Ways to Increase Land Supply

Land clearance methods such as deforestation. Deforestation is the clearance of forests by methods such as logging and burning. Deforestation occurs for many reasons, such as trees are used as, or sold, for fuel or as a commodity, while the cleared land is used as pasture for livestock, plantations of commodities, and settlements. The removal of trees without sufficient replanting of trees will result in a lot of damage to nature. Deforested regions typically incur significant adverse soil erosion and often degrade into wasteland.

Land reclamation methods such as landfill, reclaiming derelict land, empoldering and draining swamps.

Maximising land use such as urban land use (mixed land use) and agricultural land use (terracing, soil-less farming and irrigation).

Recognize the Facts: Shortage of Land and the Urgency for a Solution

1. A change of mindset: understanding the fact of shortage of land supply and reviewing the avenues of land supply in an objective, calm and pragmatic manner.

(i) Reclamation: Currently, the
Government has identified six sites with potentials for reclamation. However, there is seemingly still some way to go if our medium- to long-term development needs are to be met. It is probably time for the society to discuss the need to include more reclamation sites on top of the six that are currently selected.

(ii) **Land use rezoning:** Land use rezoning may not be the most ideal option to increase land supply from the perspective of planning efficiency. However, we do have a shortage in land supply and it takes a fairly long time to solve the problem. If hefty accommodation costs are a common problem facing all Hong Kong citizens, it is not unreasonable to expect the solution to come from everyone too. Otherwise, as the number of elders aged 65 or above doubles, where are we going to find sufficient land to build the urgently needed hospitals, nursing homes, and community centers for the elderly?

(iii) **Country Parks (CP):** We entirely agree (1) that green area is of undoubtable importance for the city; and (2) we should not and cannot release an extensive share of CP for development. However, the “Country Parks Ordinance” which designated the current boundaries of CP was established 40 years ago. The Government could set up a platform to establish a set of scientific standards and criteria for reviewing the ecological value, service and use of all CP, and determine whether the boundary of CP should be altered based on such objective indicators. The platform should also regularly monitor and review such factors as the demand-supply balance of land, social and economic needs, to consider the need to develop the land originally designated as CP.
(iv) **Brownfield**: Given the acute problem of land shortage, any possible source of supply should be fully utilized. Nevertheless, the development of brownfields still requires resumption of land, technical studies on transportation and environment, and approval from TPB. It might be over optimistic to expect brownfield to become the major source of land supply.

(v) **Other methods** of change of land use: Any land resources that can be used more effectively should be considered, following a multi-pronged approach to increase land supply. Nonetheless, all these land supply proposals take time. And even if we assume that the complex legal, constitutional and conceptual issues involved are resolved and all these land supply projects are materialized, most of these sites would likely be scattered across the territory and it would be difficult to achieve planning efficiency.

...we should support any methods to increase land supply, including new town development, reclamation and developing country parks.
2. Establishing a long-term land reserve to support future social, economic and livelihood needs

Different from other economic activities, the property market could not adjust its output easily upon a sudden change in demand. It is likely too late for the Government to respond after witnessing soaring property prices. Therefore, Hong Kong should establish a land reserve and set up a mechanism of releasing the reserved land to the market. An “unused” land reserve is still better than a slow and ineffective response.

3. Reforming the CDA system to release the development potential of land as soon as possible

In order to ensure an efficient use of precious land resources, the CDA system should be comprehensively reviewed and reformed, as a possible way to provide developable land in the short-term.

(i) CDAs in the Future: We recommend that, except for sites involving Urban Renewal Authority’s renewal projects, the TPB should not designate other lands as CDA to reduce restrictions on development. If the Planning Department believes a certain area should be comprehensively developed, it could specify the planning parameters in detail. If a proposed development project fulfils these requirements, separate application to the TPB would not be needed. Besides, in order to fully reflect the land value, CDA should not be added to future Land Sale Programme and tenders.

(ii) Existing CDAs: TPB can set up a time limit (such as two years) for the development proposal applicant to collect a certain share
of ownership, based on the size of a specific CDA, distribution of ownership, etc. If the time limit expires and the applicant still cannot collect a specific share of ownership, the TPB should consider breaking down the CDA into small zones or allow the CDA to be developed in phases. For sites that have been designated as CDA for a long time, the TPB should re-designate them into other uses using the abovementioned system. Besides, the Government should bear the responsibility of the comprehensive planning in the New Territories NDAs and re-designate the area’s CDA into specific uses with necessary planning parameters and restrictions.

To include planning parameters into the notes of Outline Zoning Plan is procedurally equivalent to rezoning of land use in that relevant town planning procedures and seeking professional comments from relevant government departments are still required, which may render a smaller Gross Floor Area (GFA) of the development project. However, this at least provides a set of objective procedures to be followed and is less uncertain, enabling a higher chance of completion (albeit at a smaller scale). It is apparently superior to some cases of CDA which has been idle for more than two decades.
4. Government to demolish obstacles and facilitate vetting process

(i) Adding a time limit on the approval process: In order to speed up the vetting process, the Lands Department should introduce a statutory time limit for vetting development plans. Upon the expiration of the time limit, the development plan will be automatically regarded as approved, which is in line with the Buildings Department’s practice. This principle should also be applied when the Lands Department seeks comments from other departments, i.e. nil return is assumed by the end of the time limit.

(ii) Clearly defining the requirements for the approval process for the government and business sector to comply with: The Government should discuss with the industry to set up simple and clear requirements for major plans involved in the vetting process. The Government and the industry should strictly follow these requirements.

(iii) Increasing transparency of calculation mechanism of land premium: The Government
should reinforce the communication with the business sector to increase the transparency of the premium calculation, allowing the various calculation parameters (e.g. expected future construction costs, estimated marketing costs, etc.) to better reflect the latest situation and trend of the market.

(iv) Streamlining the vetting procedure: The Government should make a better separation between the Lands Department’s function of vetting on plans and other administrative functions (such as managing complaints at the district level) and build a focused and professional vetting team to facilitate the vetting process. In the long run, the Government may consider setting up a one-stop structure to tackle applications for different development procedures. This clearly defines the leading vetting department and facilitate the coordination between departments, avoiding repeated vetting. As an example, the Government set up the Energising Kowloon East Office in mid-2012, which is
led by the Development Bureau. The office provides one-stop supports with a view to facilitating the area's transformation into another premier CBD of Hong Kong.