopment project.
- Another member remarked that as the public had developed a better understanding of urban regeneration, more property owners would pro-actively participate in the regeneration process in future. He

suggested that the Government should provide more information to the public on redevelopment and rehabilitation of private properties.

- The Administration responded that providing a channel for owners to invest their cash compensation entitlement in the redevelopment project would be incompatible with the socially-driven nature of the URA's redevelopment projects. The URA's mission was to create a quality and vibrant urban living environment by undertaking urban regeneration projects regardless of the investment gain of the projects. Owners interested in redeveloping their own properties for investment gain should pursue redevelopment by themselves, and the URA could act as a facilitator by providing assistance and services.
- The Administration agreed that it should promote the concept of "owner empowerment" and encourage owners to undertake rehabilitation or redevelopment of their properties.

#### **Provision of facilitating services**

- A member welcomed the proposed new direction of the URS but said that some technical issues would need to be worked out such as whether the URA should charge a fee for providing facilitating services to property owners intending to undertake redevelopment on their own accord.
- Another member suggested that the URA could consider setting up a subsidiary company to provide facilitating services to property owners. This could avoid any confusion that the provision of these services would involve invoking the statutory power of the URA or use of public funds.
- Two members considered that the URA's role in providing facilitating services to property owners in redevelopment of their properties may lead to unfair competition because the URA was a statutory organisation and might have access to privileged information. One member suggested that the URA could refer the owners to professional services available in the market, instead of providing services to property owners direct.
- One member considered it would be a complicated and resource-intensive task for the URA if it was obliged to provide services to every individual owner approaching it for assistance. He suggested that the URA should focus on handling its planned redevelopment projects.

- The Administration clarified that the URA would provide facilitating services to property owners only if, for example, more than 50% of the owners had arrived at a consensus to pursue redevelopment on their own. The Administration also agreed that it was necessary to ensure that the URA would not compete unfairly with the private sector.

### **Rehousing/compensation arrangements**

- On assisting tenants who lost their chance of rehousing/ compensation due to non-renewal of tenancy by landlords, a member suggested the URA should consider how to prevent property owners from taking advantage of the tenants by raising their rentals, if they wished to renew the tenancies.

### **“Flat for flat” option**

- A member said that technical details of the “flat for flat” option would need to be worked out. He drew reference to two issues i.e. how to calculate the difference between the price of new flats and the amount of cash compensation for the affected old flats; and how to ensure the affected property owners would have adequate information about the new flats (e.g. flat size) so that they could decide on whether to opt for “flat for flat”.
- One member suggested that reference might be made to the compensation instrument of “land exchange entitlement” issued by the Government in the past for resumption of land in the New Territories. “Land exchange entitlements” were tradable and could facilitate consolidation of land ownership.

### **Self-financing principle**

- When reviewing the self-financing principle of the URA, a member opined that consideration should be given to the economic benefits that urban regeneration would bring to the areas beyond the boundaries of the renewal projects.

Members generally welcomed the Steering Committee of the URS Review’s preliminary proposals. Members noted that the Development Bureau would continue to listen to public views and would re-draft the URS by the end of this year after building a consensus with the public on the new direction of urban renewal on the basis of these preliminary proposals.

**LDAC Secretariat**  
**July 2010**

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2602/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/DEV/1

**Panel on Development**

**Minutes of meeting**  
**held on Tuesday, 25 May 2010, at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon WONG Yung-kan, SBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon CHEUNG Hok-ming, GBS, JP  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king  
Dr Hon Priscilla LEUNG Mei-fun  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Dr Hon Samson TAM Wai-ho, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip

**Member attending** : Hon Frederick FUNG Kin-kee, SBS, JP

**Member absent** : Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers attending** : **Agenda item IV**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr CHUI Wing-wah  
Principal Assistant Secretary for Development (Works) 3

Mr MA Lee-tak, JP  
Director of Water Supplies

Mr Bobby NG Mang-tung, JP  
Assistant Director of Water Supplies / Development

**Agenda item V**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr WONG Ming-to, JP  
Principal Assistant Secretary for Development (Works) 2

Mr Patrick KWONG Hing-ip, JP  
Project Manager (Kowloon)  
Civil Engineering and Development Department

Mr Stephen TANG Man-bun  
Head (Kai Tak Office)  
Civil Engineering and Development Department

**Agenda item VI**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Thomas CHOW Tat-ming, JP  
Permanent Secretary for Development  
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP  
Deputy Secretary for Development  
(Planning and Lands) 2

**Agenda item VII**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Raymond LEE Kai-wing  
Principal Assistant Secretary for Development  
(Planning and Lands) 5

Mr Jimmy LEUNG Cheuk-fai, JP  
Deputy Director of Planning / Territorial

Mr MA Lee-tak, JP  
Director of Water Supplies

Mr Bobby NG Mang-tung, JP  
Assistant Director of Water Supplies / Development

Mr Joseph CHAN Chun-shing  
Chief Engineer / Boundary Control Point  
Civil Engineering and Development Department

**Clerk in attendance :** Mr WONG Siu-yee  
Chief Council Secretary (1)4

**Staff in attendance :** Mr Daniel SIN  
Senior Council Secretary (1)5

Mr Simon CHEUNG  
Council Secretary (1)7

Ms Christina SHIU  
Legislative Assistant (1)7

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**I Confirmation of minutes and matters arising**  
(LC Paper No. CB(1)1920/09-10 -- Minutes of meeting on  
30 March 2010)

The minutes of the meeting held on 30 March 2010 were confirmed.

Motion on "Conserving Central" proposed by Hon KAM Nai-wai

(LC Paper No. CB(1)1797/09-10(01) -- Motion on "Conserving  
Central" proposed by Hon  
KAM Nai-wai at the meeting  
held on 27 April 2010)

2. The Panel considered Mr KAM Nai-wai's motion on "Conserving Central", the wording of which was as follows:

"That this Panel urges the Administration to consider planning and developing Central and Sheung Wan as a historic town district, and that it should conduct a comprehensive assessment on the transport, environmental and social impacts in conserving Central."

3. Mr IP Kwok-him expressed reservation about the suggestion of developing Central and Sheung Wan as a historic town district. While there were many heritage sites in the district that reminded people of Hong Kong's history, Central and Sheung Wan were important business centres with potentials for further development. Although he supported heritage conservation, he considered it inappropriate to go to the extent of developing the district as a historic town district as this would restrict its development. Therefore, he would not support the motion.

4. Miss Tanya CHAN expressed support for the motion and said that it merely requested the Administration to study the option of developing Central and Sheung Wan into a historic town district. Conservation and development were not mutually exclusive, and integrating historical and heritage legacies into the district's planning could help preserve its fabrics. The study would be useful as it could suggest whether and what development restrictions, such as development density, should be imposed on different areas of the district in order to maintain a balance in development and conservation objectives. The study could also assess the conservation initiatives' impacts on the traffic, environment and social aspects. The heritage impact assessment conducted for the preservation of the existing Central Government Offices could serve as a useful reference for the conservation projects in Central.

5. The motion was voted on. One member voted for and eleven members voted against the motion. The Chairman declared that Mr KAM Nai-wai's motion was negatived.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)1817/09-10(01) -- Administration's paper on control measures on flat sales to Urban Renewal Authority's joint venture partners and related parties dated 3 May 2010 (Press release)

LC Paper No. CB(1)1882/09-10(01) -- Administration's paper on the funding proposal for "140CD -- Reconstruction and rehabilitation of Kai Tak Nullah from Po Kong Village Road to Tung Kwong Road"

LC Paper No. CB(1)1942/09-10(01) -- Administration's paper on the funding proposal for "181WF -- In-situ reprovisioning of Sha Tin water treatment works")

6. Members noted that the above information papers had been issued since the meeting on 27 April 2010.

**III Items for discussion at the next meeting**

(LC Paper No. CB(1)1919/09-10(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1919/09-10(02) -- List of follow-up actions)

7. Members agreed that the following items should be discussed at the regular meeting scheduled for 22 June 2010 --

- (a) Work of the Urban Renewal Authority;
- (b) Law amendment proposal to the Lift and Escalator (Safety) Ordinance, Chapter 327; and
- (c) Operation Building Bright -- progress and update.

**IV Progress of implementation of Total Water Management initiatives**

(LC Paper No. CB(1)1919/09-10(03) -- Administration's paper on progress of implementation of Total Water Management initiatives

LC Paper No. CB(1)1919/09-10(04) -- Paper on Total Water Management prepared by the Legislative Council Secretariat (Background brief)

LC Paper No. CB(1)1986/09-10(01) -- Submission on liquid assets -- water security and management in the Pearl River Basin and Hong Kong from Civic Exchange)

8. The Secretary for Development (SDEV) said that the Administration had consulted the Panel on Development (the Panel) in 2008 on the Total Water Management (TWM) Strategy and a number of TWM initiatives had been implemented since then. She stressed that as water was a valuable resource, Hong Kong people should treasure water and follow the global trend in promoting sustainable use of water. The Director of Water Supplies (DWS) said that to further step up public education on water conservation, copies of the booklet on TWM Strategy had been widely distributed to various sectors of the community. At present, Hong Kong's domestic water usage was about 220 litres per capita per day, which was higher than the global average of around 170 litres. Of the 220 litres, around 130 litres were potable water and 90 litres were flushing water of which around 80% was sea water. There should be room for Hong Kong people to reduce water consumption through enhanced public education, and perhaps a change in the water tariff structure.

9. On promoting water conservation amongst the younger generation, DWS advised that the Administration had started the Water Conservation Starts from Home education campaign for primary students. For the secondary students, a teaching kit on water supplies was being prepared as reference materials for the liberal studies curriculum. As regards the community at large, besides media announcements, the Administration intended to acquire additional resources for setting up a dedicated team to handle water conservation matters and to establish a water conservation education centre. The Administration would also review the water consumption practice of major water users amongst the Government departments, and in this regard, a consultancy study would be commissioned to examine the water consumption practice in Water Supplies Department's installations and other Government's facilities such as public parks and swimming pools to formulate water saving guidelines. With a view to promoting the use of water-saving devices, shower for bathing was chosen as the first product under the voluntary Water Efficiency Labelling Scheme. Apart from requiring all new Government buildings to install water-saving devices, the Administration had also launched a programme to retrofit government buildings and schools with such devices.

10. DWS further advised that to further reduce water leakage, the Administration had expedited the water mains replacement and rehabilitation (R & R) programme, which was expected to be completed in 2015. On leakage

detection, the Administration was migrating from the waste detection based leakage detection to proactive burst prevention based leakage detection. In this respect, WSD selected part of the water distribution network to form district metering areas and installed electromagnetic flow meters, noise and pressure loggers at selected locations for more efficient leakage detection. The Administration would also launch a pilot scheme in late 2010 to detect leakage of in-service pressurised water mains using a new technology, which involved the use of a closed circuit television camera or an acoustic sensor for inspection of the internal condition of water mains. On management of water pressure to reduce water leakage, the Administration would install flow-modulated pressure reducing valves in new areas such as Kai Tak. To extend the use of seawater for toilet flushing, the Administration had initiated works in Pokfulam, Yuen Long and Tin Shui Wai. The Administration had also developed the Inter-Reservoirs Transfer Scheme which would prevent rain water from flowing into the sea and help to generate an annual raw water yield of about 2.5 million cubic metres. The Administration would carry out works to improve the existing catchwater systems for effective collection of surface water. The Administration would continue to monitor closely the latest developments in seawater desalination using reverse osmosis to ascertain whether it was cost-effective for implementation in Hong Kong.

#### Using seawater for toilet flushing

11. Miss Tanya CHAN enquired about the merit of using seawater for toilet flushing and whether this would pose health hazards. She was also concerned that switching from using fresh water to seawater for toilet flushing would generate additional financial burden to building owners who had to contribute towards pipe installation, as in the case of Chi Fu area. Mr KAM Nai-wai also expressed similar concerns. DWS responded that the merit of using seawater for toilet flushing was that the same volume of potable water would be saved for more appropriate uses. He assured members that using seawater for toilet flushing would not pose any health hazards because the seawater would be treated with chlorine. In the case of Chi Fu area, separate distribution system was in place in each building for connection to the seawater supply main although renovation of aged distribution system by the owners might be required.

12. Mr WONG Yung-kan supported the use of seawater for toilet flushing and asked when the coverage rate would reach 100%. Mr Albert CHAN also expressed a similar concern. In response, DWS explained that although seawater was much cheaper than potable water, further extension of the seawater flushing supply system to other districts would depend on cost-effectiveness. As an alternative measure, the Administration was considering the provision of recycled water for toilet flushing in places such as Sheung Shui and Fanling.

### Water reclamation

13. Miss Tanya CHAN supported the use of grey water to replace potable water currently used for non-potable purposes. DWS advised that the Administration would endeavour to do so where feasible but it had no plan to upgrade the standard of grey water to that of potable water. Through public education and promotion, the Administration would encourage the use of grey water. The Administration would also examine the viability of grey water recycling and rainwater harvesting in multi-storey buildings.

14. Prof Patrick LAU expressed concern about the Administration's work on water reclamation and enquired whether the Administration would require the installation of water reclamation systems through providing incentives to developers and owners, and centralise the processing and supply of recycled water in individual buildings for general household uses.

15. SDEV said that the Administration would not rule out the possibility of providing incentives to developers and owners for installing water reclamation systems in their buildings. DWS supplemented that the Administration was undertaking a consultancy study on recycling grey water and harvesting rainwater in multi-storey buildings. When the findings were available, the Administration would consult the sectors concerned. As for the suggestion on processing and supply of recycled water, the Administration considered it more cost-effective for water recycling to be carried out at source in individual buildings or estates instead of centralized facilities like Government's sewage treatment works.

### Water leakage control

16. Mr WONG Yung-kan, Mr Albert CHAN, Mr KAM Nai-wai, Mr CHAN Kam-lam and Mr Alan LEONG considered the loss of over 200 million cubic metres of water per annum due to leakage unacceptable, and enquired whether the R & R programme could be expedited to reduce water mains leakage and bursts. They considered that the Administration should undertake further measures to address water leakage. To help detect leakage at an early stage, Mr Albert CHAN urged the Administration to consider waiving the charge for households seeking water meter examination for the first time. Mr KAM Nai-wai requested the Administration to provide the amount of fresh water lost in each of the past five years as a result of leakage from, or burst of, water mains. As leakage might also happen in private estates, Mr Alan LEONG considered that the Administration should include these estates in leakage detection and provide incentives for them to carry out regular water mains checks and maintenance.

*(Post-meeting note: The Administration's supplementary information (LC Paper No. CB(1)2349/09-10(01)) was circulated to members on 30 June 2010.)*

17. SDEV said that she would duly consider members' suggestions in the light of cost-effectiveness. On measures to alleviate the leakage problem, DWS advised that in addition to the R & R programme which aimed to reduce the leakage rate to 15%, the Administration would further step up leakage monitoring and detection through application of new technologies, so that timely repair could be carried out. To achieve more effective water pressure management to reduce the chances of leakage, flow-modulated pressure reducing valves would be installed in new areas. The Administration anticipated that water mains leakage and bursts in these areas would be significantly reduced. Water mains bursts had been reduced from 1 800 cases in 2007-2008 to around 900 cases in 2009-2010, and there was no obvious evidence showing that urban areas developed earlier had a higher number of burst cases. The R & R programme was already proceeding at an average speed of replacing over 30 km of aged water mains per month and it would be difficult to further advance its completion time. The Administration would consider the suggestion of waiving the charge for first examination of water meters under special circumstances. As regards private housing estates, DWS advised that the Administration had launched a pilot scheme for monitoring water consumption of large private housing estates and villages to identify possible leakage in private water mains.

#### Seawater desalination

18. Mr Albert CHAN opined that for remote waterfront areas, the Administration should consider promoting small scale seawater desalination using solar energy. This would save a lot of public funds to extend water supply to such areas. DWS advised that the Administration had considered a proposal to set up a stand-alone seawater desalination plant in Tai O. Due to the huge costs involved, the Administration had decided not to pursue the proposal. As regards using solar energy for seawater desalination, it would require large pieces of land, which were not readily available in Hong Kong. The Administration would follow the latest developments in technology closely to see if solar energy could be used in water conservation initiatives.

19. Mr Albert HO noted that the pilot schemes on seawater desalination using reverse osmosis had been successful and asked whether the Administration had a timetable to implement seawater desalination in Hong Kong. DWS advised that while reverse osmosis was a proven technology, seawater desalination remained a far more costly method for providing fresh water in comparison with using Dongjiang water. The Administration would continue to monitor the latest developments and further pursue seawater desalination if the production cost could be reduced to a more viable level.

#### Other issues

20. While expressing support for TWM initiatives, Mr Tommy CHEUNG was concerned about the increase in sewage surcharge which would cause undue hardship to the food catering industry. The unit cost for sewage surcharge would

be adjusted from \$1.20 per cubic metre in 2008 to \$2.92 in 2017. Taking into account water tariff, sewage surcharge and trade effluent surcharge, the unit cost for water could be as high as \$12 in 2017 for restaurants. The Administration should step up public education instead of adjusting water tariff to promote water conservation. The Administration took note of Mr CHEUNG's views.

21. In response to Mr Alan LEONG's enquiry on the Water Efficiency Labelling Scheme, DWS said that the scheme aimed to promote public awareness of water as a valuable resource and the use of water-saving devices. For illustration purposes, the nominal flow rates of a Grade 1 and Grade 4 shower for bathing were below 9.0 litres and above 16.0 litres per minute respectively.

22. Miss Tanya CHAN said that she felt encouraged to see more and more young people bringing their own water. The Administration could step up efforts to reduce the consumption of bottled water. She was also glad to learn that the Administration was working with the Hong Kong Green Building Council in promoting green buildings, and enquired about the possibility for various building maintenance assistance schemes to support installation of water-saving devices. SDEV advised that the Administration attached great importance to the promotion of green buildings. Given that 89% of Hong Kong's power consumption was building-related, the Administration focused its efforts on building energy saving. The Environmental Bureau and the Development Bureau would examine the possibility of providing incentives for water conservation initiatives undertaken by building owners. Together with the Hong Kong Green Building Council, the Administration had drawn up guidelines on water conservation for owners seeking to redevelop or refurbish old industrial buildings. The Administration had also issued a joint technical circular on Green Government Buildings in 2009 requiring all new Government buildings to use, among others, water saving devices. The programme for retrofitting Government buildings and schools with water-saving devices would be completed by end 2011. As regards bottled water, DWS said that it was worthwhile to encourage the younger generation to bring their own water in reuseable bottles.

#### **V Progress report on Kai Tak Development**

(LC Paper No. CB(1)1919/09-10(05) -- Administration's paper on progress report on Kai Tak Development

LC Paper No. CB(1)1919/09-10(06) -- Paper on Kai Tak Development prepared by the Legislative Council Secretariat (Updated background brief))

23. SDEV said that the Kai Tak Development (KTD) was one of the ten major infrastructural projects announced by the Chief Executive. With the funding approval by the Legislative Council, over \$12 billion worth of public works projects were now being carried out and progressing smoothly. The public

housing project, cruise terminal and the first phase of the District Cooling System were expected to be completed by 2013. She was confident that KTD would help revitalize the neighbouring hinterland districts such as Kwun Tong, Wong Tai Sin and Kowloon City.

24. SDEV further said that the Administration intended to introduce amendments to the relevant Outline Zoning Plan (OZP) for the in-situ preservation of the Lung Tsun Stone Bridge (the Bridge). Head (Kai Tak Office), Civil Engineering and Development Department (H(KTO)) delivered a PowerPoint presentation and said that preparatory works for the preservation of the Bridge had commenced in 2009. A two-stage public engagement exercise was being launched on conservation of the Bridge and its integration with KTD as well as other historical sites in the nearby districts. Two workshops would be held during the first stage. Information on the history of the various heritage sites would be provided and guided tours organized so that the community would have sufficient background to participate in the planning and design process. Comments and suggestions received from stage 1 would be taken into consideration in developing different preservation schemes for the second stage of the public engagement exercise. He expected that the whole public engagement exercise could be concluded by end 2010.

*(Post-meeting note: The soft copy of the presentation materials (LC Paper No. CB(1)2039/09-10(01)) was issued to members by email on 26 May 2010.)*

#### Preservation of Lung Tsun Stone Bridge

25. Mr WONG Kwok-hing welcomed the proposed preservation of the Bridge. He suggested that the Bridge could be restored with water running beneath it so as to resemble its original setting. He asked whether the ridgeline of Lion Rock could be seen from the preserved Bridge and whether Nga Tsin Wai Village would be included in the network of preserved sites. As the Bridge was originally built to link the harbour and the old Walled City, the Deputy Chairman asked whether it would be restored to link up KTD with the Kowloon Walled City Park.

26. Project Manager (Kowloon), Civil Engineering Development Department (PM(K)) said that the Administration would seek public views, including members' suggestions, on how the Bridge and other historic heritage sites nearby should be linked up in developing schemes for public consultation during the second stage. A view corridor had been reserved so that the ridgeline of Lion Rock would not be blocked from view. As regards Nga Tsin Wai Village, SDEV said that many land lots in the village were privately-owned and the Urban Renewal Authority was co-operating with the owners to redevelop the area. The Wong Tai Sin District Council supported the project, which was now in the acquisition stage. Structures with historical significance would be preserved as far as possible.

27. While welcoming the preservation of the Bridge, Mr Albert CHAN said that Lee Tat Bridge in Pat Heung had similar historical values but was not properly preserved. The Administration should be consistent in its conservation practice. SDEV said that the Administration would follow up the matter if Mr CHAN could provide more information.

28. Ms Starry LEE suggested that more background historical information on Kowloon City should be gathered to help preserve the community's collective memory. Efforts should also be made to connect the Bridge with other sites of historical interests. SDEV said that the Administration had commissioned the Department of History of The Chinese University of Hong Kong to conduct a study on the historical heritage of Kowloon, including Kowloon City and Diamond Hill. The study, which was expected to complete shortly, would provide insight on how the various historical sites should be connected and integrated.

Environmentally Friendly Transport System, road infrastructure and connectivity

29. Mr CHAN Kam-lam welcomed the Administration's efforts in implementing KTD, particularly in preserving heritage assets. Mr CHAN and Ms Starry LEE enquired about the progress of the feasibility study on the proposed Environmentally Friendly Transport System (EFTS) and how the public could participate in the planning process. Mr CHAN said that Kwun Tong District Council members hoped that the proposed EFTS would help revitalize the older districts surrounding KTD. He suggested that the Administration should incorporate local District Councils' views in the feasibility study so that the development options would address their concerns.

30. PM(K) advised that the feasibility study had commenced and the proposed EFTS, circulating between KTD and the adjacent districts, would be large in scale. The study would cover various engineering, environmental, financial and operational issues. Various views, including those from District Council members, were being evaluated by the consultants. Routing options would be developed for further public consultation. SDEV said that while the proposed EFTS had good potential in revitalizing the neighbouring districts, financial viability of the system remained the most challenging issue.

31. The Deputy Chairman welcomed the latest plan to move the vehicular access roads (D3 and L13) to the interior part of the former runway so as to preserve the waterfront for public enjoyment. He asked whether the proposed bridge linking KTD and Kwun Tong would allow vehicular access. PM(K) said that the consultancy study on the proposed EFTS would also look into how the connectivity could be achieved. The options included a combined EFTS and pedestrian bridge, or separate bridge links.

32. Miss Tanya CHAN also welcomed redesigning the vehicular access roads to preserve the waterfront for public enjoyment. She suggested using the subways and footbridges connecting KTD for displaying public art works, and opportunities should be taken to acknowledging those who have contributed those art works. PM(K) said that the Administration would consider organizing open competitions for selecting art works and contributors would be given due recognition. In response to Miss CHAN's enquiry, PM(K) said that further public consultation would be conducted during the detailed design stage of Trunk Road T2, which was the middle section of Route 6.

33. Mr James TO asked whether the proposed EFTS would be connected with the Shatin to Central Link (SCL) and the adjacent old districts. Mrs Regina IP said that some residents were concerned about the proposed change in the alignment of SCL on KTD. PM(K) said the proposed change in the alignment of SCL would have little effect on KTD. He added that it was the Administration's intention to connect the EFTS with SCL and the adjacent three districts. District Councils also expressed such views during the consultation exercises. The Administration would take these views into consideration and would develop initial options for further consultation by the end of the year.

#### Landscaping and greening

34. In response to Ms Starry LEE's enquiry about greening and landscaping of KTD during the construction stage, PM(K) said beautification works would be carried out in suitable locations. H(KTO) added that trees could be planted in the area abutting Prince Edward Road East during the construction stage, and they could be transplanted within KTD as appropriate in places such as the Metropark.

35. Ms Starry LEE asked whether there were plans to build promenades along the waterfront areas in To Kwa Wan and Hunghom. SDEV said that the remaining 600-metre waterfront promenade in Kwun Tong was expected to be developed after relocation of the remaining berths at the Kwun Tong public cargo working area upon expiry of their use by mid-2011. As regards the planning and development of other waterfront facilities, she advised that a paper outlining the short, medium and long term initiatives in 22 action areas would be presented to the Subcommittee on Harbourfront Planning at its next meeting.

36. Mr Albert CHAN criticized that the best part of the waterfront in KTD was used for the cruise terminal development rather than for public enjoyment. He also considered the multi-purpose stadium the worst planning blunder. SDEV clarified that many parts of the waterfront areas in KTD, including the landscaped deck of the cruise terminal building, would be accessible to the public. An important condition in the cruise terminal operation contract would be to allow public access to that landscaped deck.

Facilitating urban redevelopment

37. Mr Albert CHAN said that in previous planning of KTD, the Administration undertook to set aside land in KTD as buffer sites for redevelopment projects in adjacent old districts, including Hung Hom, To Kwa Wan and Wong Tai Sin. However, the current planning for KTD did not reflect the earlier commitment.

38. The Deputy Chairman shared the view that it was the Administration's intention to use part of KTD to facilitate urban redevelopment projects. As it was later decided that no reclamation around KTD would be carried out, the development density had been reduced. In this regard, he enquired about the currently planned population in KTD.

39. Mr James TO said that it was his understanding that a part of KTD would be used for providing transit accommodation for people affected by redevelopment in old districts. He suggested that the Administration should search its records because its previous papers had included this objective. This was a high level decision of the Administration and the land use intention was confirmed by senior planning officials at that time. While the development density was reduced as a result of the decision against reclamation so that less land was available to meet competing development objectives, he did not recall that there had been any explicit policy decision suggesting that the objective had been rescinded in favour of other objectives. There were still opportunities for the Administration to reinstate the earlier commitment unless it was the Administration's priority to allow luxury properties to be developed in KTD. He asked if the Administration would set aside land in KTD as buffer to meet redevelopment needs.

40. SDEV said that the currently planned population in KTD was about 86 000, and the reductions in development intensity and target population were made in response to public aspirations for a lower development density in KTD and based on the principle of no reclamation. The Administration had designated land for public rental housing in KTD and it had not announced that all the remaining land in KTD should be devoted to commercial or private residential development. Neither was there a policy objective or target that KTD must support the redevelopment of neighbouring old districts. KTD had undergone a lot of changes and she was not aware of such clear policy objective. The Urban Renewal Strategy allowed the Urban Renewal Authority to request land to implement its urban renewal initiatives. The Administration would be ready to explore opportunities that would support or facilitate redevelopment of old districts, and there was still room for KTD to help achieve such initiatives.

41. Mr Albert CHAN asked the Administration to provide previous documents and records which would illustrate whether the Administration had intended to use part of KTD as a buffer to facilitate redevelopment projects in adjacent old districts, and, if so, how that objective had changed over time. The Research and Library Services Division of the Secretariat could also help trace such previous documents and records if available.

*(Post-meeting note: The Administration's supplementary information (LC Paper No. CB(1)2615/09-10(01)) and the fact sheet prepared by the Research and Library Services Division (LC Paper No. FS28/09-10) were circulated to members on 21 July 2010.)*

- VI Review of the Urban Renewal Strategy -- Stage 3 Public Engagement**  
(LC Paper No. CB(1)1919/09-10(07) -- Administration's paper on Review of the Urban Renewal Strategy – Stage 3 Public Engagement  
LC Paper No. CB(1)1919/09-10(08) -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief)  
LC Paper No. CB(1)1986/09-10(02) -- Submission on review of the Urban Renewal Strategy from Concerning Urban Housing Rights Social Workers Alliance dated 14 May 2010)

42. SDEV said that the Urban Renewal Strategy (URS) review had reached the final stage where a community consensus on the way forward would be built. The Administration would finalize a draft revised URS for public consultation. SDEV highlighted the broad proposed directions including a bottom-up public engagement process for planning urban regeneration and the setting up of district urban renewal forums to provide a platform for public participation, and the Urban Renewal Authority (URA) playing an additional role of a facilitator role to help organize property owners to redevelop their properties, and the additional choice of flat-for-flat the details of which would need to be further explored.

#### General issues

43. Mr CHAN Kam-lam welcomed the adoption of a bottom-up planning approach in urban renewal. He asked when the URS review would be concluded and the various recommendations implemented. SDEV said that the consensus building stage would be concluded in June 2010, but a number of consultation sessions with relevant stakeholders would still be conducted. A town hall meeting would be held in June 2010 to mark the conclusion of this stage. The community would be given the opportunities to express its views and the Administration would try to address the technical issues against the current policy and administrative framework before a decision was made on the way forward. The recommendations would then be scrutinized within the Administration for policy and financial implications before the Administration sought the Executive Council's approval. A revised draft URS would be released by the end of the year for public consultation

and the new URS should be ready in the first half of 2011. As regards the suggestion from some organizations of extending the public consultation for a further 12 months, she said that it was not feasible to extend it beyond the two years.

44. Mr KAM Nai-wai commended the comprehensive coverage of the Administration's paper. While the bottom-up approach to urban renewal planning received wide public support, further in-depth discussion on how it should operate in practice was needed, as there had been criticisms against URA that its operation was not people-oriented. SDEV noted Mr KAM's views.

45. Mr Alan LEONG asked what mechanism would be implemented to ensure that public views and suggestions on urban renewal would be taken heed of, and whether developers had participated in the URS review and whether channels were available for them to voice their concerns. He also asked if the proposed new directions and recommendations in the URS review would apply to on-going projects. SDEV said that district urban renewal forums would allow issues such as preservation of local economy and social networks to be discussed early in the planning process. The forums would facilitate implementing urban renewal plans through establishing a partnership with the respective District Councils. Developers had not taken any active role in the URS review. However, the Real Estate Developers Association of Hong Kong had representatives in relevant advisory committees such as the Land Development Advisory Committee. These committees were consulted during the different stages of the URS review, and no objections were received from the Real Estate Developers Association of Hong Kong. While on-going urban renewal projects should proceed as planned, improvements to existing arrangements would be made where appropriate. For example, URA had offered affected owners priority to buy flats in the redeveloped project. For the Shun Ling Road redevelopment project, URA had provided assistance to affected tenants who were not eligible for rehousing.

46. Dr Priscilla LEUNG supported the setting up of district urban renewal forums and suggested that there should be a bottom-up nomination mechanism where more forum members should be appointed from local community groups who cared about and understood the relevant issues.

47. Mr Albert HO said that URA should be more transparent in its redevelopment projects. Its financial status, including the cost and revenue of individual urban renewal projects, should be publicized.

48. Ms Starry LEE said that URA was criticized for not being transparent in the selection of redevelopment proposals. Property owners had tried to seek help from URA to initiate redevelopment, but the response was often not forthcoming. URA should explain its decisions and the selection process to the community. Conditions of buildings and owners' wishes should be factors in deciding whether or not to initiate a redevelopment proposal.

49. SDEV said that the question of whether the next location targeted for redevelopment should be kept confidential until the freezing survey could be reviewed, but this was not particularly critical because it was not difficult to identify the types of properties likely to be targeted for redevelopment. The Administration supported the suggestion for URA to publicize the financial information on its completed projects.

50. Prof Patrick LAU said that he had received complaints alleging URA for under-estimating the size of the properties to be resumed. As a result, the owners believed that they received less compensation than they were otherwise entitled to. He asked if the Administration would set up a fair and impartial appeal mechanism to resolve the disputes. SDEV said that the Administration was examining, together with local arbitration and professional bodies on ways to handle such cases.

#### Flat-for-flat and shop-for-shop compensation

51. Mr CHAN Kam-lam said that the Administration should clarify the details of the flat-for-flat compensation option, as many people had advocated the option without understanding the details. To widen public support for future urban renewal projects, he suggested that the Administration should also develop other compensation options so as to allay stakeholders' worries that their interests might be eroded.

52. Ms Cyd HO said that the flat-for-flat compensation option might not solve owners' problems. Given the large price difference between the resumed property and the redeveloped property, owners were unlikely to be able to afford a new unit in the completed redevelopment with the compensation received. She suggested that the Administration should develop other more equitable options.

53. Dr Priscilla LEUNG observed from the cases she had handled that the escalating property price out-paced the level of compensation, and many affected property owners could not afford a comparable unit in the neighbourhood. She suggested that the Administration should explore providing enhanced allowance to meet the owners' special circumstances.

54. Mr Frederick FUNG criticized that the flat-for-flat compensation option would not work in practice when the units in the redeveloped property were larger than the owners' original premises. The Administration should construct a special type of housing blocks, similar to the sandwich class housing that the Hong Kong Housing Society had built, to provide compensation units in West Kowloon, East Kowloon, Wanchai and Western districts.

55. Mr KAM Nai-wai said that some property owners criticized the flat-for-flat compensation option because it fell short of addressing their demand for a replacement flat of the same size.

necessary to rename URA because redevelopment and rehabilitation would still be its core business, URS might be renamed to reflect the focus on urban regeneration.

64. Ms Starry LEE said that while URA's new roles should be put into effect as early as possible, most owners preferred URA to assume an implementer role. Redevelopment by owners was difficult to achieve because it required owners of diverse interest to come to a consensus.

65. Mrs Regina IP welcomed the suggestion for URA to be a facilitator of redevelopment, although she doubted how it would work in practice. In particular, she doubted how URA would be able to motivate developers to participate in a redevelopment project if it was not profitable. The Administration might need to inject public funds into URA to enable it to perform a facilitator role.

66. Mr CHAN Kam-lam said that as a facilitator to help property owners undertake redevelopment, URA would not be seen as transferring benefits to developers. He suggested that URA should be appropriately empowered to perform the additional role of a facilitator.

67. Prof Patrick LAU also welcomed the suggestion for URA to take up a facilitator's role as it would assure owners that their property rights were respected, and said that the mechanism should be further elaborated. SDEV said that URA's facilitator role would be elaborated in more detail in the URS review so as to enable URA to function more effectively in its new role. She added that one of URA's core businesses was rehabilitation of buildings. When property owners were required by the Buildings Department to rehabilitate their properties, they could seek advice from URA who might, in turn, advise them to redevelop their properties if deemed appropriate and thus become a facilitator in the process. Prof LAU said that some owners might prefer rehabilitation to redevelopment for various reasons. They should be offered different options. SDEV said that in Hong Kong, owners only owned an undivided share of the lot. It would not be possible for one owner to redevelop the property while the others chose to rehabilitate.

68. Dr Pricilla LEUNG said that many property owners in old districts did not have the ability to organize themselves to redevelop their properties. URA should play a more active role to assist these owners. She doubted whether affected property owners would prefer sandwich class typed housing as compensation as they would have higher expectations from redevelopment.

69. Ms Cyd HO said that most owners did not have the drive to organize themselves to redevelop their properties until they were about to be resumed. She suggested that property owners should be offered an opportunity to participate in redevelopment other than selling their properties to URA, on condition that owners to agree to compensate their tenants properly.

60. Mr IP Kwok-him referred to the Administration's paper which stated that redevelopment projects implemented by URA did not "involve the redevelopment value of the lot in question." He asked how developers would be motivated to partner with URA in its projects if redevelopment value was not taken into account. SDEV clarified that what the paper was trying to convey was that the value of flat-for-flat compensation must be evaluated on the basis of a seven-year-old notional flat within the same district regardless of the redevelopment value of the property being resumed.

#### Role of the Urban Renewal Authority

61. Mr KAM Nai-wai asked how URA's proposed role as a facilitator was connected with the recent legislation to lower the application threshold for compulsory sale for redevelopment. SDEV said that the legislation was introduced after having spent several years in conducting public consultation and surveys. The legislative amendment would make it easier for owners of undivided shares of the land lot to assemble sufficient ownership share to enable redevelopment to be carried out, and this would be relevant in owner-initiated redevelopment to be facilitated by URA as URA could not reply on government resumption powers when it was playing a facilitator role.

62. Mr Albert HO said that URA, as a facilitator in redevelopment, could help ensure that small property owners could receive a reasonable and equitable price for their properties, and that tenants could be given appropriate assistance. He hoped that the recommendation could be implemented as early as possible. He suggested that URA should be renamed to reflect its new roles, and that it should provide community facilities such as residential units for the elderly rather than just commercial facilities like shopping malls in its redevelopment projects.

63. SDEV said that the Administration also strived to conclude the URS review and implement the new strategy as scheduled so as to give URA its new mission and objectives. She stressed that owners would have to be responsible for compensation and rehousing matters where URA would only be a facilitator in the redevelopment process. As an implementer, URA exercised a statutory power and used public resources to achieve an urban renewal objective. It would be responsible for rehousing of the affected tenants. As a facilitator, URA participated in a market activity. The Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) provided a legal framework for owners to redevelop their properties. Under this mode, owners enjoyed the benefits of maximising the plot ratio of their properties through redevelopment. As such, URA could not use its resources to relocate affected tenants, and the responsibility should rest with the owners. URA could also set certain criteria for the owners to fulfill regarding the treatment of affected tenants before participating as facilitator. The provision of community facilities in URA projects was only possible when URA was assuming an implementer role. When URA was assuming a facilitator role, it did not have the power to require property owners to give up some of their floor area to provide community facilities. On renaming URA, she said that while it might not be

56. SDEV said that the objective of government involvement in urban renewal was to improve the living environment of people in old districts. To property owners, properties that were to be redeveloped or rehabilitated were also their important assets. It was therefore important that stakeholders' needs should be addressed. Provision of redevelopment and compensation options for the affected owners was an important guiding principle of the current URS review. Ideas such as owner participation in redevelopment and flat-for-flat compensation option were subject to different interpretations by the public. The public engagement exercise had enabled more focused discussion on these ideas. The technicality of formulating the flat-for-flat compensation option remained to be developed, but the fundamental principle that affected owners would be compensated on the basis of a seven-year-old notional flat within the same district remained unchanged. She stressed that the flat-for-flat compensation option was to meet owners' aspiration for an alternative to cash compensation but it was not intended to increase the compensation to affected owners.

57. Mrs Regina IP agreed to the flat-for-flat option in principle, but considered the option quite complex and unable to address the problems faced by the shop operators. The Administration must tackle this problem thoroughly, otherwise it could not be said that URA was people-oriented in its operation. SDEV said that efforts were made to enable affected parties to be relocated within the same neighbourhood as far as possible, but many, in fact, were interested to receive cash compensation to improve their living conditions.

58. Mr KAM Nai-wai asked how the Administration planned to enable affected shop operators to continue their business. SDEV said the shop-for-shop compensation option was considered impractical. A comparable shop space might not be available in the redevelopment as the nature of business might not be compatible with the environment. Even if shop operators could be allocated a shop space in the redevelopment, they would still face the problem of finding temporary shop space to operate during the construction period. The district urban renewal forums might help decide early in the redevelopment planning stage whether a particular type of local economy could be preserved. If it was decided that certain shops would not remain in the redevelopment, URA would be required to provide assistance to affected operators.

59. Ms Starry LEE urged the Administration to re-examine the shop-for-shop compensation option despite its implementation difficulties. She said that small shop operators were often the most affected as the ex-gratia compensation was insufficient for them to restart business in the neighbourhood. She suggested that the Administration should consider relocating these shop operators to vacant shop space in public markets. SDEV said the Administration was exploring options to help affected shop operators to continue their business.

Social service teams

70. Miss Tanya CHAN said that the Administration had not addressed social workers' concerns about possible conflict of their roles as advocates and caseworkers in an urban redevelopment project if their services were continued to be funded by URA. She asked what measures would be put in place to ensure social workers' independence.

71. Ms Cyd HO expressed a similar concern and said that social workers in the social service teams felt stressed from their dual but conflicting roles. On the one hand, their service was funded by URA, while on the other hand, they would be working for the interest of the affected residents. As these social workers should work independently, she suggested that a fund should be set up which would finance the social service teams.

72. SDEV said a study was being conducted to examine, together with the organizations that had operated social service teams, social workers' worries about their possible role conflict as caseworkers and advocates. The study would also examine how social workers in the social service teams could participate in the local urban renewal forums (for example, whether they should participate in their personal capacity or as representatives of their respective service organizations). While the URS review should highlight social workers' roles in an urban renewal project, such roles should not be confused with their functions as caseworkers.

73. Mr Albert HO suggested that the social service teams could adopt an operation model similar to the neighbourhood level community development project to address the needs of affected residents, particularly the elderly living alone or other disadvantaged groups. SDEV said that URA would address the social support needs of residents affected by its projects. A study was being conducted to look into social support services for disadvantaged groups in old buildings affected by urban redevelopment.

Rehousing affected tenants

74. Mr Frederick FUNG was concerned about affected tenants who were denied of the opportunities to be offered public rental housing. Under the current policy, tenants must be registered during the freezing survey, still reside in the affected premises during resumption and satisfy the eligibility criteria before they could be offered public rental housing units. Mr FUNG said tenants should not be subject to the regular eligibility criteria for public rental housing because they had to be relocated not out of their own making, but as a result of resumption for redevelopment. Furthermore, they should not have to wait for the actual resumption in order to be offered public rental housing units.

75. Miss Tanya CHAN said that the Central and Western District Council was aware of similar problems where tenants affected by the Mass Transit Railway West Island Line project were evicted. The Administration should consider plugging the loophole by way of legislative amendments.

76. SDEV said that she was aware of the cases in Sham Shui Po where tenants were evicted by the landlord after a freezing survey and lost their rehousing rights as a result, and that it was an issue to be tackled. Such incidents were rare and it was quite inconceivable why the landlord evicted the tenants and deprived them of their rehousing rights after a freezing survey, when the landlord had nothing to gain from it. While she would not comment on individual cases, more in-depth investigation was needed to ascertain whether a legal loophole existed, and whether legislative amendments or policy adjustments were warranted to redress the issue. Improvements had already been made for the Ma Tau Wai Road/Chun Tin Street redevelopment project where arrangements were made for eligible tenants to select public rental housing units before URA started resumption. As regards the suggestion of relaxing public housing eligibility criteria for affected tenants, she said that as public rental housing was a scarce resource, it was inevitable that tenants must satisfy the criteria in order to be rehoused. Such eligible tenants would already be offered public rental housing faster than they would otherwise have to wait under the normal application process for public rental housing.

77. Ms Cyd HO said that the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) should be amended to protect affected tenants from being evicted unreasonably following a freezing survey, and new town planning standards and requirements might be required to incorporate new environmental protection or energy efficiency measures. The Urban Renewal Authority Ordinance (Cap. 563) might also need revision to allow the Director of Audit to scrutinize URA's accounts and operations.

78. SDEV said that implementation issues such as financial and legal matters would be addressed at a later stage, and in the context of the new URS. Wider issues such as new planning standards and requirements, environmental performance measures in building or relationship between landlords and tenants were beyond the scope of the URS review.

#### Tracking studies

79. Mr Alan LEONG asked whether tracking studies had been conducted and, if so, what the outcome was. SDEV said that two tracking studies in connection with the urban renewal projects in Sham Shui Po and Kwun Tong had been conducted. The studies showed that many affected property owners used part of their cash compensation to acquire old and smaller properties within the same locality and kept the remaining proceeds to meet their financial needs. The majority of these owners were elderly people, and the urban renewal projects had often turned out to enable elderly owners deal with their financial problems in their retirement. The studies also revealed an over-anxiety among many affected

residents that they could not adjust to the new environment. It turned out that these people were coping well in the new community.

Public consultation

80. Miss Tanya CHAN said that she had received suggestions that the Administration should conduct more public hearings or consultation sessions so that the public could raise their concerns on the URS review. Ms Cyd HO considered that the Panel should hold a meeting to receive public views on the URS review.

81. SDEV said that while the Administration was ready to listen to the views from the community, it had difficulty in organizing more public forums at this stage. Sessions would be organized for professional organizations to gather their comments to facilitate a more balanced discussion. She supported the Panel holding a public hearing and would be prepared to attend the hearing personally.

**VII Development-related issues under the Framework Agreement on Hong Kong/Guangdong Co-operation**

(LC Paper No. CB(1)1755/09-10(01) -- Letter dated 26 April 2010 from Hon KAM Nai-wai on development-related issues under the Framework Agreement on Hong Kong/Guangdong Co-operation

LC Paper No. CB(1)1919/09-10(09) -- Administration's paper on development-related issues under the Framework Agreement on Hong Kong/Guangdong Co-operation

LC Paper No. CB(1)1919/09-10(10) -- Paper on development-related issues under the Framework Agreement on Hong Kong/Guangdong Co-operation prepared by the Legislative Council Secretariat (Background brief)

Development of the Lok Ma Chau Loop

82. Given that Hong Kong had abundant higher education places and that several pieces of land, including the one at Queen's Hill, had already been earmarked for development of higher education, Mrs Regina IP queried the appropriateness to develop higher education in the Lok Ma Chau Loop (the Loop).

She enquired whether the higher education places in the Loop were targeted at non-local students, and whether the academic institutions operating thereat would be funded by the Government. She cautioned that a further increase in the number of higher education places would only aggravate the unemployment problem of university graduates. Instead of developing higher education, she asked whether the Administration would consider setting up data centres in the Loop.

83. SDEV advised that the Loop was one of the ten major infrastructure projects. Over these years, a great deal of work had already been done by the Administration in collaboration with the Shenzhen authorities. The proposed land use in the Loop was agreed on jointly by the Hong Kong and Shenzhen governments in consultation with major stakeholders of both sides. Apart from higher education, the Loop would also cater for high technology research and development as well as cultural and creative industries. In comparison, the two pieces of land designated for higher education development in urban areas were much smaller in size. Due to hilly terrains, the land lot at Queen's Hill would only be able to provide a limited number of higher education places. As for data centres, she believed that they could be accommodated either in commercial/business lots or revitalised industrial buildings. Principal Assistant Secretary for Development (Planning and Lands)<sup>5</sup> supplemented that six local tertiary institutions had submitted views or suggestions on the development of higher education in the Loop. The Administration was formulating a Preliminary Outline Development Plan for public engagement within 2010.

84. Mrs Regina IP welcomed the Administration's proposed options regarding the development of data centres, but maintained that the Administration should review the land use of the Loop. Mr KAM Nai-wai expressed similar reservations on developing higher education in the Loop in the light of fast-changing circumstances. The Administration took note of their views.

#### Development of the Closed Area and New Territories North

85. Prof Patrick LAU enquired whether the Framework Agreement on Hong Kong/Guangdong Co-operation (Framework Agreement) would involve the opening up of the Closed Area. He advised the Heung Yee Kuk had expressed considerable concerns about the future development of the land to be released from the Closed Area. In this regard, he considered that the Administration should strike a balance between development and conservation. In response, SDEV said that the development of the land to be released from the Closed Area was primarily a task for Hong Kong to handle. The Administration had no plan to implement high-density developments thereat, and would continue to consult relevant stakeholders on the development of the Closed Area.

86. Ms Cyd HO expressed concern about the development of the Liantang/Heung Yuen Wai areas, the opening up of the Closed Area and the implementation of New Development Areas. She was worried that developments in these areas might have adverse effects on the environment. If the Administration

decided to maintain these areas as low-density development areas, guidelines should be drawn up as early as possible to regulate public and private developments. The Administration should communicate with the Shenzhen government to facilitate the coordination of developments on both sides. The Administration should also formulate well thought-out plans to minimize the effects of re-sited villages on the local environment.

87. SDEV advised that the Administration was working on the proposed Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling New Development Areas as well as the Hung Shui Kiu New Development Area. For the former, the second stage public engagement had been completed. For the latter, detailed planning and engineering study was yet to start. As regards the land to be released from the Closed Area, the Administration would be prudent in ensuring that the developments would be appropriately planned, taking into consideration that the Shenzhen side was already highly developed. In the foreseeable future, the Administration would strive to adopt a low-density, preservative and revitalising approach in developing these areas, and the Legislative Council would be duly consulted. As regards Ms HO's concerns about the possible effects on the environment arising from the re-site of Chuk Yuen Village, SDEV assured members that there would be an overall plan and the Administration would carry out detailed studies before implementing the project.

88. Ms Cyd HO considered that the Administration should formulate a new policy setting out re-site arrangements for non-indigenous villages in the New Territories. Due to the non-indigenous status of these villages, their villagers were receiving far less favourable treatments than their indigenous counterparts in village clearance. SDEV responded that while the Administration would not commit at this stage that it would conduct a policy review, she agreed that non-indigenous villages would be a major issue that the Administration had to tackle in developing the New Territories.

#### Supply of Dongjiang water

89. In response to Mr KAM Nai-wai, SDEV explained that the co-operation initiatives on Dongjiang Water under the Framework Agreement was primarily a reflection of the initiatives under the Agreement for the Supply of Dongjiang Water to Hong Kong signed by the Hong Kong SAR government and the Guangdong government prior to the Framework Agreement. Director of Water Supplies advised that the Water Supplies Department had been receiving information on water quality monitoring from the Department of Water Resources and the Environmental Bureau of Guangdong Province on a regular basis. Such information was adequate for ensuring compliance with the national Environmental Quality Standards for Surface Water, GB3838-2002, for Type II water. Under the Framework Agreement, the Guangdong government planned to implement a series of improvement measures to enhance water quality monitoring. The inputs from the Hong Kong SAR Government would be the

provision of technical advice as and when required. The Administration would maintain liaison with the Guangdong authorities on such regard.

Other issues

90. Mr KAM Nai-wai enquired about the details of the Qianhai development and expressed concern on the extent of Hong Kong's input on the development. SDEV responded that although the Qianhai development was not steered by the Development Bureau, the Planning Department had been providing support to the policy bureaux concerned in the project. Deputy Director of Planning/Territorial said that the Qianhai development would include logistics and services sectors. To facilitate the development, Planning Department had discussed with and provided technical advice to its counterpart in Shenzhen.

91. Prof Patrick LAU enquired about the progress of the implementation of further measures under the Closer Economic and Partnership Arrangement in relation to the delivery of services by members of Hong Kong's professional bodies on the Mainland. SDEV advised that the matter was undertaken by the Commerce and Economic Development Bureau, with the Development Bureau providing support in areas under its purview.

**VIII Any other business**

92. There being no other business, the meeting ended at 6:38 pm.

市區重建局  
分區諮詢委員會

有關《市區重建策略檢討》的會議記錄摘錄

I 油尖旺分區諮詢委員會 (第七屆第一次會議)

會議日期：2010年5月28日

議程(三) 「市區重建策略檢討」及油尖旺「市區更新地區  
願景研究」進度報告

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19. 市建局執行董事(規劃及項目監督)譚小瑩女士和市區重建局企業傳訊總監邱松鶴先生，分別向委員簡介「市區重建策略檢討」及「市區更新地區願景研究」進度報告。各委員獲派《建立共識-階段的公眾意見總結及展望文件》乙本，以供參閱詳情。
20. 市建局羅義坤先生強調，若市建局擔當「促進者」的角色，局方將會提供收費服務，協助居民重建，當中不涉及市建局的補償及安置安排，而局方亦不會引用《收回土地條例》。羅先生續說，「市區更新地區願景研究」的報告已經交由市區重建策略檢討督導委員會(下稱：委員會)考慮。委員會傾向認為日後成立的「地區更新諮詢平台」應在考慮「硬件」因素，譬如樓宇狀況等之外，亦需要考慮「軟件」因素，譬如市區更新對社會影響等。

21. 潘潔文先生關注「樓換樓」的補償模式，問市建局是否在興建新樓宇的初期已決定有關的呎價，供受影響業主購買。
22. 譚小瑩女士回應稱：若受影響的自住業主選擇「樓換樓」的補償模式，有關業主須以當時所定的市價認購新單位，並須將其所得的「七年樓齡」的現金補償之一部份交由律師樓保管，以確認該業主參與有關認購。
23. 羅義坤先生補充，指業主需要特別留意由收到市建局補償起到新建樓宇落成之間的時間相距最少六年，並要考慮過渡期的居住安排。
24. 秦寶山先生關注「樓換樓」的補償模式中，部分補償金額會留在律師樓作確認之用，他詢問有關的業主會否收到利息。另外，秦委員問選擇「樓換樓」的業主，可否於日後退出，並取會預留的金額。除此以外，他亦認為市建局在扮演「促進者」角色時，應照顧弱勢租戶的需要。
25. 市建局譚小瑩女士回應說，可詳細研究應如何支付保管補償金額的利息予參與「樓換樓」業主。
26. 市建局羅義坤先生認為律師樓應暫管業主預留參與「樓換樓」的款項，並將所得利息轉交業主，而有關細節須作詳細研究。另外，他認為業主一旦決定參與「樓換樓」就不應退出，因為如業主可隨意退出是會令計劃失去預算。在「促進者」

的角色上，羅先生強調，由於進行自行重建的業主都是希望獲得發展項目後的利益，政府不應以「公帑」和「公權」來協助業主謀利。羅先生表示日後若市建局以「促進者」身份處理重建計劃時，將不會引用《收回土地條例》進行收地，亦將不涉及市建局的補償及安置安排。而在租戶事宜上，羅先生表示委員會建議市建局考慮研究方案，進一步為被逼遷的租戶提供協助。

27. 梁偉權先生表示他期望社會有一個權威的部門，能宏觀地、長遠地主導推行市區更新發展策略。梁委員認為「樓換樓」涉及個人財產問題，擔心以抽籤形式來編配單位會引起不少紛爭。建議在業主在確認參與「樓換樓」時，市建局向業主提供足夠的新建樓宇資料，並提供預先抽籤揀樓，讓業主可作決定。另外，他希望自住業主與非自住業主的補償差額問題能獲得改善。
28. 市建局羅義坤先生回應稱，構思中的市區更新地區論壇〔下稱：論壇〕是一個可以讓不同地區持分者溝通的平台，並非著重由哪一個政府部門主導。另外，委員會對如何界定論壇所處理的區域和範圍的大小，仍未有定案，有待參考市民的意見再作研究。在「樓換樓」方面，羅先生表示「樓換樓」的補償模式仍有很多複雜的技術問題有待處理，例如業主在等候新樓落成的期間，樓市會有波動，影響業主利益；業主在參與有關計劃後，

建築圖則要花上兩至三年才完成，令業主未必有足夠資料選擇單位。在現行的補償政策上，羅先生表示有關的自住業主與非自住業主的補償金額，是立法會於 2001 年 3 月會議中詳細討論的結果，他強調非自住業主所獲得的津貼補償已經較市價優厚，倘若劃一自住業主與非自住業主的補償準則，市民會質疑是否應以公帑來補償投資者的物業，而委員會亦建議繼續推行現行補償政策。

29. 市建局譚小瑩女士補充說，自住業主可獲樓價市值再加全數自置居所津貼，目的是希望足夠讓自住業主在同區另覓合適居所作居住用途；而非自住業主也會獲得樓價市值再加半數自置居所津貼，而整體補償已較市值為高，足夠非自住業主另覓單位作投資之用。
30. 蔡少峰先生認為一旦樓價下跌，選擇了「樓換樓」補償模式的業主會非常不滿。他建議市建局考慮在新建樓宇落成後，讓有關業主可以彈性地按當時意願選擇合適的補償模式。
31. 主席表示有關文件羅列從公眾諮詢中總結的共識框架，當中的細節可作討論。主席鼓勵各委員參加 6 月 5 日舉行的「建立共識」階段的總結會議，或於 6 月底前向委員會提出意見。
32. 市區重建局企業傳訊總監邱松鶴先生向委員簡介「市區更新地區願景研究」的進度報告，表示油

尖旺區議會所委託的顧問已經向委員會提交了研究報告，而委員會將開會討論 7 個區議會提交的研究報告。

## II 荃灣分區諮詢委員會 (第一屆第三次會議)

會議日期：2010 年 6 月 3 日

### 議程(三) 《市區重建策略》及《市區更新地區願景研究》 進度報告

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27. 首先，由市建局執行董事(規劃及項目監督)譚小瑩女士向各委員簡介《市區重建策略檢討》進度報告。然後，由市區重建局企業傳訊總監邱松鶴先生，向各委員簡報《市區更新地區願景研究》進度報告。
28. 譚小瑩女士請委員備悉有關《市區重建策略》之「建立共識」階段的公眾意見總結及展望文件，交件已收集了前兩階段的公眾意見，而督導委員會於本年一月至二月間舉行多次會議，草擬了一些大方向及建議，讓公眾在第三階段就著這些方向及建議進行討論，以建立共識。
29. 接著，譚女士以電腦簡報圖片輔助，向委員簡介《市區重建策略》進度報告，內容包括：
  - i) 市建局的未來角色；

- ii) 「地區更新諮詢平台」;
  - iii) 「樓換樓」- 可考慮模式及流程；及
  - iv) 總結會議。
30. 主席請邱松鶴先生向各委員簡介「市區更新地區願景研究」進度報告。
31. 邱松鶴先生表示，「市區更新地區願景研究」源於二零零九年七月由發展局局長邀請七個區議會進行，報告是以七個區議會作主導，市建局的角色是提供研究的資源及輔助區議會遴選顧問的工作。是次荃灣區的報告由香港大學負責。此報告的最大特點，根據社區上收集了的不同意見，經區議會的商議後，將荃灣地區分為「四縱一橫」，即四條直線和一條海濱的橫線，沿著這些地區，作為整體性的意見。這些重點的優化地段包括西樓角公園、蠟地方、戴麟趾夫人分科診療所、大陂坊/二陂坊、聯仁街的熟食小販市場、大窩口工廠的空置用地、路德圍、荃灣 TL393 地段及海濱，除了市中心的舊地方外，海濱及工廠的空置用地，都是重點研究的範圍。現時的報告已公開發佈及刊載於市區重建策略檢討的網頁內，供公眾參閱。
32. 主席邀請各委員就上述匯報發表意見。
33. 陳恆鑞先生表示支持「地區更新諮詢平台」(下稱：「平台」)的建議，「由下而上」的模式更能表達市

民的聲音，然而令他關注「平台」運作時的經費。陳先生同意保密性的重要，避免知情人士利用消息進行圖利的活動，如「落釘」、趕走租客等問題。此外，陳先生謂，有關「樓換樓」的模式引入一些欠缺吸引性的條款，如低層單位、補差價、不實用的新樓面積等，都未能加快收購的進度。他以前身為「大屋圍」的「海天豪苑」和「協和廣場」為例，這例子提供了較優厚的條件供居民作「樓換樓」及「舖換舖」的補償；而最後發展商亦有盈利。故此，他建議局方應提供更優厚的條件於「樓換樓」方案中，以加快重建的進度。

34. 羅少傑先生表示，明白政府的大方向以樓宇復修為主導，重建為次，事實上有很多樓宇殘破不堪，須以重建的方式才能解決問題。另外，他稱近日發現荃灣舊市中心內，有一間收購舊樓的公司積極聯絡區內的業主，並頻頻出席業主大會，令他擔心重建項目的保密性問題。他希望該等公司不會因得到任何市建局的資料而從中得益。羅先生同意「舖換舖」方案實行上有一定的難度。而他建議在「樓換樓」的方案中應提供更多的選擇給業主，同時羅先生亦提議局方應考慮在重建過程中的特定時間內「樓換樓」轉讓權的問題。

35. 黃家華先生同意局方先選擇一至兩個地區試行「平台」計劃，以測試其可行性及結果。他亦同意「保密原則」的重要，因他擔心個別公司會因

得到重建資料而從中得益。黃先生表示，因重建需時，他建議長者業主可以獲「樓換樓」的承繼權安排。最後，他認為「舖換舖」的執行困難度亦很大。

36. 譚小瑩女士回應，就著「樓換樓」方案的討論，無論政府及督導委員會都認為「七年樓齡自置居所津貼」的基準是不能改變，如果「樓換樓」方案不作任何差額補償，即等如舊樓換新樓，這樣賠償便高於「七年樓齡自置居所津貼」的賠償方案。譚女士解釋，「樓換樓」方案面積的計算，無論新舊樓都以實用面積來計算。她知悉委員認同「舖換舖」的難度及保密性的重要。譚女士指出，就轉讓權的問題，督導委員會給予了清晰的指引，在重建過程中不會提供一個炒賣樓宇的機會。有關委員提出的細節建議，市建局會提交予督導委員會作考慮及研究。
37. 主席請譚女士回應委員查詢「平台」的經費問題。
38. 譚小瑩女士回應，由於現階段的督導委員會未就討論「平台」的運作模式作討論，暫未能提供有關資料。而「平台」並非一個執行機構，只是一個諮詢「平台」，因此不會涉及資金預算問題。而有關深化考慮和執行項目的工作亦會交回有關機構，政府部門或由市建局跟進。
39. 李仲明先生表示同意市建局應集中於重建項目內

的保育工作。他稱，灣仔莊士敦道項目正是一個「活文化遺產」(living heritage)的好例子，市建局成功引用了餐飲業，把這幢和昌大押的歷史建築物連同附近的商業區一齊活化起來。他認為市建局收購昂貴的唐樓，以進行保育項目，這對市建局不公允，且同時以公帑收購唐樓，這也不適當。他建議市建局應擔當「促進者」的角色，令更多有興趣的持份者參與保育工作。

40. 主席讚賞市建局的同事，能在重建項目內和外完成困難度極高的保育工作實在不容易。

### III 中西區分區諮詢委員會（第七屆第一次會議）

會議日期：2010年6月10日

#### 議程(四) 《市區重建策略》檢討進度報告

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29. 主席邀請市建局執行董事(規劃及項目監督)譚小瑩女士向各委員簡介《市區重建策略檢討》進度報告，並請委員備悉有關《市區重建策略》之「建立共識」階段的公眾意見總結及展望文件。
30. 譚女士以電腦簡報圖片輔助，向委員簡介《市區重建策略》進度報告，內容包括：
  - v) 市建局的未來角色；

- vi) 「地區更新諮詢平台」;
  - vii) 「樓換樓」- 可考慮模式及流程；及
  - viii) 總結會議。
31. 主席邀請各委員及與會者就上述匯報發表意見。
32. 陳捷貴先生表示，經過一輪諮詢工作所得出的七大課題十項共識對建立共識階段的工作很有幫助。陳先生表示復修工作可協助解決樓宇老化問題，而有關 4R 策略亦為市建局更清晰定下未來方向。由下而上的諮詢已達至集思廣益的目的，特別是弱勢社群，陳先生希望檢討能包含更多不同持份者的意見。
33. 陳學鋒先生表示，政府提出的「樓換樓」與市民心目中的「樓換樓」概念存在分歧，而執行細節上亦存在不少問題，他擔心重建時間長及樓市上升會令業主無法負擔樓價之差價。
34. 譚小瑩女士回應表示，新單位的價值將在評估「7年樓齡自置居所津貼」時，以實用面積來釐訂。這措施可避免因建築期間樓市波動對業主的影響。
35. 楊少銓先生表示，他支持「以人為本」，「由下而上」的「市區更新諮詢平台」，他希望跟進局方將如何落實由「諮詢平台」提出的意見。但他擔心「諮詢平台」因沒有資金預算，工作難以執行。

36. 譚小瑩女士回應表示，在初步構思中，「諮詢平台」將會就區內項目訂立優先次序，並達成共識。市建局會認真處理不同「諮詢平台」的意見，然後視乎局方的資源，將優先項目放入五年工作綱領及每年的業務計劃中，並在得到政府的批准後續一落實。同時，「諮詢平台」亦可遊說私人發展商推行項目。譚女士指出，「諮詢平台」所提出的計劃亦希望能建立社區責任，推使項目進行。
37. 主席邀請邱松鶴先生向各委員簡介「市區更新地區願景研究」進度報告。
38. 市區重建局邱松鶴先生表示，中西區的「市區更新地區願景研究」是源於二零零九年七月的市區重建策略檢討督導委員會會議上，通過進行以區議會主導的「市區更新地區願景研究」建議，而市建局則為研究提供資源協助。他續指，各顧問已於本年一月初進行中期交流會，報告並已於四月呈交發展局。
39. 邱松鶴先生表示，經過一系列的社區工作坊及諮詢工作，中西區的願景研究中，提出了 8 個主題及 31 項建議，當中包括區內環境改善、區內城市規劃、文娛康樂設施及住屋需求等。邱先生提出以下重點：
40. (i) 願景研究內的建議，執行機構可以是不同政府部門、市建局、其他機構及團體等；

41. (ii) 研究的建議可給予諮詢平台作為參考；及
42. (iii) 由於研究的建議並未作深化研究，當執行時需再與區議會進行較深入的諮詢及研究。
43. 主席邀請各委員及與會者就上述匯報發表意見。
44. 陳學鋒先生表示，作為中西區區議會「市區更新地區願景研究」工作小組的召集人，他認同報告的建議未經過深化研究，因此在具體執行時，區議會有責任進行更深入的地區諮詢工作。

#### IV 灣仔分區諮詢委員會（第七屆第一次會議）

會議日期：2010年6月15日

##### 議程(五) 《市區重建策略檢討》及《地區願景研究中中期研討會》進度報告

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35. 主席邀請市建局譚小瑩女士向各委員簡介《市區重建策略檢討》進度報告，並已分派有關《市區重建策略》之「建立共識」階段的公眾意見總結及展望小冊子予各委員參閱。
36. 接著，市建局邱松鶴先生向各委員簡報灣仔《市區更新地區願景研究》的進度報告。
37. 黃宏泰先生表示，市建局一向是以自負營虧的方式運作，自去年馬頭圍道塌樓事件發生後，市建

局接手重建該項目，他相信最終項目會虧本收場。他指出以「由下而上」的公眾參與方式，市建局未來可能會面對更多虧本項目而帶來更大的財政壓力，並影響到其他重建地區，如深水埗區的重建項目，或會因為缺乏財務吸引性而重建進度被拖慢。他認為局方與市民有不完的爭拗，根源是「七年樓齡自置居所津貼」的現金補償基準，故此，他建議市建局使用更具彈性的賠償基準，如接受業主申請以較低賠償基準為優先重建的考慮。他又提醒局方的角色勿與社會福利署混淆。最後，黃先生不認為有很多居民會選擇以「樓換樓」的補償模式，因為實踐上存在很多技巧上的問題有待處理，而且重建的步伐亦時有拖慢，繼而影響補償單位的入伙日期。

38. 譚小瑩女士回應說，賠償模式必須依據《市區重建局條例》為基本原則來處理重建項目，若以投標方式去接納較低的賠償模式會引起不少紛爭矛盾，故此賠償基準必須是一致及透明度高。局方在決定重建項目的優先次序時，亦會考慮不同因素，如樓宇是否殘破失修或急須重建、規劃優點等，局方不會因為業主單方面提出重建的要求便一定接納其申請。

譚女士繼續表示，建議設立的「地區更新諮詢平台」(DURF)會按區內人士的要求訂立希望進行的項目，市建局會謹慎考慮諮詢平台的意見，並參

考有關樓宇的結構勘察狀況來決定項目推行的優先次序。

39. 就市區重建策略檢討，吳錦津先生表示欣賞檢討中有進步的地方，如市建局擔當「執行者」或「促進者」的角色，又引入退出機制，增加靈活性。正如利東街(H15)重建項目為例，吳先生指出當年曾有利東街(H15)重建項目的居民先後向不同屆別的灣仔區議會請願，有些居民要求盡快重建利東街，有些居民則反對重建。吳先生相信有了退出機制，可以增加市建局在決定開展項目時的靈活性。在賠償方面，他認為對業主的賠償應該劃一，取消住宅物業業主現金補償中區分「自住業主」及「非自住業主」的基準，令所有業主可獲得相同的現金賠償。此外，因重建會產生更多樓面面積，因此可以把多一些利益歸於受重建影響業主，或以舊樓「實用面積」換新樓的「建築面積」以省去「呎換呎」補差價的問題。吳先生亦分享了自己在廣州市重建發展的經驗。

40. 羅義坤先生回應指，政府要求市建局要在 20 年內推行 200 個項目和 25 個前土發公司尚未完成的項目，在揀選開展的項目上，財務並非決定開展項目唯一的因素，局方同樣會考慮樓宇狀況等不同的因素。

至於「七年樓齡自置居所津貼」的現金補償基準，

它是立法會於 2001 年 3 月會議中經詳細討論後而訂立的現金補償基準。市建局必須遵照當時訂立的現金補償基準進行賠償。

另外，羅先生指出，如有物業業主向局方提出重建的要求，又或此方案(Demand-led approach)真正實行，他們必須符合一定的條件，例如必須有較為高的業權百分比同意重建，而且市建局可以有基制撤銷重建。至於市建局以「促進者」身份協助處理的項目，將不會引用「市區重建局條例」或「土地收回條例」，因為市建局的工作必須符合公眾利益，不容許投資者因市建局協助重建而從中獲益。

最後，在財務安排上，他強調政府會在總結《市區重建策略》檢討後，制定新的《市區重建策略》時，會全面考慮符合公眾利益的財務安排。

41. 林國明先生分享自己出席了 6 月 5 日《市區重建策略》總結會議的感受，他指出會場內群情洶湧，不少關注組及反對人士有組織地不斷叫口號及舉橫額抗議當局提出的建議。由於他身處的位置鄰近示威群眾，故此他清楚地聽見示威者叫喊的內容，當中包括對賠償金額的不滿、「樓換樓」和「市區更新諮詢平台」沒有實際內容和細節、反對委任制的「市區更新諮詢平台」，認為令整個諮詢過程淪為一場公關表演。林先生認為示威群眾對市

建局存著很多誤解，故此局方必須認真正視示威群眾的意見／訴求及公眾形象，否則，對市建局日後開展項目時必造成更多衝突和抗爭，如重演高鐵收地事件。

42. 羅義坤先生感謝林先生的意見，他指出局方一直關注事件及機構的形象，並強調《市區重建策略》是由發展局統籌，不同人士均可提出他們的個人意見，羅先生相信發展局會仔細考慮公眾人士的意見。

#### V 九龍城分區諮詢委員會（第三屆第一次會議）

會議日期：2010年6月29日

##### 議程(四) 《市區重建策略》檢討進度報告

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33. 市區重建局邱松鶴先生向各委員簡報「市區更新地區願境研究」進展。
34. 邱先生表示，「市區更新地區願境研究」由七個區議會主導進行，並由市建局提供資源及行政支援。督導委員會將於7月份討論7份研究報告。他續指，九龍城區的研究報告提出較多重建的建議，反映地區對重建的訴求。另外，報告亦提出在地區成立服務中心，協助區內業主進行復修，及加強監管車房經營，以減少對鄰近居民影響等建議。

35. 接著由市區重建局規劃及設計總經理畢仲明先生以電腦簡報輔助，向各委員簡報《市區重建策略》檢討進展。
36. 主席請各委員及與會者就上述匯報發表意見。
37. 吳寶強先生希望了解在「樓換樓」建議中，新樓呎價如何釐定，及可有其他資助予選擇「樓換樓」的業主。
38. 畢仲明先生回應表示，新樓呎價的釐定與評估 7 年樓齡自置居所津貼為同一時間。基於不能偏離 7 年樓價補償基準的原則，督導委員會認為不應給予額外的資助予選擇「樓換樓」的業主。
39. 顏少倫先生對「樓換樓」的建議表示關注，他認為該建議並非真正的「樓換樓」，只是給予自住業住一個購買新建成單位的機會，業主亦需要補回新樓的差價。
40. 任國棟先生欲得悉新樓面積的計算方法。任先生進一步表示，作為社會工作者，他亦對未來市區重建社工服務隊的營運及角色表示關注。任先生舉例說，現時社工隊的辦事處設立在市建局的地區辦事處之內，令居民容易混淆社工隊的角色。
41. 朱海山先生建議對選擇「樓換樓」建議的業主可加設轉讓限制，以達致保存社區網絡的目的。
42. 畢仲明先生綜合回應表示，「樓換樓」建議中的新

樓面積及賠償計算同是以實用面積計算。他續指，選擇「樓換樓」的業主是以全資購買物業，所以與資助房屋並不相同，而且業主亦可能有不同理由需要出售其物業，如要在新樓加設轉讓限制將對業主構成不公。

43. 羅義坤先生補充說，督導委員會將於稍後討論「樓換樓」的執行細節。市建局現時在推行項目時亦會向住宅自住業主提供優先認購安排；而「樓換樓」建議的目的是在現金補償以外提供多一個選擇予業主。至於社工隊的營運模式方面，督導委員會會繼續作出討論。
44. 任國棟先生希望在社工隊的問題上，督導委員會會作出更深入的討論。任先生表示，若未能解決社工隊角色的問題，他擔心容易出現社工違反專業守則的爭拗。
45. 鄧寶善博士表示，雖然「樓換樓」建議仍未進行深化討論，但他認為能提供多一個選舉，建議值得支持。鄧博士希望得悉「地區更新諮詢平台」會否在現行的項目上試行。
46. 羅義坤先生表示，現時的建議並不適用於現已進行的項目。督導委員會建議「地區更新諮詢平台」(DURF)會先在一至兩個區試行，市建局則以現行的模式進行其他項目。羅先生亦邀請委員出席 7 月 10 日的立法會發展事務委員會特別會議，表達

意見。

47. 尹才榜先生欲得悉如何落實「由下而上」的諮詢模式。另外，他指出現時地區上存在着簡單化「由下而上」諮詢模式的理解，容易被誤解為表達重建意願的平台。
48. 畢仲明先生回應表示，現時有關「諮詢平台」的構思仍有待深化，但督導委員會明確表明不希望「諮詢平台」與區議會的工作有所重疊，該平台將集中處理市區更新議題，並為市民提供一個表達意見的途徑。「諮詢平台」所收集到的意見，可給予政府、市建局及私人發展商作考慮之用。
49. 羅義坤先生指出，「諮詢平台」亦會進行研究工作，及透過舉辦不同型式的活動收集意見。羅先生續指，該平台將主要討論地區更新的大方向，而居民在得到一定程度的共識後亦可主動提出重建的訴求，市建局會考慮其樓宇的狀況及其他因素後，決定是否執行項目。
50. 吳寶強先生擔心選擇「樓換樓」業主難以負擔新樓的差價，他建議局方可考慮為業主提供貸款資助。
51. 畢仲明先生回應表示，為業主額外提供貸款資助可能有違反以7年樓齡作為補償基準的原則，對選擇現金補償的業主造成不公。

52. 羅義坤先生表示，局方為業主提供貸款有可能違反《市區重建局條例》。

市區重建局  
第七屆深水埗分區諮詢委員會  
第一次會議記錄

日期：二零一零年七月五日（星期一）

時間：上午十一時正

地點：香港皇后大道中一百八十一號新紀元廣場低座十樓  
市區重建局董事會議室

議程〔四〕 《市區重建策略》及《市區更新地區願景研究》進度報告

47. 市建局譚小瑩女士向各委員簡介《市區重建策略檢討》進度報告。她表示公眾諮詢期已經屆滿，《市區重建策略》檢討督導委員會仍在深入瞭解公眾的意見。譚女士以電腦簡報圖片輔助，向委員簡介《市區重建策略》進度報告，內容包括：
- (i) 市建局的未來角色；
  - (ii) 「地區更新諮詢平台」；
  - (iii) 「樓換樓」- 可考慮模式及流程；
  - (iv) 及總結會議。
48. 接著，市建局邱松鶴先生向各委員簡介「深水埗市區更新地區願景研究」進度報告。

49. 邱先生表示「市區更新地區願景研究」是以七個區議會作主導，市建局只是提供研究的資源及輔助區議會遴選顧問。他指深水埗市區的「地區願景研究」報告已於本年四月獲深水埗區議會通過，並呈交發展局和《市區重建策略》檢討督導委員會，以及上載到市區重建策略檢討的網頁，供公眾參閱。
50. 邱先生表示，該報告共就市區更新提出了九項建議，包括：
51. (一) 所有市區重建項目進行前，先進行「社區需要研究」，了解區內市民需要作日後為規劃參考；
52. (二) 提倡保育深水埗的「舊城核心區」，包括欽州街、醫局街、南昌街及元州街一帶等，並對現有公共空間作一定提昇；
53. (三) 建議設立一條深水埗文化徑，將現有公共設施注入獨特性的藝術創作；
54. (四) 改善現時深水埗海傍的可達度；
55. (五) 長遠逐步轉型和活化區內工廈，但要保障現有工廈租客的經營權利；
56. (六) 設立樓宇復修的資源中心，為業主提供會議場地，同時在網絡上增加資訊流通；
57. (七) 在重建方面，(i) 除要考慮樓宇質素外，亦要考慮樓宇內業主的居住情況及意願，(ii) 提供多些

- 賠償方案的選擇，(iii) 發展不同類型居所，尤其是基層住屋和小型商舖，(iv)保障租客在重建上的權益，(v) 住戶及商戶應參與重建規劃和決策過程，區議會要成爲市建局和居民溝通平台；
58. (八) 社工隊要獨立於市建局，而區議會則擔當促成者角色，讓諮詢工作能更仔細地進行；
59. (九) 在樓宇維修方面，建議市建局、房協及其他公營機構投放更多資源。
60. 邱先生指此報告將綜合其他六份報告，在下次督導委員會的會議進行討論。
61. 梁有方先生表示，他高興得悉「樓換樓」方案終具備較具體的內容，並希望居民可直接換取便宜和適用的居所的單位。他指每區特色各異，故此希望當局要考慮具深水埗特色的「樓換樓」方案。最後，梁先生稱希望如新落成的樓宇可容納一些街舖，以爲重建區的商戶提供「舖換舖」安排。
62. 梁啓智博士表示，他期盼市區更新平台能以地區層面出發，並對整體規劃帶來裨益。他表示現時社會對「舖換舖」方案仍有訴求，而個別行業亦因爲重建而令其經營空間不斷萎縮，故建議局方以新思維考慮解決問題的方法。
63. 羅義坤先生稱檢討文件爲督導委員會的意見，並且是在考慮了兩個諮詢階段所收集的公眾意見和

市建局的意見後，所作的方向性建議。羅先生呼籲委員出席立法會發展委員會週六舉行公眾會議，就《市區重建策略檢討》方向性建議發表意見。

**Extract from Minutes of 959<sup>th</sup> Meeting of the Town Planning Board held on 4.6.2010**

**Agenda Item 6**

[Open Meeting]

**Review of the Urban Renewal Strategy – Concensus Building Stage**

**(TPB Paper No. 8549)**

[This meeting conducted in Cantonese]

55. The following members had declared interests on the item:

Mrs. Ava S.Y. Ng <i>as the Director of Planning</i>	]	being non-executive director of Urban Renewal Authority (URA)
Miss Annie Tam <i>as the Director of Lands</i>	]	
Mr. Walter K.L. Chan	]	
Mr. Maurice W.M. Lee	)	being a former non-executive director of URA with the term of office ended on 30.11.2008
Mr. Stephen Yip	)	
Mr. B.W. Chan	:	being the chairman of the Appeal Board Panel under the URA Ordinance
Dr. James C.W.Lau	:	being a member of the Appeal Board Panel under the URA Ordinance
Mr. Raymond Y.M. Chan	]	being members of the Home Purchase Allowance Appeals Committee
Professor Edwin H.W. Chan	]	
Ms. Maggie M.K. Chan	]	
Mr. Andrew Tsang <i>as the Assistant Director of Home Affairs</i>	:	being an assistant to the Director of Home Affairs who was a non-executive director of URA

56. As the item was a general briefing on the Urban Renewal Strategy Review (the URS Review) and no decision was required, the meeting agreed that the above Members could stay in the meeting and join the discussion.

57. The following persons were invited to the meeting:

Mrs. Carrie Lam	-	Secretary for Development (SDEV)
Mr. Raymond Cheung	-	Political Assistant to SDEV
Ms Jane Kwan	-	AS (Urban Renewal) <sup>4</sup> , Development Bureau (DEVB)
Mr. C.W. Yu	-	Press Secretary to SDEV

58. Mrs. Carrie Lam greeted all Members and welcomed the new Members to the Board. She said that in a meeting held in October last year, she briefed Members on the Government's policy on revitalisation of old industrial buildings. She informed Members that since the formal launch of the new initiatives in April 2010, the response had been positive and up to the end of May, Lands Department had already received 14 applications. One of these applications was for redevelopment and one could not be processed further because it did not meet the criteria. The other 12 applications were all for wholesale conversion of old industrial buildings (all under single ownership) for various uses including office, retail, hotel and eating places. It was hoped that the current efforts through the land administration process could build on the past efforts of the Town Planning Board to help release the potential of the industrial building stock and revitalise the industrial areas.

[Mr. Benny Wong left the meeting temporarily at this point.]

59. Mrs. Carrie Lam then briefed Members on the URS Review and made the following main points:

- (a) the current URS was published in 2001 to provide broad policy guidelines for the work of the URA. URA had accomplished a lot since its establishment, including some 40 redevelopment, rehabilitation and preservation projects. However, at the same time, the projects had led to much controversy and criticisms. In 2008, the Government decided to conduct a comprehensive review of the URS to ensure that it would continue to reflect the aspirations and priorities of the community and

take account of the Government's new policies on heritage preservation and building rehabilitation;

- (b) the URS Review was launched in July 2008 and would take two years to complete. The review was conducted in three stages – ‘Envisioning Stage’ in which the public were engaged with no pre-set framework for the purpose of setting the agenda for the review process, and the range of topics and issues for discussion; ‘Public Engagement Stage’ in which the public were engaged to discuss the seven major topics on urban renewal identified at the Envisioning Stage; and the ‘Consensus Building Stage’ in which the public were engaged to focus discussion on the ten preliminary proposals. The ‘Consensus Building Stage’ would be completed in June 2010. After that, the Administration would consolidate all the findings with a view to amending the URS for promulgation by end 2010 / early 2011;
- (c) seven topical research studies were carried out in the course of the URS Review. The topical studies included a comparative ‘Policy Study on Urban Regeneration in six Asian Cities (Seoul, Tokyo, Singapore, Taipei, Shanghai and Guangzhou)’ (Policy Study), and a Tracking Survey on URA Redevelopment Projects that tracked the impact of URA projects on relocated residents and businesses;
- (d) the review process was open and transparent. The public were invited to attend all engagement activities and the minutes of the Steering Committee meetings were uploaded to the URS Review website;
- (e) the 10 preliminary proposals were detailed in the “Public Views and Future Direction - Paper for the Consensus Building Stage of the Urban Renewal Strategy Review” booklet (the booklet). Some of those preliminary proposals were related to implementation details, including compensation and rehousing, the Social Service Team and their role, and the financial arrangements between Government and URA. The proposal more relevant to the work of the Town Planning Board was the proposed

adoption of a 'bottom-up' and 'district based' approach to urban regeneration, which involved the proposed establishment of District Urban Regeneration Forum (DURF);

- (f) as revealed in the Policy Study, the other six Asian cities had designated priority areas for redevelopment at the planning stage. On the contrary, Hong Kong did not have such. Although the URA had a list of target areas for redevelopment, the locations of the specific building clusters or neighbourhoods in those target areas were classified as sensitive and highly confidential. The major consideration behind that was to prevent and reduce abuse and speculations given the public money and potential financial gains involved. The need for such confidentiality was a major obstacle to owner participation as the local community could not be engaged and involved in the planning of the renewal projects at an early stage. The confidentiality principle would need to be reviewed if the 'bottom-up' and 'district based' approach was to be adopted in the future;
- (g) the first preliminary proposal as outlined in the booklet was that urban regeneration would be planned at the district level, adhering closely to the 'people-centred' principle and putting into implementation the 'bottom-up' and 'district-based' approach. A concrete proposal to achieve those objectives was to set up DURF in the URA districts. The functions, proposed composition and mode of operation of the DURF were detailed in the booklet. DURF should help the work of the Town Planning Board which statutory function would not be affected. The DURF was to strengthen urban renewal planning at the district level making reference to the results of the 'Urban Regeneration - District Aspiration Studies';
- (h) the 'Urban Regeneration - District Aspiration Studies' were conducted during the URS Review. The seven District Councils within the nine URA target areas were invited to conduct a study of their own district in order to identify their aspirations for urban regeneration at the district level. The District Aspiration Studies were conducted by professional

consultants including the University of Hong Kong and Chinese University of Hong Kong;

- (i) another topical study was the on-going Building Conditions Survey, which was conducted to update the database on the structural conditions of some 18,000 private buildings aged 30 years or above within the URA target areas;
- (j) the DURF would make reference to the findings of the Building Conditions Survey and, through district planning work, advise the Government on urban renewal. Advice would include local aspirations for and views on urban regeneration, regeneration areas, redevelopment sites / clusters / streets, targets and the means for preservation, and factors important for the local economy and social networks;
- (k) it was suggested that a pilot run of DURF be launched in one or two URA districts before the scheme should be extended to other URA districts. DURF would be an advisory and not a statutory body. It should not be considered as a district arm of the Town Planning Board. The Board would continue its statutory functions under the Town Planning Ordinance. DURF would have no direct relationship with the URA. DURF would build its work on the district planning work of the District Planning Offices of Planning Department, which with appropriate resources would provide secretariat and professional planning support (including conducting planning studies) to DURF. URA could act as implementer and could provide funding to some research work;
- (l) the DURF would adopt an open and transparent approach in operation and would encourage public participation, similar to the mode of operation of the Harbour-front Enhancement Committee. The DURF should be led by professionals and there was a firm view that its work should not be politicised. The Chairman should preferably be a professional familiar with urban renewal issues. The proposed membership should include district councillors, area committee members,

professionals, social welfare organisations, resident groups and business associations in the district.

60. Members thanked Mrs. Carrie Lam for her briefing. Pertaining to specific issues, the following views were expressed by individual Members:

*General Principles*

- (a) a more open approach for the identification of priority redevelopment areas, and the disclosure of more information to enhance transparency of the process was supported. With the opening up of the process, the information on target development areas that had been kept confidential should be made public where appropriate to facilitate the work of DURF. The problem should not be insurmountable as long as the information was available to all and no one had an edge over the others;
- (b) the approach of identifying local characteristics and district vision through the District Aspiration Studies was supported as urban regeneration could then be pursued in a holistic manner rather than piecemeal through redeveloping individual buildings;

*DURF and Other Institutional Matters*

- (c) supported setting up of DURF and the district-based, people-centred and bottom-up approach to urban renewal. That approach would help build consensus on urban renewal schemes at an early stage, and the Town Planning Board could concentrate on its statutory role in plan making;
- (d) supported the proposed DURF to be a local forum independent of the District Council and with professionals as members. It would also be necessary to include dissenting views of people from a wider community;

- (e) consideration should be given to aligning resources to enable implementation of visions for the district and district improvement and beautification projects identified by DURF;
- (f) the findings of the Policy Study pointed to the advantage of an integrated approach for urban renewal projects. For example, in Singapore, urban renewal projects were implemented by a single body, the Urban Redevelopment Authority, encompassing the functions of planning, heritage preservation and urban renewal. It was for consideration whether a similar approach of integration and co-ordination could be introduced under the current framework in Hong Kong;
- (g) the Social Service Team did not have adequate resources and their work was currently confined mainly to providing assistance to existing tenants. There was a need to provide real estate agent type of service for affected owners;
- (h) one of the main objectors in urban renewal projects were shop owners. As the 'shop for shop' option was not feasible, there might be a need for a business service team to provide assistance to shop operators;

*Aspects of Urban Regeneration*

- (i) rehabilitation was also important in the urban regeneration process and it would be more environmental friendly as compared with bull dozing for redevelopment. The role of URA and the Hong Kong Housing Society (HKHS) in rehabilitation work should be clarified. For example, URA could be asked to concentrate on regeneration work while HKHS on rehabilitation;
- (j) revitalisation work should be strengthened and that would likely require a dedicated team to improve both the hardware and software of the projects. In that regard, it would be beneficial if URA could keep some properties in their ownership in the future (which was not permitted under the

current Urban Renewal Authority Ordinance) to allow a better control on the tenant mix and hence a greater possibility to promote revitalisation;

- (k) improving greening was important, and a green coverage should be specified in planning / development briefs of urban renewal projects;
- (l) there should be specifications for providing street art in urban renewal projects, as they were important for improving the quality of the living environment. In other countries, a certain percentage of the project cost was to be designated for the provision of street art;

#### *Mediation and Compassionate Consideration*

- (m) multi-party mediation should be made compulsory during the urban renewal process to facilitate engagement, negotiation and agreement on urban renewal schemes to reduce conflicts;
- (n) there were some areas in the process, like compensation for illegal occupancies, which were currently handled through administrative means on a case-by-case basis. There might be a need to establish a special tribunal to handle hardship cases on compassionate grounds. Another Member disagreed with the setting up of yet another committee as those matters could be settled through the mediation process;

#### *Others*

- (o) in recent years, the Town Planning Board had adopted a general principle to reduce development intensity and building heights, and to request for provision of public open space and streetscape beautification in URA schemes. However, for schemes where property owners intended to undertake redevelopment of their own accord, the owners might ask for maximisation of the development intensity and hence their own profit. The Board would have the role to balance the aspiration of the community and the right of individual owners;

- (p) with regard to the engagement process, reference might be made to that carried out for the West Kowloon Cultural District where separate discussion meetings were held with different sectors to prevent the discussion being dominated by certain groups. Some general forums could be held to consolidate views expressed by different sectors.

61. Mrs. Carrie Lam responded to the comments and questions as follows:

*General Principles*

- (a) the support for adopting a more open and transparent approach in the urban renewal process was welcomed;

*DURF and Other Institutional Matters*

- (b) welcomed Members' appreciation of the benefit of DURF to the work of the Town Planning Board, as conflict might be resolved at an earlier stage so that the Board could concentrate on its statutory role in plan-making. Welcomed Members' understanding that DURF would not affect the statutory and independent status of the Board, and would in fact complement the Board's work as local matters would have been thoroughly deliberated at the local level and the Board could take into account those views in its work;
- (c) as Government had different policy priorities, proposals of DURF would have to compete for resources with other proposals but they justified some priorities;
- (d) agreed that views of people from a broader district base should be sought by DURF, especially for heritage preservation projects that had territorial significance;
- (e) issues about the Social Service Team was being studied in detail by Dr.

C.K. Law and there would be concrete proposals later on. It was generally recognised that the Social Service Team would need more resources if they were to perform a more comprehensive role;

- (f) 'shop for shop' compensation was considered not feasible as in some cases, the old businesses might not suit the new set up of the redevelopment area. With the setting up of the DURF, retail clusters that were important to the local economy could likely be identified and better arrangement explored at an earlier stage. However, that would not pre-empt the carrying out of local beautification works in the area. URA would be asked to help shop operators to identify suitable premises in the vicinity to re-locate their business;

#### *Aspects of Urban Regeneration*

- (g) building maintenance / rehabilitation issues were important and would be tackled. After the collapse of old buildings at Ma Tau Wai, DEVB had reviewed 4,000 buildings aged 50 years or above and conducted a study of "sub-divided units". DEVB was also reviewing all processes related to building safety, including removal of unauthorized building works, control of "sub-divided units" and water seepage. At the same time, the Bureau was working hard on the Mandatory Building Inspection and Window Inspection Schemes, and the Minor Works Control Scheme. According to the current programme, the overall review would be presented to the public together with the revised URS. The role of URA, HKHS and Buildings Department in the rehabilitation of buildings would also be better defined;
- (h) revitalisation of old urban areas was the ultimate goal and effective urban regeneration required the participation of multiple parties and not just the URA. There were other means for revitalisation including beautifying the waterfront, introducing a landmark building and upgrading a public open space. URA could be one of the implementing agents to assist Government in responding to district aspirations for revitalisation. The

participation of the URA in the landscaping works in Chung On Street, Tsuen Wan, was a relevant example;

- (i) there was a material constraint under the current Urban Renewal Authority Ordinance that URA could not hold properties for the long term. However, URA could hold heritage properties, such as Central Market and the shophouses in the Shanghai Street project. It was agreed that in some situations, URA would need to maintain control on some properties if it was to deliver the project's vision. The Administration held an open view on whether it was necessary to amend the Urban Renewal Authority Ordinance to that effect;
- (j) agreed that greening and culture / street arts were important aspects in urban renewal projects as well as in the overall response to climate change and streetscape improvements;

*Mediation and Compassionate Consideration*

- (k) the importance of mediation was agreed and the DEVB was studying how to introduce an effective mediation mechanism into the development process;
- (l) as regards the suggestion for a tribunal on handling matters on compassionate ground, it might not be necessary to establish another new committee. However, it was agreed that compassionate consideration was necessary in some circumstances. Indeed, one of the ten preliminary proposals advocated a better compensation arrangement for elderly non-owner-occupiers whose livelihood depended on the rentals from their properties;

*Others*

- (m) it was necessary to draw a distinction between the two redevelopment models. One would be of a social-nature implemented by URA for the

good of the community and under that model, the owners would be offered standard URA compensation package and Government could be called upon to resume the titles that the URA was unable to acquire. The other model would be of investment nature, under which owners would undertake redevelopment of their own accord and URA would only provide service as 'facilitator'. URA's compensation package and the Government's power of land resumption would not apply to those projects; and

- (n) regarding the suggestions to improve the public engagement process, it was agreed that the West Kowloon Cultural District public engagement was a good reference.

62. Mrs. Carrie Lam thanked Members for their comments and invited Members to let Development Bureau have any further comments they might have before the completion of 'Consensus Building Stage' in June 2010. If Members considered further discussion necessary, she would be most prepared to attend another meeting of the Board.

63. The meeting adjourned for lunch break at 1:00pm.

**ANTIQUITIES ADVISORY BOARD**

**Minutes of the 147<sup>th</sup> Meeting**  
**held on Thursday, 24 June 2010 at 3:00 p.m.**  
**in Conference Room, Hong Kong Heritage Discovery Centre**  
**Kowloon Park, Haiphong Road, Tsim Sha Tsui, Kowloon**

Present: Mr Bernard Charnwut Chan, GBS, JP (Chairman)  
Ms Susanna Chiu Lai-kuen  
Mr Patrick Fung Pak-tung, SC  
Mr Philip Kan Siu-lun  
Mr Kwong Hoi-ying  
Ms Lilian Law Suk-kwan  
Dr Lee Ho-yin  
Professor Bernard Lim Wan-fung, JP  
Mr Ng Yat-cheung, JP  
Mr Almon Poon Chin-hung, JP  
Professor Simon Shen Xu-hui  
Professor Billy So Kee-long  
Dr Linda Tsui Yee-wan  
Ir Dr Greg Wong Chak-yan, JP  
Mr Bryan Wong Kim-yeung

Ms Heaster Cheung (Secretary)  
Chief Administration Manager (Antiquities and  
Monuments)  
Leisure and Cultural Services Department

Absent with Apologies: Dr Anissa Chan Wong Lai-kuen, MH, JP  
Mrs Mariana Cheng Cho Chi-on, BBS, JP  
Mr Andrew Lam Siu-lo, JP  
Professor Lau Chi-pang  
Mr Laurence Li Lu-jen  
Dr Tracey Lu Lie-dan  
Dr Ng Cho-nam, BBS, JP  
Mr Yeung Yiu-chung, BBS, JP

In Attendance: Development Bureau

Mr Jack Chan  
Commissioner for Heritage

Mr Kevin Lee  
Engineer (Heritage Conservation) 3

Leisure and Cultural Services Department

Mr Chung Ling-hoi, JP  
Deputy Director (Culture)

Mr Tom Ming  
Executive Secretary (Antiquities and Monuments)

Mr Kenneth Tam  
Chief Heritage Manager (Antiquities and Monuments)

Mrs Ada Yau  
Curator (Education and Publicity)

Ms Fione Lo  
Curator (Historical Buildings)

Miss Addy Wong  
Senior Marketing Coordinator (Heritage and Museums)

Dr Alan Fung  
Assistant Curator I (Building Survey)

Miss Amanda Leung  
Senior Executive Assistant (Antiquities and Monuments)

Miss Catherine Chiu  
Executive Officer I (Antiquities and Monuments) 2

Planning Department

Mr Ling Kar-kan  
Assistant Director/Metro

Architectural Services Department

Mr Fong Siu-wai  
Assistant Director (Property Services)

Mr S L Lam  
Senior Maintenance Surveyor/Heritage

## Opening Remarks

The Chairman thanked Members and representatives from Government departments for attending the meeting.

### **Item 1      Review of the Urban Renewal Strategy (Board Paper AAB/45/2009-10)**

2.            The Chairman welcomed Mr Tommy Yuen, Deputy Secretary for Development (Planning & Lands) and Ms Winnie So, Principal Assistant Secretary for Development (Planning & Lands) for a briefing to Members on the Review of Urban Renewal Strategy.

3.            Mr Yuen explained to the Board that Mrs Carrie Lam, Secretary for Development (SDEV), intended to give the briefing herself today but was eventually unable to attend this Board meeting as she needed to attend the Legislative Council meeting.

4.            Ms So then updated Members on the Urban Renewal Strategy Review. She said that the review process was structured in three stages, namely “Stage 1 – Envisioning”, “Stage 2 – Public Engagement” and “Stage 3 – Consensus Building”. Since the launch of the review in July 2008, the first two stages had been completed. She also introduced the ten preliminary recommendations on urban renewal as set out in the “Public Views and Future Direction – Paper for the Consensus Building Stage of the Urban Renewal Strategy Review”.

5.            Regarding the role of URA in heritage preservation, Ms So highlighted that URA would in-principle focus on preserving historic buildings in the areas of its redevelopment projects. It would carry out preservation work with due regard to Government’s heritage conservation policy which included providing economic incentives for conserving privately-owned historic buildings, partnering with non-profit making organisations for revitalisation of historic buildings and facilitating public access to revitalised buildings.

6.            In response to the Chairman’s inquiry on the “bottom-up” approach for urban renewal planning, Mr Yuen explained that District Urban Renewal Fora (DURF) were proposed to be set up in old districts to gauge and reflect local views on urban renewal issues.

7.            In reply to the questions raised by some Members about the “flat for flat” compensation option, Mr Yuen further elaborated the preliminary framework of the option as below :

- (i) it was an additional option other than cash compensation to enable original owner-occupiers to continue to live in the district and maintain the established social network;
- (ii) owner-occupiers could opt to use the cash compensation to purchase new flats under the redevelopment at the time of acquisition of their old flats at the then prevailing market price;
- (iii) URA would provide basic information on the new flats to facilitate owner-occupiers make a decision;
- (iv) owner-occupiers could consider purchasing smaller new flats in the redevelopment at lower price and keeping part of the cash compensation or purchasing flats of a larger size and top up the difference in value if

required.

8. A Member was of the view that the cash compensation might not be sufficient to purchase a new flat under the redevelopment. URA should explore further how to facilitate participation in the “flat for flat” compensation option.

9. A Member expressed his appreciation of Development Bureau’s effort in public engagement and would like to know more about the process of procuring airtime of radio programmes. Ms So replied that the decision on the choice of radio channel and whether it should be in the format of bought programme was determined after considering the recommendations of the public engagement consultant.

10. A Member opined that financial assistance could be provided to owners of privately-owned graded historic buildings for rehabilitation and district revitalisation. In addition, clusters of declared monuments could be zoned as “Conservation Areas” to facilitate preservation, revitalisation and rehabilitation.

11. A Member commented that shop owner-operators should have a chance to purchase a new shop after completion of the redevelopment project. Another Member shared a similar view and proposed that like the “flat for flat” option, shop owner-operators should be given the option to purchase new shops in advance. He also pointed out that URA could make use of the existing resources of the District Councils (DCs) to collect views from local communities.

12. Mr Yuen responded that compared to “flat for flat”, a “shop for shop” option was even more difficult with insurmountable problems. On the need for DURF, he remarked that redevelopment projects might fall within the administrative boundaries of more than one DC. Therefore, an independent platform such as DURF was a preferred option. In addition to District Councilors, DURF would also involve professionals, NGOs, business associations and government departments, etc in the area.

13. A Member supported URA’s suggestion to provide economic incentives, in addition to cash compensation, for conserving privately-owned historic buildings.

14. A Member stressed the importance of maintaining existing social network, historical and cultural characteristics of old districts during urban regeneration. He recommended that stories of district livelihood be recorded before implementation of any redevelopment projects. Mr Jack Chan explained the effort of the Commissioner for Heritage’s Office (CHO) in retaining local community network (e.g. the Blue House Cluster) and recording of oral history (e.g. Old Tai O Police Station and Lai Chi Kok Hospital) of residents in the area under the Revitalising Historic Buildings through Partnership Scheme. He commented that the provision of economic incentives and co-operation of private owners / developers appropriately struck a balance between development and heritage conservation.

15. In reply to a Member’s questions, Mr Yuen highlighted that the Buildings Department and its partnering organisations were offering various financial schemes to assist private owners to carry out repair / maintenance works to their buildings. He said that there would be further measures coming on stream later in the year. Ms So added that the URA

had secured the support of a few banks which offered preferential mortgage terms to owners of residential units in buildings that had been rehabilitated through URA's rehabilitation scheme. Mr Yuen and Mr K K Ling both responded that the Planning Department and Town Planning Board were regularly reviewing the relevance of existing zonings with a view to conducting up-zoning or down-zoning exercises to meet changes in planning circumstances.

16. The Chairman thanked Mr Yuen and Ms So for giving Members the briefing and invited them to keep the Board informed of the progress.

(Mr Yuen and Ms So left at this juncture.)

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2943/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/DEV/1

**Panel on Development**

**Minutes of special meeting**  
**held on Saturday, 10 July 2010, at 9:00 am**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon James TO Kun-sun  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon WONG Yung-kan, SBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon LEE Wing-tat  
Hon CHEUNG Hok-ming, GBS, JP  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
Dr Hon Priscilla LEUNG Mei-fun  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Dr Hon Samson TAM Wai-ho, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip
- Members absent** : Hon CHAN Kam-lam, SBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon WONG Kwok-hing, MH

**Public officers  
attending**

**: Agenda item I**

Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

Mr Thomas CHOW Tat-ming, JP  
Permanent Secretary for Development  
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP  
Deputy Secretary for Development  
(Planning and Lands) 2

Ms Winnie SO Chui-ying  
Principal Assistant Secretary for Development  
(Planning and Lands) 4

**Attendance by  
invitation**

**: Agenda item I**

Mr Michael KWOK  
Chairman of Environment and Sustainable Development Policy Branch  
Civic Party

Mr Chris IP Ngo-tung  
Deputy Spokesperson for Development Affairs  
Democratic Alliance for the Betterment and Progress of Hong Kong

Mr David TAM  
Representative  
H19 Owners' and Tenants' Right Concern Group

Ms Katty LAW  
Convener  
Central & Western Concern Group

Mr CHAN Kai-ming  
Research Director  
The Professional Commons

Miss CHIK Yuk-chun

Mr NG Yin-keung  
Chairman  
Development Concern Group

Mr LEUNG Yat-wing  
Secretary (Acting Chairman)  
The Incorporated Owners of San Loong House of Kwun Tong

Ms WONG Yat-man  
President  
K7 Owner Union

Ms SIN Fung-yee

Mr YEUNG Kwok-wing

Mr WONG Ho-yin  
Member  
People Planning in Action

Ms LEE Wai-yi

Mr Edmond CHUI  
Member  
Wan Chai Street Market Concern Group

Miss TANG On-yi  
Member  
Shunning Road Support Group

Ms MAK Yuen-yee

Mr HO Kwok-keung  
Representative  
Shunning Road Redevelopment Concern Group

Ms WONG Sau-ping  
Representative  
舊區租客大聯盟

Miss CHEUNG Sin-yi

Mr Edwin TOWN Man-hoi  
Member  
South Tokwawan Concern Group

Mrs Mary TOWN

Ms TSANG Suk-wah

Ms LEUNG Choi-foon

Miss May LEUNG

Ms FOK Lai-ching  
Member  
H15 Concern Group

Mr CHU Yick-yiu

Mr NG Kam-cheu

Mr Desmond SHAM Hok-man

Mr AU Kwok-kuen  
Committee Member  
Community Cultural Concern

Mr Paul ZIMMERMAN  
Founding Member  
Designing Hong Kong Limited

Mr CHEUNG Yan-hong  
Kowloon City District Council member

Ms IU Siu-yung

Mr CHAM Kam-shu  
Member  
K28 Sport Shoes Street Concern Group

Mr WONG King-lai  
Member  
Concerning Urban Housing Rights Social Work Alliance

Mr LAI Kin-kwok

Mr CHIN Wai-lok  
Member  
抗議政府強搶民產小組

Ms YIP Mee-yung  
Representative  
重建聯區居民業主聯會

Mr CHAN Hoi-kin  
Representative  
九龍城區舊區網絡

Mr Tony TSE  
Past President; Chairman of HKIS URSR Working Group  
The Hong Kong Institute of Surveyors

Miss CHENG Lai-king  
Member  
Central and Western District Council

Ms LAW Yuk-hing

Mr LAW Kam-yau  
Member  
Sham Shui Po District Council

Miss CHAN Pui-ling

Mr Julian FUNG  
Spokesman  
社區營造計劃

Mr Kenneth YEUNG Kin-wai

Ms Mary MULVIHILL

Mr Edmond DING Charn-lam  
President  
The Chartered Institute of Building (Hong Kong)

Mr Frankie SO  
Past President  
The Hong Kong Institute of Facility Management

Mr IO Ching-po

Ms Cora YUEN Chui-yi  
Secretary  
The Hong Kong Institute of Housing

Mr LO Siu-kit  
Member  
Tsuen Wan District Council

Ms LING Fung-har  
Committee Member  
Community Alliance for Urban Planning

Mr Andrew YU Siu-yeung  
Council Member  
Hong Kong Institute of Real Estate Administrators

Miss Patsy CHENG  
Director  
SEE Network Limited

Mr HO Chi-chung

Ms KWONG Shun-yea  
Representative  
v-activist

Mr Franklin YU  
Chairman, Planning and Lands Committee  
The Hong Kong Institute of Architects

Mr Nicholas CHAN Hok-fung

Miss LI Hoi-shan

Miss WONG In-nei

Mr HO Yao-sheng

Mr TSANG Chiu-wai

Ms LEUNG Fu-wing  
Member  
Kwun Tong District Council

Mr YUEN Chi-yan  
Representative  
活在觀塘

Miss WONG Wing-chi  
Community Organizer  
Community Development Alliance

Mr FUNG Sing-sang

Mr KWOK Gong-lut  
Fellow member  
Hong Kong Institute of Land Administration

Mr LAU Wai-chung  
Committee Member  
香港基層勞工陣線

**Clerk in attendance :** Mr WONG Siu-ye  
Chief Council Secretary (1)4

**Staff in attendance :** Mr Daniel SIN  
Senior Council Secretary (1)5

Mr Simon CHEUNG  
Council Secretary (1)7

Ms Christina SHIU  
Legislative Assistant (1)7

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Action

- I Review of the Urban Renewal Strategy -- Stage 3 Public Engagement**  
(LC Paper No. CB(1)1919/09-10(07) -- Administration's paper on Review of the Urban Renewal Strategy -- Stage 3 Public Engagement  
LC Paper No. CB(1)1919/09-10(08) -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief))

***Submissions from organizations/individuals not attending the meeting***

- (LC Paper No. CB(1)2441/09-10(16) -- Submission from Mr CHEUNG Yiu-tong dated 7 July 2010

- LC Paper No. CB(1)2441/09-10(18) -- Submission from a member of the public dated 1 June 2010
- LC Paper No. CB(1)2441/09-10(19) -- Submission from Mr YEUNG Wai-sing, Eastern District Council member, dated 8 June 2010
- LC Paper No. CB(1)2441/09-10(20) -- Submission from Dr YANG Mo, Southern District Council member, dated 11 June 2010
- LC Paper No. CB(1)2441/09-10(21) -- Submission from Mr PUN Chi-man, Kowloon City District Council member, dated 25 June 2010
- LC Paper No. CB(1)2441/09-10(23) -- Submission from Royal Institution of Chartered Surveyors (Hong Kong) dated 29 June 2010
- LC Paper No. CB(1)2441/09-10(24) -- Submission from The Real Estate Developers Association of Hong Kong dated June 2010
- LC Paper No. CB(1)2441/09-10(25) -- Submission from The Hong Kong Institute of Planners received on 30 June 2010
- LC Paper No. CB(1)2501/09-10(03) -- Submission from a member of the public (凌鳳霞女士)

Members noted the following submissions tabled at the meeting --

- (a) Submission from Ms CHIK Yuk-chun dated 9 July 2010;
- (b) Joint submission from People Planning in Action and Local Research Community;
- (c) Submission from 舊區租客大聯盟; and
- (d) Submission from Mr CHEUNG Yan-hong, Kowloon City District Council member dated 10 July 2010.

*(Post-meeting note: The soft copies of the submissions (LC Papers No. CB(1)2529/09-10(01) to (04)) were issued by email on 12 July 2010.)*

## **Presentation by deputations**

### Session 1

2. The Chairman welcomed the deputations and invited them to present their views.

#### *Civic Party*

3. Mr Michael KWOK, Chairman of the Environment and Sustainable Development Policy Branch, Civic Party, said that the Administration had failed to adopt a people-oriented and bottom-up approach in reviewing the Urban Renewal Strategy (URS). There was a need to enhance community participation in the review. The Urban Renewal Authority (URA) should play a facilitator role in providing support to owners, who should be encouraged to initiate redevelopment on their own. Meanwhile, efforts should be made to avoid turning URA projects into high-end residential developments, because this would expel residents from a familiar environment and create social conflicts. A platform with genuine community participation, comprising elected District Councillors and local representatives, should be set up to help steer the direction of urban renewal at the district level.

#### *Democratic Alliance for the Betterment and Progress of Hong Kong*

4. Mr Chris IP, Deputy Spokesperson for Development Affairs, Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), said that DAB supported the Administration's proposals, and agreed that URA should play a more active role in facilitating urban renewal. With the lowering of the application threshold for compulsory land sale for redevelopment, owners having gathered a sufficient percentage of the titles, say 80%, should be allowed to approach URA for assistance to collaborate with developers in implementing redevelopment projects. Meanwhile, DAB was worried that the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme might bring hardship to owners because tender rigging by some contractors would substantially increase repair costs. The Administration should address the issue.

#### *H19 Owners' and Tenants' Right Concern Group*

5. Mr David TAM, Representative, H19 Owners' and Tenants' Right Concern Group, opined that the Administration used the URS review as a means to rationalise URA's unreasonable measures, such as calculating the compensation based on the value of a notional seven-year-old replacement flat. Although having a huge surplus of \$6.9 billion, URA suppressed the level of compensation for owners and assisted developers in lifting property prices.

#### *Central & Western Concern Group*

6. Viewing urban renewal from a macro perspective, Ms Katty LAW, Convener, Central & Western Concern Group, said that urban renewal had become a means of facilitating the transfer of wealth from small owners to major developers. URA denied affected residents a fair share of the economic benefits arising from redevelopment, and yet forced them to leave a familiar district. With more and more high-rise buildings causing the wall effect, she was worried that URA's projects would worsen the local environment. She urged URA to provide more reasonable compensation for owners and shop operators by offering flat-for-flat and shop-for-shop compensation.

*The Professional Commons  
(LC Paper No. CB(1)2501/09-10(01))*

7. With the aid of a PowerPoint presentation, Mr CHAN Kai-ming, Research Director, Professional Commons, delivered his views, the details of which were given in the submission and presentation materials. He added that in the formulation of the revised URS, the private sector's involvement in urban renewal should be given due attention. The Administration should aim at a sustainable development of both the environment and the community. As regards Operation Building Bright, the Administration should accord higher priority to old buildings with no owners' corporations. Furthermore, URA should give up its profit-oriented approach in urban renewal.

*(Post-meeting note: The soft copy of the presentation materials (LC Paper No. CB(1)2536/09-10(01)) was issued on 12 July 2010 by email.)*

*Miss CHIK Yuk-chun  
(LC Paper No. CB(1)2529/09-10(01), tabled and soft copy issued by email on 12 July 2010)*

8. Miss CHIK Yuk-chun delivered her presentation, the details of which were given in her submission. She criticised the existing urban renewal policy as relentless, unrighteous, unreasonable and irresponsible. The value of a notional seven-year-old replacement flat was used as the basis for calculating cash compensation, and owners were driven away from a familiar community. Shop operators were forced to wind up their businesses, leaving their long-serving employees jobless. At the expense of the affected parties, urban renewal had only benefited URA and the developers.

*Development Concern Group  
(LC Paper No. CB(1)2441/09-10(01))*

9. Mr NG Yin-keung, Chairman, Development Concern Group, delivered his presentation, the details of which were given in the submission. He added that using the value of a notional seven-year-old replacement flat as the basis for calculating cash compensation was unfair because it did not take into account the development potential of the land.

*The Incorporated Owners of San Loong House of Kwun Tong  
(LC Paper No. CB(1)2441/09-10(02))*

10. With the aid of a PowerPoint presentation, Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong, delivered his views, the details of which were given in the submission and presentation materials. He commented that it would be unreasonable to require those owners who accepted flat-for-flat compensation to top up the difference between the cash compensation and the value of the new flat, because the increase in gross floor area of the new development would generate huge profits for URA and the developers.

*(Post-meeting note: The soft copy of the presentation materials (LC Paper No. CB(1)2546/09-10(01) was issued on 13 July 2010 by email.)*

*K7 Owner Union*

11. Ms WONG Yat-man, President, K7 Owner Union, expressed disappointment with the URS review because it allowed URA to continue to operate in a way free from control. She considered using the value of a notional seven-year-old replacement flat as the basis for calculating compensation the product of "black box operation" and urged for an immediate review. To allay public concern, it was necessary for URA to publicise all the relevant financial information of its redevelopment projects, in particular those jointly undertaken by URA and developers. She had no confidence in the Administration's public engagement underway.

*Ms SIN Fung-yee*

12. Ms SIN Fung-yee shared her experience as a shop operator in Sham Shui Po. She said that a compensation of around \$6.5 million provided by URA was only one-third of the offer made by developers for a similar shop. She complained that she had encountered considerable difficulties in identifying another shop to continue her metalware business. For 20 months, she had strived for more compensation but to no avail. She was at present exhausted and down-hearted and did not consider URA trustworthy.

*Mr YEUNG Kwok-wing*  
(LC Papers No. CB(1)2441/09-10(03) and CB(1)2501/09-10(02))

13. Mr YEUNG Kwok-wing delivered his presentation, the details of which were given in his submissions. He added that he was angry and disappointed that the Administration had paid no attention to the difficulties currently faced by rooftop residents affected by URA projects.

*People Planning in Action*  
(LC Paper No. CB(1)2529/09-10(02), tabled and soft copy issued by email on 12 July 2010)

14. Mr WONG Ho-yin, Member, People Planning in Action, delivered his presentation, the details of which were given in the submission. He added that the URS review reflected a continuation of collusion between Government and business in urban renewal, denying the public of the right to enjoy a fair share of the economic benefits. Instead of maximizing profits, URA should strive to preserve community life in each urban renewal project and support the principle of offering flat-for-flat and shop-for-shop compensation. Furthermore, the Administration should step up its efforts in building up a consensus in urban regeneration with the community.

*Ms LEE Wai-yi*  
(LC Paper No. CB(1)2441/09-10(04))

15. Ms LEE Wai-yi delivered her presentation, the details of which were given in the submission. She added that she was disappointed that the Administration had excluded the shop-for-shop compensation option in the URS review. With better planning, she believed that shop operators should be able to resume business in the redeveloped district. Social Impact Assessment should be conducted to ascertain that the quality of life of affected residents would not deteriorate. The Administration should value the function of street shops in maintaining community networks.

*Wan Chai Street Market Concern Group*

16. Mr Edmond CHUI, Member, Wan Chai Street Market Concern Group, considered it necessary to review the existing performance assessment mechanism for the senior management of URA. He believed that profit maximization should cease to be the performance indicator. Rather, improved quality of life of local residents and shop operators and the ability to retain local residents in the renewed districts should be used as performance benchmarks. Street shops played an important role in maintaining community networks. In rejuvenating old districts, URA should consider the successful experience of Roppongi, Tokyo, in preserving the community.

*Shunning Road Support Group  
(LC Paper No. CB(1)2441/09-10(05))*

17. Miss TANG On-yi, Member, Shunning Road Support Group, delivered her presentation, the details of which were given in the submission. She added that URA had treated tenants and shop operators in a highly unfair way, denying them of more favourable compensation packages and driving them out of a familiar community. The Administration should seriously consider the shop-for-shop compensation option.

*Ms MAK Yuen-yee  
(LC Paper No. CB(1)2725/09-10(01), received after the meeting and issued on 12 August 2010)*

18. Ms MAK Yuen-yee delivered her presentation, the details of which were given in her submission. She criticised that URA did not practise what it preached and adopted many harsh terms to reduce the amount of compensation. Using the value of a notional seven-year-old replacement flat as the basis for calculating compensation was the product of "black box operation". An independent body should be set up to monitor the operation of URA. Arresting urban decay and improving the living conditions of residents in old districts being its responsibilities, URA should not operate as a tool for developers to construct highly profitable residential blocks for profit-making.

*Shunning Road Redevelopment Concern Group*

19. Mr HO Kwok-keung, Representative, Shunning Road Redevelopment Concern Group, considered the URS highly problematic, as evidenced by the fact some tenants had been forced to move out of their flats on Shun Ning Road. In order to enhance transparency, the Administration had suggested early promulgation of the locations of redevelopment projects. He was worried that this would only lead to undesirable consequences, giving landlords more time to expel tenants from their homes. Besides, owners would be unwilling to carry out repair and maintenance works if they knew that their properties would be redeveloped.

*舊區租客大聯盟  
(LC Paper No. CB(1)2529/09-10(03), tabled and soft copy issued by email on 12 July 2010)*

20. Ms WONG Sau-ping, Representative, 舊區租客大聯盟, delivered her presentation, the details of which were given in the submission. She added that there was inadequate protection for tenants, and suggested that tenants registered at the time of the freezing survey should be rehoused and compensated by the Administration even if they subsequently moved out. To uphold their

independence, the Social Service Teams (SSTs) should be funded through a separate source other than URA.

*Miss CHEUNG Sin-yi*  
(LC Paper No. CB(1)2441/09-10(06))

21. Miss CHEUNG Sin-yi gave her presentation time to Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong. Mr LEUNG said that given the huge profit arising from the increase in gross floor area of new buildings in redeveloped areas, there was no reason why owners opting for flat-for-flat compensation had to top up the difference between the cash compensation and the price of the new flat.

*South Tokwawan Concern Group*  
(LC Paper No. CB(1)2441/09-10(07))

22. Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group, delivered his presentation, the details of which were given in the submission. He added that the Administration should allocate more resources to cope with the problem of ageing buildings, and believed that as a people-oriented body, URA should return the surplus of \$6.7 billion to the community and refrain from deceiving innocent people.

*Mrs Mary TOWN*

23. Mrs Mary TOWN gave her presentation time to Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group. Mr TOWN said that it was against the rules of a free economy for URA to suppress acquisition offers through its self-formulated mechanism. It was necessary for the Administration and the Legislative Council to monitor the operation of URA to prevent it from operating without any restraints.

*Ms TSANG Suk-wah*

24. Ms TSANG Suk-wah gave her presentation time to Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group. Mr TOWN said that the existing top-down approach in urban renewal had led to confrontations between the Administration and the residents. To rectify the situation, urban renewal had to be undertaken through a bottom-up approach with active participation of the local community. The Administration should also control the powers of URA.

*Ms LEUNG Choi-foon*

25. Ms LEUNG Choi-foon hoped that URA could operate in a fair and transparent manner in offering reasonable compensation to affected owners and tenants. There should also be adequate public consultation on the URS review.

*Miss May LEUNG*

26. Miss May LEUNG did not present any views at the meeting.

*H15 Concern Group  
(LC Paper No. CB(1)2441/09-10(08))*

27. Ms FOK Lai-ching, Member, H15 Concern Group, delivered her presentation, the details of which were given in the submission. She added that since its establishment in 2001, URA had failed to perform its given functions and social responsibilities. She believed that in urban regeneration, the Administration should pursue sustainable development by means of a people-oriented approach. Besides, the general public should be empowered to oversee the operation of URA.

*Mr CHU Yick-yiu*

28. Mr CHU Yick-yiu expressed concern that the URS review had failed to provide adequate details on the flat-for-flat compensation option. To ensure fairness, URA should use gross floor area rather than saleable area in calculating the compensation for owners.

*Mr NG Kam-cheu*

29. Mr NG Kam-cheu pointed out the awkward position of tenants in urban redevelopment projects, and said that they had become a tool for URA to reduce the compensation for non-owner-occupiers. He urged the Administration to think of feasible ways to uphold tenants' interests after they had been registered in the freezing surveys of URA projects.

*Mr Desmond SHAM Hok-man  
(LC Paper No. CB(1)2540/09-10(01), received after the meeting and issued on  
13 July 2010)*

30. Mr Desmond SHAM Hok-man delivered his presentation, the details of which were given in the submission. He added that he was very disappointed that no URA representatives were present to respond to the questions and views of deputations. He urged the Administration to make public details of its conservation projects, and believed that there was a need to introduce legislation to

protect Hong Kong's historic landmarks. It was also necessary for URA to realign the relative priorities of the 4Rs, and to improve its Social Impact Assessment.

*Community Cultural Concern*

31. Mr AU Kwok-kuen, Committee Member, Community Cultural Concern, said that to implement urban renewal projects smoothly without causing unnecessary conflicts, the Administration should adopt a district-based and bottom-up approach in urban renewal. Those who should be held responsible for the adverse environmental consequences caused by URA projects should be identified. For all URA projects, priority should be accorded to the well-being of the local residents. URA's role in urban redevelopment should be changed to that of a facilitator.

*Designing Hong Kong Limited*

*(LC Paper No. CB(1)2540/09-10(02), received after the meeting and issued on 13 July 2010)*

32. Mr Paul ZIMMERMAN, Founding Member, Designing Hong Kong Limited, delivered his presentation, the details of which were given in the submission. He welcomed a bottom-up approach in urban renewal. Nevertheless, he queried the suggestion of setting up District Urban Renewal Forums (DURFs), and opined that District Councils should be entrusted with the responsibility of advising the Administration on urban renewal at the district level. In all circumstances, land resumption should only be used as a last resort when all other methods had failed. The Administration should provide support and incentives for owners of old buildings to repair and maintain their properties.

*Mr CHEUNG Yan-hong, Kowloon City District Council member*

*(LC Paper No. CB(1)2529/09-10(04), tabled and soft copy issued by email on 12 July 2010)*

33. Mr CHEUNG Yan-hong, Kowloon City District Council member, delivered his presentation, the details of which were given in his submission. He added that urban renewal was the only means to improve the living conditions in old districts and eliminate structural hazards of old and dilapidated buildings. He considered it necessary to replace cash compensation based on the value of a notional seven-year-old replacement flat by flat-for-flat compensation. Furthermore, gross floor area rather than saleable area should be used in calculating the compensation. Rental allowance or temporary housing should be provided to owners before they moved into their new flats in the redevelopments.

*Ms IU Siu-yung*  
(LC Paper No. CB(1)2441/09-10(09))

34. Ms IU Siu-yung delivered her presentation, the details of which were given in her submission. She added that the Administration had been manipulating the public consultation. Denying participation of owners, the URS review could hardly lead to a genuine consensus. Urban renewal had become a vehicle fostering collusion between Government and business. Owners were deprived of the compensation they deserved; the businesses of shop operators were stifled, leading to unemployment; and wealth was concentrated in the hands of a few.

*K28 Sport Shoes Street Concern Group*  
(LC Paper No. CB(1)2441/09-10(10))

35. Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, delivered his presentation, the details of which were given in the submission. He added that the URS review had failed to respond to residents' repeated requests for flat-for-flat and shop-for-shop compensation within the same district. He believed that street shop owners should be given a reasonable share of the fruits of redeveloping the Sport Shoes Street.

Response by the Administration

36. The Chairman invited the Secretary for Development (SDEV) to respond to the views of the deputations. SDEV said that in order to draw up a blue print for urban renewal, the Administration had adopted an open attitude and involved various sectors in the URS review which lasted two years. A great deal of research work had been done. In-depth public consultation had been carried out through various means, including road shows, public forums and the setting up of an Urban Renewal Idea Shop to gather public views. There would be further public consultation on the draft text of the revised URS late in the year before its promulgation. She explained that as the URS review was undertaken by the Administration, she had not asked representatives from URA to attend this meeting. On URA's surplus, she advised that the \$6.7 billion was merely a snapshot of the financial position of the URA as at the end of the financial year 2009-2010. The main reason for the surplus was that the URA had tendered three sites during the year of considerable scale and attraction. She also reminded the meeting that the URA had in fact booked a deficit of some \$4.5 billion the year before when offers for the Kwun Tong Town Centre project were issued. In other words, the yearly financial position of the URA fluctuated. She shared the commonly held view that the transparency of URA's financial position should be further enhanced and confirmed that the URA would continue to disclose financial information on its completed projects in future.

37. SDEV further said that of the 4Rs, rehabilitation should take precedence in the long run. Nonetheless, given that there were still many dilapidated buildings, redevelopment would also continue to be a major focus in urban renewal in the near future. URA often undertook non-profit-making projects in fulfilling its social responsibilities. In this respect, the Ma Tau Wai Road/Chun Tin Street redevelopment project could serve as a good example. As URA might take up the role of a facilitator, she anticipated that there would be more and more self-initiated redevelopment projects. As regards the Shun Ning Road project, the Administration was aware that some landlords had terminated the tenancies of their tenants after the freezing survey. This was not common because these landlords would not stand to benefit by doing so. The Administration would task the URA to identify measures to address the difficulty faced by tenants in these circumstances.

### Discussion

38. Dr Priscilla LEUNG expressed concern about the difficulties faced by shop operators affected by URA projects, such as their financial loss. In response, Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, said that the Administration did not have a good understanding of the difficulties of shop operators. Once shop operators moved out of the Sport Shoes Street, they would be set apart from their customers. With the low compensation from URA, it would not be possible for them to buy a comparable shop in the same district or nearby districts. A more preferred option would be for URA to offer shop-for-shop compensation. He urged the Administration to look after the interests of street shop owners, in addition to those of residents living in the upper floors of the buildings concerned.

39. Mr James TO said that he could understand the complexities and difficulties involved in making compensation arrangements in urban renewal. He sought clarification from Mr AU Kwok-kuen, Committee Member, Community Cultural Concern, on Mr AU's views on the adverse consequences of urban redevelopment. Mr AU responded that as most URA projects ended up as high-rise buildings causing the wall effect, local residents would have to bear consequences such as poor air ventilation and a densely-populated environment. In this respect, he hoped that the Administration could consider reducing the height and density of the redevelopment projects so that the negative impacts on the local living environment could be reduced. He understood that in so doing, URA and the developers concerned would have lower investment returns from the redevelopment projects.

40. Ms Cyd HO asked whether the use of a standard rate for acquisition of residential flats in old buildings by URA would be an effective measure to prevent developers from acquiring stakes in old buildings to pave the way for benefitting from redevelopment. In response, Mr HO Kwok-keung, Representative,

Shunning Road Redevelopment Concern Group, said that it was a common practice for developers to buy properties in old buildings. These developers subsequently became major beneficiaries in redevelopment. He believed that such a practice was unavoidable in a free society like Hong Kong.

41. On Mr Edwin TOWN Man-hoi's view that the Legislative Council should monitor the operation of URA, Mr Alan LEONG said that the Legislative Council was monitoring the work of URA in various ways. By way of illustration, it was in response to a motion moved by himself in May 2006 that the Administration agreed to carry out the URS review. Furthermore, there were four Legislative Council Members sitting on the URA Board to render advice to URA. In response to an enquiry from Mr Alan LEONG on the development potential of urban redevelopment projects, Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong, said that the floor areas for seven urban redevelopment projects in various districts in Hong Kong had increased by 2.04 to 5.05 times, leading to huge benefits for URA and the developers concerned.

42. Mr Albert CHAN opined that a major weakness of urban renewal in Hong Kong was the failure of the Administration to involve both the owners and local residents in URA's decision-making process. Instead, they were exploited by URA and developers. He strongly supported adopting the flat-for-flat and shop-for-shop compensation options to ease conflicts and to allow affected residents and shop operators to move back after redevelopment. In response to Mr Albert CHAN's enquiry, some deputations showed hands in support of flat-for-flat compensation. Mr CHAN urged the Administration to pay due attention to the views and suggestions of the deputations, because it was a right for affected residents to continue living in their original district.

43. Mrs Regina IP sought clarification on the suggestion of changing the role of URA to that of a facilitator, and queried whether such a move would provide adequate incentives for developers, who might only be interested in profit-making, to participate in urban redevelopment. In response, SDEV advised that under the existing model, whether it was undertaking projects jointly with developers or on its own, URA was acting as an implementer who had to take the projects forward through all the necessary steps. Under the proposed facilitator model, it would be for the owners concerned to embark on a self-initiated redevelopment project by inviting URA to act as a consultant. No public funds would be used, no resumption powers would be invoked and the projects would be left to the market, depending on whether the owners wished to auction the site for redevelopment or partner with a developer.

44. Mr Abraham SHEK said that the involvement of a developer in URA projects only began after it had successfully bid for the land acquired by URA from

the owners. It should be noted that for urban redevelopment, developers were not involved in the planning and acquisition processes.

45. The Chairman thanked deputations for their views and concluded session 1 of the meeting.

Session 2

46. The Chairman welcomed the deputations and invited them to present their views.

*Concerning Urban Housing Rights Social Workers Alliance  
(LC Paper No. CB(1)2441/09-10(11))*

47. Mr WONG King-lai, Member, Concerning Urban Housing Rights Social Workers Alliance, delivered his presentation, the details of which were given in the submission. He added that since the social workers of SSTs were funded by URA, it would be difficult for them to win the trust of the affected residents who would cast doubt on their independence. Furthermore, the suggestion of leaving rights advocacy to the institutions to which SSTs belonged was unrealistic. To ease the concerns of both the residents and social workers, there should be a separate funding mechanism for SSTs.

*Mr LAI Kin-kwok  
(LC Paper No. CB(1)2540/09-10(03), received after the meeting and issued on  
13 July 2010)*

48. Mr LAI Kin-kwok delivered his presentation, the details of which were given in his submission. He was concerned about the role of the proposed DURFs, fearing that URA might use DURFs as a means to shield itself from protests and oppositions in future. He also expressed doubts on the suggestion of leaving rights advocacy and case handling to the institutions to which the SSTs belonged and the social workers respectively, because the two functions could not be separated. In his opinion, there should be separate funding for SSTs to operate in supporting affected residents.

*抗議政府強搶民產小組*

49. Mr CHIN Wai-lok, Member, 抗議政府強搶民產小組, criticised that measures like lowering of the application threshold for compulsory land sale for redevelopment demonstrated that the Administration was using urban renewal as a means to rob poor people of their assets and properties. He also said that high-rise buildings in URA's redevelopment projects were creating a wall effect, adversely affecting the living environment of the local residents.

### 重建聯區居民業主聯會

50. Ms YIP Mee-yung, Representative, 重建聯區居民業主聯會, said that she was disappointed with the URS review. Notwithstanding repeated appeals, the Administration had failed to respond to the aspirations of owners. She opined that there should be flat-for-flat and shop-for-shop compensation based on the same area of the original flat. Given that URA was exempted from paying land premium and could increase the gross floor area in redevelopment projects, she did not find it justified to require owners to top up the difference between the cash compensation and the price of the new flat. Arrangements should be made for residents to move back to the original district after redevelopment. Furthermore, not less than 70% of the street shops in the redevelopment should be made available for purchase in the market. SSTs should be allowed to operate in a truly independent manner free from the influence and control of URA.

### 九龍城區舊區網絡

*(LC Paper No. CB(1)2441/09-10(12))*

51. Mr CHAN Hoi-kin, Representative, 九龍城區舊區網絡, delivered his presentation, the details of which were given in the submission. He added that DURFs should comprise affected residents and operate in an independent manner. Gross floor area rather than saleable area should be used in calculating the compensation for owners. Instead of 60 days, owners should be allowed to respond to URA's acquisition offers in 90 days. For owners accepting flat-for-flat compensation, either temporary accommodation or a rental allowance should be provided during the redevelopment period. There should be a mechanism to oversee the financial operation of URA, and surplus arising from its urban redevelopment projects should be returned to Government's coffers.

### The Hong Kong Institute of Surveyors

*(LC Paper No. CB(1)2441/09-10(13))*

52. Mr Tony TSE, Past President, The Hong Kong Institute of Surveyors (HKIS), delivered his presentation, the details of which were given in the submission. He added that HKIS supported a bottom-up approach in urban renewal and the flat-for-flat compensation option. The Administration should be transparent with its criteria in prioritising areas for redevelopment. For those aggrieved with the set priorities and compensation, there should be an appeal mechanism for them to seek review of their cases. Owners of long-standing shops should be provided with assistance in identifying alternative shops either within the same district or in other districts so that they could continue their operation. In calculating the compensation for shop owners, the history and the fame of the shops should be taken into account. In assessing urban renewal projects, the Administration should consider the benefits for the community as a whole.

*Central & Western District Council*

53. Miss CHENG Lai-king, Member, Central & Western District Council, commented that there had been little control over the work of URA. At the expense of the owners, nearly all urban redevelopment projects in Central & Western District ended up as a means for developers to profiteer. The public's attitude towards urban renewal had changed over the years. More and more residents preferred preserving local characteristics and townscape to redeveloping their districts. As such, a bottom-up approach should be adopted in urban renewal, involving as many affected residents as possible. Besides, more community facilities and open space should be provided in old districts through urban renewal.

*Ms LAW Yuk-hing*

54. Ms LAW Yuk-hing urged the Administration to adopt the shop-for-shop compensation option for shop owners operating at upper floors of buildings to be redeveloped, so that they could continue their business within the same district. She criticised URA for adopting different standards in offering compensation to shop owners operating at upper floors in that owners of chain stores were offered far more generous compensation.

*Sham Shui Po District Council*

55. Mr LAW Kam-yau, Member, Sham Shui Po District Council, said that Sham Shui Po District Council supported in principle carrying out urban renewal in old districts like Sham Shui Po. He was however concerned about the criteria used by URA and developers in setting the prices of the residential units in redevelopment projects, and hoped that urban redevelopment projects would not only provide an opportunity for URA and developers to profiteer.

*Miss CHAN Pui-ling*

56. Miss CHAN Pui-ling expressed concern that contrary to the Administration's promotion of a people-oriented approach in urban renewal, many residents were driven out of their homes in old districts due to redevelopment projects. The refusal to offer shop-for-shop compensation demonstrated the lack of sincerity on the part of the Administration. She queried the Administration's decision of not offering shop-for-shop compensation and believed that the option was feasible. The Administration should respond to the strong aspirations of shop owners to continue their operation in the original district.

*社區營造計劃**(LC Paper No. CB(1)2441/09-10(14))*

57. Mr Julian FUNG, Spokesman, 社區營造計劃, delivered his presentation, the details of which were given in the submission. He believed that redevelopment was not the only way in urban regeneration, and queried why URA could not offer flat-for-flat and shop-for-shop compensation within the same district. He criticised that the Administration had failed to strike a balance between development and preservation, and had chosen to damage the livelihood of grassroots, district characteristics and community networks. All these ran contrary to the Administration's claim of taking forward urban renewal in a holistic and people-oriented manner. He was disappointed that URA was operating like a developer, and urged the Administration to offer more compensation options and bring a halt to the various proposals put forward in the URS review.

*Mr Kenneth YEUNG Kin-wai*

58. Mr Kenneth YEUNG Kin-wai criticised that the proposed DURFs would not be able to promote urban regeneration in a truly people-oriented, bottom-up and holistic way. He queried why the chairman of a DURF had to be appointed by the Administration, and why resident representatives should be left out. He stressed the importance of adopting a genuine bottom-up approach involving the local community in all urban regeneration initiatives.

*Ms Mary MULVIHILL**(LC Paper No. CB(1)2540/09-10(04), received after the meeting and issued on 13 July 2010)*

59. Ms Mary MULVIHILL delivered her presentation, the details of which were given in the submission. She added that the URS review had failed to resolve the differences among various sectors. She objected to the inclusion of District Councillors in the proposed DURFs. As regards urban renewal forums held in the public engagement, she found it disappointing that Legislative Council Members and District Councillors seldom attended those forums.

*The Chartered Institute of Building (Hong Kong)*

60. Mr Edmond DING Charn-lam, President, the Chartered Institute of Building (Hong Kong), said that the Institute supported the use of a people-oriented and bottom-up approach in urban renewal. He urged the Administration to consider promoting reverse mortgage amongst elderly owners. He also suggested that URA and the Hong Kong Housing Society should collaborate to provide affordable housing units for affected residents.

*The Hong Kong Institute of Facility Management*

61. Mr Frankie SO, Past President, The Hong Kong Institute of Facility Management, said that the Institute supported the URS review which proposed a bottom-up and people-oriented approach in urban renewal. He opined that the Administration should pay more attention to structural rather than aesthetic aspects of the buildings in redevelopment projects. For some old districts, efforts should be made to preserve the local historic and economic characteristics. Meanwhile, to relieve conflicts between owners and URA, the Administration should consider allowing affected owners to have a reasonable share of the profits of URA projects.

*Mr IO Ching-po*  
(LC Paper No. CB(1)2441/09-10(15))

62. Mr IO Ching-Po delivered his presentation, the details of which were given in the submission. He added that the Administration should think of feasible ways to provide rehousing for affected tenants within the same district, given that quite some of them could be forced to leave their homes by landlords after the freezing survey.

*The Hong Kong Institute of Housing*

63. Ms Cora YUEN Chui-yi, Secretary, The Hong Kong Institute of Housing, opined that the Administration should provide one-stop service for owners involved in revitalisation projects. There should be detailed planning and enhanced support to facilitate the revitalisation of industrial buildings for commercial uses. The Institute believed that the Administration should consider appointing professional agents to represent owners in urban renewal projects. To ease the financial difficulties of elderly owners, the Administration should promote reserve mortgage. As regards flat-for-flat and shop-for-shop compensation, there should be a commonly-accepted method for measuring the floor areas of affected flats. Besides, there should be owner participation in the proposed DURFs. Regular building repair and maintenance by owners should also be stepped up.

*Tsuen Wan District Council*

64. Mr LO Siu-kit, Member, Tsuen Wan District Council, welcomed that the Administration would consider offering flat-for-flat compensation as an option for affected owners. He considered that more favourable compensation should be provided for elderly non-owner-occupiers who counted on the rentals of their flats to maintain their livelihood.

*Community Alliance for Urban Planning*

65. Ms LING Fung-har, Committee Member, Community Alliance for Urban Planning, disagreed that owners opting for flat-for-flat compensation had to pay for the difference between the cash compensation and the price of the new flat. She criticised that the cash compensation package included unfair measures, such as differential treatments for owner-occupiers and non-owner-occupiers.

*Hong Kong Institute of Real Estate Administrators*

66. Mr Andrew YU Siu-yeung, Council Member, Hong Kong Institute of Real Estate Administrators, said that the Institute supported a people-oriented and bottom-up approach in urban renewal and the setting up of DURFs. It was necessary for the URS review to be completed within the given time frame. Higher priority should be accorded to rehabilitation of old buildings, and redevelopment should only be carried out when all methods to repair and maintain the buildings had failed. He said that the Institute did not support the proposed facilitator role of URA in urban redevelopment projects, because such work should be left to the professionals in the market. As a refinement of the flat-for-flat compensation option, consideration should be given to adopting a system similar to the exchange entitlement system.

*SEE Network Ltd.*

67. Miss Patsy CHENG, Director, SEE Network Limited, considered that in implementing urban regeneration, the Administration should be prudent in handling private property ownership so that owners' rights and freedom to dispose of their properties would not be jeopardised.

*Mr HO Chi-chung*

68. Mr HO Chi-chung criticised that the Administration's public consultation on the URS review in the past two years lacked transparency. He considered the various proposals put forward in the URS review sugar-coated poison. He was of the view that the current public engagement exercise was not genuine consultation because the Administration had no intention to really listen to public views.

*The Hong Kong Institute of Architects*

69. Mr Franklin YU, Chairman, Planning and Lands Committee, The Hong Kong Institute of Architects, hoped that in carrying out urban regeneration, the Administration would abide by a people-oriented and bottom-up approach. He believed that the setting up of DURFs would greatly facilitate bottom-up public engagement. Due to limited resources, an effective mechanism should be put in place for prioritising urban redevelopment projects.

*Mr Nicholas CHAN Hok-fung*

70. Mr Nicholas CHAN Hok-fung urged for a review of the functions and membership composition of the proposed DURFs so that they would become decision-making bodies in urban renewal with participation of local residents. URA should in turn become the body responsible for executing the decisions of the DURFs.

*Miss LI Hoi-shan*

71. Miss LI Hoi-shan did not present any views at the meeting.

*Miss WONG In-nei*

72. Miss WONG In-nei did not present any views at the meeting.

*Mr HO Yao-sheng*

73. Mr HO Yao-sheung said that the Administration's decision not to demolish some buildings on Wing Lee Street for redevelopment had disappointed and confused both tenants and owners thereat because many of them had been waiting for redevelopment for years. There was a lack of co-ordination in the grading of historic buildings, and a detailed plan on how to maintain old buildings on Wing Lee Street which were not yet acquired by URA was unavailable.

*Mr TSANG Chiu-wai*

74. Mr TSANG Chiu-wai considered that the work of URA was a process of transferring the wealth of the poor to the rich. He criticised URA for not genuinely adhering to the people-oriented and bottom-up approach in urban renewal. He urged URA to improve its work on Social Impact Assessment.

*Kwun Tong District Council*

75. Ms LEUNG Fu-wing, Member, Kwun Tong District Council, opined that to realise a bottom-up and people-oriented approach in urban renewal, URA should not reap local residents of their benefits. The owners and the general public should be the ones to benefit most from of the fruits of urban redevelopment. Given the increasing number of aging buildings in various districts, the Administration should think of territory-wide and people-oriented measures to cope with urban decay. Furthermore, in implementing Operation Building Bright, the Administration should seriously look into the structural safety problems caused by unlawful sub-division of residential flats.

*活在觀塘*

76. Mr YUEN Chi-yan, Representative, 活在觀塘, opined that as in the case of some Mainland cities, the Administration should make provisions for affected residents to move back after the completion of the urban redevelopment projects by offering them flats at a discounted price. Citing Temple Street as an example, he urged the Administration not to embark on redevelopment that would affect local cultural characteristics. Instead of focusing on developers and owners, the Administration should extend its consultation on urban redevelopment to all relevant parties including artist groups.

*Community Development Alliance*

77. Miss WONG Wing-chi, Community Organizer, Community Development Alliance, said that she was disappointed that the proposed DURFs would have no resident representatives as members. She noted with concern that the URS review had made no mention of the difficulties of shop operators. She considered that there was still room to improve on Social Impact Assessment, and that SSTs should be allowed to operate in a truly independent manner.

*Mr FUNG Sing-sang*

78. Mr FUNG Sing-sang opined that in pursuing the flat-for-flat compensation option, the Administration should take into account the benefits that URA and the developers concerned would gain from new flats in the redevelopments, which had far larger gross floor areas. Furthermore, the Administration should consider the shop-for-shop compensation option more seriously.

*Hong Kong Institute of Land Administration  
(LC Paper No. CB(1)2441/09-10(17))*

79. Mr KWOK Gong-lut, Fellow Member, Hong Kong Institute of Land Administration, delivered his presentation, the details of which were given in the submission. He added that greater flexibility should be incorporated in the operation of DURFs. Interactive websites, for instance, should be set up to provide a channel for facilitating bottom-up consultation.

*香港基層勞工陣線*

80. Mr LAU Wai-chung, Committee Member, 香港基層勞工陣線, queried whether it was possible to have genuine bottom-up consultation if there were no representatives of the owners and tenants in the proposed DURFs. He expressed concern about the various deductions from the compensation that owners would receive, and considered such deductions a tactic used by URA to reduce the cost of acquiring properties from owners. He emphasized that the

Administration's public consultation was not genuine consultation and the consensus that the Administration claimed to have achieved was not genuine consensus either.

*v-artist*

81. With the aid of a video, Ms KWONG Shun-yee, Representative, v-artist, demonstrated how urban redevelopment could affect the warm and caring interactions of people in a closely-knit community.

Discussion

82. Members agreed that the meeting should be extended to allow sufficient time for discussion.

83. Mr James TO noticed that some developers had begun to openly acquire residential flats from owners in old districts after the launch of the URS review. With the lowering of the application threshold for compulsory land sale for redevelopment, he was concerned about whether there were any districts deserving special attention from members and the Administration.

84. Dr Priscilla LEUNG said that the proposal put forward by HKIS of setting up an appeal mechanism for residents affected by urban renewal projects warranted an in-depth study. She noticed that due to an abrupt rise in property prices in recent months, some affected owners in To Kwa Wan found it difficult to use their compensation to buy a comparable unit. She also learnt from Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, that despite the compensation from URA, he was unable to pass on his family business to the younger generation because of the difficulties in finding an affordable street shop. Dr LEUNG urged the Administration to address these issues in implementing urban renewal.

85. Mr Abraham SHEK said that the main issues in urban renewal were compensation and rehousing arrangements. To minimise conflicts, he believed that the best way out was to offer flat-for-flat compensation according to the size of the flats. On the work of SSTs, he said that the social workers' primary clients should be the affected residents. The source of funding should have no impact on their services because they were professionals.

86. Miss Tanya CHAN opined that SSTs were playing an important role in urban renewal, and she considered it necessary to listen to frontline social workers on the difficulties they were facing.

87. Mr Albert HO attributed the existing conflicts between affected residents and URA to the failure of the Administration in exercising its statutory powers properly. To reduce conflicts in future, the Administration should revisit the

membership of the proposed DURFs with a view to bringing in voices of the owners and shop operators. It was also necessary to tackle the various compensation issues to address the impression of the public that the Administration and the business sector were colluding to rob owners of their assets.

88. Responding to members, Mr LAI Kin-kwok pointed out that SSTs were short of adequate resources to cope with the existing workload. On the independence of SSTs, his view was that it was impossible for social workers to ignore the instructions of URA if URA was the funding body. He urged the Administration to consider providing separate funding for SSTs. Ms YIP Mee-yung, Representative, 重建聯區居民業主聯會, expressed similar concerns. To stop the collusion between URA and the developers, she reiterated the need for the Administration to mandate that not less than 70% of the street shops in urban redevelopment projects should be put up for sale in the market. Furthermore, she believed that only flat-for-flat and shop-for-shop compensation could resolve the existing problems. Miss WONG Wing-chi, Community Organiser, Community Development Alliance, shared her experience that it was difficult for social workers of SSTs to win the trust of the residents if SSTs continued to be funded by URA. It would be unrealistic for frontline social workers to separate rights advocacy from case handling because the two were closely related. Furthermore, she opined that in order to render assistance to residents involved in legal actions against URA and developers, SSTs gravely required professional legal support.

#### Response by the Administration

89. At the invitation of the Chairman, SDEV advised that the Administration had invited a very experienced social worker to sit on the Steering Committee on Review of the URS to provide professional input. Furthermore, the Administration had just received the report of a study by the Department of Social Work and Social Administration of The University of Hong Kong on the role of SSTs. At present, the Administration was more inclined to setting up an independent mechanism to fund and monitor the operation of SSTs. SDEV said that the Administration was considering an enhanced role of social workers in other building-related areas including cases of compulsory land sale for redevelopment. On better engagement of the community, SDEV said that DURFs would conduct public engagement activities to continue to tap the local communities' views on urban renewal in the respective district and would make reference to the previous District Aspiration Studies conducted. Through DURFs, the views of residents on the relative weighting and priority of the 4Rs in various districts could be identified. The Administration would endeavour to implement concrete measures to realise a people-oriented, bottom-up and district-based approach in urban regeneration.

**II Any other business**

90. There being no other business, the meeting ended at 12:43 pm.

Council Business Division 1  
Legislative Council Secretariat  
30 September 2010