

HIREA's position on West Kowloon Cultural District Development

The Hong Kong Institute of Real Estate Administration is supportive of developing this piece of reclaimed land into a Cultural / Entertainment hub.

However, we hold slightly different views which are contrary to the existing process undertaken by Government, and we would like to give Government alternative suggestions aiming to solve potential problems and leading towards ultimate success :

(1) **Cultural or Real Estate ?**

As real estate administrators, we do not object to the idea to have real estate development **physically** integrated with cultural facilities. We believe a successful Master Development Plan can control the integration from planning & design stage all the way to implementation stage of construction and operation. But, as a very fundamental principle, we consider Real Estate Developer(s) is not the most appropriate body to run Cultural Facilities.

The operations of real estate and cultural facilities must be put under two **distinct administrations**, with developer(s) looking after properties of commercial interests, and an independent Authority running cultural part.

(2) **Single or Multiple development ?**

Our Institute does not think that single development is the only solution. Options should still be opened at this stage. As long as a Master Development Plan is carefully produced, developments in phases can provide much better project planning, and greatly reduce risks associated with market fluctuation. The physical construction in phases is better controlled, and with modern technology, there will be no difficulty for harmonious integration at completion stage. Individual components can allow opportunities for different expression of talents, which is the essence of “Culture”. However, irrespective of whether a single developer or multiple developers who will eventually undertake the project, there should be clear monitoring system with performance indicators imposed on the successful developer(s) before signing contract(s) with them.

(3) **A 3-Dimensional Land Administration**

One of the reasons Government holds to justify a single development is to avoid complicated land leases and Deed of Mutual Covenant to be executed. This, in modern land administration, is not difficult to overcome. We need to adopt new dimensions of legal framework instead of adhering to the traditional concept on what can be defined as a piece of land. Multiple ownership and multiple Land Grants can still be effectively administered and operated, including rights and obligations of individuals. Cultural Facilities, however, must be separately defined and administered.

(4) **Cultural Facilities Management Authority**

The SAR Government should delegate the operation of cultural facilities in the West Kowloon Cultural District to an independent Authority formed by multi-disciplinary parties including local and internationally renowned cultural experts, professionals, operators, and stake holders which include the Government.

It's finance and funding must be separately administered and not hooked up with the commercial interests of the real estate development and operation. For a period of 30 years and beyond, we have to ensure real estate fluctuations do not affect cultural developments.

Hong Kong Institute of Real Estate Administration

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