

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

24 November 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. Implementation of Redevelopment Projects

2.1. We believe the URA should concentrate its function in facilitating urban renewal through site assembly and clearance. Under normal circumstances the URA should not assume the role of a developer, nor should it incur property development risks.

2.2. Past experience with the Land Development Corporation ("LDC") shows that some owners are more inclined to participating in the redevelopment projects instead of receiving cash compensation. To cater for such preferences, provisions should be made in the Bill to allow owners who have among themselves aggregated substantial interests in a project the option of taking an equity participation in lieu of receiving cash compensation.

3. Compensation and Rehousing

3.1. 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 the Housing Authority and the Housing Society.

3.2.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.

4. Objection to Development Scheme

4.1.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.

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