

Development Panel,  
LegCo.

Dear Secretary,

Having studied the Paper for the Consensus Building Stage of the Urban Renewal Strategy Review on Public Views and Future Direction, attended the Consensus Building Workshops, and participated in the Consultation Forums with Professional Groups; and while we (the Hong Kong Institute of Land Administration) are in general support of the ideas stipulated in the Paper regarding the Seven Major Topics, namely (i) Vision and Scope of Urban Regeneration, (ii) 4R Strategy in Urban Regeneration, (iii) The Role of URA in Redevelopment, (iv) Compensation and Rehousing Policy, (v) Public Engagement, (vi) Social Impact Assessment and Social Service Teams and (vii) Financial Arrangements, our Institute wish to take the opportunity to share our views further in some of the topics.

(1) Vision and Scope of Urban Regeneration

District Urban Renewal Forum (DURF) - Mode of Operation

- A. We suggest that DURF should be made more transparent to achieve “Equity of Access” by the creation of
- (a) A website for each DURF to provide a discussion platform for information exchange;
  - (b) In order to achieve Equity of Access to decision-making process and to stress on greater transparency, we suggest the establishment of a DURF Geographic Information System by integrating the existing URA geographical information data with the HKSAR Geo Info Map, which has been made available to the public since May 26 this year.
- B. It is also our suggestion that DURF not only should be independent of the DC and may not cover the full boundary of the respective District Council, but also to allow having the flexibility to determine cross-boundary situations.

(2) Compensation and Rehousing Policy

(a) ‘Flat for Flat’ option

Noting the response of the community no matter from the press or in the workshops that the owners persistently demanded a ‘Flat for Flat’ or ‘Shop for Shop’ mode of compensation, our Institute have suggested to the Urban Renewal Authority the idea of offering to the owners, whose domestic or

residential properties are affected by redevelopment projects, an option to purchase flats or units of domestic or residential premises of similar size in the future redevelopment as an alternative to the system of cash only compensation. Our proposal is similar to the “land exchange entitlements” or more commonly known as the “letters A/B” system, employed by the former New Territories Administration and later the Lands Department of the pre-1997 Hong Kong Government from the late 50’s to the mid 80’s, but modified to suit the needs of those owner/occupiers who do not want to leave the district, and hopefully also meets the aspirations of others. The proposal, if accepted, would enable the owners affected to choose either cash compensation based on valuation as under the present system or an option to purchase a domestic or residential unit in the new redevelopment upon completion. The owners will have to pay for the difference between the value of the property they are giving up and the value of the units on the new premises they are entitled to acquire. We are also proposing that the owners be allowed to transfer or sell their entitlement so that they can reap the benefit in a rising market situation upon completion of the redevelopment. On the other hand, in a market downturn situation they may just accept cash compensation and buy similar property elsewhere. By such arrangements, the owners are given an opportunity to participate in the redevelopment, and have other options as well as a ‘right’ not to leave where they have their roots. If they expect higher return or when situation warrants, they could sell the properties in the market.

The ‘Flat for Flat’ option now proposed is more or less adopting the main principle of our suggestion.

(b) ‘Shop for Shop’ option

After the recent consultation forum, the Authority has basically agreed to the idea of ‘Flat for Flat’ exchange for affected domestic units, but still disagrees to the surrender and exchange idea for affected commercial ‘shop’ units, saying that it would be difficult to provide similar type of shop units for numerous offensive trade units such as car repairing centre in the new urban renewal district.

We feel that this argument is far from convincing because shop exchange and its future usage can always be negotiated. The most crucial point here is to provide an option for the shop owners so that they can either choose cash compensation or an option of exchange for commercial space in the new

renewal area whether as ground floor shops or upper shop units in the shopping arcade with strict user restriction. Again, relevant professionals can work out the ratio or formula for exchange in consultation with concerned parties.

If the Authority fails to address the concern of shop owners, the Government will be accused of ripping off the well being of its residents by disallowing them to participate in the urban renewal, which only aims at making huge profits for the developers and the Government. This will certainly bring about a very bad image on the Government and the Authority.

Our Institute is therefore of the view that the entitlement mode of compensation as detailed in 2(a) above may be adapted to suit the shop owners case under the same rationale. Due to the usually smaller ratio of available commercial space upon redevelopment, the 'right' or entitlement to buy certain area of shop or commercial space after the redevelopment may have to be subject to a different ratio, and where the original trade cannot be accommodated in the new redevelopment, a change of trade to fit into the new environment may have to be considered.

### (3)Public Engagement

It is noted that the Authority proposes the setting-up of a "District Urban Renewal Forum"(DURF), aiming at providing a comprehensive approach toward future urban renewals. It stresses the importance of a people-oriented and bottom-up strategy hoping to obtain full support from the community. However, we are aware that the composition of members in the forum does not include the owners or their representatives, thus making the consultation platform indirect and inconclusive.

We suggest that as the property owners are the most affected stakeholders, their views should be relatively significant, not to mention the fact that they will feel like a part of the forum should their views be listened to. We have seen a lot of confrontations between local affected owners and the authority in previous urban renewal projects. They have expressed that they have no channel to convey their comments on the urban renewal proposal, and a general mistrust and resentment have been building up among the community.

We suggest that a kind of local committee should be formed amongst the affected owners, which may then serve as a sub-committee to the DURF. By doing so, the affected owners will be made a part of the Government's consultation platform and hence securing a smooth negotiation in the future.

#### (4) Social Impact Assessment and Social Service Teams

Whilst supporting the setting up of the Social Service Teams (SST), we are of the view that the SST which will be attached to the DURF [better termed as the Community Services Team to differ the original SST serving under the URA] to tie in with the services now provided by the Home Affairs Department in assisting the owners to form Owners Corporations for the management of buildings. Since the **CSTs** have regular contacts with the owners, they may be able to communicate with them more effectively, not to mention the fact that they can obtain the most accurate views amongst the owners through Impact Assessment surveys and meetings (including local committee meetings). The CST may also assist in the formation of the local committee and help in the local committee's work of the relevant DURF area. It is further suggested that the CST may embrace some members with suitable land knowledge, so that they may be able to give constructive advice to the owners and in turn, may well serve as a bridge between the DURF / URA and the affected owners.

Best Regards,

Hong Kong Institute of Land Administration

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