



THE HONG KONG
POLYTECHNIC UNIVERSITY
香港理工大學



TOWARDS A QUALITY AND SUSTAINABLE BUILT ENVIRONMENT 構建優質和可持續建築環境



POLICY FORUM
FROM THE SOCIO-ECONOMIC,
REGULATORY AND DESIGN PERSPECTIVES

公眾論壇
從社會、經濟，法律及建築設計的角度探討

Participants' reports and concluding remarks

TOWARDS A QUALITY
AND
SUSTAINABLE BUILT ENVIRONMENT

Policy forum
from the socio-economic,
regulatory and design perspectives

Editors:

Dr. Franky W. H. Wong, Mr. Arthur K. H. Chan and Prof. Edwin H. W. Chan

Published in Hong Kong by:

Department of Building and Real Estate, The Hong Kong Polytechnic University

The report is available at: http://www.bre.polyu.edu.hk/frameset/frameset_album.html

Copyright © The Hong Kong Polytechnic University 2009

All right reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage or retrieval system, without permission in writing from the publisher.

ISBN 978-962-367-685-4

PARTICIPANTS' REPORT AND CONCLUDING REMARKS

TOWARDS A QUALITY AND SUSTAINABLE BUILT ENVIRONMENT

Policy forum
from the socio-economic,
regulatory and design perspectives

(Hong Kong, 23 April 2009)

Organized by

*Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Supported by

The Real Estate Developers Association of Hong Kong

Special thanks to the following organizations for their sponsorship:

- Sino Land Company Limited
- Cathay Pacific Airways Limited

Any queries about this report may be directed to:

- Construction and Real Estate Law and Policy Research Group,
Department of Building and Real Estate, The Hong Kong Polytechnic University, and
- The Real Estate Developers Association of Hong Kong

Acknowledgements

The success of this Policy Forum is in great part due to the speakers and the panel members, who looked at sustainable development from different angles with analyses and clear explanations. Their thought-provoking ideas and insights have paved the way for a greener future of Hong Kong.

The participation of a large number of industry practitioner attendees in the Forum, with their enthusiastic and interactive responses, was indicative of the significance of the topic areas. The passionate support and views expressed are particularly appreciated.

We had a very efficient organizing committee. Their responsiveness in the search for excellence was indispensable to this Forum.

Finally, this booklet would not exist without the patient transcribing by Misnan Siti Hajar and Joyce To, and the final review by the members of the Construction and Real Estate Law and Policy Research Group, Department of Building and Real Estate. Their efforts are greatly appreciated.

Table of Contents

	Page
Acknowledgements	iii
Table of contents	iv
Welcome speaker	vii
Closing speaker	vii
List of moderators	vii
List of speakers	viii
List of panel members	ix
Organizing committee	x
1.0 Introduction	1
<hr/>	
1.1 Aim of the booklet	1
1.2 Structure of the booklet	1
2.0 About the Forum	2
<hr/>	
2.1 Background	2
2.2 Themes	2
2.3 Programme	3

3.0 Key issues raised by speakers and panel members 4

3.1 Regulatory and design issues 4

- Topic 1.1: Towards a quality and sustainable built environment 5
(by Ms. Carol Willis, Founder and Director, The Skyscraper Museum, USA)

- Topic 1.2: True sustainability? 7
(by Mr. Rocco Yim, Executive Director, Rocco Design Architects)

- Topic 1.3: Legislative control to meet new demands 9
(by Dr. Wong Wah Sang, Associate Professor, Department of Architecture, The University of Hong Kong)

- Panel discussion on regulatory and design issues 12

3.2 Social and economic issues 18

- Topic 2.1: Towards a quality and sustainable built environment: an investment fund's viewpoint 19
(by Mr. Tom Miller, Regional Director, LaSalle Investment Management)

- Topic 2.2: Towards a quality and sustainable built environment - policy forum: from the social-economical, regulatory and design perspectives 21
(by Mr. Alnwick Chan, Executive Director, Knight Frank)

- Topic 2.3: Hong Kong's built environment: some thoughts on social and economic perspectives 23
(by Mr. Peter Churchouse, Chairman, Portwoodcapital)

- Panel discussion on social and economic issues 25

4.0 Concluding remarks 28

4.1 Scope of the Forum 28

4.2 Key points and recommendations 28

Appendix I – Forum Programme

Appendix II – List of participants

Welcome speaker

- Professor Jin-Guang Teng

*Associate Vice President and Dean of Faculty of Construction and Land Use,
The Hong Kong Polytechnic University*

Closing speaker

- Professor Geoffrey Q. P. Shen

*Head of Department of Building and Real Estate,
The Hong Kong Polytechnic University*

List of moderators

- Professor Edwin H. W. Chan

*Department of Building and Real Estate,
The Hong Kong Polytechnic University*

- Mr. Nicholas Brooke

Chairman, Professional Property Services Ltd.

List of speakers

- Ms. Carol Willis

Founder and Director, The Skyscraper Museum, USA

- Mr. Rocco Yim

Executive Director, Rocco Design Architects

- Dr. Wong Wah Sang

Associate Professor, The University of Hong Kong

- Mr. Tom Miller

Regional Director, LaSalle Investment Management

- Mr. Alnwick Chan

Executive Director, Knight Frank

- Mr. Peter Churchouse

Chairman, Portwoodcapital

List of panel members

- Professor Barnabas Chung

Visiting Professor, The Hong Kong Polytechnic University

- Mr. Vincent Ho

Council Member, Building Surveying Division, Hong Kong Institute of Surveyors

- Mr. Dominic Lam

Honorary Secretary, Hong Kong Institute of Architects

- Professor Alex Lui

Professor (retired), Department of Architecture, The Chinese University of Hong Kong

- Mr. K. S. Wong

Chairman, Professional Green Building Council

- Dr. Raymond Yau

Ove Arup & Partners Hong Kong Ltd.

- Mr. Michael Arnold

Executive Director, Hongkong Land Ltd.

- Mr. Charles Chan

Executive Director, Savills Hong Kong

- Mr. Andrew S. L. Lam

Executive Director, Winnington Land Ltd.

- Mr. Louis Loong

Secretary General, The Real Estate Developers Association of Hong Kong

Organizing committee

Dr. Franky W. H. Wong *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Ms. Maggie Lau *The Real Estate Developers Association of Hong Kong*

Mr. Arthur K. H. Chan *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Ms. Connie Yap *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Ms. Christine Yeung *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Advisors

Prof. Edwin H. W. Chan *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

Dr. Bo B. S. Tang *Department of Building and Real Estate,
The Hong Kong Polytechnic University*

1.0 Introduction

1.1 Aim of the booklet

This booklet summarizes the ideas and concerns presented and generated in the Forum entitled: **“Towards a quality and sustainable built environment – policy forum from the socio-economic, regulatory and design perspectives”** (the “Forum”). The event was organized by Department of Building and Real Estate, The Hong Kong Polytechnic University and supported by The Real Estate Developers Association of Hong Kong. The Forum was held on 23 April 2009.

The booklet provides a summary of relevant socio-economic, regulatory and design issues towards a quality and sustainable built environment as presented in the Forum. Our intention is to stimulate more discussions among policy makers, industry practitioners, researchers, scholars, and students on the various aspects of quality living standards and sustainable development.

1.2 Structure of the booklet

This booklet records the key points made by the speakers and the panel members in the Forum. There were two sessions: Session 1 and Session 2. Session 1 dealt with relevant regulatory and design issues. Session 2 focused on socio-economic areas. The booklet summarizes the presentations made in both sessions, together with the main issues addressed during the panel discussion in each session.

At the end of the booklet, concluding remarks are given for the Forum.

2.0 About the Forum

2.1 Background

In the past decade, the pursuit of a quality and sustainable built environment has been gaining unprecedented attention in Hong Kong. We have seen different sectors of the community striving to achieve this goal. Stakeholders have been contributing diverse views and aspirations on the topic. Many academic papers have been published to investigate the complex issues involved.

The government has also been working hard in response to the public's expectations. At the end of 2008, amid growing public aspiration for a better living environment, the Development Bureau published a consultation paper which outlines the proposed measures to "enhance the quality and sustainability of Hong Kong's built environment". Full contents of the paper can be downloaded from the web link: <http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev1219cb1-396-5-e.pdf>.

What implications will these new initiatives on the topic area have for landowners in Hong Kong, international investors and the overall economy? The Department of Building and Real Estate, The Hong Kong Polytechnic University, supported by The Real Estate Developers Association of Hong Kong, therefore organized this Policy Forum to better understand the topic and the implications of the proposed measures.

2.2 Themes

Members of the building and real estate industry, professional institutions, concerned stakeholders and relevant government bureaux and departments were invited to participate in the Forum.

The Forum was divided into two sessions: Session 1 on regulatory and design issues, and Session 2 on social and economic issues. There were three speakers addressing areas of concern in each session. The speeches were followed by a panel discussion among invited panel members. The audience also expressed their views during the discussions.

2.3 Programme

The Forum was held on the afternoon of 23 April 2009, in Chiang Chen Studio Theatre, The Hong Kong Polytechnic University. The programme of the Forum is given in Appendix I.

Prof. J. G. Teng, Dean of the Faculty of Construction and Land Use opened the Forum with a welcome message and an interesting introduction to the Faculty's achievements and the current work related to sustainable built environment.

The Forum was well received with over 160 industry stakeholders attending on the day. Attendees included public officials from different government departments, architects, urban planners, surveyors, property developers, international investment companies, scholars, international commentators, and representatives of a number of building-related professional institutions. A list of attendees is given in Appendix II.

The many issues generated, addressed and highlighted in the Forum contribute towards smoothing policy design and implementation of a quality and sustainable environment in Hong Kong, and set an attractive agenda for future research.

3.0 Key issues raised by speakers and panel members

This section summarizes the key issues raised by the speakers and panel members in the Forum.

3.1 Regulatory and design issues

- **Topic 1.1:**
Towards a quality and sustainable built environment
(by Ms. Carol Willis, Founder and Director, The Skyscraper Museum, USA)

- **Topic 1.2:**
True sustainability?
(by Mr. Rocco Yim, Executive Director, Rocco Design Architects)

- **Topic 1.3:**
Legislative control to meet new demands
(by Dr. Wong Wah Sang, Associate Professor, Department of Architecture, The University of Hong Kong)

- **Panel discussion on regulatory and design issues**

Topic 1.1: Towards a quality and sustainable built environment

Speaker

Ms. Carol Willis (Founder and Director, The Skyscraper Museum, USA)

(Full video of presentation and Powerpoint files are available at:
http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

This presentation identified the similarities between New York and Hong Kong in their built environment. Ms. Carol Willis is the founder of the Skyscraper Museum in Manhattan.

Key points

- There are similarities between Hong Kong and New York in the areas of vertical development, inspiration of high density and level of transportation.
- New York was the first city to adopt zoning control: the separation of use and a kind of template for regulating the forms of buildings since 1916. Once this zoning law was implemented, after 1916, a new form of skyscrapers was the result.
- Skyline in the form of step pyramid, as the characteristic of the period, was determined by the zoning law, as well as the height and bulk regulations. These zoning laws had somehow encouraged amalgamation of larger sites which would be more profitable when developed into a lot of towers.
- A new approach came after World War II, and especially after 1961 when the new zoning law created the new formulas and new forms such as One Chase Manhattan Plaza, a post-war international style of architectural and engineering.

- The 1961 zoning law institutionalised the idea of an open plaza and a building as a prismatic rectangle rising free from an open space. That approach or formula of the floor area ratio (FAR) prefigured one famous building, One Chase Manhattan Plaza. The FAR formula gave bonus floor space for every single square foot that was provided to public areas, resulting in the privately-owned public spaces in New York.
- The Bank of America Tower at One Bryant Park is the first skyscraper with Platinum LEED building rating. One Bryant Park is receiving higher rent than most of the buildings in the immediate area due to sound environmental performance.
- The architects had adopted many sustainable principles in order to create a quality environment, such as recapturing of rainwater into the cooling system, natural lightings and ventilations, etc.

The population and the population density are roughly the same between New York and Hong Kong. The owners of commercial buildings in New York are embracing sustainability concepts. They believe that the efforts devoted in implementing sustainability measures would be paid back eventually. Instead of thinking that it is right to do, or being led by the government, they see the profits there. New York and Hong Kong share similar densities, skylines, energies and capital investments. The experience in New York should be very positive in leading Hong Kong to embrace sustainability.

Topic 1.2: True sustainability?

Speaker

Mr. Rocco Yim (Executive Director, Rocco Design Architects)

(Full video of presentation and Powerpoint files are available at:
http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

Mr. Yim explained that true sustainability should be considered in the context of particular places, environment and the city itself. Our harbour, country parks, efficient infrastructure, very efficient integration between infrastructures and developments, compact and vibrant city form, colourful streets, and high mobility and connectivity are all signs of a sustainable city.

Key points

- Sustainability is essentially a balance of priorities. To achieve sustainability, we should have a new metro plan which addresses the issues of height, density, open space, connectivity, heritage, and infrastructure from a new perspective.
- We should have a new Buildings Ordinance (BO) not only dealing with safety and hygiene, but also sustainable architectural design, including the following:
 - Height and density - We should have an intelligent distribution of height and density that we can afford. Decisions on height and density should be considered on a case-by-case basis.
 - Open spaces - We should enhance the quality of our parks as well as accessibility to the green areas.

- Connectivity - A commuting system which enhances pedestrian movement, such as the walkway-subway-escalator system in Central, should not merely be labeled as amenity features, but be recognized as a very important sustainable feature, as it is able to create an efficient and pedestrian-friendly environment in the city. This connectivity concept should be further encouraged and preserved, and can be achieved by specific requirements in lease conditions.

- A complete revamp of the Buildings Ordinance needs to be contemplated and the following issues should be taken into consideration:
 - Permeability - The current Buildings Ordinance, which allows the podium of a building to have full site coverage, has resulted in worsening ventilation in the urban areas. It should be amended such that some of the coverage of podium can be used in the upper levels.

 - Orientation - The right orientation of residential buildings should be encouraged by incorporating the Overall Thermal Transfer Value (OTTV) calculation requirement so that developers and architects will pay more attention to solar orientation. This can help to achieve energy efficiency, and thus sustainability.

 - Building bulk - The problem of excessive bulk can be resolved by means of construction of underground car park rather than car park podium. Regulations need to be changed to the effect that car park is plot ratio free only if they are built underground.

Sustainability is about a fine and intelligent balance of issues. It means that we have to look at issues in totality, not in isolation. We have to critically analyze the issues, rather than just resort to some repackaging. Care must be paid for the overall good of the community, and not narrow self-interests.

Topic 1.3: Legislative control to meet new demands

Speaker

Dr. Wong Wah Sang (Associate Professor, Department of Architecture, The University of Hong Kong)

(Full video of presentation and Powerpoint files are available at: http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

In this presentation, Dr. Wong emphasized the need for a complete review of the legislative control and building regulations in Hong Kong.

Key points

- There are many problems concerning the built environment of Hong Kong. Buildings are closely located. The city is stifled by densely built developments. Hong Kong is not merely an island. It is also a heat island.
- The concept of transfer of development potential, from the urban areas to the less dense areas, would create a good change for the city, bring tremendous benefits to the environment of Hong Kong and is at little cost to the government.
- Our city needs a set of building regulations that is really striving for a quality built environment. This set of regulations should enhance the positive interaction between architectures and its environment, including the creation of more open space, through good urban design concepts and city planning. This is entirely possible in the course of the urban renewal process. We can free up some of the most dense city fabric through the creation of more open space.
- We are also advocating for double volume space, open kitchen, sky garden, communal space, large balcony and flexibility in living environment. They bring

delights to our sense of space. Such change has happened in other cities and it can happen in Hong Kong.

- Under the current regime, there are stringent restrictions with Gross Floor Area (GFA) and the provision of common areas are therefore squeezed. If the issue is about maximizing saleable floor areas, why don't we simply rethink the whole control from the perspective of saleable areas, rather than GFA? This change of mindset can give architects greater flexibility in designing their plans.
- There is endless possible variety with the building form, but in reality they may not be approved by the control authorities. We do not want to be bound by the building regulations. We want more choices.
- Time changes and life style evolves, which give rise to different ways of living, e.g. small office and home office. In step with these changes we have to rethink about the control of building, as the complexity has overtaken the simple differentiation of domestic or non-domestic.
- The building regulations were designed more than half a century ago. It is high time for a review. In reviewing the regulations, it is important that the legislative control should really respond to the needs of modern living style and the demand for modern building. Proactive interaction with the community is essential in order to identify genuine and effective measures to promote living quality. Building regulations are more than control, they should enhance quality living.
- There should be a long-term strategy to address different aspects of the issues.
- Education is essential. We need to tell the next generations what it is meant by built environment and let them voice out their aspirations. Education can be introduced even at primary or secondary level.

We have to review the different aspects of building control and we need to do it now. We should instil concepts of sustainability into building regulations in order to improve our environment.

Panel discussion on regulatory and design issues

Invited panel members

- Professor Barnabas Chung

Visiting Professor, The Hong Kong Polytechnic University

- Mr. Vincent Ho

Council Member, Building Surveying Division, Hong Kong Institute of Surveyors

- Mr. Dominic Lam

Honorary Secretary, Hong Kong Institute of Architects

- Professor Alex Lui

Professor (retired), Department of Architecture, The Chinese University of Hong Kong

- Mr. K. S. Wong

Chairman, Professional Green Building Council

- Dr. Raymond Yau

Ove Arup & Partners Hong Kong Ltd.

Key points

Professor Barnabas Chung

- The regulatory control on building developments used to be sustainable. The building regulations dated back from 1856 and underwent a total revamp about every 30 years in 1889, 1903, 1935 and 1955. But not the latest one. The current one, which was revamped in 1955, is completely overtaken by time and is totally disjointed with life. Worse still, there are many loopholes with the

interpretation of the regulations which is open to abuse by many a smart architect and developer. This is the very root of the problem.

- Because of this inherent irrationality with the building regulations, the Building Authority (“BA”) tends to be irrational in the interpretation of the building laws, and insensitive to the application of building laws. The situation has worsened due to increasing political pressure against the sensible exercising of discretion. The BA has become rigid machinery without any rooms for discussions. Building control now is totally meaningless.
- We need a new regime. It is the interpretation and application that is making building laws worse. We need to know what we want or what we look for before we propose any amendments to it.

Mr. Vincent Ho

- Sustainable built environment should be a city-based issue. We need to know what we want. In Hong Kong, there is a lack of goal.
- The consultation paper addresses a number of issues considered by the Government as directly related to a sustainable built environment. These issues are however periphery to the subject. If we genuinely wish to identify the solution and promote green or sustainable designs, we need to formulate a holistic strategy.
- There are a lot of issues about the BO that need to be discussed, e.g. the objective, the history of its development, and whether the objectives of BO have been fulfilled. It is about the right time for us to have a very serious discussion and review. It is not a good approach by trying to avoid the focus and resolve part of the issue only.

Mr. Dominic Lam

- Regulations should be kept to the minimum and absolute necessary. Reliance should be placed on architects to produce building designs that will bring about a quality and sustainable environment. What is equally important is that we also need to have good clients, and a society with citizens who really care for their living environment.
- As a whole, there must be a balance between the quality and sustainability. There would be a wide definition of sustainability, involving the whole environment, construction, planning, energy, use of materials and the many other things coming together.
- The community rely heavily on a good public transport system for commuting, and it is reasonable and appropriate to accord higher density to developments around the public transport nodes. For locality further away from these public transport nodes the development density should be scaled down accordingly. Likewise, the city centre can afford to have a higher density, which will decrease with further distance from the centre.

Professor Alex Lui

- We need a comprehensive urban design plan to cover the entire built environment in Hong Kong in order to move towards a quality and sustainable built environment. It is therefore important for us to look at the whole city together.
- Hong Kong is an extremely dense city with very little open space in the most vibrant urban centers. It would be a good idea to create meaningful open spaces by merging together public and private spaces for pedestrian circulation and various activities through an urban design plan. Thus it would be useful to

review the effectiveness of the current 5-time bonus plot ratio provision in the Building Regulations to achieve this objective.

- There is a need for an overhauling of the building regulations without further delay. We should bring urban design considerations into our building regulations. This may be one of the things we could consider.

Mr. K. S. Wong

- In order to have a balancing density, the mayor of Vancouver has invented a concept called EcoDensity. The essence of this concept is that there will not be a rigid and uniform density distribution; rather, desirable and appropriate locations will be identified for accordance of a high density. As well, five or six years ago the Vancouver government started to inject green building and sustainability concepts into their building regulations.
- In Asia, three years ago the Singapore government started to revamp their building control. The theme of the revamp is to introduce two additional objectives: sustainability and accessibility, into the list of the objectives of their building regulations, with the view of enhancing public health and safety. Following this theme there has been a revamp of the building department, the Building and Construction Authority, and the related building environmental performance assessment method, which has a counterpart in Hong Kong, namely the HK-BEAM.
- The above instances clearly demonstrate that we can no longer cling to our old regime which focuses on rigid control. Instead, we should transform the control regime into a mechanism which can stimulate progressive designs.

Dr. Raymond Yau

- The Government is attempting to create a better and sustainable built environment. It is true that building regulations can ensure some minimum standards but the concept of environmental sustainability is much more complex and many-faceted, and we need to examine all these aspects. For example, the concept of connectivity relates to sustainability of the commuting system which will in turn improve the quality of the space in which we live.
- We should try to formulate some standards to quantify environmental sustainability, e.g. to provide benchmarking on connectivity for the industry and the community as a whole to people to build on and improve further. A lot of these elements which contribute to the betterment of the environment can be quantified to a certain extent. These initiatives will need the support of the industry professionals as well as developers.

Discussions between the speakers / panelists and the audience

There were questions coming from the audience which were discussed. The issues brought up include:

- How can we move towards the visions put forward by the speakers?
- Hong Kong lacks its urban design vision which had caused contradiction at various levels.
- The consultation paper was criticized as not well thought out.
- We need legislators to understand the professionals' view of the environment, and transform it into a publicly supported view of expectation for the environment.

Such understanding would facilitate the process of legislation passing through Legislative Council or District Council.

3.2 Social and economic issues

- **Topic 2.1:**
Towards a quality and sustainable built environment: an investment fund's viewpoint
(by Mr. Tom Miller, Regional Director, LaSalle Investment Management)

- **Topic 2.2:**
Towards a quality and sustainable built environment - policy forum: from the social-economical, regulatory and design perspectives
(by Mr. Alnwick Chan, Executive Director, Knight Frank)

- **Topic 2.3:**
Hong Kong's built environment: some thoughts on social and economic perspectives
(by Mr. Peter Churchouse, Chairman, Portwoodcapital)

- **Panel discussion on social and economic issues**

Topic 2.1: Towards a quality and sustainable built environment: an investment fund's viewpoint

Speaker

Mr. Tom Miller (Regional Director, LaSalle Investment Management)

(Full video of presentation and Powerpoint files are available at: http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

Mr. Miller presented his views about importance of sustainability. He highlighted the major considerations of investing in a place, and some concerns about the building control regime in Hong Kong.

Key points

- A sustainable and green real estate and city are good for business. In the long run, the value of those assets will be higher than those without those features.
- Investment companies incorporate sustainable features in new facilities and buildings to the extent that they can still make the returns that they need for the investors.
- The big question is that the conflict between sustainability objective and investment performance. If the right mix of regulatory and voluntary sustainable incentives is in place, a better long term returns can be achieved for the investors.
- Putting sustainable features to a building has long term value. Therefore, sustainability is one of the investors' key considerations.

- The government should not take away GFA concession. It would hamper creativity and deprive some of their advantages in Hong Kong.
- It is important to put the concept of connectivity into the regulations to increase the value of investment.
- We want much taller, more graceful, but less bulky buildings, with view corridors between them, and sufficient setback from small streets to allow proper pedestrian walkways. Interesting and dramatic skylines are good. Good pedestrian flow at the base of the buildings is very good.
- GFA concession is the biggest part of the paper. It should not be built upon people's investment dollars. Any concession should be given to things that enhance the quality of sustainability with good private and public spaces, e.g. balconies and sky gardens, in addition to ground level plazas or walkways. Concession should be concentrated on encouraging those items.

A long term sustainability path for Hong Kong is a good idea. Keep the investment motivation in place. Have a appropriate mix of regulation and incentives, and encourage certification through the HK-BEAM.

Topic 2.2: Towards a quality and sustainable built environment policy forum: from the social-economical, regulatory and design perspectives

Speaker

Mr. Alnwick Chan (Executive Director, Knight Frank)

(Full video of presentation and Powerpoint files are available at: http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

Mr. Chan responded to the proposed changes made in the consultation paper, e.g. about imposing control on the existing GFA concessions, review of car parking provisions and dedicating areas for public passages.

Key points

- The success of Hong Kong is built on the market principle. An incentive-based mechanism has been adopted to encourage developments to provide green features. This incentive mechanism is of particular importance and should continue, because we have unrestricted leases in Hong Kong.
- The developers or the property sector play an important role in the Hong Kong economy. Property related activities account for more than 17% of the GDP, and 12% of the local employment. The healthy growth of this industry is in the best interest of our economy. The government policy should not deter the developments of this industry.
- Doing away GFA concession would have negative economic and social impacts. Imposing a cap of GFA will affect the small developments most in terms of inferior green features. Large scale developments would have more flexibility. It creates differentiations between large developments and small developments,

and also creates social issues between large flat owners and small flat owners. It is not a wise thing to do.

- Artificially suppressing car ownership by deterring development of car parks is not the way forward to address air pollution. Instead, in the long run, the government should encourage green vehicles by offering tax incentives, and legalizing LPG vehicles, which are the better and proven ways to improve the air quality.
- Developers should not be encouraged to provide underground car parks, which would cost more to build and impact on the land premiums. The current Lands Department requirement for car parking ceiling height is 2.4m clear. This can be reduced marginally to reduce the overall building height.
- The paper proposed to adjust down the incentive for landlords to surrender areas at ground floor for public passages or road widening in order to limit the overall building bulk and height. Trimming such incentives would just make it more difficult for the government to encourage land owners to surrender those ground floor areas. This practice of surrendering areas for public usage works very well and should not be amended.

The government can consider the implications of those policies, and facilitate urban renewal by all sectors to build a better and sustainable living environment. The private sector has a very important role to play. Government policies must facilitate the continuous improvement of quality of life but at the same time they should keep in tact the economic incentives which attract investors to continue their investments in Hong Kong.

Topic 2.3: Hong Kong's built environment: some thoughts on social and economic perspectives

Speaker

Mr. Peter Churchouse (Chairman, Portwoodcapital)

(Full video of presentation and Powerpoint files are available at:
http://www.bre.polyu.edu.hk/frameset/frameset_album.html)

Mr. Churchouse brought out the fact that the high land-price policy in Hong Kong has caused social and environmental problems to the city. He considered that the existing planning system and the land policy are not conducive to sustainability.

Key points

- Land policy is an essential part of the social contract. The policy is a fiscal tool in Hong Kong. It is a huge part of the government's revenue.
- There are tradeoffs in a social contract. We have got a regime that gives low nominal tax rates and very narrow tax base. Land and property related sources of income have been as high as 33% for Government.
- On the other side of the coin, because we got effectively such a high land price policy, not everybody can afford their own housing. This built environment and its social contract that we have tend to reduce Hong Kong's attractiveness for talents and businesses in the international arena.
- Government expressed the desire to improve urban living conditions. The Lands Department however continues to sell lands at the highest possible prices. So there is a huge conflict of objectives, between the qualitative objective and the fiscal objective.

- The planning system in Hong Kong is really a mechanistic process. The “Hong Kong Planning Standards and Guidelines” are quantitative rather than qualitative.
- Our planning system is extremely inflexible, and is extremely “rule based”. It also effectively stifles innovation in our built forms and living environment. It does not really allow responses to economic needs and the community changing life style aspiration.
- There is a needs for greater flexibility to change the forms of land use, building use, build form, to make optimum use of our lands and buildings to reflect new needs and new aspirations of our people.
- Our planning system has been slow to react to these changes.
- Land use is a fiscal policy. There has been a cry to broaden the tax base in Hong Kong in recent years, to lessen the need to rely on land based sources of revenue.

In absolute terms, the current model is probably economically sustainable. We live with it for a long time. One of the reasons for sustainable development is that our leaders in this city have been very wise and building up deep reserves. So the volatility of incomes and the volatility of the asset market can be coped with because of this deep reserve.

Given the inherent inflexibility of our planning system, and the high underlying costs in it, it is very unresponsive. Unresponsiveness is really not great for ultimate resource allocation.

Finally, would our leaders respond to these challenges? The signs are not entirely encouraging. There are lots of talks, but not actions. We need to persevere and press the authorities to take actions on some important issues.

Panel discussion on social and economic issues

Invited panel members

- Mr. Michael Arnold
Executive Director, Hongkong Land Ltd.

- Mr. Charles Chan
Executive Director, Savills Hong Kong

- Mr. Andrew S. L. Lam
Executive Director, Winnington Land Ltd.

- Mr. Louis Loong
Secretary General, The Real Estate Developers Association of Hong Kong

Key points

Mr. Michael Arnold

- Our city is a business city in keen competition with other cities around the world. We need to be aspired to improving the quality of our products. We are running a service centre. People here aspire to higher standards.

- It appears that our government does not appreciate this at all. The paper tends to concentrate on GFA only.

- We clearly need to change our Buildings Ordinance. It has not been changed for 50 years.

Mr. Andrew S. L. Lam

- The critical issue facing us now is the micro management system down to every detail driven by a regulatory approach, rather than a performance-based approach.
- We need to consider the more viable alternatives. Instead of entangling ourselves with a review of the details, we should have a comprehensive review of our development management system, i.e. a sensible integration of our land, planning, and building mechanism all together.

Mr. Louis Loong

- Developers wish to deliver quality and sustainable products as long as the regulations allow them to do so. Some of the more innovative buildings being built in the Mainland are actually developed by our members in Hong Kong.
- Developers like all investors love predictability. If we are going to change, if this society is going to change the rules of game and make the investment environment less predictable, the risk premium will become much higher.

Mr. Charles Chan

- The policy that first introduced the green features to improve the environment of the residential developments in Hong Kong is a good policy. It is beneficial to the end-users and the public at large to bring in such green features in the developments as they can help create a better living environment and at the same time enhance the investment value. People are also willing to pay for such features.

- Some developers have been diverting their investments into the Mainland because the risk of carrying out developments there is actually reducing.
- The policy on controlling property developments in Hong Kong is changing without advance notice to the stakeholders. It will have the negative effect of subjecting the development process to greater risks because of policy change.

Discussions between the speakers / panelists and the audience

The discussions attracted questions from the audience which were discussed among the panel members. The issues discussed included:

- The Building Authority may be *ultra vires* in granting Gross Floor Area concession.
- Concerns about the transition period of new policies, the “shoe boxes” living environment of Hong Kong, and the problems of policy execution were brought up.
- The current legal regime needs a comprehensive review.
- Relationship between increasing apartment sizes and expanding carbon footprint should be addressed.
- Incentives for achieving environmental benefits should be provided, etc.

4.0 Concluding remarks

4.1 Scope of the Forum

There were two sessions in the Forum. Each session had three speakers presenting different topics. After the presentations, invited panel members representing a wide spectrum of the industry joined the discussions, with the participation of the audience.

To build a quality and sustainable environment for Hong Kong, the experience of New York is relevant and valuable because of the similarities between the two cities. Realization of the goal requires concerted efforts of the government, in collaboration with different professionals. It should be borne in mind that sustainability is specific to individual places. Hong Kong has its own problems. Growing social needs and living standards have demanded a novel philosophy for the regulatory regime. Thus, a tailor-made metro plan with strategies for achieving sustainability, as well as balancing conflicting interests, is necessary for the city. Continuous communication between the community and policy makers would definitely be helpful.

A healthy and sustainable built environment is important and attractive for business investment. The free market principles are seen as advantageous for Hong Kong and its investors. On the other hand, the current land policy and planning system are not supportive of, if not directly contradictory to, sustainable development. The existing system does not provide an optimal resource allocation mechanism to cope with society's aspirations. To retain its competitiveness, Hong Kong should have policies which enhance long term asset values and improve the risk / return ratio.

4.2 Key points and recommendations

1. The current planning and building control system has been overtaken by time and is not conducive to sustainable development.

2. The proposals put forward in the Invitation for Response Document only tackle the details without addressing the primary issue. The issue of sustainability is many-faceted and needs to be dealt with holistically. Addressing individual aspects without paying attention to the big picture is not the right approach.

3. From the professional/practitioner's point of view:
 - bold steps need to be taken to review the existing regime, including the building regulations and planning laws;

 - even the mindset of the authorities and the public need to be changed in order to embrace the change;

 - consensus among all stakeholders needs to be built;

 - while there must be regulations, they should not be rigid rules but performance guidelines that can help bring about sustainable environment;

 - respect innovation, creativity, flexibility, and professional knowledge of industry practitioners.

4. From the investors' point of view:
 - they welcome sustainability and believe in its long-term benefit for investment;

 - however, a fine balance is needed and the rules must be predictable;

 - the approach of moving the goalposts is unacceptable. Private property rights must be respected;

 - from overseas experience, sustainability is not necessarily costly, but the implication of cost must be recognized and accepted by all stakeholders.

5. Recommended further studies

The followings are the recommended further studies on this area:

- Quality and sustainable built environment embrace a wide range of socio-economic, regulatory and design issues and they are interrelated that call for a comprehensive study for well-balanced solutions.
- Studies can be carried out to compare the sustainable urban development between Hong Kong and other cities with similar features, e.g. Shanghai, Singapore and Taipei.
- Studies can be conducted to identify any conflicting areas against sustainability with the Hong Kong land policy, building and planning control mechanism.
- Practical measures can be worked out to enhance the sustainability in the current building and planning control mechanism.
- Studies can be undertaken to optimize the regulatory requirements, sustainability and economic development in the area of building control in Hong Kong.

Appendix I – Programme of the Forum

Towards a Quality and Sustainable Built Environment Policy forum from the socio-economic, regulatory and design perspectives

Organized by: Department of Building and Real Estate, The Hong Kong Polytechnic University

Supported by: The Real Estate Developers Association of Hong Kong

Date: 23 April 2009 (Thursday)

Venue: Chiang Chen Studio Theatre, The Hong Kong Polytechnic University

Programme

1:30 – 2:00 pm	Reception and registration (Guests and attendees be seated)
2:00 – 2:10 pm	Welcome remarks (Prof. Jin-Guang Teng - Associate Vice President of the University and Dean of Faculty of Construction & Land Use)
	Session 1: Regulatory and Design Issues (Moderator: Prof. Edwin H W Chan, The Hong Kong Polytechnic University)
2:10 – 2:25 pm	Presentation no. 1: Ms. Carol Willis (The Skyscraper Museum, USA)
2:30 – 2:45 pm	Presentation no. 2: Mr. Rocco Yim (Rocco Design Architects)
2:50 – 3:05 pm	Presentation no. 3: Dr. Wong Wah Sang (The University of Hong Kong)
3:10 – 3:40 pm	Panel discussion (the speakers and invited panel members) <u>Invited panel members</u> Prof. Barnabas Chung (The Hong Kong Polytechnic University) Mr. Vincent Ho (Hong Kong Institute of Surveyors) Mr. Dominic Lam (Hong Kong Institute of Architect) Prof. Alex Lui (Professor, Dept of Architecture, CUHK (retired)) Mr. K. S. Wong (Professional Green Building Council) Dr. Raymond Yau (Ove Arup & Partners Hong Kong Limited)
3:40 – 4:00 pm	Tea break (Refreshment will be served)
	Session 2: Social and Economic Issues (Moderator: Mr. Nicholas Brooke, Professional Property Services Ltd)
4:00 – 4:15 pm	Presentation no. 1: Mr. Tom Miller (LaSalle Investment Management)
4:20 – 4:35 pm	Presentation no. 2: Mr. Alnwick Chan (Knight Frank)
4:40 – 4:55 pm	Presentation no. 3 Mr. Peter Churchouse (Portwoodcapital)
5:00 – 5:30 pm	Panel discussion (the speakers and invited panel members) <u>Invited panel members</u> Mr. Michael Arnold (Hongkong Land Ltd.) Mr. Charles Chan (Savills Hong Kong) Mr. Andrew S. L. Lam (Winnington Land Ltd.) Mr. Louis Loong (The Real Estate Developers Association of Hong Kong)
5:30 – 5:40 pm	Closing speech (Prof. Geoffrey Q. P. Shen - Head of Dept of Building & Real Estate) Presentation of souvenirs

Appendix II – List of participants

<u>Names</u>	<u>Organizations</u>
Ang Susan	CK Lau & Associates
Brooke Margaret	Professional Property Services Ltd
Chan Anthony	Hong Kong Institute of Surveyors
Chan Chi Wing Eric	Sanfield Management Ltd
Chan Chui Yu	Buildings Department
Chan Hong Ki Robert	Sun Hung Kai Real Estate Agency Ltd
Chan Jennifer	Hong Kong Institute of Planners
Chan Lai Kiu	Hysan Development Co Ltd
Chan Laurence	Hong Kong Land Ltd
Chan M W Anthony	Cheung Kong
Chan Man Chun	Buildings Department
Chan Man Wai	Hong Kong Science & Technology Parks
Chan Michael	Autodesk
Chan Sin Bun	Hong Kong Institute of Surveyors
Chan YF Steve	Action4sustainableliving
Chang Yu Chau Michael	MTR Corporation Limited
Chau Roy	Hong Kong Land Ltd
Chen XingGuang	Sun Hung Kai Real Estate Agency Ltd
Cheung David	EMBA, The Chinese University of Hong Kong
Chiu S K Selene	Cheung Kong
Chong W H Ben	Hong Kong Institute of Surveyors
Choy Lennon	Department of Building and Real Estate, The Hong Kong Polytechnic University
Choy M H	Hong Kong Housing Society
Choy Y T Carol	Wheelock Properties
Chui Kar Lun Terry	MTR Corporation Limited
David TB BOY	Swire Properties Ltd
Fan James	Swire Properties Ltd
Fan Linda	Department of Building and Real Estate, The Hong Kong Polytechnic University
Fong Patrick	Department of Building and Real Estate, The Hong Kong Polytechnic University
Fung Brenda	Business Environment Council
Fung M L Ronnie	Sun Hung Kai Real Estate Agency Ltd

Names**Organizations**

Ho Eric	Hong Kong Institute of Surveyors
Ho Vincent	Hong Kong Institute of Surveyors
Hui Man Bock Bernard	Rocco Design Architects Ltd
Kan Carol	MSc Urban Planning, The University of Hong Kong
Kolaritsch Diane	Swire Properties Ltd
Kwan C B James	Great Eagle Holdings Ltd
Lai Shu Ming Albert	MTR Corporation Limited
Lam Ho Cheung Dominic	Hong Kong Land Ltd
Lam Kwong Ki Dominic	Hong Kong Institute of Architects
Lam Mabel	The Real Estate Developers Association of Hong Kong
Lam Philip	Nam Wah Trading Co Ltd
Lau Chi Keung	The Real Estate Developers Association of Hong Kong
Lau Chun Hon	South Horizons Management Ltd
Lau Yin Pong	Cheung Kong
Law Kevin Saikit	Benay Architects
Lee Hak Ching Terrence	Hong Kong Land Ltd
Lee Henry	Swire Properties Ltd
Lee M F Rowena	Planning Department
Lee Pui Yuk Echo	MTR Corporation Limited
Lee Tak Yan	Buildings Department
Lee Y K Alvin	Townland Consultants Ltd
Leung Andy	Hong Kong Institute of Architects
Leung Horace	Hong Kong Tourism Board
Leung K L	Henderson Land Development Co Ltd
Leung Kenneth	Lai Sun Development Co
Leung L S Lucille	Townland Consultants Ltd
Leung Susan	Hong Kong Institute of Architects
Li Ching Yi	
Li Ho Ping Michael	Buildings Department
Li Sui Lung	Hong Kong Housing Authority
Li Tony	AIG Global Real Estate
Lie Hei Yeung Schulent	Hong Kong Institute of Surveyors
Lin H Daniel	A+T Design
Lui T S Gary	Townland Consultants Ltd

Names**Organizations**

Lui Wing Yun	Department of Building and Real Estate, The Hong Kong Polytechnic University
Man Elsa	Swire Properties Ltd
Ng Agnes	Hong Kong Institute of Architects
Ng Artie	SPEED, The Hong Kong Polytechnic University
Ng Mun Sing	Hong Kong Institute of Planners
Ng S N Gladys	Townland Consultants Ltd
Ng Tak Wah	Planning Department
Ng Vincent	Hong Kong Institute of Architects
Poon Wai Lap	Buildings Department
Pun Paulina	Hong Kong Institute of Planners
Seng Hok Hung Robert	Sun Hung Kai Real Estate Agency Ltd
Sit Sai So	Hong Kong Institute of Surveyors
Siti Hajar Binti Misnan	Department of Building and Real Estate, The Hong Kong Polytechnic University
Siu Kee Lee	Private Sector
Sujata Govada	Urban Design & Planning Constructions Ltd
Sze Kyran	Aedas Ltd
Tam Chun Man	Urban Property Management Ltd
Tam Elanna	Business Environment Council
Tang Bo Sin	Department of Building and Real Estate, The Hong Kong Polytechnic University
Tang Eric	China Resources Construction Company Limited
Thomson L Andrew	Business Environment Council
Tong Chun Wan	Great Eagle Holdings Ltd
Tong Serena	Hong Kong Institute of Planners / J. Hui & Assoc.
Tsang A L Cindy	Townland Consultants Ltd
Tsang Kam Keung	Hong Kong Institution of Engineers
Tsang W M Vivian	Environment Bureau / Hong Kong Institute of Planners
Tsoi Alex	Swire Properties Ltd
Villere Mariel	Skyscraper Museum (NYC)
Wong Chik Wing Mike	Sun Hung Kai Real Estate Agency Ltd
Wong David	Kowloon Development Co. Ltd.
Wong Hin Wang	Savills
Wong Kimmy	Swire Properties Ltd
Wong Kin Leung Raymond	Hong Kong Housing Society

Names**Organizations**

Wong Margaret	Hong Kong Institute of Architects
Wong Michael	Green Island Int'l Ltd / The Hong Kong Institution of Engineers
Wong P K Florence	Great Eagle Holdings Ltd
Wong Terence	
Wong Tin Cheung	Yau Lee Holdings Ltd
Yau K C David	Henderson Land Development Co Ltd
Yeung K Sunny	Sino Land Company Ltd
Yew Edmond	Lai Fung Holdings Ltd
Yip Ka Hing	Buildings Department
Yiu Cho Hong	Buildings Department
Yuen KK	Public Policy Research Institute, The Hong Kong Polytechnic University

Published by:

Department of Building and Real Estate 建築及房地產學系
The Hong Kong Polytechnic University 香港理工大學

Address地址 : Hung Hom, Kowloon, Hong Kong
香港九龍紅磡

Tel.電話 : +852 2766 5807

Fax傳真 : +852 2764 5131

Website網址 : <http://www.bre.polyu.edu.hk/>

The Real Estate Developers Association of Hong Kong
香港地產建設商會

Address地址 : Room 1403, World-Wide House,
19 Des Voeux Road Central, Hong Kong
香港中環德輔中十九號環球大廈1403室

Tel.電話 : +852 2826 0111

Fax傳真 : +852 2845 2521

