

香港地產建設商會的信頭
Letterhead of THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG
KONG

Comments
of The Real Estate Developers Association of Hong Kong (“REDA”)
on the Urban Renewal Authority Bill

30 December 1999

1. Introduction

1.1 REDA supports the Government’s strategy to continuously regenerate the fabric of Hong Kong’s built up area through timely urban renewal and welcomes the proposal to set up the Urban Renewal Authority (“URA”). For a successful implementation of the urban renewal strategy, REDA believes that the following issues require further deliberation.

2. A People-oriented Approach to Urban Renewal

2.1 One of the main objectives of the urban renewal program as stated in the Consultation Document is:

“Improve the built environment of Hong Kong and the layout of built-up areas by replacing old and run-down areas with new developments which are properly planned and provided with adequate transport and other infrastructure and community facilities.”

From this objective statement, it would appear that the proposed approach to urban renewal is rather mechanical, involving merely a demolish-and-rebuild process. We believe any urban renewal policy must be broad and comprehensive, taking into account the economic and social needs of the community, and observing the shift of expectations of people towards their environment, lifestyle and community identity.

2.2 The urban renewal process would not only redevelop old and dilapidated buildings, it would also translocate the population and change the face of the cityscape. All these changes relate to people. We urge the Government to put forward an urban renewal policy that will take care of people’s needs and expectations. We believe a people-oriented urban renewal policy should take into account of the following elements:

- 2.3 Socially, the URA should endeavour to minimise hardship and confrontation arising from the land assembly process. Education and publicity programmes should be organized to enhance people's reception of the policy. The URA should preserve the cultural characteristics and heritage of the redeveloped areas, develop them into interesting cityscape, and thereby nurture a community identity that can be shared by the inhabitants.
- 2.4 Economically, it should release the development potential of obsolete and dilapidated buildings and underdeveloped areas, and create job opportunities and stimulate economic activities in the community.
- 2.5 Environmentally, it should encourage building methods that will save energy and resources and minimize construction wastes, enliven the redeveloped areas with environment-friendly buildings, and allow conversion of obsolete buildings into other innovative uses.

3. Implementation of Redevelopment Projects

- 3.1 The Government has indicated that the principal mode of implementing URA redevelopment projects will be in the form of joint venture with the private sector. Only in extraordinary circumstances would the URA sell the resumed land to a private developer for redevelopment.
- 3.2 We would suggest that the order be reversed with the sale of resumed land as the principal mode as far as possible. Under normal circumstances the URA should not assume the role of a developer, nor should it incur property development risks. We believe it should concentrate its function on facilitating urban renewal through site assembly and clearance, and dispose resumed land to the open market by auction or tender. The proceeds obtained from land sales could be used to finance the less viable projects. Only under special circumstances would the URA adopt a mode other than acquisition and disposal.
- 3.3 We understand that the apparent reluctance of the Government to adopt this approach stems from a fear that such disposal might not be seen to be in compliance with "resumption for a public purpose". We believe that with adequate publicity this fear will be groundless. Urban renewal has been judged to be a public purpose both in Hong Kong and elsewhere and we urge Government to recognise that resumption for urban renewal is a "public purpose". The real issue is how to expedite the urban renewal process by simplifying the mechanism. With the proceeds arising from the sale of resumed land earmarked for the implementation of the urban renewal strategy, this mode of operation will clearly fall within the definition of public purpose.

4. Compensation and Rehousing

- 4.1 One factor that has contributed to the protracted negotiation process between tenants/owners and the LDC is the calculations of compensation and the arrangements for rehousing. We are pleased to note in the Consultation Document that the URA would be assisted by the Housing Authority and the Housing Society on this issue; however, no such provision has been written in the Bill. We believe that adequate provisions on rehousing is a prerequisite to land resumption and any rehousing strategy would not be complete without the corresponding undertaking of Government through the Housing Authority and the Housing Society.
- 4.2 To provide a wider spectrum of choice for the affected tenants, they should be allowed access to financial assistance under the various Loan Schemes to purchase their homes as an alternative to rehousing.

5. Objection to Development Scheme

- 5.1 The current Bill does not have the provision of entertaining objection in respect of a project which is to be implemented by way of a development scheme. This being the case, any objection to a development scheme can only be made under the Town Planning Ordinance when the development scheme is exhibited as a draft plan prepared by the Town Planning Board. It should be noted that the nature and reasons for an objection to a development scheme under the Bill may not be the same as under the Town Planning Ordinance. The position of the objector would thus be prejudiced with the removal of the right of objection under the Bill.

6. Land (Compulsory Sale for Redevelopment) Ordinance

- 6.1 The Government should not lose sight of the opportunities of tapping into the expertise and resources that are readily available in the private sector to help implementing the Urban Renewal Strategy. In this regard the Land (Compulsory Sale for Redevelopment) Ordinance (“the Ordinance”) is a step in the right direction towards encouraging the private sector’s initiatives for urban renewal by providing a statutory backing for compulsory sale. To maximise the benefits flowing out of this legislation, we would like to propose the following:
- 6.2 The threshold to trigger a compulsory sale should be lowered and the accumulation be calculated across an aggregate of lots
- a. Clause 3 (1) of the Ordinance states that owner/owners holding not less than 90% of the shares in a lot may apply for compulsory sale. Only in special circumstances can CE in C approve applications where the majority share are less than 90% but over 80%.

- b. We consider the 90% threshold too high, which would inhibit the private sector's initiatives in participating in site assembly and also unnecessarily lengthening the assembly process. We propose to lower the compulsory sale threshold to 80% across the board.

- c. Clause 3 (1) also stipulates that the acquisition threshold must be calculated on a single lot basis. This restriction is far too stringent and inflexible, and would only unduly delay the site assembly process. We propose that the legislation should be relaxed to allow accumulation of share be counted on an aggregate-of-lot basis. This approach would also benefit the comprehensive redevelopment for larger areas.

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