Report on

Recommendations on

Hong Kong Land Supply Policies

Submitted to

 The Task Force on Land Supply

By

Hong Kong Real Property Federation

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**List of Abbreviations**

|  |  |
| --- | --- |
| The Federation/HKRPF | The Hong Kong Real Property Federation |
| The Working Group | The Working Group on Hong Kong’s Land Supply Policies of the Hong Kong Real Property Federation |
| The Members | The Members of the Hong Kong Real Property Federation |
| The Task Force | The Task Force of Land Supply commissioned by HKSAR Government |
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**EXECUTIVE SUMMARY**

The Hong Kong Real Property Federation is a non-profit organization in Hong Kong with members from property developers, construction companies and senior practitioners of related disciplines such as surveyors, engineers, architects, planners, valuators, lawyers, property managers, bankers, accountants and etc., providing professional services to real estate industry. As one of the key stakeholders in property development, the Federation supports the Task Force’s Public Engagement Exercise.

To solicit the views of HKRPF’s members on the 18 options proposed by the Task Force and identify other suggestions to increase land and housing supply, two seminars, a questionnaire survey and discussion meetings were conducted from June to August 2018. A total of 70 questionnaires are collected and analysed. The findings revealed that Option 1 - Developing brownfield sites, Option 2 - Tapping into private agricultural land reserve in the New Territories, Option 5 - Near shore reclamation outside Victoria Harbour, Option 6 - Developing East Lantau Metropolis, Option 8 - More new development areas in New Territories, and Option 13 - Increasing development intensity of “Village Type Development” zone are considered to be more feasible and important to increase land supply. On the other hand, Option 3 - Alternative uses of sites under private recreational lease is not generally supported. Such sites should be considered by virtue of their specific merits, such as their historical heritage, conservation values, track records and scarcity of such facilities in Hong Kong. The alternative use of the Hong Kong Golf Club is not supported in light of the above criteria. However, it is proposed that these clubs should open up their facilities for public use during off peak hours.

Instead of adopting all 18 options, the Federation suggests that focus shall be given to those options which are more feasible and important in providing more land. The Federation recommends the following solutions to the Government:

1. Immediate short-term solutions:
2. Relax the building height restriction and increase the plot ratios zoned for residential use so as to increase the available floor areas for public housing for temporary. There should be a sunset clause that this regulation shall cease to have effect after a certain period of time ;
3. Explore the new concept of marine residence through building barge to place cargo container homes, or converting old large passenger cruise ships, used tankers, or used cargo ships to provide new temporary housing for those on the waiting list for public housing. This regulation shall cease once the land supply is back to equilibrium;
4. Re-launch the Revitalization of Industrial Building Scheme and relax the fire regulations to convert old industrial buildings into temporary housing.
5. Medium-term solutions:
6. Launch the Public-Private Partnership scheme by inviting developers who hold agricultural land to build housing and offer 50% of the flats for public housing;
7. Issue “Land Bonds” to acquire readily developable land from villagers or owners in the New Territories. These land bonds can freely be transferable on public trading platform and land bonds holders can redeem other plots of land in future;
8. Set up a new independent statutory body, named as “Land Supply Authority” to securing new land and streamline and expedite the procedure in approval of land use change.
9. Long-term solutions:
10. Conduct reclamation outside Victoria Harbour and Development of East Lantau Metropolis with new the concept of floating “livable island”.

The Federation suggests that all these recommendations shall be adopted and start immediately as it takes time for the medium and long-term solutions to bring results in providing more land for development.

**1. BACKGROUND AND OBJECTIVES**

This section introduces the background of the compilation of this report, including the Task Force on Land Supply (the Task Force), the Hong Kong Real Property Federation (the Federation) and the objectives of this report.

* 1. **The Task Force on Land Supply**

Land shortage has been plaguing Hong Kong in recent years. The society at large is suffering from multi-faceted problems with “pricy”, “tiny” and “cramped” living conditions, characterised by soaring property prices and rents; the difficulties in purchasing the first home; and all sorts of problems associated with overcrowded living space, inadequate community facilities, and high business operating costs. Insufficient land for housing, economic and other purposes has become one of the major issues of great concern to the public.

The Task Force on Land Supply (the Task Force) comprising 22 non-official and eight official members appointed by the Chief Executive, was established in September 2017 for a term of one and a half years from September 2017 to February 2019. The Task Force is made up of members from various professional disciplines and sectors, including planning, engineering, architecture, surveying, environment, academia, think tanks, social services, housing development and district administration.

The Task Force recognises Hong Kong’s land shortage problems at present and for the long term. It is making a macro review of the sources of land supply, evaluates land supply options, and proposes 18 land supply options. The Task Force has launched a five-month public engagement (PE) exercise from 26 April to 26 September 2018, entitled “Land for Hong Kong: Our Home, Our Say” to engage the community in discussions on the pros and cons of different options, their priorities and other land supply-related issues.

The objective of the Task Force is to achieve the broadest consensus and draw up a broad framework of recommendations on the overall land supply strategy and a prioritisation of different land supply options for submission to the Government, based on the opinions collected in the public engagement exercise.

According to the “Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030” (Hong Kong 2030+) study, Hong Kong will face a land shortfall of at least 1,200 hectares, which is equivalent to the area of more than 60 Victoria Parks. In the web site of the Task Force, the Chairman, Mr. Stanley Wong Yuen-fai, said that the land shortage problem is pressing. The actual land shortfall is much greater than the 1,200 hectares as estimated by the Government, as the figure has yet to take into account public aspiration for improvement in living space per person, the additional land required for the provision of more healthcare and elderly facilities to tackle the ageing population, and the need for building up a land reserve. The Task Force therefore considers that the actual land shortage is far more than 1,200 hectares. Action to increase land supply can be deferred no longer, he said.

The Task Force has identified 18 land supply options which have the potential to provide additional land. Based on their estimated earliest possible time to deliver land, these options are grouped into three categories: (1) short-to-medium term (four of them, to provide additional land in around ten years); (2) medium-to-long term (six to provide additional land in around ten to thirty years) and conceptual (eight, unable to confirm when and how much additional land to be provided). There is no order of priority for these options, and the Task Force welcomes other suggestions. All options would entail a different degree of impact on different stakeholders, and no options are painless. Neither is there a single option that could solve all the problems of land shortage. Hence, adopting a multi-pronged approach is a must. Finding the right balance is not easy, but we should have the courage to make tough choices for society,

Mr. Wong noted that society has had intense debate on land supply issues or individual options in the past few months. The diverse views show that issues are complex and involve different sectoral interests. He said he hoped that society can continue to participate in the discussions actively through the platform established by the Task Force in an open and inclusive manner. Compromises will have to be made by all parties and the overall interests of society should come first. It is also not realistic to suggest that one particular option can solve all the problems, because such an option simply does not exist, he said.

Under this context, the Hong Kong Real Property Federation, as one of the influential stakeholders on real property development in Hong Kong, feel the obligations to contribute to this public engagement exercise through offering its views, opinions and recommendations towards this important policy issue on land supply and development in Hong Kong.

* 1. **The Hong Kong Real Property Federation**

The Hong Kong Real Property Federation was founded in 1991. It is a non-profit organization in Hong Kong providing a wide spectrum of services to its Company and Individual members who are engaged in the business of real estate development and related disciplines.

Members of the Federation include property developers, construction companies and senior practitioners of related disciplines such as surveyors, engineers, architects, planners, valuators, lawyers, property managers, bankers, accountants and etc., providing professional services to the real estate industry. The Federation has over 100 Company Members and over 100 Individual Members.

The Federation endeavours to support Hong Kong’s economic development and to assist its members to develop business in Mainland and the region. To ride on the speedy development of the Mainland and the region, the Federation has formed a number of regional chapters focusing on matters pertinent to the Pan Pearl River Delta, the Yangtze River Delta, Northern China, Southern China, Macau, Taiwan, Korea, Philippines, Singapore, etc. to provide members with an effective network of governmental and business contacts and a wealth of local business intelligence.

The Federation has conducted many study tours to visit, exchange and make acquaintance with government officials and corporate leaders of the real estate related industry in various provinces and key cities of the Mainland, with a view to develop investment and business opportunities for its members. The Federation has also received many government officials and corporate visitors from the Mainland and the region and taken part in their business promotion activities.

The General Council members for 2017-2019 are shown in Appendix 1. In preparing its submission to the Task Force, the Federation formed a Working Group to gather the views and opinions of its members and affiliates. The composition of the Working Group is shown in Appendix 2. Advisors are also invited to provide professional and expert advices to the Working Group as shown in Appendix 3.

* 1. **Objectives**

 The objectives of this report are two-folded. First, to present the findings gathered from a systematic study of the opinions of the members and affiliates of the Federation through questionnaire survey and seminars. Second, based on the findings, conclusions are made. The Federation will then make recommendations in tackling the issues of land supply development in Hong Kong in three terms: the short term, the medium term and long term.

As one of the key stakeholders in real property development in Hong Kong, the Federation is engaged to help the Task Force in coming up with a broad framework recommending enhancement to the overall land supply strategy and prioritising different land supply options for further consideration by the Government.

Significance of this report is that it represents a concerted view of professionals comprising, surveyors, engineers, architects, planners, lawyers, property managers, bankers, accountants, and etc., working at senior level of institutions which are closely involved and support the land and property development of Hong Kong.

1. **METHODOLOGY**

In order to achieve its objectives, the Working Group has organized three major types of activities.

(1) Seminars: Two seminars were conducted to arouse the interest and offer opportunities for open discussions and exchange of ideas of the members and affiliates of the Federation.

(2) Questionnaire survey: To further gauge the views and opinions and better incorporate the ideas and thoughts of members and affiliates in a more systematic way, questionnaire survey was conducted from June to August 2018 to gather quantitative data for analyzing their views.

(3) Brain storming meetings: Discussion meetings were arranged and chaired by the Chairman of the Federation’s Executive Board. Participants included the President, the advisors and the members of the Working Group, with the objective to brain storm ideas and make suggestions to the Task Force and the Government on land supply and development.

* 1. **Seminars on Land Supply Policies**

Two seminars were arranged in June and July 2018.

**2.1.1** **Lunch Seminar on 11 June 2018**

The first luncheon seminar was carried out on Monday, 11 June 2018 at the Hong Kong Club. Invitations were extended to all members of the Federation. Several guest speakers were invited to deliver talks and addressed the questions and opinions of the participants.

The guest speakers include: (1) Mr. Stanley Wong Yuen-fai, S.B.S., J.P., Chairman of the Task Force; (2) Mr. Tony Tse Wai-chuen, B.B.S, Legislative Councillor, Functional Constituency - Architectural, Surveying, Planning and Landscape; (3) Ms Connie Yiu, General Manager of Real Estate Division of New World Development. Over 80 members and guests attended this event and expressed and exchanged their views proactively.

**2.1.2** **Dinner seminar on 16 July 2018**

The second seminar was carried out on Monday, 16 July 2018 at Club Lusitano through a dinner gathering. Three guest speakers were invited to deliver talks, including: (1) Mr. Bernard Chan, The Convenor of the Non-official Members of the Executive Council; (2) Dr. Ronald Lu, Chairman of Ronald Lu & Partners; and (3) Mr. Kenneth Lam, Vice President of the Hong Kong Golf Association. Over 60 members and guests attended and exchanged ideas and suggestions actively.

* 1. **Questionnaire Survey on Land Supply Options**

In order to provide systematic and comprehensive analysis of the opinions of the members and affiliates of the Federation, questionnaire surveys were conducted from June to August 2018.

**2.2.1 Objectives**

1. To understand the views of the members and affiliates on the 18 options proposed by the Task Force in terms of the feasibility and importance.
2. To identify other suggestions to increase the land supply on top of the 18 options.
3. To solicit other suggestions or comments to tackle the land related issues other than increasing the land supply.
4. To obtain feedback on the arrangement of the Government’s public engagement exercise.

**2.2.2 The Questionnaire**

To achieve the objectives, a questionnaire is developed accordingly. There are three major parts in the questionnaire. The first part is composed of the demographics of the respondents, including their job position, professional discipline, academic qualifications, experiences in real estate development industry, affiliated organization types, and etc.

The second part is composed of the evaluations of the 18 land supply options in a five-point Likert scale of ratings from 1 to 5. Two aspects are asked: (1) how **feasible** do they consider these options with the potential to provide additional land; and (2) how **important** are these options with the potential to provide additional land. Rating of 1 means not feasible or not important at all. Rating of 5 means feasible or important to a very large extent.

The third part is composed of open-ended questions to gauge their awareness of the public engagement exercise, understand their past experience in land development projects driven by these land supply options, as well as solicit other suggestions to tackle the land or housing related issues.

The paper questionnaire was given to all participants who attended the luncheon and dinner seminars for completion. E-version of the questionnaire were sent by email to all members. As shown in Table 1, a total of 70 questionnaires are deemed valid and analysed in a systematic way.

1. **FINDINGS**

This section presents the findings of the questionnaire survey as well as the summary of the discussions and exchanges of views during the two seminars.

* 1. **Demographics of the respondents of the survey**

According to the 70 valid questionnaires collected, the personal particulars of the respondents are summarized as follow.

First, according to the company or organization of the respondents, around half (33 over 70) of them are real estate developers. Others are from consultants (15), real estate agencies (5), banking institutes (5) and building contractors (4). The diverse background indicates a wide coverage of real property related industries as shown in Table 2. They are professionals working in related sectors.

Second, from the job positions and professional disciplines of the respondents, 7 out of 70 individuals are senior executives (Chairman, CEO or Partner), 24 are senior managers (Executive director, Director or Senior Manager). Over half (38) of them are professionals, including architects, engineers, surveyors, town planners, lawyers and accountants working in related fields as shown in Table 3.

Third, as shown in the Table 4, these individuals have ample experiences in real property and related fields in Hong Kong. Sixteen of them have over twenty years of experiences. Twenty-two of them have eleven to twenty years of experiences. Twelve of them have six to ten years experiences in related industries.

For the academic qualifications of the respondents, five of them have PhD/DBA, 26 of them have Masters degree, and 30 have bachelor degree as shown in Table 5.

For the gender distribution, more (47 over 70) of the respondents are male as shown in Table 6.

For the housing types of the respondents, majority of them are living in private owned housing (53 over 70) as shown in Table 7.

* 1. **Considerations of the Land Supply Options**

After looking at the personal background and characteristics of the 70 respondents, the following section presents the findings on their evaluation of the various land supply options proposed by the Task Force.

To start off, when asked whether there is a need to increase the large amount of land supply to satisfy the future land use demand, all of them (100%) gave an affirmative answer.

* + 1. **Evaluation of feasibility and importance of short-to-medium term options**

According to the questionnaires of the 70 respondents, the ratings on the 18 options of land supply are presented.

As defined by the Task Force, under Category 1: the first four short-to-medium term options proposed to increase land supply are:

**Category 1: Short-to-medium term options**

1. Developing Brownfield Sites
2. Tapping into Private Agricultural Land Reserve in the New Territories
3. Alternative Uses of Sites under Private Recreational Leases
4. Relocation or Consolidation of Land-Extensive Recreational Facilities

Based on the data collected from the 70 questionnaires, the ratings of these four options are shown in Table 8 and Figure 1.

Amongst the four short-to-medium term options, most of them consider the second and first options more feasible (mean scores are 4.23 and 3.91 respectively). In particular, 60% of them (42 over 70) think Option 2 (Tapping into private agricultural land reserve in the New Territories) is most feasible.

For option 3, Alternative uses of sites under private recreational leases, 30% of them (23 over 70) consider it not feasible (score 1 and 2), whereas 24% of them (17 over 70) think that it is feasible (score 4 and 5). Similarly, for Option 4, 41% of them (29 out of 70) think it is not feasible (score 1 and 2), and 24% of them (17 out of 70) think it is feasible (score 4 and 5).

When cross-checking about whether these options are important with potential to provide additional land, the findings indicate that the results are similar as shown at Table 9 and Figure 2.

Amongst the four short-to-medium term options, most of them consider the second and first options more important (mean scores are 4.26 and 4.09 respectively). In particular, 61% of them (43 over 70) think Option 2 are more important.

* + 1. **Evaluation of feasibility and importance of medium-to-long term options**

As classified by the Task Force, under Category 2, the following six options are proposed under the medium-to-long term in order to increase land supply.

**Category 2: Medium-to-long term options**

5. Near Shore Reclamation outside Victoria Harbour

6. Developing the East Lantau Metropolis

7. Developing Caverns and Underground Space

8. More new Development Areas in the New Territories

9. Developing the River Trade Terminal site

10. Developing Two Pilot Areas on The Periphery of Country Parks

Amongst these 6 medium-to-long term options, Option 8 (more new development Areas in the New Territories) and option 6 (developing East Lantau Metropolis) are rated as more feasible (mean scores are 4.07 and 3.97 respectively) as shown at Table 10 and Figure 3. Nearly half of them (33 over 70) rated Option 8 as feasible to the largest extent (score 5). Moreover, Option 5, near shore reclamation outside Victoria Harbour is considered as more feasible (mean is 3.57). 40% of them (28 over 70) think that it is more feasible (score 5).

Consistent with the opinions on the feasibility of these six medium-to-long term options, as shown in Table 11 and Figure 4, Option 8 (more new development Areas in the New Territories) and Option 6 (developing East Lantau Metropolis) are also rated as more important (means are 4.14 and 3.93 respectively). Half of them (35 over 70) rated Option 8 as more important (score 5). Next, Option 5 (Near Shore Reclamation outside Victoria Harbour) is considered as important (mean is 3.51). 37% of them (26 over 70) think that it is very important (score 5).

* + 1. **Evaluation of** **feasibility and importance of conceptual options**

According to the Task Force, under Category 3, the next eight options are proposed as conceptual options to increase land supply in the long run.

**Category 3: Conceptual options**

11. Developing the River Trade Terminal Site and its Surroundings in the Long Term

12. Developing More Areas on the Periphery of Country Parks

13. Increasing Development Intensity of “Village Type Development” Zone

14. Topside Development of Existing Transport Infrastructure

15. Utilizing the Development Potential of Public Utilities Sites

16. Relocation of Kwai Tsing Container Terminals

17. Topside Development of Kwai Tsing Containers Terminals

18. Reclamation Part of Plover Cove Reservoir for New Town Development

As shown at Table 12 and Figure 5, amongst these 8 conceptual options, Option 13, increasing development intensity of “Village Type Development” zone is considered as the most feasible (mean score is 3.90). Another more feasible option is 12 (Developing more areas on the periphery of country parks which scores 3.47.

Similar to the ratings on the feasibility, amongst these eight conceptual options, Option 13 is considered the most important (mean score is 3.96) as shown at Table 13 and Figure 6.

* 1. **Other Opinions and Suggestions**

For the general awareness of the Public Engagement Exercise, around 60% of the respondents (41 over 70) are aware of it, whereas 27 are not aware as shown in Table 14.

Apart from evaluating the options proposed by the Task Force, the respondents were asked whether they have ever involved in land development projects which are driven by these land supply options. The findings show that 14 out of 70 (20%) have such experiences as shown at Table 15. The most frequently involved type of projects is Option 2, developing of agricultural land (7). One has developed brownfield sites (option 1), and one on Alternative Uses of Sites under Private Recreational Leases (option 3).

Moreover, according to the information collected, the findings review that residential purpose is considered by a large majority of the respondents (68 over 70) as the most important type of land use amongst the others, such as commercial/industrial, or open space, transport and infrastructure facilities as shown at Table 16.

The respondents suggest that other types of land use which are of high demands include: schools, education/training, hospitals, ashes, senior living sites/facilities, special care centres, concrete plants and other plants for material manufacturing.

 The respondents also suggest other land supply options and make other comments as follows:

1. Increase building floor areas by relaxation of controls on plot ratios
2. Relaxation of the restrictions on industrial zone to allow commercial and office uses.
3. Revitalize industrial buildings could readily yield considerable floor spaces; and fulfill residential and office usage in urban areas. “Incentives” like a square feet for a square feet or even increased plot ratio could have resolved the disparities inherent in multiple ownerships.
4. An independent approval regime is also desirable to reduce complacency in civil service.
5. Public and private cooperation to develop New Territories agriculture land.
6. Relax the use of green belts
7. Release the brownfield sites in Hong Kong
8. May consider to relocate the Kwai Tsing Container Terminal to Mainland China and free up that area
9. Strategic development of north New Territories, including Commercial, Residential and GIC uses.
10. Strategic development of western Tai Lam Country Park and northeast of Castle Peak.
11. Purchase restrictions so that Hong Kong permanent residents can only buy one residential unit.
12. Vacancy taxes on residential flats shall be introduced.
13. More collaboration should be done with Mainland governments, especially in Greater Bay Area, to develop new towns for residence of Hong Kong citizens.
14. There are over 500 hectares of landfill areas. They can be used for parks, golf courses, and, etc.
15. Prisons can be moved to remote islands, so as to release urban or suburban area for residential or economic use.
16. The existing estimated shortfall of 1,200 or 2,400 hectares is too conservative. Drastic action should be taken to open up 5% more suburban area to improve the overcrowding of economic land.
17. The approval processes of various departments are too complicated and lengthy. The procedures for approval shall be expedited.
18. **CONCLUSIONS**

Based on the findings from the questionnaire survey and seminars, the following conclusions are drawn:

1. Amongst the four short-to-medium term land supply options, most of the respondents consider that Option 1 of Developing Brownfield Sites and Option 2 of Tapping into Private Agricultural Land Reserve in New Territories are both feasible and important.
2. For the third option of Alternative Uses of Sites under Private Recreational Leases and fourth option of Relocation or Consolidation of Land-Extensive Recreational Facilities, most respondents think that it is not feasible, and less important.
3. Amongst the six medium-to-long term land supply options, Option 5 of Near shore Reclamation outside Victoria Harbour, Option 6 of Developing East Lantau Metropolis, and Option 8 of More New Development Areas in the New Territories are rated as more feasible and important.
4. Amongst the eight conceptual options to increase land supply, Option 13 of Increasing Development Intensity of “Village Type Development” zone is considered as the most feasible and important.
5. Residential purpose is considered as the most important type of land use amongst the others.

**5. RECOMMENDATIONS**

Based on the ideas and suggestions of the members, and discussion meetings of the Working Group, the Council Members and the Advisors, the Federation suggests that instead of adopting all 18 options to increase the land supply, focus shall be given on those options which are more feasible and important in providing more land and housing supply.

The Federation proposes the following solutions for the short-term, medium-term and long-term period. Indeed, as the medium and long-term solutions take time to be executed and realized, all these recommendations shall be seriously considered and implemented as soon as possible.

**(1) Immediate short-term solutions:**

(a) Relax the building height restriction and increase the plot ratios zoned for residential use so as to increase the available floor areas for public housing for short period of time. There should be a sunset clause that this regulation shall cease to have effect after a certain period of time. This is the most readily achievable way to increase housing supply. In the immediate future, there is shortage of floor areas for “housing”, instead of land. In order to make more efficient use of land to build more flats for public housing, increase the plot ratios shall be implemented immediately. This could readily yield considerable floor spaces and fulfill the residential usage.

 (b) Explore the new concept of marine residence for temporary use through building a barge to place cargo container homes, or converting used large passenger cruise ships, used tankers, or used cargo ships to provide new temporary housing for those on the waiting list for public housing. In view of the acute shortage of housing within limited land supply in Hong Kong, large barge, used passenger liners, used tankers or used cargo ships can be acquired by the Government and converted to suitable residence. The converted ships can be anchored/moored and grounded onto seabed but not as a permanent marine structure. For the legal aspects, they may be classified as ships as well, subject to the consent of Marine Department. The ideal site to anchor these ships is at the northern side of the old Kai Tak Airport as it is close to the urban area and can easily be made into a sheltered area to withstand adverse weather, sea and wind conditions in typhoon. There should be a sunset clause that this regulation shall cease to have effect after a certain period of time.

(c) Relaunch the Revitalization of Industrial Building Scheme and relax the fire regulations to convert old industrial buildings into temporary housing, office building, art studio, or nursing home. Fine-tuning is required in the implementation. As existing building redevelopment faces strict fire safety requirements, the Government should make amendments to the Fire Services Ordinance when necessary. A dedicated review and approval team shall be set up to facilitate and streamline the approval process. The Government shall actively consider the direction of “Transit-Oriented Development” to shorten the length of time to rebuild and approve parking lots. In order to provide more incentives and speed up the Scheme, the Government should lower the barriers of entry by allowing owners holding 50% or more of the building to apply for redevelopment, and the plot ratios shall be increased.

**(2) Medium-term solutions:**

(a) Launch the Public-Private Partnership scheme by inviting developers who hold agricultural land to build housing and offer 50% of the flats for public housing. Both Option 1 (develop brownfield sites) and Option 2 (private agricultural land reserve) are recommended. The Government should facilitate the transport and related infrastructure development. Since agricultural land and brownfields often involve a large number of different titles, the Government shall adopt a fair, just and open procedure. In the calculation of land premiums, current Lands Department's land pricing method based on market value of the project area can be changed to a set of established formula. The “proposed” land premiums will be announced on a monthly basis, so that the public and developers will have clear information for reference.

(b) Issue “Land Bonds” to acquire readily developable land from villagers or owners in the New Territories. These land bonds can be freely transferable on public trading platform. Land bonds holders can exercise them to redeem other plots of land or future land that the Government develops. It is a means to meet a present urgent need with a deferred remedy, i.e. to exchange readily available developable land for future new land.

(c) Set up a new independent statutory body, named as “Land Supply Authority” to securing new land and streamline and expedite the procedure in approval of land use change. At present, Planning Department, Lands Department and the Buildings Department process applications for private developments under the planning, land administration and building control regimes respectively. The formulation of the new Authority can help streamline and speed up the procedures. Moreover, to avoid the accusation of “collusion between government and business”, the Authority shall have representatives from the Audit Commission, Office of the Ombudsman, and judges, on top of individuals and professionals from real estate related industries. The Federation volunteers to take the lead and helps the liaison work in forming the Authority if required.

**(3) Long-term solution:**

(a) Conduct reclamation outside Victoria Harbour and Development of East Lantau Metropolis with new the concept of floating “livable island”. Reclamation outside Victoria Harbour (Option 5) and Development of East Lantau Metropolis (Option 6) are supported. Reclamation is the best solution to provide large pieces of land in the long run. Indeed, back to 1995, proposed reclamation of land was proposed in Edward Strokes’ book on “Hong Kong’s Wild Place – An Environmental Exploration”. The new concept of self-contained, floating “livable island” is proposed, which is a new methodology of reclamation with the features of non-dredge, avoid requirement of huge volume of sea sand, avoid clay slurry dredge from seabed, least damage to sea and the eco-chain, with offsite pre-fabrication. It can be implemented by stages and on as-needed basis that the size, configuration, composition and pace of development are updated from time to time in response to the changing needs of society. Possible locations include Tolo Harbour, Tuen Mun and Tseung Kwan O. Similar methodology is adopted in China and Singapore. There are ample successful cases, for example, US’s Brickell Key and Venetian Islands in Miami, Florida; Indonesia's Pantai Mutiara Island; Japan’s The ghost island of Hashima; Dubai’s Palm Jumeirah, Qatar’s massive artificial island off the coast of Doha with five floating hotels. References are provided from Dr. Ronald Lu from Ronald Lu & Partners.

Lastly, The Federation does **not support Option 3** (alternative uses of sites under private recreational lease). The reasons are: first, such sports or recreational activities are important to position Hong Kong as an international city which attracts investors and professionals to stay. Second, these clubs contribute to elite sports development and the training of professional athletes in Hong Kong. The Federation proposes to open up part of these clubs’ facilities for the use by the general public, especially during off peak hours. The Hong Kong Golf Club in Fanling shall be retained based on four reasons. First, the Club is recognised as one of the leading golf clubs worldwide, rank 67 out of the top 100 in 2017. The Fanling Golf Club has precious historical value with over 100 years’ heritage, with Grade I, Grade II and Grade III Heritage Buildings. Second, to change the use of the Club may cause further disputes amongst different groups and classes of the society. There are 68 ancestral graves and more than 74 urns located throughout the three courses. Some of the graves date back several hundred years to the Qing and Ming dynasties. The graves are the ancestral burial places for the five clans of indigenous villagers that still live in the communities surrounding the Club. Third, the Golf Club has hosted various international sports events, which is a unique opportunity to promote international tourism and enhance Hong Kong’s reputation as “Asia’s World City”, e.g. a record attendance of over 48,000 spectators attended the 2017 Hong Kong Open golf tournament including more than 10,000 international visitors. Fourth, in comparison with Singapore which has twenty 18-hole courses and three 9-hole courses, there are only eight 18-hole courses and two 9-hole courses in Hong Kong. With larger geographical area and more population, Hong Kong is much inferior than Singapore in golfing facilities.

**Appendix 1**

**HKRPF’s General Council members for 2017-2019:**

|  |  |
| --- | --- |
| President: | Mr. Chan Wai Lun, Anthony,B.B.S., M.H., J.P. |
| Chairman of Executive Board: | Dr. Wai-man Woo, B.B.S. |
| President of Advisory Council: | Mr. Ho Kam Wing, Richard |
| First Vice-President: | Mr. Lui Yiu Wah, Alexander |
| Vice-Chairman of Executive Board: | Mr. Lee Kin Chung, Peter |
| First Vice-President of Advisory Council: | Dr. Shum Yeung |
| Vice-President cum Chairman of Pan-PRD Region: | Mr. Wong Chun Hong, B.B.S. |
| Vice-President cum Chairman of YRD Region: | Mr. Matthew Lam, M.H. |
| Vice-President cum Chairman of Northern China Region: | Mr. Kuok Hoi Sang, M.H. |
| Vice-President cum Chairman of Western China Region: | Mr. Pang Yat Ting, Dominic |
| Vice-President cum Chairman of Macau Region: | Mr. Ng Hon Leung, B.B.S. |
| Vice-President cum Chairman of Taiwan Region: | Mr. Stephen Yuen, M.H. |
| Vice-President cum Chairman of Overseas Liaison: | Mr. Tim Lo |
| Vice-President cum Chairman of Commercial Liaison | Mr. Lo Chi Ho, Richard |
| Vice-President cum Chairperson of Real Estate Finance: | Ms Sharon Law |
| Vice-President cum Chairman of Young Elites Committee: | Sr Sung Shu Hung, Victor |
| Vice-President cum Chairman of Young Elites Committee (External Affairs) | Mr. Yip Siu Ming, Derrick |

**Appendix 2**

**HKRPF’s Members of the Working Group on Hong Kong’s Land Supply Policies:**

|  |  |
| --- | --- |
| Prof. Fong Kwok Wing, Peter  | PhD(NYU), FHKIP, RPP, MPIA, CMILT |
| Sr Sung Shu Hung, Victor (Convenor) | BSc(Hons), FRICS, MHKIS, RPS(GP), MCIREA |
| Mr. Yip Siu Ming, Derrick (Convenor) | BCom, AICPA |
| Ms. Te Yuen Chun, Alice | MA(HRM), BSocSc(HKU) |
| Ms. Chan Yuk Kwai, Alvina | BCom, BSc(IS) |
| Mr. Wong Po Chun, Jensen | BBA |
| Mr. Cheung Koon Wan, Johnson | BSc(Arch), BArch, PgD(GP Surveying), MSc(Real Estate), HKIA, HKIS, RIBA, RICS, AP, Registered Architect |
| Ms. Lee Mo Yi, Cannis | BA(Hons), MUDD, MPIA, RPP |
| Sr Lau Chi Kwong | MSc, FHKIS, MRICS, MHKIUS, MHKInstES, RPS(LS), ALS |
| Sr Fong Yik Kan, Kan | BSc(Hons), MHKIS, MRICS |
| Mr. Lau Tak Tai, Edward | MArch, HKIA, ARB, SBA, HKIDA, HKDA |
| Mr. Chan Chung Yin, Eric | BEng, MSC Eng, PEng (Canada) |
| Sr Lee Hoi Tat, Nathan | BSc(Hons), FHKIS, MRICS, RPS(BS), AP(S) |
| Sr Tam Chi Yan, Gregory | BSc(Hons), MRICS, MHKIS, RPS(GP), MCIREA |
| Mr Chau Chi Fai, Adrian | BLArch, MBA, AHKILA |
| Mr Chan Kin Wah, Daniel | CFA, MRICS |
| Sr Yip Ho Yin, John | MHKIS, RPS(BS), AP, RI |
| Ms. Yim Bui Lam, Mona | MBA |
| Mr. Chou Kin Wah, Ivan | BSc High Cert. |

**Appendix 3**

**HKRPF’s Advisors to the Working Group**

|  |  |  |
| --- | --- | --- |
| Mr. Chan Wai Lun, Anthony, B.B.S., M.H., J.P. | Director | STDM China Holdings Ltd |
| Dr. Wai-man Woo, B.B.S. | Managing Director | Drowland InternationalInvestments Ltd, FIIM |
| Mr. Ho Kam Wing, Richard | Real Estate Industry Leader | Deloitte China, FHKICPA, FCPA, AHKICS, FSCAA |
| Mr. Lui Yiu Wah, Alexander | Executive Director | K. Wah International Ltd |
| Mr. Wong Chun Hong, B.B.S. | Chairman | Top Spring International Holdings Ltd |
| Mr. Kuok Hoi Sang, M.H. | Chairman & Managing Director | Chevalier International Holdings Ltd |
| Dr. Luk Wai-ki, Elvis PhD | Head of External Affairs | Chow Tai Fook Enterprises Ltd, FRGS |
| Mr. Chan Ka-kui, S.B.S, J.P. | Chairman | Construction Industry Council, Surveyor, SR |
| Mr. Kryan Sze, M.H. | Chairman | KYSS Properties Ltd  |
| Mr. Ho Hin Ngai, Bosco | Managing Director | Ho & Partners Architects Engineers & Development Consultants LtdAuthorized Person (Architect) |
| Hon Tse Wai-chuen, Tony, B.B.S. | Member (Architectural, Surveying, Planning and Landscape FC) | HKSAR Legislative Council, SR |
| Mr. Pang Yat Ting, Dominic | Chairman | Asia Allied Infrastructure Holdings Limited |
| Mr. Cheng Ping Lun, Otto, R.P.P. | Director | PLT Planning & Architecture Ltd and Town Planner |

**Appendix 4**

Table 1: Number of questionnaires collected

|  |  |  |
| --- | --- | --- |
|  | *No. of questionnaires collected* | *No. of valid questionnaires* |
| Luncheon Seminar on 11 June | 34 | 33 |
| Dinner Seminar on 16 July | 8 | 8 |
| Paper form collected in July & Aug | 27 | 27 |
| E-form collected in July | 2 | 2 |
| *Total* | 71 | 70 |

Table 2: Distribution by organizations

|  |  |
| --- | --- |
| *Organizations* | *No.* |
| Real Estate Developer | 33 |
| Real Estate Agency | 5 |
| Consultant | 15 |
| Building Contractor | 4 |
| Banking or Finance Institute | 5 |
| Accounting Firm | 2 |
| Law Firm | 1 |
| Investor | 2 |
| Retired | 1 |
| Not specified | 2 |
| *Total* | 70 |

Table 3: Distribution by level of job positions

|  |  |
| --- | --- |
| *Levels of job positions* | *No.* |
| Top management (Chairman, CEO, Partner) | 7 |
| Senior management (Executive Director, Director, senior manager) | 24 |
| Professionals (architect, engineer, surveyor, town planner, lawyer, accountant) | 38 |
| Not specified | 1 |
| *Total* | 70 |

Table 4: Distribution by years in real estate development related industry

|  |  |
| --- | --- |
| *No. of years in related industry* | *No.* |
| 5 years or under | 18 |
| 6 to 10 years | 12 |
| 11 to 20 years | 22 |
| 21 to 30 years | 11 |
| More than 30 years | 5 |
| Not specified | 2 |
| *Total* | 70 |

Table 5: Distribution by academic qualifications

|  |  |
| --- | --- |
| *Academic qualifications* | *No.* |
| Bachelor | 30 |
| Masters | 26 |
| PhD/DBA | 5 |
| Diploma | 1 |
| JD | 2 |
| Not specified | 6 |
| *Total* | 70 |

Table 6: Distribution by gender

|  |  |
| --- | --- |
| *Gender* | *No.* |
| Male | 47 |
| Female | 17 |
| Not specified | 6 |
| *Total* | 70 |

Table 7: Distribution by current housing types

|  |  |
| --- | --- |
| *Current housing types* | *No.* |
| Private owned | 53 |
| Private rented | 15 |
| Public owned | 2 |
| *Total* | 70 |

Table 8: Ratings of the feasibility of four short-to-medium term land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 1 | 3 | 4 | 12 | **28** | **23** | 70 | **3.91**  |
| 2 | 3 | 4 | 9 | 12 | **42** | 70 | **4.23**  |
| 3 | 12 | 11 | 30 | 12 | 5 | 70 | 2.81  |
| 4 | 11 | 18 | 24 | 14 | 3 | 70 | 2.71  |

Note: the rating of 1 means not feasible at all, and the rating of 5 means feasible to a large extent.

Figure 1



Table 9: Ratings of the importance of four short-to-medium term land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 1 | 3 | 3 | 9 | **25** | **30** | 70 | **4.09**  |
| 2 | 3 | 5 | 6 | 13 | **43** | 70 | **4.26**  |
| 3 | 17 | 10 | 20 | 11 | 12 | 70 | 2.87  |
| 4 | 11 | 21 | 17 | 13 | 8 | 70 | 2.80  |

Note: the rating of 1 means not important at all, and the rating of 5 means important to a very large extent.

Figure 2



Table 10: Ratings of the feasibility of six medium-to-long term land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 5 | 13 | 5 | 9 | 15 | **28** | 70 | **3.57**  |
| 6 | 4 | 5 | 14 | 13 | **34** | 70 | **3.97**  |
| 7 | 10 | 16 | 18 | 10 | 15 | 69 | 3.06  |
| 8 | 4 | 5 | 6 | 22 | **33** | 70 | **4.07**  |
| 9 | 6 | 14 | 22 | 15 | 13 | 70 | 3.21  |
| 10 | 6 | 11 | 21 | 14 | 18 | 70 | 3.39  |

Note: the rating of 1 means not feasible at all, and the rating of 5 means feasible to a very large extent.

Figure 3



Table 11: Ratings of the importance of six medium-to-long term land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 5 | 10 | 13 | 4 | 17 | **26** | 70 | **3.51**  |
| 6 | 6 | 2 | 15 | 15 | **32** | 70 | **3.93**  |
| 7 | 5 | 21 | 18 | 12 | 13 | 69 | 3.10  |
| 8 | 5 | 2 | 6 | 22 | **35** | 70 | **4.14**  |
| 9 | 1 | 19 | 25 | 18 | 7 | 70 | 3.16  |
| 10 | 4 | 16 | 22 | 14 | 14 | 70 | 3.26  |

Note: the rating of 1 means not important at all, and the rating of 5 means important to a very large extent.

Figure 4



Table 12: Ratings of the feasibility of eight conceptual land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 11 | 4 | 15 | 16 | 23 | 11 | 69 | 3.32  |
| 12 | 7 | 10 | 13 | 23 | 17 | 70 | **3.47**  |
| 13 | 1 | 8 | 9 | 31 | 21 | 70 | **3.90**  |
| 14 | 3 | 11 | 20 | 23 | 12 | 69 | 3.43  |
| 15 | 2 | 11 | 28 | 14 | 14 | 69 | 3.39  |
| 16 | 5 | 15 | 27 | 11 | 12 | 70 | 3.14  |
| 17 | 6 | 12 | 23 | 19 | 9 | 69 | 3.19  |
| 18 | 17 | 8 | 15 | 19 | 11 | 70 | 2.99  |

Note: the rating of 1 means not feasible at all, and the rating of 5 means feasible to a very large extent.

Figure 5



Table 13: Ratings of the importance of eight conceptual land supply options

|  |  |  |  |
| --- | --- | --- | --- |
| *Option* | *Rating* | *Total* | *Mean score* |
| *1* | *2* | *3* | *4* | *5* |
| 11 | 3 | 13 | 27 | 18 | 8 | 69 | 3.22  |
| 12 | 6 | 17 | 17 | 17 | 13 | 70 | 3.20  |
| 13 | 0 | 6 | 11 | 33 | 20 | 70 | **3.96**  |
| 14 | 4 | 7 | 21 | 21 | 17 | 70 | 3.57  |
| 15 | 1 | 15 | 21 | 19 | 13 | 69 | 3.41  |
| 16 | 1 | 14 | 29 | 18 | 8 | 70 | 3.26  |
| 17 | 2 | 18 | 25 | 18 | 6 | 69 | 3.12  |
| 18 | 13 | 11 | 20 | 14 | 12 | 70 | 3.01  |

Note: the rating of 1 means not important at all, and the rating of 5 means important to a very large extent.

Figure 6



Table 14: Awareness of the public engagement exercise

|  |  |
| --- | --- |
| *Awareness of public engagement exercise* | *No.* |
| Yes | 41 |
| No | 27 |
| Not specified | 2 |
| *Total* | 70 |

Note: For those answering yes, 27 said the source of information is from media, and three mentioned that it is from professional organizations, such as HKIE, HKIA, RICS.

Table 15: Previous involvement of land development projects driven by land supply options

|  |  |
| --- | --- |
| *Previous involvements* | *No.* |
| Yes | 14 |
| No | 55 |
| Not specified | 1 |
| *Total* | 70 |

Table 16: Opinion on types of land use of high demand in Hong Kong

|  |  |
| --- | --- |
| *Types of land use* | *No.* |
| Residential | 68 |
| Commercial/industrial | 21 |
| Government, Institution or Community | 14 |
| Open space, transport and infrastructure facilities | 8 |

Note: Multiple selections are allowed.

**Appendix 5**

Questionnaire Form

