

Attachment**The HKIE's Comments on Urban Renewal Authority White Bill**

The HKIE supports the goal to plan more comprehensively and to improve the overall environment of old built-up areas. We strongly endorse the specific objectives of providing adequate transport and other infrastructure and community facilities, of achieving better land use to meet development needs, and of promoting the maintenance and improvement of old buildings.

We consider that the multiple objectives should be coordinated under the overall objective of optimizing the use of resources in the planning and implementation of urban renewal by the proposed URA. A systematic approach based on sound scientific and engineering principles and in quantified form as much as possible, should be adopted for the proposal.

We are pleased to note that redevelopment and rehabilitation of buildings will be both covered by the proposed URA. There will thus be greater scope for optimizing the utilization of the existing building stock. We urge the government and URA to set standards for maintenance and repair of buildings with the most up-to-date knowledge of material science and the best engineering practice, and to keep these standards and practices updated regularly. They are essential to making and implementing the right decision on redevelopment or rehabilitation. Good engineering practice is additionally essential to maximizing the feasible economic life of buildings at minimum cost. The HKIE would welcome the opportunity to assist in the setting of these standards and practices. We believe that this can contribute to the economy in a significant way in view of the anticipated rapid increase in the number of buildings above 40 years old in the coming years.

In the distribution of the benefit of urban renewal, we are concerned that the principles of social justice should be clearly spelled out and fully debated in the public before adoption for the operation of URA. The sharing of cost and benefit between the SAR as a whole (ie the government) and the Development Scheme/Project, between adjacent redevelopment area and rehabilitation areas should take account of their respective legal rights and privileges and obligations before urban renewal action. This is especially important when two or more projects of different financial viability are packaged together, or in considering the financial assistance to owners/tenants to repair or maintain their buildings.

We note that it is intended to simplify the procedure for land assembly. URA would be allowed to apply for resumption of land directly. We consider that this should be limited to cases of public interest only and the definition of public interest for this purpose should be spelled out clearly and set out explicitly in the legal provisions. Private property rights must be respected. Even in the case of public interest, compulsory resumption should not be considered until and unless there is shown to be

no other engineering solution to achieve the aim of urban renewal. Fair compensation should take account of the benefit of redevelopment, not just the current value of the properties. We believe these two points are essential to avoid any serious conflict in the land resumption process.

We consider it particularly important to ensure the compliance of the design of urban renewal projects with the principle of minimum total resource cost (mentioned in para 2 above) if means of enhancing the financial viability of the project need to be explored. We support in principle to consider the relaxation of plot ratio and the packaging of different areas together as possible means of “subsidizing” worthwhile projects, and urge that the assessment criteria should take account of the optimum engineering design with reference to the specific site characteristics. This is especially important in the provision of infrastructure and in catering for future possible changes in land use. As this involves the difficult subject of planning under uncertainty, professional bodies should be consulted on the method and criteria of assessing alternative means of enhancing the financial viability of projects.

We envisage that the size of works arising from the consultation of new buildings and the maintenance and repair of old buildings will be tremendous. We suggest that the government should make use of this opportunity to promote the advancement of the art, science and technology of building construction and related engineering works. The HKIE would welcome the opportunity to assist.

It is suggested that S6, 21(3) and 24 should be suitably modified to take account of the above comments.