



### General Practice Division

Sr Alnwick Chan GPD Council Chairman

Happy New Year! I wish all fellow members a healthy and prosperous 2021.

I am also pleased to report that Sr KK Chiu and Sr Alexander Lam have been elected Senior Vice President and Honorary Treasurer, respectively, of the HKIS General Council effective from December 2020 for terms of 12 months each. Other new faces are Sr Candy Ho and Sr Tracy Wong, who will represent YSG in the GPD Council.

### APC Part II Assessment

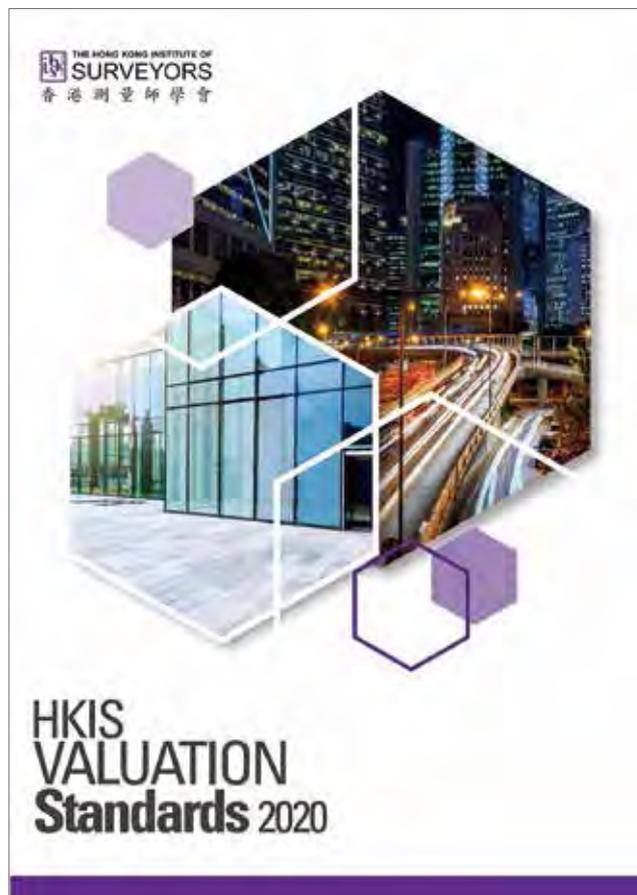
In December, 60 candidates sat for the APC Part II Assessment. I thank all assessors and administrative staff for making this possible in spite of the epidemic.

I congratulate all candidates who passed the APC and look forward to welcoming them to the HKIS.

### HKIS Valuation Standards 2020

The HKIS Valuation Standards 2020 (hereafter “the Standards”) was ratified by resolution during the AGM on 11 December 2020 and came into effect on 31 December 2020. Please refer to the email notice dated 23 December 2020 for further details.

A soft copy of the Standards can be downloaded from the HKIS website, while printed copies are available for HKD800 from the HKIS Secretariat, Room 1205,12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.



Please note that the Standards are mandatory in nature to all HKIS members and shall be applied to valuation reports prepared in respect of all properties to be included in any document or used for any other purpose stated in the Standards.

## Land Premium Standard Rates

The GPD has always been concerned with the existing land premium assessment mechanism and has repeatedly proposed improvements to it to the Government.

After years of advocacy, the GPD is delighted to hear that by early 2021, the Government will roll out a pilot scheme to charge land premiums according to “standard rates,” in respect of lease modification applications to expedite the redevelopment of industrial buildings. Members may refer to Paragraph 112 of the 2020 Policy Address from the Government’s website.

The GPD applauds the Government on this initiative, as it is part and parcel of the request it conveyed to the Development Bureau back in March.

The Development Bureau invited the GPD to attend a meeting on 30 November concerning the pilot scheme. During the meeting, the following preliminary views on the implementation of the upcoming policy were exchanged:

- The pilot scheme is related to the industrial revitalisation policy and its objective is to encourage industrial redevelopment by offering more certainty on the premium amount.
- Under the scheme, the definition of “industrial building” could be expanded to include godowns, I/Os, and buildings restricted to specific individual uses under their leases (such as leather tanning, garments and textiles, etc.).
- The applicability of the scheme should not be restricted by building age, so as to widen the number of potential redevelopments.
- The existing land premium assessment mechanism shall continue to be in force and applications for the use of the standard rate assessment shall be voluntary.

- An application for the scheme should be simple and the premium amount should be easy to calculate.
- The standard rates should be attractive to expedite redevelopment.
- Departing from the traditional approach, the rates should take into account the market transactions of older factory buildings.
- The standard rates should be reviewed periodically and should differ by district/geographical region.

## CPD Event:

### **Compulsory Sale Application for Buildings Developed under the Civil Servants’ Cooperative Building Society Scheme**

On 27 August, the Lands Tribunal (hereafter “LT”) handed down a judgement on compulsory sale application Case No LDCS 13000/2019. It was the first Order for Sale granted in respect of the last minority owner’s units at Nos 2, 4, 6, and 8 Mount Parker Road, which is a co-op residence.

This landmark case attracted the attention of its stakeholders. Some said it laid a foundation for future compulsory sale applications for flats developed under the Co-operative Societies Ordinance (Cap 33). The outcome was also regarded as a test case, which asks if the alienation restriction, applicable to co-op flats, is a barrier to a compulsory sale.

Mr Alan Yip, Partner at Mayer Brown, and I were members of the applicant’s team who helped the Lands Tribunal reach its decision. Special thanks go to Alan for accepting the invitation to deliver this very interesting talk with me on 26 November.

During the event, we outlined the challenges we faced when trying to obtain the Order for Sale, which covered areas such as history, valuation, premium assessment, and legal arguments. The event received a very encouraging response from participants.

Members are invited to refer to the PPT presentation at the following link:

<https://bit.ly/3blx81l>



CPD Event: Compulsory Sale Application for Buildings Developed under the Civil Servants' Cooperative Building Society Scheme

## CPD Event:

### Kai Tak Sports Park: More than Just a Sports Park

On 1 December, I was honoured to host a CPD event at the Kai Tak Sports Park site office.



Many thanks go to the speakers, Mr James Pearce and Ms Livian Har, for delivering a lively presentation on this highly anticipated sports facility.



The Populous-designed sports park will be the most extensive sports infrastructure in Hong Kong. It is located within easy reach of the Greater Bay Area and is designed to bring people together through world-class sporting and entertainment events.

The centrepiece is a 50,000-seat Main Stadium inspired by Hong Kong's reputation as the "Pearl of the Orient". It features a fully retractable roof, flexible pitch system, and South Stand window overlooking Victoria Harbour.

Next to the Main Stadium is the Indoor Sports Centre with a capacity of 10,000. Eighty percent of the main arena's seats are removable to allow for up to 40 badminton courts.

A Public Sports Ground designed for community sports, sports days, training sessions, and domestic competitions will also be offered at Kai Tak Sports Park together with 5,000 spectator seats. It will open to the public for free on non-event days.

Extensive public open spaces, retail facilities, a health and wellness centre, bowling alley, and harbourfront dining spaces will complement the Sports Park, which is expected to be completed by 2023.

## CPD Event:

### **Water Seepage Disputes: How to Prove or Defend against Such Claims?**

Dr Roger So, barrister-at-law and chartered engineer, kindly shared with members his experiences in water seepage litigation during a CPD on 8 December.

Dr So explained the liability for water seepage claims, the relief and quantum effect, and various acceptable tests for tracking seepage. He highlighted that resolving claims often involves complicated factual and legal issues, as well as potentially damaging relationships with neighbours. A compensation claim may involve not only repair costs, but also a loss of rent or other damages subject to the mitigation principle.

As a mediator, Dr So also suggested that a dispute can be settled through mediation rather than by a court, as the former offers time and cost advantages.

An extended Q&A session covering numerous practical circumstances ended the event with great success.

## CPD Event:

### **How Developers Work to Comply with the Residential Properties (First-hand Sales) Ordinance**

To further enhance the transparency and fairness of the sales arrangement and transactions of first-hand residential properties, the Residential Properties (First-hand Sales) Ordinance came into effect on 29 April 2013.

On 14 December, Sr Tony Wan shared his experiences in dealing with these rules, as well as some exciting incidents and cases that occurred soon after the law was enacted.

I express my thanks to Tony for sharing his valuable insights with members.

