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26 September 2001

Clerk to Panel
(Attn: Mrs Queenie Yu)
LegCo Panel on Planning, Lands and Works
Legislative Council
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Mrs Yu,

LegCo Panel on Planning, Lands and Works

**Work Plan and Estimated Expenditure
of the Urban Renewal Authority (URA)**

Thank you for your letter of 21 September 2001.

I have the following comments on the two points raised by
Members:

(a) Quality of buildings in URA projects

The URA may implement a redevelopment project by:

- (i) developing it on its own;

- (ii) developing it in association with a private developer; or
- (iii) selling the assembled site to a private developer.

In all three cases above, the projects are private developments and these new building works have to comply with the statutory standards and requirements set out in the Buildings Ordinance (Cap. 123).

The URA or its joint venture partner is required to appoint an Authorized Person and a Registered Structural Engineer to prepare building plans for the approval of the Building Authority (ie, the Director of Buildings) according to the Buildings Ordinance. Staff of the Buildings Department are responsible for checking building plans for compliance with the law and referring the plans to other Government departments for examination from their areas of concern. Consent from the Building Authority is required for commencement of building works.

Authorized Persons, Registered Structural Engineers and Registered Contractors have statutory responsibilities for supervision of building works and submission of stability certificates and test reports. Staff of the URA do not have statutory responsibilities for supervision of building works in URA projects.

Staff of the Buildings Department will regularly inspect construction sites, particularly at critical working stages, to ensure compliance with statutory requirements. They also make a final check before issuing an Occupation Permit. Staff of the URA are not involved in the inspection of construction sites or the issue of any occupation permit.

(b) Financial assessment of the 20-year urban renewal programme

In August 2000, the Government commissioned a consultants' firm, Jones Lang LaSalle Limited, to undertake a financial assessment of the 200 new projects and the 25 uncompleted Land Development Corporation projects. The property values and cost estimates adopted in the financial assessment were those of August 2000. On the basis of the financial assessment, it was projected that the 20-year programme should be about break-even.

We would need another financial assessment based on updated property values and cost estimates to see whether the findings remain valid today.

Yours sincerely,

(Stephen Fisher)

for Secretary for Planning and Lands

c.c. Mr Canice Mak
Managing Director, URA