

Panel on Development Special Meeting on Thursday 16 July 2009

The Hong Kong Construction Association Ltd's Views

In respect of

"Proposals to facilitate redevelopment by the private sector: application threshold under the Land (Compulsory Sale for Redevelopment) Ordinance (LCSRO)"

The Hong Kong Construction Association Ltd. (HKCA) is grateful to have given the opportunity to present our views on the issue.

In principle HKCA supports the lowering of the threshold of not less than 80% for aged buildings in particular the 2 classes of buildings proposed in the paper CB(1)1947/08-09(05) namely (b) lots with all buildings aged 50 or above; and (c) lots with industrial buildings aged 30.

Three particular social responsibility reasons compel our current submission:

1) Safety to the public

The maintenance of residential buildings constructed 5 decades ago could be costly. In the case where these buildings do not have "Owner's Corporation", coordinating buildings' maintenance would be extremely difficult and there would be potential of putting the public passers-by at unnecessary risk arisen from possible lack of repair of aged buildings.

2) Opportunity to Urban regeneration for improved quality of living

Speeding up on urban re-generation of aged buildings would help improve the quality of living to many. The current proposal could provide more opportunities for the authorities, through proper town planning, to carefully administer re-zoning of buildings and traffic, ventilation and air quality, greening of environment, providing needed facilities of the community, and preservation of heritage buildings.

3) Provide Opportunities for Small to Medium Size Developers

The property industry in Hong Kong could be further enhanced by way of increase in competition and the proposed updates of LCSRO should provide more opportunities for small and medium size property developers. It is hoped that the benefits resulted from the increase in competition would be passed onto the consumers.

Whilst in support of the proposal, we wish to reiterate our cautions and the closing remarks of our last submission in February 2008. The control on the re-development potentials must be appropriately administered by the Authorities upon lowering of 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.