

立法會
Legislative Council

LC Paper No. CB(1)1307/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of special meeting
held on Thursday, 16 July 2015, at 9:30 am
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Kin-por, BBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon CHAN Chi-chuen
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Elizabeth QUAT, JP

- Members attending** : Dr Hon Helena WONG Pik-wan
Dr Hon CHIANG Lai-wan, JP
- Members absent** : Dr Hon LAU Wong-fat, GBM, GBS, JP (Deputy
Chairman)
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, JP
Hon IP Kwok-him, GBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon CHAN Han-pan, JP
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
- Public officers attending** : **Agenda item I**
- Mr Eric MA Siu-cheung, JP
Under Secretary for Development
- Ms Winnie SO Chui-ying
Principal Assistant Secretary (Planning and Lands)
Development Bureau
- Ms Winnie YEUNG Su-jung
Housing and Quatering Officer
Civil Service Bureau
- Ms Karen CHAN Pui-yee
Assistant Director (Valuation)
Lands Department
- Mr Victor CHAN Lok-kin
Acting Senior Estate Surveyor (Valuation)
Lands Department
- Mr Patrick TSANG Tak-ming
General Manager (Planning and Development)
Hong Kong Housing Society

**Attendance by
Invitation**

: Session One

Mr HO Kwok-wing

Mr Laurence PAK
Director of Operations
The Lion Rock Institute

Sr CHAN Cheung-kit
Chairman of Housing Policy Panel
The Hong Kong Institute of Surveyors

Ms Grace LEE Wai-yin
Secretary
啟業閣業主立案法團

Ms Rosanda MOK Ka-han

Mr LAI Ding-hang
Convenor
公務員建屋合作社重建權益關注組

Ms FONG Suk-lin
Representative
保安道眾業主立案法團及合作社聯盟

Mr WONG Kam-yee
Representative
順寧道眾業主立案法團及合作社聯盟

Ms KU Pak-suet
Representative
大華建屋合作社

Mr LAI Cho-tak
Representative
秀明閣業主立案法團

Mr HO Kar-wai
Representative
長沙灣安廬合作社

Ms WONG Nga-yee
Chairman
塘尾道185-191號業主立案法團

Mr TSUI Man-yiu
Representative
翠華閣業主立案法團

Mr KWOK Yui-chung

Mr TSANG Yuk-kwan
Representative
樂園業主立案法團

Mr WAN Wai-sang
Representative
保安業主立案法團

Ms KO Yuk-kum
Representative
長沙灣安興業主立案法團

Mr Cliff LEE Chun-por
Representative
順寧業主立案法團

Mr LAU Tak-man
Spokesman
柏苑業主立案法團

Mr LO Kang-chuen
Representative
靠背壟道93-101號業主立案法團

Mr FONG Pat-wai
Representative
昇平建屋合作社

Mr TAM Yuk-hung
Representative
嘉麗樓業主立案法團

Mr WONG Chiu-hoo
Representative
幸運樓業主立案法團

Ms YIU Yuen-lan

Mr CHEUNG Yam-chan
Representative
沙宜道震旦業主立案法團

Mr YEUNG Teng-keung

Mr LAU Kam-ming
Representative
忠信業主立案法團

Mr TANG Hei-chi
Chairman
鴻運樓建屋合作社

Session Two

Ms FUNG Sau-han
Secretary
達利樓業主立案法團

Mr IU Po-shu
Representative
Nairn Court 業主立案法團

Mr WONG Sum-chuen
Secretary
龍鳳台業主立案法團

Mr WONG King-cheung
Chairman
信誠業主立案法團

Mr TSE Kai-kit

Mr WONG Kai-yin
Secretary
雅苑業主立案法團

Ms NG Fung-lam
Representative
麗寧苑業主立案法團

Miss LAI Yuk-kim
Representative
廣廈建屋合作社

Ms Cecilia LI Suet-sam

Mr LEE Yuen-kay

Mr TUNG Shu-shing

Ms LEUNG Dip-yuen

Ms Mary GOH

Ms YU Wai-yee

Ms LEUNG Tak-yee

Mr LAU Kam-fai
Representative
靠背壟道/美善同道40個業主立案法團及建屋合作社
聯會

Mr CHAK Wai-ching
Secretary
The Incorporated Owners of Merri Court Scheme I

Mr CHEUNG Yee-hung
Treasurer
Cheerful Villa

Mr LIU Kam-shing
Chairman
The Peerless Co-operative Building Society Ltd

Mr CHAN Chiu-kwok
Managing Director
Savills Valuation and Professional Services Limited

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)2

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)6

Ms Maggie LAU
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Miss Joey LAW
Clerical Assistant (1)2

Action

I Receiving public views on "Facilitating the redevelopment of buildings under the Civil Servants' Co-operative Building Society Scheme"

(LC Paper No. CB(1)860/14-15(06) -- Administration's paper on facilitating the redevelopment of buildings under the Civil Servants' Co-operative Building Societies Scheme

LC Paper No. CB(1)860/14-15(07) -- Paper on Civil Servants' Co-operative Building Society Scheme prepared by the Legislative Council Secretariat (Updated background brief))

Submissions from deputations/individuals not attending the meeting

- (LC Paper No. CB(1)882/14-15(01) -- Submission from The Splendid Co-operative Building Society Ltd. (Chinese version only)
- LC Paper No. CB(1)882/14-15(02) -- Submission from GBHS Lung Cheung Court residents (English version only)
- LC Paper No. CB(1)1081/14-15(08) -- Submission from Residents of GBHS Lung Cheung Court (English version only)
- LC Paper No. CB(1)1081/14-15(09) -- Submission from Residents of GBHS Lung Cheung Court (Chinese version only)
- LC Paper No. CB(1)1081/14-15(10) -- Submission from Residents of GBHS Lung Cheung Court (Chinese version only)
- LC Paper No. CB(1)1081/14-15(12) -- Submission from a member of the public (麥小嫻女士) (Chinese version only)
- LC Paper No. CB(1)1081/14-15(13) -- Submission from two members of the public (馬基成先生 and 湯錦強先生) (Chinese version only)
- LC Paper No. CB(1)1081/14-15(14) -- Submission from Ms Y L LEUNG and Ms T C CHAN (Chinese version only)
- LC Paper No. CB(1)1081/14-15(15) -- Submission from Mr Fred LAI (Chinese version only)
- LC Paper No. CB(1)1081/14-15(16) -- Submission from a member of the public (陳立德先生) (Chinese version only)
- LC Paper No. CB(1)1081/14-15(17) -- Submission from a deputation (禮苑(亞皆老街)業主立案法團) (Chinese version only)

- LC Paper No. CB(1)1081/14-15(18) -- Submission from a member of the public (黃少珍女士)
(Chinese version only)
- LC Paper No. CB(1)1081/14-15(11) -- Submission from a member of the public (李榮光先生)
(Chinese version only)
- LC Paper No. CB(1)1105/14-15(02) -- Submission from Lung Cheung Court (Broadcast Drive) Incorporation Owners Association
(English version only)
- LC Paper No. CB(1)1105/14-15(03) -- Submission from Dr CHUI Kwong-sin (English version only)
- LC Paper No. CB(1)1125/14-15(01) -- Submission from Mr YEUNG Wai-sing, Eastern District Council member,
(Chinese version only))

Members noted the above submissions from concerned organizations/individuals not attending the meeting.

Session One

Presentation of views by deputations/individuals

2. At the invitation of the Chairman, a total of 28 deputations/individuals presented their views on facilitating the redevelopment of buildings developed under the Civil Servants' Co-operative Building Society ("CBS") Scheme. A summary of the views of these deputations/individuals was in the **Appendix**.

Discussion

3. The Chairman advised that Mr Paul TSE had proposed a motion on the agenda item. He said that the motion would be dealt with during Session Two of the meeting after all deputations/individuals had presented their views.

Redevelopment potentials of the sites of buildings developed under the Civil Servants' Co-operative Building Society Scheme

4. Mrs Regina IP and Mr LEUNG Kwok-hung were concerned about the redevelopment potentials of the sites of buildings developed under the CBS Scheme ("CBS buildings"). Mrs IP said that some of these sites ("CBS sites") such as those in Kowloon Tong might have limited redevelopment potentials because of the restrictions on the heights of the buildings in the district. Mr LEUNG opined that members of the public might not agree to the use of public resources to facilitate the redevelopment of CBS buildings if the redevelopment would be of no help to alleviate housing shortage. He urged the Administration to make clear the gains in the plot ratios of various CBS sites that could be generated from the redevelopment of such sites.

Effectiveness of the Administration's preliminary proposals on facilitating the redevelopment of buildings developed under the Civil Servants' Co-operative Building Society Scheme

5. Mr Frederick FUNG said he had commented at the meeting on 26 May 2015 that the preliminary proposals set out in the Administration's paper (LC Paper No CB(1)860/14-15(06)) ("the Preliminary Proposals") were of little help in removing the obstacles to the redevelopment of CBS buildings. He held the view that in working out more effective measures to facilitate the redevelopment of such buildings, the Administration should make reference to the implementation approaches adopted in the 11 successful cases of redevelopment of CBS buildings, and should invite the Urban Renewal Authority ("URA") to redevelop the buildings pursuant to its existing redevelopment policies. To encourage CBS members to take part in the redevelopment of their buildings, the acquisition price to be offered should be sufficient to enable a CBS flat owner who would sell his/her flat to purchase a replacement flat of the same size, and the flat owner should be allowed to buy a Home Ownership Scheme ("HOS") flat with premium not yet paid.

6. Mrs Regina IP held the view that given the high property prices, the amount of land premium payable by CBS flat owners for removal of alienation restrictions could be substantial. She asked whether CBS members would be willing to dispose of their flats in return for smaller replacement units to be provided at the redevelopment sites.

7. The Panel noted that under the Preliminary Proposals, the Hong Kong Housing Society ("HKHS") would launch a pilot scheme to facilitate the redevelopment of CBS buildings ("the proposed Pilot Scheme"), and one of the requirements under the scheme was that, to redevelop a CBS site, the applicant CBS flat owners must secure 100% owners' participation from the CBS/the building(s) within a reasonable period of time. Dr CHIANG Lai-wan opined that it would be difficult for CBS flat owners to meet such a threshold, and the Administration should work out a better and more feasible proposal. She said that URA should come on board to redevelop CBS buildings as the Authority could take on applications for redevelopment with less than 100% owners' participation.

8. Mr WU Chi-wai said that the Administration had introduced a revised arrangement in 1993, namely Modification of Lease Approach, under which a CBS might, upon obtaining the consent of 75% of its members, apply for dissolution. He sought clarification on whether the revised arrangement was the current practice. He further enquired whether under its policies, URA could take part in the redevelopment of CBS buildings; and if yes, whether the Authority could accord priorities to redeveloping these buildings over other old and dilapidated buildings.

9. Mr LEUNG Kwok-hung and Mr Albert CHAN said that it would be difficult for the Administration to overcome the obstacles to the redevelopment of CBS buildings under the existing policies and mechanisms; therefore, the Administration should adopt a new line of thinking in order to resolve the problems associated with the redevelopment of such buildings. Mr CHAN opined that there was a lack of incentives for private developers to redevelop CBS buildings as there were few CBS sites which would stand a chance of making a redevelopment project break even. He held the view that the problems faced by CBS flat owners were livelihood issues, and the Administration should work out special policies or measures to resolve the problems and conduct a consultation on the new proposal(s).

10. Mr Paul TSE said that CBS members had made great contributions to the society when they were serving civil servants. The Administration should respond to their aspirations to redevelop the CBS buildings, and make special one-off arrangements to resolve the redevelopment issues in a timely manner.

Land premium payable

11. Mrs Regina IP and Mr LEUNG Kwok-hung considered it important for the Administration to make clear the amount of land premium payable for removal of alienation restrictions on CBS flats. Mrs IP said some deputations had alleged that the Administration had changed the method of land premium assessment after 1997. She asked the Administration to clarify whether the allegation was valid.

12. Mr WU Chi-wai and Mr Paul TSE referred to the views given by some deputations that CBS members had paid half of the land value as the land premium in earlier years when the land was granted to them for developing the CBS buildings, and queried why the Administration had claimed that CBS members had paid only one-third of the land value.

Response by the Administration

13. Due to time constraints, the Chairman suggested that the Administration would be invited to give a consolidated response during Session Two of the meeting to the views expressed by deputations/individuals and members at the meeting. Members raised no objection to the suggestion.

Session Two

Presentation of views by deputations/individuals

14. At the invitation of the Chairman, a total of 20 deputations/individuals presented their views on the agenda item. A summary of the views of these deputations/individuals was in the **Appendix**.

Discussion

[To allow sufficient time for discussion and for dealing with the motion proposed by Mr Paul TSE, the Chairman directed that the meeting be extended until 1:15 pm.]

Problems faced by flat owners of buildings developed under the Civil Servants' Co-operative Building Society Scheme

15. Mr CHAN Kam-lam said he understood the concerns of CBS flat owners about the deteriorating conditions of their flats, and their aspirations for redeveloping the buildings. He enquired why the deputations did not support the proposed Pilot Scheme (to be implemented by HKHS) and the Administration's suggestion for URA to designate a special queue for applications from CBS flat owners for URA's Facilitating Services. Mr LEUNG Kwok-hung asked whether CBS flat owners would possess the legal titles to their flats upon their retirement from civil service posts. He also sought deputations' views on a suggestion that elderly CBS flat owners might apply for reverse mortgage for their flats with financial institutions so that they would receive payments to meet their financial needs.

16. Ms FUNG Sau-han, Secretary, 達利樓業主立案法團, said that as CBS members had constructed the CBS buildings using their own money, they should have been entitled to the ownership of their flats. She said that CBS members/flat owners wished to dispose of their flats in return for replacement flats of the same size in buildings of modern standards to be constructed at CBS building sites, and they did not request cash compensation.

17. Ms Cyd HO opined that on the question of whether and how to resolve the obstacles to the redevelopment of CBS buildings, the Administration should take into account the facts that CBS members had been required to observe certain restrictions, such as to remain as civil servants until the normal retirement age, in return for the land premium concessions granted to them in earlier years. Compared with the housing benefits provided to civil servants to subsidize the rents paid for private accommodations, the CBS Scheme, as a form of civil servants' housing benefits, had relieved to a certain extent the financial burdens on the Government, given that the land where the CBS buildings were built had been sold to CBS members at a certain price. In response to the remarks of a deputation made at Session One of the meeting, she said that many retired civil servants received a monthly pension of only a few thousand dollars.

18. Dr CHIANG Lai-wan enquired whether CBS members were not eligible for public rental housing or purchase of HOS flats. Mr TUNG Shu-shing replied in the affirmative.

19. Mr Paul TSE suggested that, as an interim measure, before a feasible proposal to facilitate the redevelopment of CBS buildings could be worked out, the Administration should study whether the restriction that CBS flat owners could not rent out their premises could be removed.

20. Mr LEUNG Kwok-hung said the Administration had advised at a previous meeting that under the existing policy, URA would accord priorities to redeveloping the buildings in poor and dilapidated conditions, and as CBS buildings were generally better kept, they would be accorded lower priorities. He sought deputations' opinions on this view. Ms FUNG Sau-han, Secretary, 達利樓業主立案法團, said that the CBS members present at the meeting held the view that redeveloping CBS buildings would help release precious land resources in developed districts for providing housing.

Effectiveness of the Administration's preliminary proposals on facilitating the redevelopment of buildings developed under the Civil Servants' Co-operative Building Society Scheme

21. Mr Paul TSE said that at the meeting, most deputations had indicated that they did not support the Preliminary Proposals. The motion proposed by him was to urge the Administration to formulate proposals which were more consistent with justice, more compassionate towards the retired civil servants affected and more practicable, as compared with the preliminary ones. He opined that the Administration should adopt special one-off arrangements to deal with the problems faced by CBS members and should not be constrained by the established policies.

22. Ms Cyd HO said she agreed to the motion, and opined that the acquisition price to be offered under the proposed Pilot Scheme would not be sufficient to enable a CBS flat owner who would sell his/her flat to HKHS to purchase a replacement flat.

23. Dr Helena WONG said deputations had commented that the Preliminary Proposals could not remove the obstacles to the redevelopment of CBS buildings. She asked whether the Administration would improve the proposals. Under Secretary for Development ("USDEV") replied that the Administration would work out with HKHS more concrete proposals having regard to the public views received on the Preliminary Proposals and would announce the details in due course.

24. Dr Helena WONG asked whether the Administration would issue a consultation paper on the concrete proposals, and whether these proposals would override the preliminary ones. She further enquired whether the Administration would establish a consultative platform to maintain in-depth discussion with stakeholders on the redevelopment of CBS buildings with a view to devising better solutions. Ms Cyd HO opined that a consultative platform would help develop a solution beneficial to CBS members, the Administration and the society at large.

25. USDEV responded that on the basis of the Preliminary Proposals, the Administration would work out the concrete proposals and discuss them with the Panel in due course. The Administration welcomed the views of the public on how to take forward the Preliminary Proposals.

Land premium payable

26. Dr CHIANG Lai-wan enquired whether CBS sites had been granted by the Administration to CBSs free of charge in earlier years, and whether CBS members had developed their buildings using their own money. She further enquired whether, in any contract between the Administration and CBS members, it had been specified that CBS members had to pay land premium to the Government for the removal of alienation restrictions on the flats.

27. Mr IU Po-shu, Representative, Nairn Court 業主立案法團, said that the construction cost for the CBS building he resided in had been financed by the CBS members themselves, and he himself had purchased his flat in the building at about \$56,000 in 1959. Mr TUNG Shu-shing referred to Lung Cheung Court on Broadcast Drive and Hong Lee Court in Kwun Tong, which were buildings developed under the Government Built Housing Scheme ("GBHS") and said that the relevant contractual documents had not included any terms/conditions requiring payment of outstanding land premium.

28. Ms Cyd HO and Mr Paul TSE asked about the legal basis for the Administration to claim that CBS members had only paid one-third of the market value of the land granted to them in earlier years for developing CBS buildings. Ms HO said that the Administration should provide relevant legal documents to support the claim. She further enquired whether and why the land for different CBS buildings had been granted with different terms/conditions in respect of the land premium.

29. Mr Paul TSE commented that the requirement on land premium payment for removal of alienation restrictions on a CBS flat might have the effect of withdrawing part of the housing benefits that had been granted to the CBS member under the CBS Scheme, and was hence against the principle of justice. He said some deputations had alleged that the Administration had amended the relevant Civil Service Regulations in 1995 to the effect that the amount of land premium payable to the Administration for removal of alienation restrictions had changed. He was concerned whether the allegation was valid; and if yes, whether the amendment was consistent with justice and in compliance with the relevant legal principles.

Response by the Administration

30. At the invitation of the Chairman, USDEV gave a consolidated response to the views expressed by deputations and members as follows --

- (a) The Administration understood the concerns expressed by deputations that their CBS buildings were old and dilapidated. The Development Bureau would continue to liaise with HKHS, URA and the relevant government departments to explore more options to cater for the needs of CBS members as far as possible.
- (b) The Administration considered that under the proposed Pilot Scheme, HKHS should only come on board to redevelop a CBS building where all the flat owners had a desire to proceed with redevelopment, taking into consideration the fact that there were some 500 serving civil servants residing in CBS flats and their right to continue to reside at the CBS flats was a housing benefit they were entitled to. Serving civil servants who had obtained legal titles to CBS flats upon the dissolution of the CBSs would no longer be eligible for other housing benefits. Therefore, unless all the flat owners of a CBS building agreed to sell their flats, it would be unfair to force those unwilling flat owners who were serving civil servants to move out and give up their housing benefits to fulfil the wish of the other owners.
- (c) The Administration would consider the concerns expressed by some deputations that CBS flat owners who were interested in redeveloping their buildings under the proposed Pilot Scheme might not be able to secure 100% owners' participation as there might be missing or untraceable owners.

- (d) According to the assessment made by HKHS, the acquisition price to be offered under the proposed Pilot Scheme should be sufficient to enable a CBS flat owner who would sell his/her flat to HKHS to purchase a smaller replacement flat from HKHS's Flat-for-sale Scheme ("FFSS") Secondary Market.
- (e) As regards the suggestion that, apart from allowing CBS flat owners to participate in the proposed Pilot Scheme to purchase HKHS units from the FFSS Secondary Market, the Administration should offer them a wider range of housing choices, such as giving them priorities in purchasing the flats from the Hong Kong Housing Authority's HOS Secondary Market, the Administration considered that subsidized sale flats such as HOS units were precious public resources and should be allocated with due care to cater for the needs of low-income households. The HOS Secondary Market Scheme was to allow owners of subsidized sale flats to sell their flats, without payment of land premium, to households with Green Form status or to buyers under the "Interim Scheme to Extend the Home Ownership Scheme Secondary Market to White Form Buyers". These prospective buyers were public rental housing tenants or middle-/low-income households. It might be unfair to them if CBS flat owners, after selling their flats, were allowed to purchase HOS units from the HOS Secondary Market.
- (f) As part of the Preliminary Proposals, the Administration would invite URA to designate a queue for applications from CBS flat owners for URA's Facilitating Services. CBS members might consider making applications for such services.
- (g) The Development Bureau would, in collaboration with relevant departments and organizations, study the views given at the meeting on the Preliminary Proposals, and would develop more concrete proposals within a few months.
- (h) As mentioned in paragraph 6 of the Administration's paper, for the dissolved but yet to be redeveloped CBSs, the CBS sites which had potentials for redevelopment would only yield additional floor area of some 230 000 square metres. Assuming that the size of each redeveloped unit measured 50 square

metres, there would be a net gain of only about 4 000 units, with an average of 50 more units per site.

- (i) Some deputations had commented that the rezoning of the land lots occupied by four CBS buildings at 83-111 Tai Hang Road from 'Residential (Group B)' to 'Residential (Group C)' was arbitrary and had impeded the redevelopment of the four buildings. In the Administration's reply to a property owner who had previously made a similar comment, the property owner was already advised that if he saw the need, he could make a submission to the Town Planning Board to seek to amend the relevant Outline Zoning Plan ("OZP").
- (j) The Administration so far had not changed the land premium assessment principles and methods for CBS buildings. The same principles and methods were adopted by the Administration before and after 1997.

31. Assistant Director (Valuation), Lands Department, supplemented that the practice of setting the "upset" price of a site in the past had been taken as two-thirds of the market value of the site. As such, half of the "upset" price had been taken as one-third of the market value of the land. The relevant lease conditions of CBS sites clearly specified that CBS members were required to pay two-thirds of the market value of the concerned site for removal of alienation restrictions. The mechanism for assessing land premium for removal of alienation restrictions was set out in the lease, and the Administration had all along followed the lease conditions to assess the land premium. As regards the redevelopment of a CBS site, the concerned developer was required to pay a further land premium if the proposed gross floor area to be attained by the redevelopment was more than the gross floor area permitted under the existing lease. She said that government land leases were documents of which the copies could be obtained from the Land Registry by the general public. In dealing with CBS members' individual applications for removal of alienation restrictions, the Lands Department would continue to explain any queries to be raised by CBS members regarding land premium assessment for CBS sites.

32. The Chairman recapitulated that members requested the Administration to provide written information and relevant documents to explain --

- (a) with respect to the views given by some deputations at the

meeting that CBS members had paid half of the land value as the premium in early years when the land was granted to them for developing CBS buildings, why the Administration had claimed that CBS members had paid only one-third of the land value;

- (b) whether the land for different CBS/GBHS buildings had been granted with different terms/conditions in respect of the land premium;
- (c) whether the Administration had changed the principles/methods for assessing the land premium payable to the Government upon the sale of CBS flats or redevelopment of CBS buildings so far after the land grants; if yes, the details; and
- (d) whether the principles/methods for assessing the land premium were the same for all CBS/GBHS sites; if no, the reasons.

(*Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1211/14-15(01) on 27 August 2015.*)

Motion proposed by Mr Paul TSE

33. The Chairman said Mr Paul TSE had proposed a motion, which had been tabled at the meeting. The terms of the motion were as follows:

(Translation)

That this Panel urges the Government, within six months after the passage of this motion, to formulate and announce proposals which are more consistent with justice, more compassionate towards the retired civil servants affected and more practicable, as compared with those relating to 'the redevelopment of buildings under the Civil Servants' Co-operative Building Society Scheme' announced on 26 May 2015.

34. The Chairman said that the motion was directly related to the agenda item. He invited members to consider whether the motion should be dealt with at the meeting. Members agreed to deal with the motion.

The Chairman put the motion to vote. Majority of the members present supported the motion. The Chairman declared that the motion was carried.

(Post-meeting note: The Administration's response to the motion was circulated to members vide LC Paper No. CB(1)1241/14-15(01) on 15 September 2015.)

Concluding remarks

35. The Chairman thanked the deputations/individuals who attended the meeting for giving views on the agenda item. He urged the Administration to take into consideration members' and deputations' views when working out the way forward for facilitating the redevelopment of CBS buildings.

II Any other business

36. There being no other business, the meeting ended at 1:09 pm.

Council Business Division 1
Legislative Council Secretariat
12 October 2015

Panel on Development

Special meeting on Thursday, 16 July 2015 at 9:30 am
Meeting to receive views on "Facilitating the redevelopment of buildings under
the Civil Servants' Co-operative Building Societies Scheme"

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission / Major views and concerns
<u>Session One</u>		
1.	Mr HO Kwok-wing	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(01) (Chinese version only)
2.	The Lion Rock Institute	<ul style="list-style-type: none"> ● It was unjustifiable to grant concession on land premium for the redevelopment of buildings developed under the Civil Servants' Co-operative Building Societies ("CBS") Scheme as CBSs had been granted land by the Administration at a concessionary premium to build the CBS buildings in early years. ● The Administration should accord priorities to assisting those people who lived in cubicle apartments rather than retired civil servants who received monthly pensions of tens of thousands of dollars.
3.	The Hong Kong Institute of Surveyors	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(02) (English version only)
4.	啟業閣業主立案法團	<ul style="list-style-type: none"> ● The Administration should clarify whether the assessment of land premium payments by the Lands Department for removal of alienation restrictions on CBS flats was based on the "existing use value" or the "redevelopment value". ● Consideration might be given to offering discounts on land premium payments to CBS flat owners. The amount of the discounts could be different for serving civil servants and flat owners who had purchased the flats second-hand. ● The requirements under the proposed Pilot Scheme to be launched by the Hong Kong Housing Society ("HKHS") to facilitate the redevelopment of CBS buildings presented by the Administration at the

No.	Name of deputation/individual	Submission / Major views and concerns
		meeting of the Panel on Development on 26 May 2015 ("the proposed Pilot Scheme") were unacceptable.
5.	Ms Rosanda MOK Ka-han	<ul style="list-style-type: none"> ● It was difficult for CBS members to meet the requirement under the proposed Pilot Scheme for 100% owners' participation in a redevelopment project. The Administration should lower the proposed threshold. ● Citing Kowloon City as an example, the Administration should plan for redevelopment for larger areas so that CBS buildings and the nearby dilapidated buildings could be redeveloped in one go.
6.	公務員建屋合作社重建權益關注組	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(03) (Chinese version only)
7.	保安道眾業主立案法團及合作社聯盟	<ul style="list-style-type: none"> ● The preliminary proposals relating to the redevelopment of buildings under the CBS Scheme presented by the Administration at the meeting of the Panel on Development on 26 May 2015 ("the Preliminary Proposals") were unacceptable. ● The redevelopment of CBS buildings would increase housing land supply. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.
8.	順寧道眾業主立案法團及合作社聯盟	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● Even if payment of land premiums by CBS flat owners was required upon the redevelopment of CBS buildings, the amount should be reasonable. ● The Administration should maintain communication with CBS flat owners to work out a solution to facilitate the redevelopment of CBS buildings.
9.	大華建屋合作社	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.

No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> ● The Administration should re-adopt the mechanism for the assessment of the land premiums payable for the 11 successful cases of redevelopment of CBS buildings. ● The Urban Renewal Authority ("URA") should take up the redevelopment of CBS buildings.
10.	秀明閣業主立案法團	<ul style="list-style-type: none"> ● Even if payment of land premiums by CBS flat owners was required upon the redevelopment of CBS buildings, the amount should be reasonable. ● Given that the 11 successful cases of redevelopment of CBS buildings only represented 5% of all the CSB buildings in Hong Kong and there had been no such successful case since 1997, the Administration should advise whether the principles/methods for assessing the land premium payable to the Government for redevelopment of CBS buildings had been changed; if yes, the details and the impact of the changes on the society. ● The Land (Compulsory Sale for Redevelopment) Ordinance should be amended to make it clear that the Ordinance applied to CBS buildings of which the units were still subject to alienation restrictions.
11.	長沙灣安廬合作社	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1123/14-15(01) (Chinese version only)
12.	塘尾道185-191號業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The legal basis for the Administration to claim that CBS members owed the Government two-thirds outstanding land premium was in doubt. ● It was unfair and unacceptable that CBS flat owners were required to pay further land premiums to the Administration for lease modification to redevelop their buildings. ● The Administration should not unilaterally amend the plot ratio restrictions for CBS sites without robust justifications.
13.	翠華閣業主立案法團	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1123/14-15(02)

No.	Name of deputation/individual	Submission / Major views and concerns
14.	Mr KWOK Yui-chung	<ul style="list-style-type: none"> ● There were concrete spalling problems in dilapidated CBS buildings. These buildings generally did not meet fire safety requirements. Moreover, repair and maintenance works could not remove structural danger from these buildings. ● CBS buildings were not provided with lifts, hence posing access problems to aged occupants who could no longer walk up and down the staircase.
15.	樂園業主立案法團	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(04) (Chinese version only)
16.	保安業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The land premium payable to the Administration for selling a CBS flat was unreasonably high. ● The Administration should work out a feasible solution to expedite the redevelopment of CBS buildings.
17.	長沙灣安興業主立案法團	<ul style="list-style-type: none"> ● The Administration should provide evidence to support its claim that the land premium paid by CBS members when the land was granted to them in earlier years was one-third of the land value but not one half of the amount. ● The Land (Compulsory Sale for Redevelopment) Ordinance should be amended to make it clear that the Ordinance applied to CBS buildings of which the units were still subject to alienation restrictions. ● The Lands Tribunal should be empowered to order a trustee representing minority CBS flat owners to make an application with the Lands Department for removing the alienation restrictions and pay the required land premium. ● When the Administration submitted funding proposals on housing land development to the Finance Committee ("FC") for approval, FC members should amend the proposals to require that the Administration should redevelop CBS buildings in parallel.

No.	Name of deputation/individual	Submission / Major views and concerns
18.	順寧業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● It was unfair and unacceptable that CBS flat owners were required to pay further land premiums to the Administration for lease modification to redevelop their buildings. The Administration should explain the rationale for such a requirement. ● The Administration should work out a solution to facilitate the redevelopment of CBS buildings, particularly those aged 50 years or above, and make arrangements to rehouse the affected CBS occupants within the same district.
19.	柏苑業主立案法團	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1105/14-15(01) (Chinese version only)
20.	靠背壟道93-101號業主立案法團	<ul style="list-style-type: none"> ● The Administration should remove the obstacle to the redevelopment of CBS buildings made by the requirement for CBS flat owners to pay land premiums. ● The Administration should re-adopt the mechanism for the assessment of the land premiums payable for the 11 successful cases of redevelopment of CBS buildings.
21.	昇平建屋合作社	<ul style="list-style-type: none"> ● The acquisition price to be offered under the proposed Pilot Scheme might not be sufficient to enable an owner who would sell his/her flat to HKHS to purchase a flat of similar size and conditions in the same district.
22.	嘉麗樓業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Administration should provide evidence to support its claim that the land premium paid by CBS members when the land was granted to them in earlier years was one-third of the land value but not one half of the amount. ● Waiver of land premium on redevelopment of CBS buildings would not result in violation of the rule of "no double housing benefits", as the concession on land premium granted to CBS members in earlier years was an employment benefit offered to them when they were serving civil servants.

No.	Name of deputation/individual	Submission / Major views and concerns
23.	幸運樓業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Administration should provide evidence to support its claim that the land premium paid by CBS members when the land was granted to them in earlier years was one-third of the land value but not one half of the amount. ● The Administration should re-adopt the mechanism for the assessment of the land premiums payable for the 11 successful cases of redevelopment of CBS buildings. ● The Administration should redevelop CBS sites and provide at the sites not only subsidized flats but also commercial developments so as to create more job opportunities and boost the economy.
24.	Ms YIU Yuen-lan	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The poor conditions of CBS buildings posed safety threats to the occupants. The expenses for building maintenance were financial burdens to CBS flat owners. ● Property developers were not interested in acquiring the CBS buildings which were located next to refuse collection points, public toilets or wet markets. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.
25.	沙宣道震旦業主立案法團	<ul style="list-style-type: none"> ● The Administration should acquire and redevelop all CBS sites given their high land value. The price to be offered by the Administration for acquiring a CBS flat should be reasonable and attractive to the flat owner, and should be calculated by the product of the rateable value (應課差餉租值) of the concerned property and a fixed multiplier proposed by the Administration and agreed by CBS flat owners.
26.	Mr YEUNG Teng-keung	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.

No.	Name of deputation/individual	Submission / Major views and concerns
27.	忠信業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Administration should provide evidence to support its claim that the land premium paid by the CBS members when the land was granted to them in earlier years was one-third of the land value but not one half of the amount. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.
28.	鴻運樓建屋合作社	<ul style="list-style-type: none"> ● There was a lack of incentives for private developers to redevelop CBS buildings because it was difficult to secure the consent of the flat owners for redevelopment, and the land premium payable to the Government for redevelopment was increasingly high. ● Even if payment of land premium by CBS flat owners was required upon the redevelopment of CBS buildings, the amount should be reasonable. ● The acquisition price to be offered under the proposed Pilot Scheme might not be sufficient to enable a CBS flat owner who would sell his/her flat to HKHS to purchase a flat of similar size and conditions in the same district.
<u>Session Two</u>		
29.	達利樓業主立案法團	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● Waiver of land premium on redevelopment of CBS buildings would not result in violation of the rule of "no double housing benefits", as the concession on land premium granted to CBS members in earlier years was an employment benefit offered to them when they were serving civil servants. ● The Panel should pass a motion at the meeting to urge the Administration to make another redevelopment proposal for CBS buildings within 6 months that could respond to the aspirations of the stakeholders.
30.	Nairn Court 業主立案法團	<ul style="list-style-type: none"> ● Waiver of land premium on redevelopment of CBS buildings would not result in violation of the rule of "no double housing benefits", as the concession on

No.	Name of deputation/individual	Submission / Major views and concerns
		<p>land premium granted to CBS members in earlier years was an employment benefit offered to them when they were serving civil servants.</p> <ul style="list-style-type: none"> ● When the Administration submitted funding proposals on housing land development to the FC for approval, FC members should amend the proposals to require that the Administration should redevelop CBS buildings in parallel.
31.	龍鳳台業主立案法團	<ul style="list-style-type: none"> ● The rezoning of the land lots occupied by four CBS buildings at 83-111 Tai Hang Road from 'Residential (Group B)' to 'Residential (Group C)' was arbitrary and had impeded the redevelopment of the four buildings. ● The explanation given by the Administration to support the rezoning was unacceptable.
32.	信誠業主立案法團	<ul style="list-style-type: none"> ● Waiver of land premium on redevelopment of CBS buildings would not result in violation of the rule of "no double housing benefits", as the concession on land premium granted to CBS members in earlier years was an employment benefit offered to them when they were serving civil servants. ● The legal basis for the Administration to claim that CBS members owed the Government two-thirds outstanding land premium was in doubt. ● It was difficult for CBS members to meet the requirement under the proposed Pilot Scheme for 100% owners' participation in a redevelopment project.
33.	Mr TSE Kai-kit	<ul style="list-style-type: none"> ● The land lots currently occupied by four CBS buildings at 83-111 Tai Hang Road were arbitrarily included as part of the Wang Fung Terrace area in the relevant Outline Zoning Plan ("OZP"). However, the four CBS buildings were not included as part of the Wang Fung Terrace area in Gazette Notice No. 47/2001. The Administration should clarify whether the OZP or the gazette notice was correct.

No.	Name of deputation/individual	Submission / Major views and concerns
34.	雅苑業主立案法團	<ul style="list-style-type: none"> ● The Administration's response to the enquiries on why the land lots currently occupied by four CBS buildings at 83-111 Tai Hang Road were included as part of the Wang Fung Terrace area under the relevant OZP but not in the Gazette Notice No. 47/2001 had no legal basis. ● The Administration should make clear whether or not the land lots occupied by the four CBS buildings had been included as part of the Wang Fung Terrace area.
35.	麗寧苑業主立案法團	<ul style="list-style-type: none"> ● The four CBS buildings at 83-111 Tai Hang Road should not be included in the Wang Fung Terrace area. ● Complaints had been lodged in the past 14 years against the rezoning of the land lots occupied by the four CBS buildings from 'Residential (Group B)' to 'Residential (Group C)', and the Administration's responses to the complaints were unsatisfactory.
36.	廣廈建屋合作社	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Administration should make special one-off arrangements to facilitate the redevelopment of CBS buildings, and should redevelop the CBS sites in Kowloon City as they possessed great redevelopment potentials. ● The Administration should make clear the method for calculating the land premiums payable to the Government for the sale of CBS flats.
37.	Ms Cecilia LI Suet-sam	<ul style="list-style-type: none"> ● It was difficult for CBS members to meet the requirement under the proposed Pilot Scheme for 100% owners' participation in a redevelopment project. ● Only a few CBS sites could meet the Administration's proposed minimum site size requirement of not smaller than 10 000 square feet. ● The Administration should work out, in collaboration with URA, a solution to facilitate the redevelopment of CBS buildings so as to release the development potentials of the land occupied by these buildings.

No.	Name of deputation/individual	Submission / Major views and concerns
38.	Mr LEE Yuen-kay	<ul style="list-style-type: none">● The Preliminary Proposals were unacceptable.● CBS members had contributed lifetime efforts in acquiring the right of "permanent residency" in their CBS flats, i.e. they were required to observe a number of restrictions, such as to remain as civil servants until the normal retirement age.● As CBS flat owners were not allowed to lease out their units and many of them were unable to walk up and down the staircase in the CBS buildings, they left their flats vacant; thereby creating a situation that CBS buildings had high vacancy rates.
39.	Mr TUNG Shu-shing	<ul style="list-style-type: none">● The relevant Establishment Circular about the Government Built Housing Scheme ("GBHS") did not include the requirements on land premium payment for removal of alienation restrictions.● The principles/methods for assessing the land premium payable for the removal of alienation restrictions under the CBS Scheme and GBHS should not be the same.
40.	Ms LEUNG Dip-yuen	<ul style="list-style-type: none">● The Preliminary Proposals were unacceptable.● Waiver of land premium on redevelopment of CBS buildings would not result in violation of the rule of "no double housing benefits", as the concession on land premium granted to CBS members in earlier years was an employment benefit offered to them when they were serving civil servants.● To avoid discouraging flat owners from undertaking building maintenance works, the Administration should review the relevant policies under which only old and dilapidated buildings would be redeveloped.
41.	Ms Mary GOH	<ul style="list-style-type: none">● The Preliminary Proposals were unacceptable.● The conditions of the CBS building she resided in were deteriorating. The expenses on building maintenance were financial burdens to her.● The Administration should remove the obstacle to the redevelopment of CBS buildings made by the requirement for CBS flat owners to pay land premiums.

No.	Name of deputation/individual	Submission / Major views and concerns
42.	Ms YU Wai-yee	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The Administration should remove the obstacle to the redevelopment of CBS buildings made by the requirement for CBS flat owners to pay land premiums. ● The Administration should redevelop CBS buildings to increase housing land supply in the urban areas. The redevelopment of these buildings would be less controversial than the development projects undertaken by the Administration in the Northeast New Territories.
43.	Ms LEUNG Tak-yee	<ul style="list-style-type: none"> ● The media reports about the redevelopment issues of CBS buildings in the past two years indicated that different sectors of the society supported the redevelopment.
44.	靠背壟道/美善同道40個業主立案法團及建屋合作社聯會	<ul style="list-style-type: none"> ● The Preliminary Proposals were unacceptable. ● The redevelopment of CBS buildings was widely supported by the society. ● The Administration should work out a solution to facilitate the redevelopment of CBS buildings and make arrangements to rehouse affected CBS occupants within the same district.
45.	The Incorporated Owners of Merri Court Scheme I	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(05) (Chinese version only)
46.	Cheerful Villa	<ul style="list-style-type: none"> ● In the light of the high land premiums payable to the Administration for the sale of CBS flats and the prevailing high property prices, the price to be offered to a CBS flat owner who would sell his/her flat would hardly be sufficient to cover the cost of purchasing a replacement flat. ● The Administration should set up a committee to come up with a proposal to facilitate the redevelopment of CBS buildings in a holistic approach.
47.	The Peerless Co-operative Building Society Ltd.	<ul style="list-style-type: none"> ● LC Paper No. CB(1)1081/14-15(06) (Chinese version only)

No.	Name of deputation/individual	Submission / Major views and concerns
48.	Savills Valuation and Professional Services Limited	● LC Paper No. CB(1)1081/14-15(07) (Chinese version only)

Council Business Division 1
Legislative Council Secretariat
12 October 2015