

## **Comments on Urban Renewal Strategy**

The following is a summary of the comments of the Hong Kong Institute of Surveyors on the Consultant Paper entitled “Urban Renewal Strategy” published by the Planning and Lands Bureau in July 2001.

### **1.0 Urban Renewal Strategy**

- 1.1 The Paper is entitled “Urban Renewal Strategy”, yet it only focuses on the strategy of the URA. This is a reflection of the state of mind of the Government, namely that urban renewal is a URA business. No strategy has been considered for urban renewal by other organisations. The HKIS wishes to emphasize that the URA alone will not be able to resolve the problem of urban decay, and that urban renewal is not a URA prerogative. It is a matter of concern to all property owners, and a comprehensive policy should be formulated by all parties concerned to facilitate the urban renewal process.
- 1.2 If it is the Government’s intention to focus the present consultation on the URA, that is fine, and the Paper should be so addressed.
- 1.3 The Paper is silent on the role of the other urban renewal agencies. The HKIS believes that the URA should not be the only urban renewal agency. The other agencies should include the following: -
  - The Hong Kong Housing Society;
  - The Hong Kong Housing Authority;
  - The private sector; and
  - Non-profit making organizations sitting on under utilized urban sites.
- 1.4 Owners of properties adjoining an URA project should be allowed to joint venture with the URA, if the joint venture will result in a better quality or more comprehensive development.
- 1.5 The Paper states that the URA is tasked with undertaking the 200 new projects and the 25 LDC projects within a period of 20 years, and further states that the aim is to contain the problem of urban deterioration by the end of this 20-year period. We doubt whether this aim can be achieved, as other buildings will become dilapidated during this period. Flexibility should be built into the system to allow for buildings, which become dilapidated and require redevelopment within the 20-year period, to be redeveloped by the URA, or by the other agencies mentioned above. The Government should emphasise that urban renewal is an ongoing process to which there will be no end.

- 1.6 The role of the URA should not only be restricted to land assembly, nor should it pass the redevelopment control and responsibility totally to developers. We believe the URA should continue to exercise control over these type of development to ensure that the goals and objectives for each particular development, set at the planning stage, are met.
- 1.7 Developments by the URA will also create opportunities for innovative and creative concepts to be incorporated in the developments at an early stage. For instance, a Las Vegas type of theatre for cabarets could be incorporated in a development, with the commercial terms like rents, promotion, etc agreed with the operator at the design stage.
- 1.8 The Paper is silent on the policy and the strategy for urban renewal for buildings outside the nine Target Areas, which are dilapidated and require redevelopment. The Government needs to formulate and publicise such policy.

## **2.0 Assisting Urban Renewal by the Private Sector**

- 2.1 To facilitate urban renewal by the private sector, the URA should consider acquiring or resuming the properties, which obstruct comprehensive developments by the private sector, in an area, which is dilapidated, and where the Government has decided that urban renewal should take place.
- 2.2 Our present system of submissions and approvals is geared for new works, and does not suit maintenance, improvement and alteration works. The Government should facilitate owners of existing buildings to carry out such maintenance, improvement and alteration works by simplifying the procedures.
- 2.3 The HKIS suggests that a tribunal should be established with the power to modify or discharge covenants in Government or private leases, which are obsolete. The members of the tribunal should consist of a lawyer, a surveyor and possibly a planner, so that the impact of such discharge or removal can be carefully assessed from the various perspectives. Alternatively, the Lands Tribunal could be entrusted with such a task.
- 2.4 The Land (Compulsory Sales for Redevelopment) Ordinance has a very restricted and narrow application. We suggest extending the application of this ordinance. Details of this comment will be submitted separately.

### **3.0 Compensation**

- 3.1 Payment of compensation to the owner-occupiers should be made as soon as possible so as not to cause them any cash flow problems and to allow the owners to purchase the new properties prior to moving out of the old properties. This is important to both owners of residential and non-residential properties.
- 3.2 Neither the URA Ordinance nor the Paper contain any provisions for the assessment of compensation payable to the affected owners. The HKIS recommends that the Government or the URA issue the Guidelines for Assessment of Compensation Packages (the “Compensation Guidelines”) to the public, in order to avoid confusion and disputes. The HKIS suggests that the Government should:
  - 3.2.1 comprehensively review the policy for compensation, particularly for non-residential properties.
  - 3.2.1 revise the Land Resumption Ordinance (LRO) to enable the same basis of compensation be adopted for urban renewal cases, both before and after the deployment of resumption powers.
- 3.3 The current practice adopted by the LDC and the Lands Department is that no compensation is payable for established uses. In reality, many purchasers are willing to pay an additional price for such established uses. The Land Resumption Ordinance is ambiguous in this respect. After the Government has decided on the policy, the HKIS would recommend that clear parameters as to the treatment of established uses be given in the Compensation Guidelines.
- 3.4 The ex-gratia compensation should include legal and established undertakings within the property.
- 3.5 The HKIS suggests that clear guidelines for determining both statutory and ex-gratia compensation be formulated and published.
- 3.6 The HKIS holds the view that the monetary compensation payable to the owners and occupants for non-residential properties must be adequate to reflect at least the monetary loss. We reiterate that if the matter is not handled carefully, social unrest or even violence could result.
- 3.7 The HKIS propose that a team of volunteers be formed to advise the owners and tenants of the affected properties on compensation, procedures and other property matters relating to urban renewal. This team of volunteers would not be charging any fees but their services would be restricted to giving general advice, rather than professional and technical advice, which should be the responsibility of the consultants appointed by the owners. The HKIS is prepared to assist in the provision of such services.

3.8 The Government should ensure that an adequate amount of provisional or interim payment be made to the owners and occupants affected so as to alleviate their hardship.

3.9 The HKIS is prepared to form a team to participate in any discussion, which the Government may have in respect of the improvement of the procedures for payment of compensation to those affected

#### **4.0 The URA Board**

4.1 When the URA Board is discussing issues, which are sensitive for commercial, management, and other reasons, due care should be taken to maintain the necessary confidentiality.

#### **5.0 District Advisory Committee**

5.1 The District Advisory Committee should be a District Liaison Committee. If the District Advisory Committees gives advice to the URA, which the URA does not take up, what would the consequences be?

5.2 The representative of the Government / URA on the District Liaison Committee should be at a reasonably senior level so that the decision makers are well aware of the hardships of the grassroots.

#### **6.0 Financial Arrangement**

6.1 The URA should carry out the maximum number of projects with the minimum input of financial resources from the Government. This could be done by proceeding with the financially viable projects at the same time as those not financially viable.

6.2 The Government and the URA should consider giving priority to projects at or near the CBD, so as to improve the cityscape as well as the international image of Hong Kong.

6.3 Acquisition of the properties affected by urban renewal should commence immediately after the decision to carry out urban renewal to an area has been made, but before the project has been approved. The URA does not have to wait for the necessary planning approvals. This arrangement will reduce the urban renewal development period by at least 12 months. For instance, the Government has already announced that the 25 LDC projects would be implemented. All that is required to be done by the URA is to prioritise these 25 projects. As soon as the priority list is set, then acquisition / resumption can commence. This arrangement will also result in reducing the shadow period, which causes those affected grave hardship.

## **7.0 Rehabilitation**

- 7.1 Steps should be taken to encourage owners to undertake repair and maintenance work in a more organised manner.
- 7.2 While the Paper has rightly set out the importance of building maintenance in extending the usable period of a building, there is no further policy guideline or action plan being outlined in the Paper with respect to the scope and implementation of such a rehabilitation policy under the URA's directive in the coming years. We believe this is a very important aspect that should be given more careful consideration by the SPL and the URA.
- 7.3 Should the URA work together with the Buildings Department in offering loans for building maintenance, particularly within the nine Target Areas?
- 7.4 Confusion will arise in respect of maintenance of the existing dilapidated buildings falling within and outside the nine Target Areas.
- 7.5 Reasonable resources should be allocated to the maintenance of existing buildings not intended for redevelopment in the near future.
- 7.6 Where the Government or the URA has decided that certain existing buildings should be preserved, the owners of such buildings should be encouraged to rehabilitate these buildings by allowing transfer of the plot ratio to adjoining buildings under certain rules. The HKIS would be pleased to offer its' views on the subject.

## **8.0 Preservation**

- 8.1 We support the URA in adopting the job of preserving historical buildings. However, as with the rehabilitation aspect, there is no specific description of the scope and implementation strategy on URA's preservation works.
- 8.2 On the other hand, as Hong Kong needs to promote inbound tourism for economic benefit, we doubt whether the URA should be tasked to turn some urban areas into tourist attractions as a total package approach to a district's urban renewal projects, preservation projects and cityscape improvement. For example, as with the proposal by the consultant in the Yaumatei Cinema Preservation Study, the cinema as well as the nearby Yaumatei District can be packaged as a total walking trail area for tourists' exploration. Another potential area is a package comprising the SoHo, Lan Kwai Fong, the Central Police Station, Victoria Prison and Hollywood Road. However, the URA should be responsible for the whole process, from planning and design, joint venture with stakeholders, implementation, up to leasing and day-to-day management of the area after completion.

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