

**Twelfth 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 16 July 2009.

Work progress of the PCTF

Communication forum on valuation matters

2. The communication forum on valuation matters¹ met again on 21 July 2009 and covered a number of issues including presentation by applicants, centralization of premium assessment, verbal communication of premium, fast-track procedure for premium appeal, basis of valuation, etc.

3. The Lands Department (LandsD) informed the PCTF that the following improvement initiatives had been introduced in response to the suggestions of the trade and members of the forum –

- (a) High impact cases involving a Gross Floor Area (GFA) of more than 10 000 m² or an estimated premium of over \$100M are centrally handled by the LandsD Headquarters with a view to reducing the processing time by about eight weeks;
- (b) For appeal cases, appellants may now request to be verbally informed of the revised premium figure in the next Valuation Conference (VC) meeting, and make a counter offer for the VC to

¹ As recommended by the PCTF, the Lands Department has established a formal communication forum to exchange views with the trade on valuation matters with representatives from the department, Hong Kong Institute of Surveyors, Real Estate Developers Association of Hong Kong and the PCTF.

consider prior to the issue of the binding offer as against the past practice of conveying the revised figure to the appellant in the form of a binding offer. This new arrangement can help expedite the premium negotiation process; and

- (c) The fast-track premium appeal procedure, which was previously applicable to second appeal only, has been extended to the processing of the third appeal to compress the government's procedures to within 24 working days. The overall processing time of the appeal procedure could be reduced by about four months.

4. The PCTF appreciates that the forum will enhance communication between the Administration and the trade and facilitate the continued improvement of the valuation process. Discussion on other issues such as presentation by applicant at "Premium Assessment" stage, basis of valuation, empirical premium, etc. will continue at future quarterly meetings. The next meeting of the forum will be held in November 2009. The LandsD will report progress in due course.

Storey height controls on residential developments

5. At its last meeting, the BFAC requested the Administration to give favourable consideration to the PCTF's request for a common set of guidelines on storey height control. This should help reduce the uncertainty faced by the developers in the submission process.

6. The Administration reported at the last PCTF meeting held on 5 October 2009 that while issuing a common set of guidelines aligning the respective practices of the Planning Department, Buildings Department and LandsD would be inappropriate, it suggested to issue a joint practice note setting out the current approaches and practices adopted by respective departments to facilitate the trade's/professionals' better understanding of the Administration's approval process. The Administration also agreed to let the PCTF have sight of the draft practice note before it was promulgated. The trade/professionals might continue to seek advice from the departments concerned on the storey height/building height of their developments prior to formal submission of building plans/development proposals, if necessary.

7. The PCTF asked the Development Bureau (DEVB) to clarify with the LandsD whether there was any storey height control imposed by the department if the proposal had already complied with the Outline Zoning Plan requirement and if there was no lease condition restricting the storey

height. If affirmative, the Administration was requested to clarify the factors to be considered by the LandsD. The DEVB agreed to follow up with the LandsD.

Building design to foster a quality and sustainable built environment

8. The PCTF has formed a working group to examine the relevant consultation document. The working group met on 6 August 2009 and sent their initial comments to the Council for Sustainable Development (SDC) on 14 August 2009. The major comments include –

- (a) the duration of the exercise is too short for such a complex subject;
- (b) a holistic approach should be adopted to address the wide range of planning, building and land issues involved;
- (c) revamping of the well-established GFA concession mechanism would create uncertainty to the property market and development sector; and
- (d) the costs and benefits of each proposed option should be quantified to provide a balanced picture for stakeholders to consider the options.

9. The SDC Chairman and the relevant consultants briefed the PCTF about the engagement exercise and exchanged views with Members on 4 September 2009. The SDC stressed that the purpose of the public engagement was to listen to the views of stakeholders rather than answering questions. The current round of engagement would not be a one-off event but more events would follow. Subject to the outcome of the current engagement, they would consider launching a phase two engagement to enable a more focused and detailed examination of the options by the community. The SDC aimed at finalizing the recommendations and reporting to the Legislative Council by mid-2010. They promised to incorporate all the comments of the PCTF into the report.

10. Subsequent to the meeting with the SDC Chairman, the PCTF sent their further comments to the SDC, highlighting the inadequacy of the consultation document. The major ones are –

- (a) the problem of building bulk, which occurs only in the densest part of the territories, is overstated in the consultation document;

- (b) GFA concession is not a major cause of excessive building height and bulk; and
- (c) the term “GFA concession” is improperly used in the consultation document as it connotes transfer of advantages from Government to developers.

The PCTF will continue to provide input for the engagement as appropriate.

Processing of applications for lease modification and land exchange

11. The LandsD has continued the operation of the dedicated team in the District Lands Office (Hong Kong West and South) and centralisation of premium assessment in two District Lands Offices for another year. The PCTF has expressed its full support for the extension of the improvement measures 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 is now reviewing the effectiveness of the measures.

Way forward

12. Members are invited to note the work progress of the PCTF. The PCTF will monitor the progress of the issues.

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Financial Secretary's Office
October 2009