

Legislative Council Panel on Development 6 March 2008
HKCA Submission on
Proposal to Facilitate Private Redevelopment

Introduction

Thank you for inviting Hong Kong Construction Association (HKCA) to give views on the subject. Under the LCSRO (Land (Compulsory Sale for Redevelopment) Ordinance), any person who owns not less than 90% of the total undivided shares of a lot may apply to the Lands Tribunal for an order of compulsory sale of the whole lot. To further facilitate private redevelopment, Government issued a public consultation document in 2006 to propose making use of the existing mechanism under the LCSRO to specify three classes of lots to be subject to a lower compulsory land sale application threshold of not less than 80% of the undivided shares of a lot (hereafter referred to as “the lower application threshold”).

Based on the findings from the 2006 consultation exercise, the Development Bureau (DEVB) has now proposed in its January 2008 paper the lower application threshold to be applied to the following two classes of lots:

- A Lot with “All Units But One” Acquired; or
- A Lot with All Building(s) that are Aged 40 or Above

HKCA’s view

HKCA supports the proposal for a lower application threshold of not less than 80% for the above two classes of lots. By lowering the threshold, the financial potentials of the valuable land where older buildings sat on would have a better chance to be realized. In particular, this would potentially facilitate private redevelopment of dilapidated buildings aged 40 or above. HKCA sees the benefits in expediting the redevelopment of some old and run-down residential neighbourhood and industrial buildings to suit the changing economic needs of Hong Kong. Redevolutions of aging districts not only helped to reduce building maintenance safety hazards and improve the living

environment for the end-users but also contribute positively to the local economy though creating new jobs for others.

However, careful considerations must be given to ensure that any re-development “potentials” are not simply maximised in the land premiums without balancing the following:

- Strategic planning and zoning to meet the changing needs of Hong Kong’s future economic development
- The social impact to the neighbourhood
- Traffic (including parking facilities (under or above ground), pedestrian walkway and linkages) and transportation impacts to the district
- Air quality, ventilation and shading
- Preservation of buildings/structures and/or sites which are of heritage value and cannot be substituted with newly built structures
- Preservation of existing trees and greening of environment
- Disturbance to other existing facilities/ infrastructures
- Amenities and facilities for the existing and new community

The control on the re-development potentials are in the hands of the Authority and must be appropriately administered upon lowering the threshold. Without a considered and balanced overview on the needs of the community, the proposal to facilitate private redevelopment may not bring about those intended benefits to the community at large.

HKCA
14 February 2008