

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

***Agenda Item 3(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 23 June 2008.

**Work progress of the PCTF**

***Processing of applications for lease modification and land exchange***

2. The Lands Department (LandsD) has set up a dedicated team in the District Lands Office of the Hong Kong West and South District to process all applications for lease modification and land exchange in the District since 1 April 2008.

3. The initial results of the “dedicated team approach”, coupled with the trial run of “centralisation of premium valuation”, are shown below :

	1 October 2007 to 31 March 2008	1 April 2008 to 5 September 2008	+ / -
Number of cases submitted to District Lands Conference	8	19	+138%
Number of Binding Basic Terms Offer issued	9	14	+56%

4. Members are pleased with the significant improvement in efficiency and acknowledge the LandsD’s efforts to make things happen. The LandsD considers that a more objective assessment would be conducted

after 12 months' trial as on average it would normally take more than one year to complete a lease modification case. The PCTF hopes that the success of these trial runs will lead to extension of the same arrangement to other Districts.

***Recommendations of the Working Group on Review of Premium Valuation Process (Working Group)***

5. The LandsD has strong reservation on any premium negotiation immediately after the first valuation conference as suggested by the Working Group to speed up the process. The current procedure requires that (i) the decision has to be signed after the meeting; and (ii) the premium offered to the applicant is to be made in writing by the District Lands Officer (DLO). Any negotiation will only take place after the DLO's offer.

6. Regarding the communication forum established to exchange views with the Real Estate Developers Association of Hong Kong (REDA) and the Hong Kong Institute of Surveyors (HKIS) on valuation parameters, the BFAC urged the LandsD to seriously consider inviting the PCTF to join the communication forum. The Development Bureau has conveyed the BFAC's view to the Director of Lands. The matter will be raised at the HKIS/REDA/LandsD liaison meeting to be held on 18 November 2008 and views of its members will be sought.

***Storey height control on residential developments***

7. In response to the public aspiration for lower building height and minimizing building bulk, 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 for 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 Hong Kong Institute of Architects, HKIS, Hong Kong Institution of Engineers and Association of Architectural Practices.

9. In the past two years, building height restrictions have been incorporated into a number of Outline Zoning Plans (OZPs) published for representation. The PlanD considers that priority should be given to reviewing the building height restrictions on OZP instead of storey height of individual floors of residential developments.

10. Members of the PCTF note the PlanD's approach to accord priority in reviewing building height restrictions on OZPs instead of focussing on storey height control so as to provide more flexibility in design. However, for development in those areas and sites where the building height has not yet been specified in the OZP, members urge the Government to issue guidelines in order to know the yardsticks of the PlanD, BD and LandsD in determining an acceptable storey height in those developments. As the PlanD is leading the review, it will follow up the matter with the BD and the LandsD in the working group on storey height.

***Joint practice notes on aligned development control parameters***

11. The BD has adopted the same criteria as those of the LandsD and PlanD for granting "Gross Floor Area (GFA) exemption" for caretakers' office in domestic buildings.

12. The BD has also revised the practice note, PNAP 13, informing practitioners of the exclusion of curtain wall / cladding with a projection not exceeding 300 mm from site coverage measurement. The approach is in line with the LandsD's practice.

13. Besides, the BD will re-visit the exclusion of voids in duplex flats / houses from GFA, exemption of caretaker's quarter from GFA, and exemption of owners' committee offices not exceeding 20m<sup>2</sup> in domestic buildings from GFA after completing a review on exempted / non-accountable GFA and the need for imposing a cap on such GFA.

14. On the other hand, the Administration has been working on a Joint Practice Note 4, which covers the alignment of eight development control parameters, such as public transport terminus, public / private car park, etc. Following endorsement by the Land and Building Advisory Committee on 23 October 2008, the Joint Practice Note 4 will be promulgated by the three Departments shortly.

15. Regarding the basis of counting number of storeys for compliance of lease conditions and planning requirements, the industry would like the LandsD and PlanD to proceed to work out clear guidelines.

**Way forward**

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

Economic Analysis and Business Facilitation Unit  
Financial Secretary's Office  
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