

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1152/15-16  
(The 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 fifth meeting held on**  
**Tuesday, 17 May 2016, at 2:30 pm**  
**in Conference Room 2A of the Legislative Council Complex**

**Members present** : Hon Tony TSE Wai-chuen, BBS (Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon CHAN Kin-por, BBS, JP  
Hon Alan LEONG Kah-kit, SC

**Member attending** : Dr Hon CHIANG Lai-wan, JP

**Members absent** : Hon CHAN Hak-kan, JP  
Hon YIU Si-wing, BBS  
Hon CHAN Yuen-han, SBS, JP

**Public officers** : **Agenda item II**  
**attending**

Mr Maurice LOO Kam-wah  
Deputy Secretary for Development (Planning and Lands)<sup>2</sup>

Mr Raymond SY Kim-cheung  
Principal Assistant Secretary (Planning and Lands)<sup>4</sup>  
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)<sup>4</sup>  
Lands Department

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

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

Ms Christina SHIU  
Legislative Assistant (1)2

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Action

- I Confirmation of minutes**  
(LC Paper No. CB(1)900/15-16 —Minutes of the fourth meeting on 12 April 2016

The minutes of the meeting on 12 April 2016 were confirmed.

- II Meeting with the Administration**  
(LC Paper No. CB(1)899/15-16(01) —List of follow-up actions arising from the discussion at the meeting on 12 April 2016  
LC Paper No. CB(1)899/15-16(02) —Administration's response to issues raised by members at the meeting on 12 April 2016  
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

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LC Paper No. CB(1)747/15-16(02) —Administration's response to issues raised by members at the meeting on 1 March 2016)

Other relevant papers

- (LC Paper No. CB(1)899/15-16(03) —Submission from all members of GBHS Lung Cheung Court dated 12 April 2016 (*Email — English version only; Enclosure — Chinese version only*) (*Restricted to members*)
- LC Paper No. CB(1)899/15-16(04) —Submission from Mr TUNG Shu-shing dated 13 April 2016 (*English version only*)
- LC Paper No. CB(1)899/15-16(05) —Submission from 鴻運樓建屋有限責任合作社社員麥小嫻女士 dated 18 April 2016 (*Letter — Chinese version only; Enclosures — partly in English, partly in Chinese*) (*Restricted to members*)
- LC Paper No. CB(1)899/15-16(06) —Submission from a deputation (超群建屋合作社有限公司) dated 26 April 2016 (*Chinese version only*)
- LC Paper No. CB(1)899/15-16(07) —Submission from all members of GBHS Lung Cheung Court dated 28 April 2016 (*Email — English version only; Enclosure — Chinese version only*)
- LC Paper No. CB(1)899/15-16(08) —Submission from all members of GBHS Lung Cheung Court dated 29 April 2016 (*Chinese version only*)

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- LC Paper No. CB(1)899/15-16(09) —Email dated 3 May 2016 from Mr TUNG Shu-shing to Mr P Y WONG and copied to the Subcommittee (*Email — English version only; Enclosure — Chinese version only*) (*Restricted to members*)
- LC Paper No. CB(1)899/15-16(10) —Email dated 7 May 2016 from Mr TUNG Shu-shing to Mr P Y WONG and copied to the Subcommittee (*Email — English version only; Enclosure — Chinese version only*) (*Restricted to members*)
- LC Paper No. CB(1)925/15-16(01) —Email dated 14 May 2016 from Mr TUNG Shu-shing to Hon Abraham SHEK Lai-him and K H CHENG and copied to the Subcommittee (*English version only*) (*Restricted to members*)
- LC Paper No. CB(1)925/15-16(02) —Submission from LAU Tak-man dated 15 May 2016 (*Chinese version only*) (*Restricted to members*)

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

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

- (a) with respect to the Administration's response in item 25 of the Annex to LC Paper No. CB(1)747/15-16(02) that based on the assessment of the Hong Kong Housing Society ("HKHS"), for a flat of 1000 square feet in buildings under the Civil Servants' Co-operative Building Society ("CBS") Scheme, the CBS flat owner should be able to use the proceeds from the sale of the CBS flat under the HKHS's Pilot Scheme (for redevelopment of CBS buildings) to purchase a flat which was relatively smaller in size but was equipped with modern building facilities in HKHS' Flat-for-Sale Scheme Secondary Market,

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the size/range of size of the flat and other relevant details about the flat, such as age, etc.; and

- (b) whether the Administration would review HKHS' Pilot Scheme (for redevelopment of CBS buildings) and the Urban Renewal Authority's Facilitating Services (Pilot Scheme) (for redevelopment of CBS buildings) in light of the number of applications received for the two schemes after their implementation, in order to assess the need to work out alternative proposals to facilitate the redevelopment of buildings under the CBS Scheme/Government Built Housing Scheme ("GBHS"); if yes, the timetable for commencing the review; if no, the reasons.

*(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1027/15-16(02) on 13 June 2016.)*

Arrangements for the remaining part of the meeting

4. At 3:52 pm, the Chairman suggested that the rest of the meeting be held in camera to facilitate members to discuss the conclusions and recommendations of the Subcommittee, and that representatives from the Administration should leave the meeting. Members raised no objection to the suggestion.

5. The Chairman ordered attending members of the media and the public to leave the meeting, and the Subcommittee would take a break of a few minutes.

*[Representatives from the Administration left the meeting at this juncture.]*

*[The meeting resumed at 3:56 pm, and was conducted in camera.]*

**III Internal discussion**

[Closed session]

**IV Any other business**

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[Closed session]

6. There being no other business, the meeting ended at 4:22 pm.

Council Business Division 1  
Legislative Council Secretariat  
3 August 2016

## Panel on Development

**Proceedings of the fifth meeting of the  
Subcommittee on Redevelopment of Buildings  
Developed under the Civil Servants' Co-operative Building Society Scheme  
on Tuesday, 17 May 2016, at 2:30 pm  
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<b>Agenda Item I — Confirmation of minutes</b>			
000613-000639	Chairman	Confirmation of minutes of the meeting on 12 April 2016 [LC Paper No. CB(1)900/15-16]	
<b>Agenda Item II — Meeting with the Administration</b>			
000640-002126	Administration	Briefing on the Annex to LC Paper No. CB(1)747/15-16(02)	
002127-003325	Dr CHIANG Lai-wan Administration Chairman	<p>Dr CHIANG said that:</p> <p>(a) according to some members of Civil Servants' Co-operative Building Societies ("CBSs"), they had not been made aware, until in recent years, of the Administration's view that the CBS sites concerned were granted to them at a premium of half of the "upset price" of the land; and that the premium that had been paid by them was one-third, instead of half, of the full market value of the land; and</p> <p>(b) CBS flat owners had commented that the requirement for them to pay land premium for the removal of the alienation restriction on a CBS flat was imposed by the then Government in the 1980s, and it was not justifiable to require a CBS flat owner to pay the land premium if the concession on land premium granted to the CBSs in early years was a form of civil servants' housing benefit.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration responded that:</p> <ul style="list-style-type: none"> <li>(a) the CBS Scheme and the Government Built Housing Scheme ("GBHS") were launched with the main objective of providing accommodations to eligible local civil servants and their families; and individual CBS/GBHS members did not possess the legal titles of the premises, but had a right to reside in the respective properties;</li> <li>(b) the arrangement for allowing the transfer of the legal titles of CBS flats to individual CBS members were formulated in the 1980s by the then Administration in response to CBS members' requests; and it was optional for a CBS member to apply for acquiring the title to the CBS flat; and</li> <li>(c) 'upset price' was a term used in the 1950s and 1960s, and as recorded in the note of a meeting on 14 February 1967 of a subcommittee appointed by the Finance Committee of the then Legislative Council, all CBSs were granted land at one-third of the full market value.</li> </ul> <p>In response to the Chairman's request, the Administration explained the meaning of "upset price".</p>	
003326-004439	Ms Cyd HO Administration	<p>Ms HO opined that:</p> <ul style="list-style-type: none"> <li>(a) the Administration should make it clear whether it recognized that there was a need for redeveloping CBS/GBHS buildings in view of the age and conditions of these buildings;</li> <li>(b) given that CBS flats were relatively spacious, redevelopment of CBS sites would yield additional floor areas for providing more</li> </ul>	



Time marker	Speaker	Subject(s)	Action required
		<p>small-sized residential units to cater for the housing demand of more families, and hence was worth pursuing;</p> <p>(c) CBS flat owners held the view that the Pilot Scheme (for redevelopment of CBS buildings) of the Hong Kong Housing Society ("HKHS' Pilot Scheme") and the Facilitating Services (Pilot Scheme) (for redevelopment of CBS buildings) of the Urban Renewal Authority ("URA's Pilot Scheme") 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 the alienation restriction on the flat or for the redevelopment of the CBS building; and</p> <p>(d) the Administration should set a timeframe for reviewing the implementation of the two Pilot Schemes in light of the number of applications received.</p> <p>The Administration replied that:</p> <p>(a) according to a desktop study commissioned earlier, while some of the CBS sites had the potential for redevelopment, the redevelopment potential of the CBS sites as a whole was not as high as generally perceived;</p> <p>(b) the Administration was not in the position to assess the redevelopment value of individual CBS sites/buildings, and CBS flat owners might engage professionals to conduct such assessment;</p> <p>(c) HKHS' Pilot Scheme, which was expected to be implemented in mid-2016, and URA's Pilot Scheme, which had been launched recently, were aimed at facilitating the redevelopment of CBS buildings having regard to different</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>circumstances and needs of CBS flat owners; and</p> <p>(d) the Administration considered it appropriate to allow the two Pilot Schemes to operate for a period of time before assessing their effectiveness, and it had yet to work out a timetable for reviewing the schemes.</p>	
004440-004859	Dr CHIANG Lai-wan Administration Chairman	<p>Dr CHIANG enquired about the role of URA in its Pilot Scheme upon receiving a joint application from CBS flat owners who had 50% or more of the undivided shares of the interests of the site concerned.</p> <p>The Administration advised that upon receiving the joint application, the role of URA was to coordinate the assembly of 80% or more of the property interests of the site for joint sale in the market.</p> <p>Discussion on whether the Land (Compulsory Sale For Redevelopment) Ordinance (Cap. 545) ("LCSRO") was applicable to CBS flat owners who had yet to remove the alienation restriction on their flats</p>	
004900-005229	Administration	Briefing on item (d) of LC Paper No. CB(1)899/15-16(02)	
005230-005954	Ms Cyd HO Administration Chairman	<p>Discussion on whether the Administration should review the effectiveness of HKHS' Pilot Scheme and URA's Pilot Scheme, say, in six months, after their implementation</p> <p>Ms HO and the Chairman requested the Administration to provide a written response on whether the Administration would review HKHS' Pilot Scheme and URA's Pilot Scheme in light of the number of applications received for the two schemes after their implementation, in order to assess the need to work out alternative proposals to</p>	The Administration to take follow-up action as

Time marker	Speaker	Subject(s)	Action required
		facilitate the redevelopment of buildings under the CBS Scheme/GBHS; and the relevant timetable.	per paragraph 3(b) of the minutes
005955-010830	Dr CHIANG Lai-wan Administration Chairman	<p>In response to Dr CHIANG's enquiry on whether CBS flat owners had indicated interest in applying for participation in URA's Pilot Scheme so far since its launch, the Administration advised that:</p> <ul style="list-style-type: none"> <li>(a) URA had proactively informed all dissolved CBSs about the introduction of its Pilot Scheme, and had received some enquiries from them on the scheme; and</li> <li>(b) URA so far had not received an application for participation in the scheme.</li> </ul> <p>Dr CHIANG opined that:</p> <ul style="list-style-type: none"> <li>(a) developers might not be interested in acquiring the property interests in CBS buildings;</li> <li>(b) under URA's Pilot Scheme, if an application for compulsory sale under LCSRO was necessary for redevelopment of a CBS site, URA should help the CBS flat owners concerned to make such an application to the Lands Tribunal; and URA should not charge the applicants any consultancy fees and related expenses incurred in the joint sale process unless the joint sale was successful.</li> </ul> <p>The Chairman said that the Administration should consider Dr CHIANG's suggestions.</p> <p>The Administration advised that:</p> <ul style="list-style-type: none"> <li>(a) under URA's Pilot Scheme, if the joint sale was unsuccessful, the applicants did not have to pay URA but still have to pay the consultancy fees</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		<p>and related expenses; and</p> <p>(b) the Administration would liaise with URA regarding Dr CHIANG's suggestions.</p>	
010831-011249	Administration	Briefing on items (a) to (c) of LC Paper No. CB(1)899/15-16(02)	
011250-011742	Ms Cyd HO Administration Chairman	<p>Referring to the requirement for CBS flat owners to pay two-thirds of the prevailing land value of their respective flats for removing the alienation restriction on the flats, Ms HO said CBS flat owners were concerned that even if a CBS flat could be successfully sold, the proceeds from the sale, after deducting the land premium payable to the Government, would not be sufficient for the flat owner concerned to purchase a new flat.</p> <p>Ms HO referred to the Administration's response in item 25 of the Annex to LC Paper No. CB(1)747/15-16(02) that based on HKHS' assessment, for a flat of 1 000 square feet in a building under the CBS Scheme, the CBS flat owner should be able to use the proceeds from the sale of the CBS flat under HKHS' Pilot Scheme to purchase a flat which was smaller in size but was equipped with modern building facilities in HKHS' Flat-for-Sale Scheme Secondary Market, and enquired about the size/range of size of the flat and other relevant details about the flat, such as age, etc.</p> <p>The Chairman requested the Administration to provide written information to address Ms HO's enquiry.</p>	<p>The Administration to take follow-up action as per paragraph 3(a) of the minutes</p>

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
011743-012224	Dr CHIANG Lai-wan	Dr CHIANG opined that:  (a) CBS flat owners participating in HKHS' Pilot Scheme should not only be allowed to purchase secondary market units under HKHS' Flat-for-sale Scheme, but should also be given priorities in purchasing HKHS new flats; and  (b) the Administration should resolve the issues relating to the redevelopment of CBS buildings in a timely manner, in view of the difficulties encountered by CBS flat owners, such as lack of modern building facilities in CBS buildings.	
012225-012420	Chairman All members present	Arrangements for the remaining part of the meeting	