

立法會
Legislative Council

LC Paper No. CB(1)900/15-16
(These minutes have been seen by
the Administration)

Ref : CB1/PS/1/15/1

Panel on Development

Subcommittee on Redevelopment of Buildings
Developed under the Civil Servants' Co-operative Building Society Scheme

Minutes of the fourth meeting held on
Tuesday, 12 April 2016, at 9:00 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon Cyd HO Sau-lan, JP
Hon CHAN Kin-por, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon YIU Si-wing, BBS
Hon CHAN Yuen-han, SBS, JP

Member attending : Dr Hon CHIANG Lai-wan, JP

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, JP

Public officers attending : **Agenda item II**

Mr Eric MA Siu-cheung, JP
Under Secretary for Development

Mr Maurice LOO Kam-wah
Deputy Secretary for Development (Planning and Lands)²
Mr Raymond SY Kim-cheung

Principal Assistant Secretary (Planning and Lands)⁴
Development Bureau

Ms Moogie LAM Muk-lai
Housing and Quartering Officer
Civil Service Bureau

Ms Karen CHAN Pui-yee
Assistant Director (Valuation)
Lands Department

Ms Karen HO Ka-yi
Senior Estate Surveyor (Valuation)⁴
Lands Department

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)²

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)²

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)748/15-16 -- Minutes of the third meeting
on 1 March 2016)

The minutes of the meeting on 1 March 2016 were confirmed.

- II Meeting with the Administration**
(LC Paper No. CB(1)747/15-16(01) -- List of follow-up actions
arising from the discussion at
the meeting on 1 March 2016
LC Paper No. CB(1)747/15-16(02) -- Administration's response to
issues raised by members at
the meeting on 1 March 2016
LC Paper No. CB(1)592/15-16(01) -- List of follow-up actions
arising from the discussion at
the meeting on 25 January
2016
LC Paper No. CB(1)592/15-16(02) -- Administration's response to

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issues raised by members at the meeting on 25 January 2016)

Other relevant papers

- (LC Paper No. CB(1)747/15-16(03) -- Submission from residents of GBHS Lung Cheung Court dated 16 March 2016
- LC Paper No. CB(1)747/15-16(04) -- Submission from all members of GBHS Lung Cheung Court dated 18 March 2016
(*Restricted to members*)
- LC Paper No. CB(1)747/15-16(05) -- Submission from members of GBHS Lung Cheung Court dated 21 March 2016
- LC Paper No. CB(1)747/15-16(06) -- Submission from residents of GBHS Lung Cheung Court dated 27 March 2016
- LC Paper No. CB(1)761/15-16(01) -- Submission from all members of GBHS Lung Cheung Court dated 2 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)761/15-16(02) -- Submission from members of GBHS Lung Cheung Court dated 2 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)761/15-16(03) -- Submission from members of GBHS Lung Cheung Court dated 2 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)761/15-16(04) -- Submission from all members of GBHS Lung Cheung Court dated 2 April 2016
- LC Paper No. CB(1)761/15-16(05) -- Submission from members of GBHS Lung Cheung Court dated 3 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)761/15-16(06) -- Submission from a deputation (公務員建屋合作社重建權益關注小組) dated 3 April 2016

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- LC Paper No. CB(1)761/15-16(07) -- Submission from members of GBHS Lung Cheung Court dated 4 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)761/15-16(08) -- Submission from all members of GBHS Lung Cheung Court dated 6 April 2016
- LC Paper No. CB(1)781/15-16(01) -- Submission from Ms LEE Po-sim dated 27 March 2016
- LC Paper No. CB(1)781/15-16(02) -- Submission from Mr TUNG Shu-shing dated 8 April 2016
(*Restricted to members*)
- LC Paper No. CB(1)781/15-16(03) -- Submission from 重建公務員建屋合作社關注小組召集人 dated 10 April 2016)

2. The Subcommittee deliberated (index of proceedings in the **Appendix**).

3. The Administration was requested to provide the following information --

- (a) Whether the Administration would consider or assist owners of buildings under the Civil Servants' Co-operative Building Society ("CBS") Scheme/Government Built Housing Scheme ("GBHS") in providing/installing lifts for the CBS/GBHS buildings; if yes, the details; if no, the reasons; whether the Administration/Urban Renewal Authority ("URA") would provide professional/technical assistance to needy owners of CBS/GBHS buildings (such as the owners who wished to seek advice on matters relating to redevelopment of the buildings, planned to carry out repair and maintenance works or add/improve existing building facilities); if yes, the details; if no, the reasons;
- (b) Assuming that there was unanimous consent among all owners of a CBS building that they would redevelop the building at their own cost, but some of these owners had financial difficulties in doing so, whether the Administration would introduce measures to ease their difficulties; if yes, the details; if no, the reasons;

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- (c) The Administration's positions in respect of the views that --
- (i) URA should consider whether priority should be accorded to redeveloping a CBS/GBHS site/building from the perspective of revitalizing/regenerating a larger area (such as the district where the site/building was located) rather than merely from the perspective of redeveloping the CBS/GBHS site/building itself; and
 - (ii) a compulsory sale order for a CBS site/building might not be granted under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) upon application if the CBS concerned had yet to be dissolved, or the CBS flat owners making the application had yet to remove the alienation restrictions on their flats and acquire the titles of the properties.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)899/15-16(02) on 10 May 2016.)

Date and arrangements for the next meeting

4. The Chairman said that members would be informed of the date and time of the next meeting in due course. He suggested that the Subcommittee would discuss with the Administration its responses to the views raised by deputations and individuals at the meeting on 1 March 2016, as set out in the Annex to LC Paper No. CB(1)747/15-16(02), and if time permitted, the rest of the meeting would be conducted, either in camera or in public subject to members' views, to consider the conclusions and recommendations that should be included in the Subcommittee's report. Members raised no objection to the Chairman's suggestions.

(Post-meeting note: With the concurrence of the Chairman, the next meeting would be held on 17 May 2016 at 2:30 pm. Members were informed of the above arrangement vide LC Paper No. CB(1)838/15-16 on 25 April 2016.)

III Any other business

5. There being no other business, the meeting ended at 11:00 am.

Action

Council Business Division 1
Legislative Council Secretariat
11 May 2016

Panel on Development

**Proceedings of the fourth meeting of the
Subcommittee on Redevelopment of Buildings
Developed under the Civil Servants' Co-operative Building Society Scheme
on Tuesday, 12 April 2016, at 9:00 am
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda Item I – Confirmation of minutes			
000402-000500	Chairman	Confirmation of minutes of the meeting on 1 March 2016 [LC Paper No. CB(1)748/15-16]	
Agenda Item II –Meeting with the Administration			
000501-001837	Administration	Briefing by the Administration on LC Paper No. CB(1)592/15-16(02)	
001838-002309	Mr CHAN Kin-por Administration	<p>Mr CHAN enquired whether and how the Administration would communicate with members of Civil Servants' Co-operative Building Societies ("CBS") and flat owners of CBS/ Government Built Housing Scheme ("GBHS") buildings on the information provided in the Administration's papers submitted to the Subcommittee (such as the clarifications on the basis for calculating the outstanding land premium payable for removal of alienation restrictions of CBS flats), and consult them on their views on the related issues.</p> <p>The Administration replied that relevant bureaux/departments had all along maintained communication with CBS/GBHS flat owners and responded to their views; and the responses and papers submitted by the Administration to the Subcommittee in relation to the redevelopment of CBS/GBHS buildings were available on LegCo's website.</p> <p>Mr CHAN opined that the Administration should adopt a compassionate attitude towards the difficulties faced by CBS/GBHS flat owners and communicate with them proactively on the</p>	

Time marker	Speaker	Subject(s)	Action required
		Administration's positions in respect of the redevelopment of CBS/GBHS buildings and its proposals to resolve the redevelopment issues.	
002310-003031	Dr CHIANG Lai-wan Administration	<p>Dr CHIANG opined that --</p> <ul style="list-style-type: none"> (a) the Administration should redevelop the CBS buildings so as to release the development potentials of the land lots concerned and to cater for CBS flat owners' aspirations to move out from the buildings due to the lack of modern-day building facilities; (b) the Hong Kong Housing Society ("HKHS") Pilot Scheme for the redevelopment of CBS buildings ("HKHS' Pilot Scheme") was not practicable; and (c) the Administration and the Urban Renewal Authority ("URA") should make it clear how the URA's Facilitating Services (Pilot Scheme) could remove the obstacles to the redevelopment of CBS buildings. <p>The Administration responded that --</p> <ul style="list-style-type: none"> (a) the three proposals to facilitate the redevelopment of CBS buildings had been worked out in consultation with HKHS and URA with a view to helping CBS flat owners remove the obstacles to the redevelopment and achieving a better use of land resources; (b) the Administration hoped that there would be some successful cases for redevelopment of CBS sites/buildings under HKHS' Pilot Scheme; (c) the Administration would continue to liaise with URA on whether the Authority could adopt a more flexible approach in dealing with 	

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		<p>the situation where there were difficulties in obtaining the required percentage of CBS flat owners' participation under URA's Facilitating Services (Pilot Scheme) due to missing or untraceable owners.</p>	
003032-003722	Mr YIU Si-wing Administration	<p>In response to Mr YIU's enquiry on whether the Administration, URA or HKHS had participated in the 11 completed CBS redevelopment projects, the Administration advised in the negative.</p> <p>Mr YIU opined that --</p> <p>(a) CBS/GBHS members/flat owners had made contributions to the society when they were serving civil servants, and the Administration had an obligation to proactively work out solutions that could meet their aspirations for redevelopment of their buildings;</p> <p>(b) some of the CBS/GBHS buildings should have redevelopment potentials; and the Administration and URA should identify these buildings, and accord priorities to redeveloping them.</p> <p>The Administration responded that --</p> <p>(a) URA had made public the application criteria for its Demand-led Redevelopment Project (Pilot Scheme), and owners of CBS/GBHS buildings might apply for redevelopment under the scheme; and</p> <p>(b) as the building condition of CBS/GBHS buildings were relatively good, it might not be appropriate for the Administration/URA to accord priorities to redeveloping these buildings with public resources over other old and dilapidated buildings.</p>	

Time marker	Speaker	Subject(s)	Action required
003723-005503	Ms Cyd HO Administration Chairman	<p>Ms HO opined that --</p> <p>(a) it would be more difficult for the Administration to facilitate the redevelopment of CBS buildings in future when more CBS flats were sold to persons who were not CBS members; and</p> <p>(b) the Administration should make it clear as early as possible whether and how it would change the existing policies and administrative arrangements which hindered the redevelopment of CBS buildings, so that CBS flat owners would have an idea of the future pace of redevelopment of their buildings that could be brought about by the Administration's proposals.</p> <p>Discussion on the background and the Administration's considerations for introducing different types of civil service housing benefits, including non-departmental quarters and departmental quarters, the CBS Scheme, private tenancy allowance, Home Purchase Scheme, Home Financing Scheme, and non-accountable cash allowance.</p> <p>Ms HO opined that on the question of whether and how to remove the obstacles to the redevelopment of CBS buildings, the Administration should take into account the facts that compared with those civil service housing benefit schemes which facilitated home purchasing or provided a cash allowance monthly, under the CBS Scheme, civil servants had to develop their buildings at their own cost, but did not own the titles to their properties.</p> <p>The Administration responded that --</p> <p>(a) unlike the civil servants receiving other civil service housing benefits, CBS members might</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>retain their membership upon retirement and transfer the membership to their nominated successors; and</p> <p>(b) serving civil servants who were CBS members could apply for other civil service housing benefits such as Home Purchase Scheme if they had relinquished their CBS membership and met the eligibility criteria for the Scheme.</p> <p>In response to the Chairman's enquiry, the Administration advised that a civil servant who had acquired CBS membership in his/her own right would be required to relinquish his/her CBS membership if he/she resigned from the civil service.</p>	
005504-010334	Dr CHIANG Lai-wan Administration	<p>Dr CHIANG opined that --</p> <p>(a) the then Administration had not formulated effective policies to cater for the needs of CBS members who wished to redevelop their buildings or facilitate them to apply for other civil service housing benefits such as Home Purchase Scheme; and the current-term Government should address the policy deficiencies; and</p> <p>(b) it was possible for URA to undertake redevelopment of CBS buildings under its prevailing policies; and the Administration should facilitate the participation of the Authority in the redevelopment.</p> <p>The Administration responded that --</p> <p>(a) whether a CBS member should apply for other civil service housing benefits was a choice of his/her own; and</p>	

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		(b) the Facilitating Services (Pilot Scheme) to be launched by URA should be useful in catering for the needs of CBS flat owners in respect of the redevelopment of their buildings.	
010335-010659	Mr YIU Si-wing Administration	<p>Mr YIU opined that --</p> <p>(a) as no further CBS/GBHS buildings would be developed, any special measures introduced by the Administration to facilitate the redevelopment of the existing CBS/GBHS buildings would be one-off and there was no question of setting a precedent; and</p> <p>(b) the Administration and URA should consider providing a regular platform for giving professional advice to CBS/GBHS flat owners who wished to redevelop their buildings.</p> <p>The Administration responded that the Development Bureau would liaise with URA regarding the suggestion of offering professional advice to CBS/GBHS flat owners.</p>	
010700-011320	Mr Alan LEONG Administration	<p>Mr LEONG opined that --</p> <p>(a) given that there were provisions in the relevant contractual documents governing the requirements for payment of outstanding land premium for removal of alienation restrictions on CBS/GBHS flats, and the amount of land premium payable was not affordable to CBS/GBHS flat owners, to facilitate redevelopment of CBS/GBHS buildings, the Administration might need to change the principles/methods for assessing the amount of land premium payable; and</p> <p>(b) the Administration might need to introduce such changes through legislative means, and in doing so, the Administration had to convince</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>the public how such changes would be beneficial to the society as a whole.</p> <p>The Administration responded that it would be difficult to justify deviating from the requirement for payment of outstanding land premium for removal of alienation restrictions on CBS/GBHS flats, taking into consideration that the redevelopment potentials of CBS/GBHS buildings as a whole were not as high as generally perceived.</p>	
011321-012550	Chairman Administration	<p>The Chairman opined that --</p> <ul style="list-style-type: none"> (a) the Administration should consider making a briefing to CBS/GBHS members/flat owners on the principles/methods for assessing the outstanding land premium payable for removal of alienation restrictions of CBS/GBHS flats as set out in the Administration's papers submitted to the Subcommittee; (b) it was not satisfactory that only a few projects for redeveloping CBS sites/buildings had been undertaken by private developers in recent years; and the Administration should improve the situation so as to achieve better use of land resources; (c) there were concerns that CBS buildings might not be selected by URA for redevelopment under the Demand-led Redevelopment Project Pilot Scheme if their conditions were better than those of other old and dilapidated buildings; and (d) the Administration should proactively explore more options for redeveloping the CBS/GBHS buildings, and ensure that they were feasible, acceptable to the building owners and could be implemented within a short time. 	

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		<p>In response to the Chairman's enquiry, the Administration advised that the construction of housing units provided under GBHS, i.e. Lung Cheung Court and Hong Lee Court, had initially been financed by the Administration and repaid by officers joining the Scheme.</p> <p>The Chairman requested the Administration to provide supplementary information on --</p> <p>(a) assuming that there was unanimous consent among all owners of a CBS building that they would redevelop the building at their own cost, but some of these owners had financial difficulties in doing so, whether and how the Administration would introduce measures to ease their difficulties;</p> <p>(b) the Administration's positions in respect of the views that --</p> <p>(i) URA should consider whether priority should be accorded to redeveloping a CBS/GBHS site/building from the perspective of revitalizing/regenerating a larger area (such as the district where the site/building was located) rather than merely from the perspective of redeveloping the CBS/GBHS site/building itself; and</p> <p>(ii) a compulsory sale order for a CBS site/building might not be granted under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) upon application if the CBS concerned had yet to be dissolved, or the CBS flat owners making the application had yet to remove the alienation restrictions on their flats and acquire the titles of the properties.</p>	<p>The Administration to take follow-up action as per paragraphs 3(b) and (c) of the minutes</p>

Time marker	Speaker	Subject(s)	Action required
012551-013218	Administration	Briefing by the Administration on LC Paper No. CB(1)747/15-16(02)	
013219-013832	Dr CHIANG Lai-wan Administration	<p>In response to Dr CHIANG's enquiry about the timetable for implementing the Administration's three proposals to facilitate the redevelopment of CBS buildings, the Administration advised that --</p> <p>(a) HKHS' Pilot Scheme was expected to be launched in mid-2016;</p> <p>(b) the dedicated queue to be designated by URA for CBS/GBHS building owners to join URA's Facilitating Services (Pilot Scheme) would be launched shortly; and</p> <p>(c) the Lands Department had put in place new administrative arrangements to facilitate the assessments of land premium for removal of the alienation restriction and the lease modification to be carried out contemporaneously with authorization from all the CBS building owners.</p> <p>Discussion on whether it was practicable for the Subcommittee to take into account further views of CBS members/flat owners on the implementation details of (a) and (b) above (after the details were available) when preparing its report.</p>	
013833-014216	Chairman Administration	<p>In response to the Chairman's enquiry, the Administration advised that a CBS member/flat owner was allowed to rent out his/her flat if he/she had acquired the title of the property and had paid the land premium for removal of the alienation restrictions.</p> <p>The Chairman requested the Administration to provide supplementary information on --</p> <p>(a) whether the Administration would consider or</p>	The Administration to

Time marker	Speaker	Subject(s)	Action required
		<p>assist owners of CBS/GBHS buildings in providing/installing lifts for the buildings; and</p> <p>(b) whether and how the Administration/URA would provide professional/technical assistance to needy owners of CBS/GBHS buildings (such as the owners who wished to seek advice on matters relating to redevelopment of the buildings, planned to carry out repair and maintenance works or add/improve existing building facilities).</p>	<p>take follow-up action as per paragraph 3(a) of the minutes</p>
014217-015309	Ms Cyd HO Administration Chairman	<p>Ms HO enquired under what conditions the CBS concerned could change the CBS by-laws. The Administration replied that any CBS might seek to amend its by-laws, and the CBS concerned was required to submit their proposed amendment to the Registrar of Co-operative Societies for approval and registration.</p> <p>Ms HO opined that --</p> <p>(a) the Administration's present proposals could not help a CBS flat owner overcome the difficulties arising from the requirement for him/her to pay a huge amount of land premium for removal of alienation restrictions under the prevailing premium assessment method, taking into consideration that the proceeds to be received by the CBS flat owner from selling the flat to HKHS or developers after deducting the land premium payable would not be sufficient for purchasing a flat of comparable size in the same district where he/she was living in; and</p> <p>(b) the retired civil servants living in the CBS buildings in areas such as Hung Hom, Shau Kei Wan, Kowloon City, etc., faced great difficulties in redeveloping their buildings because of the limited amount of monthly pension they received.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Ms HO enquired about the details of the new administrative arrangements that had been put in place by the Lands Department to facilitate premium payment applications.</p> <p>The Administration replied that the arrangements aimed at consolidating the procedures to enable developers interested in acquiring the property interests from CBS owners and redeveloping the CBS buildings to, with authorization from all the CBS flat owners, apply to the Lands Department for lease modification to effect redevelopment of the site. In addition to assessing the lease modification premium required for redevelopment of the site to achieve the maximum development parameters permitted under the relevant outline zoning plan, the developer could also apply at the same time for ascertaining the outstanding land premium payable for removal of the alienation restriction.</p> <p>The Chairman remarked that redevelopment of some CBS buildings would be subject to development restrictions under the Town Planning Ordinance.</p>	
015310-015734	Dr CHIANG Lai-wan Administration	<p>Dr CHIANG opined that --</p> <ul style="list-style-type: none"> (a) redevelopment of CBS sites/buildings would release the development potentials of the land lots concerned and would help address the shortage of housing land in Hong Kong; and (b) the financial viability of URA undertaking the redevelopment of CBS sites/buildings was high, as the Authority was given lease modification premium exemption and the redevelopment would not affect any shop tenants. <p>The Administration responded that --</p> <ul style="list-style-type: none"> (a) in the face of limited public resources, it was 	

Time marker	Speaker	Subject(s)	Action required
		<p>necessary for the Administration to consider carefully the appropriateness of according priorities to the redevelopment of CBS buildings over other old and dilapidated buildings;</p> <p>(b) according to an earlier-commissioned desktop study, among the dissolved but yet to be redeveloped CBSs, sites which had potential for redevelopment would only yield additional floor areas of some 230 000 square metres, and assuming that the size of each redeveloped unit measured 50 square metres, there would be a net gain of only about 4 000 units, with an average of 50 more units per site.</p>	
015735-020050	Chairman	Arrangements for the next meeting	