

By post and by fax at 2761 5160

29 November 2013

Secretariat – Long Term Housing Strategy Steering Committee
1/F Block 2
Housing Authority Headquarters
33 Fat Kwong Street
Ho Man Tin Kowloon

Dear Sir/Madam

**Long Term Housing Strategy Consultation Document –
“Building Consensus, Building Homes”**

In response to the consultation document on Long Term Housing Strategy, we are pleased to provide herewith our views and suggestions on the subject for the consideration of the Long Term Housing Strategy Steering Committee.

Thank you.

Yours faithfully



Ir Raymond CHAN Kin Sek
President
The Hong Kong Institution of Engineers

Enc

RC/WC

Enclosure

Views from the Hong Kong Institution of Engineers on Long Term Housing Strategy

Introduction

The Hong Kong Institution of Engineers (HKIE) shares with the Long Term Housing Strategy Steering Committee that housing is an essential public issue that concerns the livelihood of all people. We agree that the Long Term Housing Strategy should be built upon the vision of providing adequate and affordable housing to the people of Hong Kong through re-establishing an appropriate housing ladder that facilitates upward mobility and this vision should be holistic and sustainable. We urge that the Administration should strive for public consensus in formulating long term housing strategy for Hong Kong.

2. Focusing on the overall benefits of Hong Kong society, the HKIE supports that the long term housing strategy should address the needs of all citizens. In particular, we believe that the Administration should adhere to the principle of fair allocation of public housing resources, and tighten the measures to guard against the abuse of public rental housing. We also urge the Government not to overlook the housing need of the middle class and should assist in lessening their burden when forming any related public policies.

3. Housing is a multi-faceted problem, solution of which would hinge on effective balancing of all contributing factors that affect the long-term development of Hong Kong. While we have no strong opinion on the proposal of pursuing a supply-led strategy, we recognise that the adoption of such a strategy would enable the Government to be more proactive in dealing with the housing problem. In order to meet the target as pledged, all essential elements that facilitate housing construction should be well addressed. With our expertise in engineering, the HKIE would like to submit the following opinions on these elements for consideration.

Land Supply

4. Having established the housing needs and the adoption of a supply-led strategy, Hong Kong should duly address the issue on the adequacy of land supply which should be our prime concern. While it is noted that the Administration has been holding consultations on the land supply strategy with particular emphasis on the new development areas in New Territories, the HKIE urges the Administration to enhance the engagement exercises with the stakeholders and devote more efforts on securing community consensus. In this way, it is hoped that sufficient usable land could be progressively made available on time. This can also facilitate the Administration to have better grasp of the available residential sites to meet the housing supply target. We further urge the Administration to accelerate exploring ways to convert the unused land or relocate non-essential facilities to other fringe areas or caverns so as to release more urban land for residential use. The Administration should also take solid steps

to combat the general fear of lack of Land Bank for residential public and private housing developments by expediting the study and launching some of the least controversial parts in the “Enhancing Land Supply Strategy”, such as reclamations outside Victoria Harbour and artificial islands in Central Waters, that can provide large chunk of land for the years to come.

Town and Infrastructure Planning

5. The HKIE is of the view that Hong Kong should review the urban/town development in a more holistic manner. To release more urban land for efficient use, we agree that urban renewal works should be expedited wherever possible. However, it is strongly suggested that the new housing units constructed on these sites should take into consideration of the affordability of less wealthy classes. Where further potential housing construction sites can be identified among the existing residential areas or if the plot ratio of a certain area is to be increased, the HKIE suggests that the Administration should sweeten up the deal by enhancing the corresponding social and infrastructural facilities so as to soften up the resistance from the local residents. Opportunity should also be taken to improve the overall condition of the areas concerned. In order to encourage public participation and building consensus, it is suggested that some of the questions posed or issues discussed should best be illustrated with examples that can easily be related, so as to facilitate understanding through informed discussions and deliberations within the community.

6. In regard to the housing constructions over the remote and new development areas, the HKIE urges that the Administration should take into consideration the necessity of providing or supplementing the areas with affordable and efficient transportation facilities, so as to attract more inhabitants. Public spending on subsidising mass transportation construction and even initial operation, if conducive to meeting objectives of the long term public housing strategy with a lower total cost, should also be considered and included as a part of the overall strategy.

Manpower Issues

7. The HKIE wishes to stress that the forthcoming housing construction and infrastructure projects will require input from professionals as well as a skilled construction workforce. Hence, we are of particular concern on the availability of sufficient and qualified manpower in carrying out the housing construction projects in meeting the supply target.

8. We stress that the Administration should prepare a long term manpower plan taking into serious consideration of manpower requirement for future housing and related infrastructural projects. As a professional organisation, the HKIE is especially concerned on the availability of well-qualified professional engineers and technologists in planning and implementing the construction projects with particular emphasis on maintaining quality and safety. The Administration should ensure that sufficient resources should be injected in facilitating the education and continuous development of engineers and technologists for the above purpose.

9. The HKIE is also concerned on retaining quality workforce and attracting new blood to the construction industry to carry out the upcoming housing construction projects. We suggest the Administration to take lead and to encourage the construction practitioners in improving the remunerations and employment terms as well as providing safe working environment for workforces in the construction and engineering industries.

Efficiency Enhancement

10. The HKIE observes that the lead time now required from designing to completing a housing construction project can consume considerable time and efforts in fulfilling the application, monitoring and approval procedures. This would in turn prolong the lead time in fulfilling the housing supply target. Doubtless to say, the HKIE fully appreciates the legal and administration mechanism now in place to ensure that all the housing projects can be carried out in the highest quality and the best of planning. However, for continuous improvement and efficiency enhancement, the HKIE suggests the Administration to review and streamline the mechanism and practices, on areas such as application and assessment process of land lease and land use modification, vetting and approval mechanism on new buildings development, and related works monitoring process, etc. It is expected that with an overriding objective of driving for higher efficiency with no compromise on safety and quality, efficiency enhancement measures on the current mechanism will rationalise time and resources spent on housing development, thus enabling more housing projects to be carried out within a shorter time frame.

Sustainability of Strategy

11. The HKIE understands that achieving the supply/demand equilibrium in the housing market is never an easy task. While our concerns as raised above illustrate that meeting the supply target requires the need to address some of the above highlighted issues, we also wish to point out that it is difficult to forecast the demand precisely. The situation will be very much affected by the financial and economic situation both in Hong Kong and overseas. Also, housing demand would be subject to the manpower policy changes such as the import of foreign professionals and labour to carry out the housing and infrastructure projects. Hence, the forecast provided on future housing supply and demand should also take into consideration of the aforementioned factors. We trust the Administration will remain focusing on the sustainability and adaptability of the long term housing strategy over time with the changes in supply and demand.

Conclusion

12. The HKIE well notes that formulating a housing strategy with a vision to provide adequate and affordable housing to the people of Hong Kong is a complicated and challenging task that requires consensus among various stakeholders. In coming up with the housing demand, the consultation document goes into some detail in showing how the estimates were derived. However, there is inadequate coverage on

the supply side regarding issues such as land supply, town and infrastructure planning, manpower, etc. Along this thought, the HKIE is of the opinion that the Administration should view the housing issue in a wider perspective by incorporating all the intertwining issues including those elaborated above, so that they can be comprehensively and adequately addressed. In this regard, we expect the Administration to devise clear roadmaps in areas such as manpower, land supply, environment and town planning.