

**Tenth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 4(b): Report on the work of the
Pre-construction Task Force***

Purpose

This paper reports on the work of the Pre-construction Task Force (PCTF) since the last Business Facilitation Advisory Committee (BFAC) meeting on 13 November 2008.

Work progress of the PCTF

Processing of applications for lease modification and land exchange

2. Since 1 April 2008, the Lands Department (LandsD) has, on a pilot basis, set up a dedicated team in the District Lands Office (Hong Kong West and South) to process all applications for lease modification and land exchange in that District, with a view to speeding up the processing of such applications. Concurrently, the LandsD has also launched a trial scheme of centralisation of premium assessments from the same District in order to expedite the valuation process.

3. The number of completed cases and binding basic terms offers (BBTO) issued in the first nine months of the pilot run have exceeded the annual output for the preceding year, as shown below –

	1 April 2007 to 31 March 2008 (12 months)	1 April 2008 to 6 January 2009 (9 months)	% change
Number of completed cases	41	78	+ 90%
Number of BBTO issued	16	23	+ 44%

4. In view of the encouraging results, the PCTF expressed its full support for the improvement measures to be extended to all districts so that the processing of development proposals in different districts could be expedited and all applicants would benefit from the streamlined procedures. The LandsD will report its position to the PCTF after the effectiveness of the measures has been fully assessed following expiry of the trial period in April 2009.

Communication Forum on valuation matters

5. Regarding the Communication Forum (Forum) established by the LandsD to exchange views with the Real Estate Developers Association of Hong Kong (REDA) and the Hong Kong Institute of Surveyors (HKIS) on valuation matters, Mr CHAN Cheung-kit, PCTF Member, now represents the PCTF on the Forum.

6. Since April 2008, the Forum has met twice and discussed matters such as the following –

- (a) advancement of the date of issuing the BBTO;
- (b) presentations made by applicants in their first submissions to the Valuation Conference/Valuation Committee (VC);
- (c) centralization of valuation;
- (d) verbal communication of premium immediately following the VC approval; and
- (e) establishment of a formal channel to review valuation parameters and a proposal to set up an expert determination system.

The next meeting of the Forum will be held in around May 2009.

Storey height controls on residential developments

7. The Planning Department (PlanD) is leading a joint Working Group comprising representatives of the Buildings Department (BD) and LandsD to review the storey height of residential developments with a view to formulating guidelines on reasonable storey height of residential developments for the reference of the industry.

8. The Working Group has exchanged views on the need for and the approach to be adopted in formulating guidelines on storey height with the REDA and other concerned professional bodies, i.e. the HKIS, Hong Kong Institute of Architects, Hong Kong Institution of Engineers and Association of Architectural Practices.

9. At the last meeting of the Working Group in December 2008, the three departments thoroughly discussed their different approaches within the confines of the existing regulatory frameworks. The PlanD considered that, with the stipulation of the maximum building height restrictions on Outline Zoning Plans (OZPs), there were already adequate controls on building height and that a set of guidelines on storey height would not be necessary.

10. The BD pointed out that it would be difficult for them to issue any guidelines on storey height as there was no provision for statutory controls on maximum storey height under the Buildings Ordinance. The BD in general would make reference to the minimum requirements of the Building Regulations when approving building plans. If the storey height had potential for splitting up into two storeys, the applicant would be required to provide justifications.

11. The LandsD indicated the need for adhering to the lease conditions. If there was a “Design and Disposition” clause or “Design, Disposition and Height” clause stipulated in the lease, the LandsD would impose restrictions on storey height.

12. The Working Group’s views were noted by the PCTF. However, due to the uncertainty in storey height controls, members of the PCTF stressed their difficulties in advising their clients, i.e. developers including overseas investors. The PCTF requested the BD and LandsD to disclose their internal guidelines on storey height to the trade and the PlanD was requested to convey the PCTF’s comments to the BD and LandsD.

Joint practice note on development control parameters

13. The *Joint Practice Note No. 4 - Development Control Parameters* was issued on 25 November 2008. It sets out a list of development control parameters that the BD, LandsD and PlanD had broadly adopted similar practices in the past, subject to certain qualifications. The development control parameters include the gross floor area calculations for public transport terminus, covered public carpark, covered walkways for residential developments, recreational facilities, etc.

Measures to foster a quality and sustainable built environment

14. The PCTF noted that the Administration, in collaboration with the Council for Sustainable Development, would soon launch a public engagement exercise on measures to foster a quality and sustainable built environment. Being concerned about the subject, the PCTF had requested the Development Bureau (DEVB) to arrange a special meeting for clarification of the purpose of the public engagement exercise and exchange of views. In response, the DEVB undertook to brief the PCTF on the subject. The DEVB also advised that the launch of the engagement had been postponed from February to May 2009 and the consultation period had been extended from three to four months. In addition, the DEVB offered to take the chance to introduce to the PCTF the proposed establishment of the Development Opportunities Office, a new initiative set out in the 2009-10 budget speech.

Way forward

15. Members are invited to note the work progress of the PCTF. The PCTF will report further progress in due course.

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