

General Practice Division

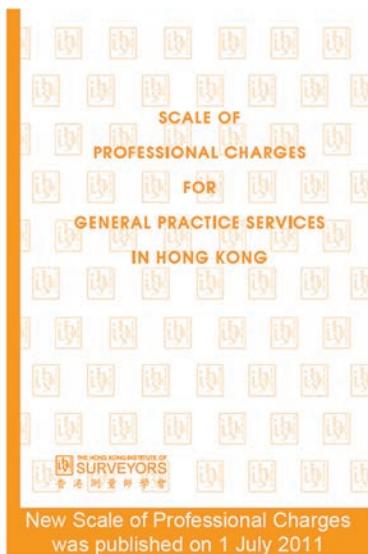
Chairman's Message



Francis Ng GPD Council Chairman

New "Scale of Professional Charges for General Practice Services in Hong Kong" gained the support from URA

As members may be aware, the new "Scale of Professional Charges for General Practice Services in Hong Kong" ("Scale of Charges") was revised in 2011. This new fee scale aims to replace the old fee scale which was published 17 years ago jointly by the HKIS and the RICS (HK Branch). The new fee scale is advisory in nature and is published for the guidance of Professional GP Surveyors. The document has served useful purposes in the following areas of work:



- Compensation claims. Consultation has been made with the Lands Department from time to time;
- Certain types of valuation work;
- Courts/ Tribunal – reference points for determination of the reasonableness of "costs" for expert surveyors' fees; and
- Independent expert – reference points for the determination of reasonableness of experts' fees by the President of the HKIS or by the courts / tribunal etc.

After publication of the document, HKIS has launched promotion of the Scale of Charges by sending the same to all the stakeholders. This new fee scale is welcomed by practitioners and related institutions. This included Urban

Renewal Authority (URA) which has basically made reference to the new fees for the reimbursement of surveyor's fee relating to property acquisitions in their redevelopment projects, the initial acquisition offers of which are made to the affected owners after 15 November 2011. According to URA, details of the reimbursement of surveyor's fee would be as follows:

I. For Professional Services on Market Value of The Property

1. Owners may, if they so wish, employ the service of a professionally qualified surveyor to assess the market value of the affected property and to negotiate with URA on the offer to purchase. URA is prepared to reimburse the surveyor's fee in the manner as described in Paragraph 3 below. The surveyor's fee reimbursable will be based on market value only (excluding any ex-gratia allowance including but not limited to Home Purchase Allowance, and Supplementary Allowance) and calculated on the basis of 1.5 times the full fee quoted in paragraph 2.1 of the Scale of Charges effective from 1 July 2011, subject to the following minimum payment:

- (a) HK\$8,000 for valuation of upper floor unit;
- (b) HK\$20,000 for valuation of basement/ ground floor unit; and
- (c) HK\$30,000 for valuation of single-owned building/ site

2. With the prior written approval of URA and under very special circumstances, the surveyor's fee may be reimbursed in accordance with time charges quoted in paragraph 1.8 of the Scale of Charges. The surveyor has to provide supporting documents such as time log sheet of each professional or technical staff to be involved in the case, and URA reserves the right to make requisition for any information for consideration and final determination of the proposed fee submitted by the owner's surveyor.

3. Subject to the requirements stated in Paragraph 4 below, a fee equivalent to 50% of the minimum payment as mentioned in Paragraph 1 above will be reimbursed to the owner's surveyor upon submission of the valuation report (the "Report") notwithstanding that the agreement for sale between the property owner and URA is yet to be reached within the offer period or such extended offer period by URA. The balance of the fee (without interest) will be reimbursed only upon successful completion of the sale and purchase of the property, which is calculated at the market value of the property stated in the assignment of the property and after deducting the portion of the fee, which has already been paid by URA to the owner's surveyor before. For the avoidance of doubt, URA has fixed that the total reimbursable surveyor's fee for each affected property interest acquired or for each purchase offer, in any event, should not exceed the fee based on the market value of the property stated in the assignment.

4. The Report submitted by the owner's surveyor **should be signed by a Registered Professional Surveyor (General Practice) or a Professional Member of the Hong Kong Institute of Surveyors, General Practice Division**. Besides, the Report should contain the minimum required information in the sample report which would be provided by URA. Furthermore, to facilitate processing, the Report should be submitted to URA 21 days prior to the expiry of the offer period whether or not such offer is accepted by the owner. URA reserves the right not to entertain the fee reimbursement request if the Report is not submitted before the date described above or the Report submitted does not cover the required items in a sample report as prescribed by URA.

II. For Professional Services on Fixed Unit Price for Flat-for-Flat Scheme

5. URA has introduced the "Flat-for-Flat" Scheme in March 2011 under the New Urban Renewal Strategy as an option for selection by the affected domestic owner-occupiers who may, if they so wish, obtain professional advices on acceptability of Fixed Unit Price of each zone of the new flats when considering the Flat-for-Flat offer, apart from the purchase offer for the affected property. In this connection, URA is

prepared to reimburse the domestic owner-occupier, who has employed the service of a professionally qualified surveyor for advice, of a fixed lump sum of HK\$8,000. 50% of the fixed lump sum, i.e. HK\$4,000 will be reimbursed upon owner's acceptance of the initial acquisition offer within the offer period or such extended offer period by URA and the balance will be reimbursed upon completion of purchase by URA of the affected property. For the avoidance of doubt, URA has expressed that the Fixed Unit Price determined by the URA is not negotiable.

6. URA has also fixed that the total reimbursable surveyor's fee for the services described in Paragraph 5 above, in any event, should not exceed HK\$8,000 for each affected property interest acquired or for each purchase offer.

III. Other General Conditions

7. URA will reimburse such fees direct to the surveyor firms who have been appointed by the registered owners of the affected property. This will streamline processing and save the owners from having to make a claim after payment. Owners should ask their surveyors to forward invoices to the URA for direct reimbursement.

8. URA merely reimburses such fees on the aforesaid professional services provided to the registered owner of the affected property as the client and therefore, invoices must be in the name of the owners or their solicitors, not in the name of URA. In addition, a copy of appointment letter signed by the registered owner of the affected property and a return from the registered owner confirming that the surveyor's services have been discharged will also be required for processing fee reimbursement.

Members should however note that URA's adoption of this reimbursement and payment arrangement will only be applicable to the projects for which initial acquisition offers are issued after 15 November 2011.

GPD Council appreciates URA's reference to the new Scale of Charges for the reimbursement of surveyor's fee and expects that it the arrangement would be widely accepted by practitioners and stakeholders in their new projects.

The 7th Cross Strait Land Conference (第七屆兩岸四地土地學術研討會)

The 7th Cross Strait Land Conference is going to be held on the 6 to 7 June 2012 in Macau. This Cross Strait Land Conference was co-organized by four related Institutes - HKIS, DSCC of Macau (澳門地圖繪製暨地籍局), Faculty of Geography of Taiwan Politics University (台灣政治大學地政學系) and the Land Administration Faculty of People's University of China (中國人民大學土地管理系), since 2000 and held bi-annually. HKIS representatives Messer Edward Au and Lawrence Poon and Vice President Mr Simon Kwok are currently working with DSCC and the other two institutes on the detail arrangement.

Tentatively, the theme of the 7th Cross Strait Land Conference is "**Development and Innovation of Land Use theory and techniques**"(土地理論和技術的發展與創新), which would include the following scope of areas:

- Land development and renewal;
- Use of database in land renewal;
- Land development and environmental assessment;
- Land use and urban development;
- Urban land use and system innovation;
- Land tenure system and economic development; and
- Land use in city and village and the economic development.

Discussion paper (in Chinese, MS Word format) for the conference is now called with closing date on 31 March 2012. Interested members are encouraged to submit articles to DSCC (email: dsfp_2012@dscc.gov.mo). Please refer to the announcement by the Conference for more details. Members will be kept informed on progress and be invited attend the Conference in due course.

Proposal from the "Land Valuation Office of Guangzhou"

The 中國鑒證師學會 intends to explore possible reciprocity/cooperation with HKIS. GPD Council discussed and agreed to see if there are rooms for future cooperation. Mr Charles

Chan is tasked to follow up the coordination. Members will be informed of the progress in due course.

Amendments to Rules and Guides of APC

Following on the new APC arrangement, the Working Group on APC Review (Convened by Louie Chan with Edward Au, Thomas Tang, Joseph Ho and Lawrence Pang as members) has actively working on amendments to the APC Rules and Guides. The new rules and guides will set

out the updated procedures and requirements for student and probationers in accordance to the revised APC system. The new rules and guides will soon be launched such that candidates who are sitting for the 2012 APC can adopt and follow. Probationers should also keep in view the progress.

APC Passing Rate

GPD had conducted the APC final interview in last December. About 80% of the candidates who sat for the APC final

interview passed the assessment. We wish to extend our congratulations to those successful candidates. ■