



29 February 2012

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& post

Clerk to Panel on Development  
Room 1010, 10/F  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Sirs,

**Government's strategy to enhance land supply through reclamation outside Victoria Harbour and rock cavern development**

On behalf of the Hong Kong Institute of Surveyors (HKIS), I have much pleasure in submitting our concerns and suggestions on the Government's strategy to enhance land supply through reclamation outside Victoria Harbour and rock cavern development.

**1 A Holistic Approach of Land Supply**

HKIS identifies with the government's determination to build an extensive land reserve over a period of time in order to ensure stable land supply in the future.

In recent years, we have noticed the government's effort in optimizing the use of existing development areas through re-zoning of industrial land and facilitating urban redevelopment by lowering the application threshold for compulsory sales for redevelopment etc. We also acknowledge that the aspiration for lower urban density and other concerns from the public. Apart from the existing development areas, it is necessary to generate new land supply so as to catch up the coming demand.

In the meanwhile, the government should review all possible and available options of new land supply. In order to allow the public to have a balance and holistic consideration and increase the public's degree of acceptance of the strategy of enhancing new supply, we consider a comprehensive consultation on the strategy to enhance land supply should cover all possible and available options by detailing their pros and cons.

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## **2 Enhancing land supply through reclamation**

HKIS appreciates that reclamation has always been an important means to increase land supply in Hong Kong. For the continued growth of Hong Kong, some reclamation at suitable locations would serve the needs of the residents.

We consider that reclamation to create land for building development would have very significant implications to the built environment including amongst other things, the reclamation and infrastructure costs thereof. We noted that some of the Government proposed reclamation sites are huge and that they are islands and have no infrastructure connections to the main urban areas. Proper impact studies to the environment and ecological system are needed and prudent care should be taken before the confirmation and/ or implementation of any plan.

We also noticed that the planning stage will only come after the identification of "suitable sites". Without the planned users and/or the proposed relocation of certain users on the existing lands in Hong Kong, the financial benefits which might come from such reclamation could not be made. In the absence of cost reference to reclamation and its related infrastructural development, economic benefits to society as a whole are in doubt.

## **3 Enhancing land supply through rock cavern development**

The institute generally supports the idea of using rock caverns to enhance land supply, despite the fact that the costs related to the use of rock caverns could be very high. We consider that rock caverns will be particularly suitable for offensive trades or industries such as refuse processing and collection facilities, sewage treatment plants, as well as dangerous substances storage and processing plants.

We also consider that rock cavern development is one of the feasible solutions for making the best use of our available land resources provided that the Government or the operators of the industries therein must take sufficient measures to minimize the adverse impacts to the people living or working in the neighborhood.



#### 4 Enhancing land supply through other alternatives

HKIS considers that better utilization and management of existing land resources are preferred approaches while reclamation should be regarded as an alternative option. The good use of the land available in Hong Kong would be dictated by various factors including but not limited to the following:

- The government to promote co-operation/co-investments of the owners of landed interests in Hong Kong;
- A strategic review of the planning control in Hong Kong including in particular the density control in the New Territories areas and such user zones like CDA, R(E), etc;
- The land premium policy to be changed "in principle" to provide the necessary driving force for development to take place including the assessment assumptions of "before land value", the sharing of the synergetic value released in the change of use process; if the government is not prepared to take into account the very significant costs for private land assembly and creating new development opportunities, then the talk of efficient and effective use of existing land resources would still be "talks";
- The compensation law and the use of resumption powers/purchase actions by the government to be critically reviewed to reflect the market practice and the needs of Hong Kong.

We are concerned that a lot of sites in the central and western parts of the New Territories are at present unused, under-utilized or improperly used. We consider that these sites should be developed more systematically and effectively to meet the future demand of Hong Kong on land.

The above gives a broad outline of those issues. We sincerely hope that these ideas and proposals will be further explored. We are more than pleased to share our views with you. Please contact HKIS Secretariat on 2526 3679 if you require more information or would like to set up discussions on the above views.

Thank you for your attention.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Serena Lau', is positioned above the printed name.

Serena Lau  
President  
Hong Kong Institute of Surveyors

cc The Hon Patrick Lau, Legislative Councillor (By fax only 2147 9155)