

A Step Forward



Tony TSE


President

To many people, it is a tradition that upon entering into a New Year, to plan ahead for the upcoming issues and events for the year and to re-examine the goals and ways to achieve them. The Year of the Monkey will hopefully prove to be a better and productive year for all and we are already excited to hear of the recent improvements in the economic activities and property market price. After almost 7 years gloomy time some may believe it is the time for Hong Kong to change her faith and regain the prosperity. Whilst all of us would be most pleased to see such happening, the increase of property prices could only be sustainable with corresponding improvements in the economic conditions.

Members were previously reported that on 4 November last year the Institute signed a Reciprocity Agreement with the China Institute of Real Estate Appraisers (CIREA), under which and subject to attending a 16 hours training session and the passing of a test, General Practice Corporate Members with the required post-qualification experience are eligible to become a member of CIREA and obtain the practicing licence for providing valuation services in the Mainland. In fact, we are one of the first professional institutions endorsed by the Central Government to enter into such reciprocity agreement with a Mainland professional organization. We understand that similar agreements would be signed soon by other Hong Kong professional institutions including the architects, structural engineers etc.

To facilitate our members to capture the business opportunities in the Mainland market, particularly with the commencement of CEPA this year, HKIS plans to conduct the first training and test session in Shenzhen over the next couple of months. Details of the arrangement will be sent to members by the Administration Office and for those who are keen in tapping the Mainland market, prompt action is called for.

Apart from progressing with the arrangements for GP Division, we are actively pursuing to conclude similar agreements for the QS and BS Divisions. On 5 February, the LS Division also started dialogue with the Mainland Land Surveying Bureau regarding possible reciprocal recognition of professional qualifications and our land surveying members practicing in the Mainland. There is satisfactory progress.

Whilst CEPA gives Hong Kong service companies a heads-up of about two years before others gain access to the Mainland market, there are still many obstacles and requirements to attend for setting up a surveying services company in the Mainland. Our next move is therefore to endeavour removing such hurdles for the members. 

▶ Board of Professional Development Inauguration

The Bye-laws were amended last year to stipulate that "All Corporate Members and Technical Associates of the Institute shall maintain a high level of competence in professional practice and technical performance and are obligatory to undertake continuing professional education development and lifelong learning to enhance their professional and technical competence."



The elected Chairman of the newly inaugurated Board of Professional Development Professor Barnabas Chung has indicated that the Board will consider policies and control mechanism for mandatory continuing professional development and lifelong learning to help members enhance not only their professional competence but also their social status as professional surveyors. He reckons that this is vital for strengthening the Institute's strategic position in the property industry and for the long-term sustainability of the surveying profession in Hong Kong.

▶ Surveyors Learning Centre, 8/F Jardine House, Central, Hong Kong

The Project Manager, Mr. Raymond Chan, currently the Chairman of the Building Surveying Division reported that the contract had been awarded and work on the Surveyors Learning Centre will commence in early March 2004. The target completion date is end of March.

The Centre will house 2 large meeting rooms (24-28 persons) and 2 small meeting rooms (8-10 persons) and 2 lecture rooms for 50 and 100 persons respectively with a combined capacity of 180 persons.



▶ West Kowloon Cultural District Development

Subsequent to the second forum on 19 December 2003, HKIS submitted its comments on the Invitation for Proposals for the West Kowloon Cultural District Development to the Housing, Planning and Lands Bureau. A summary of the comments can be found on page 6 and a full copy of the submission can be viewed from the HKIS website at www.hkis.org.hk

▶ Buildings (Amendment) Bill 2003

HKIS were invited to submit its views on the Buildings (Amendment) Bill 2003. Initial brief comments on the more major issues of the proposed Bill were submitted to the Bills Committee in August 2003. A copy of the comments (in English and Chinese) can be found on page 4 and 5.

▶ 珠江經濟台 Radio Programme - awareness programme for promoting Hong Kong professional services in the Pearl River Delta

The Joint Professional Centre is organising a promotion programme of Hong Kong professional services in Guangdong by means of a series of 12 live programmes in Guangzhou with the sponsorship of the Business and Services Promotion Unit (BSPU), Commerce Industry and Technology Bureau. HKIS is one of the professional institutes to speak in the opening programmes. Ms Serena Lau, Vice Chairman of the GP Division will speak on "CEPA Arrangement and Implications" on 21 and 28 March.

▶ Mainland, Hong Kong, Macau & Taiwan Land Management Conference - call for paper

The event organized by the Macau Mapping & Surveying Bureau and co-organised by the Hong Kong Institute of Surveyors, Renmin University and Taiwan Political University, will be held from 14 to 17 September 2004 in the Macau Cultural Centre. The theme is on land titles, cadastral survey and the Conference is calling for papers. Please visit www.hkis.org.hk for further details.

▶ International Real Estate Finance and Investment Seminar, 9 April 2004

Understanding the real estate investment and management approach by institutional investors has become important as the Hong Kong investment market is increasingly shaped by a rising tide of global real estate funds and a more rapid pace of development in real estate investment trust.

Organised by the Hong Kong Institute of Surveyors and sponsored by the Sir Edward Youde Memorial Fund under the Distinguished Lecture Series 2003/04, this one-day seminar chaired by Professor Andrew Baum of University of Reading will examine and share the best practice of investment management in global real estate markets.

This seminar is free of charge and open to members of the public. Non HKIS members are welcome. For more information and registration details, please visit www.hkis.org.hk

▶ GPD APC REFERRED ORAL ASSESSMENT - FINAL ASSESSMENT 2004

Application forms for the Referred Oral Assessment of the GPD Final Assessment are available for collection from the HKIS office, Suite 801, Jardine House, 1 Connaught Place, Central, Hong Kong, and must be returned to the Institute no later than 5:30pm, Friday, 30 April 2004.

HKIS Comments on Buildings (Amendment) Bill 2003

General :

1. We support in principle the various proposed amendments to the Buildings Ordinance with a view to rationalize the building control regime and strengthen safety requirements. We set below our initial brief comments on the more major issues and we are prepared to provide more detailed comments and oral elaboration to the Bills Committee or to any government authorities concerned.

Minor Works :

2. The proposals on the "Minor Works Control Regime" form the bulk of the legislative amendments to provide a statutory framework for regulation of minor works and the registration of minor works contractors.

3. We accept the tightening up of the so-called "exempted works" and we welcome the concept of self-certification in respect of certain building works that are considered "minor" by virtue of their scale, nature, complexity and risks involved. If a simple, efficient and easy-to-follow system is established to attract compliance, it would no doubt facilitate more self-regulation and better control of building works. We strongly believe that this was the original intent of the Administration, but regrettably, the framework for control of minor works proposed in the Bill appears to be so complicated, cumbersome and ambiguous that would render the original objectives distorted and confused.

4. What constitutes "minor works" has not been clearly defined except a sneaky provision to empower the Building Authority to specify the minor works by notice in the Gazette. This is highly unsatisfactory. From Annex A of the LegCo Paper CB(1)2290/02-03(01), the examples of minor works given are fairly confusing and do not give a clear conceptual direction. We feel that some framework or parameters setting out the nature, scale and complexity for "minor works" would be necessary.

5. We are of the opinion that the whole system should be simplified and that minor works need only be categorized depending on whether they have any implication on the original building design parameters and whether they have any structural implications. The paramount concern is safety. This will differentiate whether the works

need to be supervised by an AP/RSE or they can be taken up solely by a technically competent RMWC.

6. We also consider that all minor works should be subject to prior notification to the Building Authority in addition to the certificate of completion. This is the minimum act that starts the system rolling. To ensure credibility of the system, it is vital that the building owner fully appreciates his liabilities. Therefore, upon submission of the notice to carry out minor works, the building owner should undertake to comply with the regulations. It is his obligation to ensure that his contractor does not commit any contravention and more importantly he does not instruct his contractor to do anything in contravention of the law. As it is ultimately the building owner who is liable to ensure compliance with the regulations, his undertaking serves to remind him of his obligations. In the event of any contravention, the building owner should be held liable if he carries out or permits the carrying out of building works that contravene the building regulations.

7. How minor works contractors are to be classified is not spelled out. We consider that the system should be simple and clear to enable the general public to select the appropriate contractor for the relevant works. It will help if RMWC can be identified by their specialization, e.g., general works, drainage works, demolition works, etc. The qualifications of RMWC are also not known and we expect the authority to require certain technical competency. In this regard, we think the registered professionals RA, RPE and RPS should be considered.

Registered Geotechnical Engineers:

8. There is the increasing need to have specialist input in the building control regime. We support the introduction of RGE who are to be responsible for all aspects of geotechnical works submission and supervision, independent of the AP and RSE.

Signboards:

9. We have no objection to deem "signboards" as building works under the Buildings Ordinance but it will never resolve all the problems envisaged in the previously conceived signboard licensing scheme. There are also certain grey areas that need further clarification. The proposed (and indeed the current) enforcement

framework differentiating whether the unauthorized works have or have not been completed is not promoting effectiveness of control. In the case of signboards, it is possible that an ignorant owner of the building could be landed with an order to remove an unauthorized signboard that infringes his right in the first place, and this will be unfair.

Obstruction of Owners' Corporation:

10. We do not consider appropriate to give Owners' Corporation any additional privilege. In certain circumstances, it could be the OC or another owner that obstructs a small owner in discharging an order issued by the BA. The current provision in section 40(2AAA) of the Buildings Ordinance is that anyone who obstructs the BA in the exercise of his power shall be guilty of an offence. This principle can simply be extended to include anyone who obstructs the carrying of works or any incidental actions for the discharge of an order issued by the BA. This will cover both situations whether the OC is being obstructed or the OC is obstructing.

Emergency Vehicular Access:

11. The provision of an emergency vehicular access to buildings for fire engines and emergency vehicles is supported but only where it is necessary and practicable. We consider that in certain situations, e.g., where a building fronts an existing street or where emergency vehicular access is already available, such a requirement should be excluded. It need not be subject to the bureaucracy of having to seek BA's exemption,

12. The provision of EVA is indeed a fundamental consideration in the conceptual design of sizeable development and it would appear more appropriate to include in section 16 of the Buildings Ordinance a ground for disapproval of plans where the BA is not satisfied that EVA is or will be provided.

The Hong Kong Institute of Surveyors
22nd August 2003

香港測量師學會對二零零三年建築物（修訂）條例草案的意見

引言:

二零零三年建築物(修訂)條例草案對現行建築監管制度提出多項修改,有關這些修改,在過去兩年來屋宇署曾經在不同的諮詢會議中,與業界在總體概念上達成共識,所以香港測量師學會原則上支持修訂法例,落實這些新措施。現在進行立法程序,我們關注的是這些新措施如何落實,法律條文所提出的措施細則是否適當,法律條文所提出對業界和廣大市民要求遵守的是否清晰容易明白。在這個大前題底下,香港測量師學會提出對修訂條例草案的意見。

草案內容:

2. 立法會文件編號CB(1)2156/02-03(03)說明草案內容的四個範疇,包括(1)精簡建築監管制度,(2)提高法例在安全方面的要求,(即加強建築發展的安全設施),(3)利便執法,(即提高執法的成效),和(4)改善為市民提供的服務。茲就這四個範疇分別討論。

(1)精簡建築監管制度:

(a)小型工程

3. 草案用了很大的篇幅對原有法例作大幅度的修訂,引進「小型工程」和「小型工程承建商」的規定。這個新的概念在建築監管制度發展上,肯定是一個新的里程碑。草案對原來根據條例第41(3)條無須事先得建築事務監督同意而進行的所謂「豁免工程」作出收緊,使只有在建築物內部進行的非結構性的工程才獲得豁免。對此本會表示歡迎。

4. 對於非豁免工程,草案提供了一個「小型工程」的自我審查模式,希望所有進行小型工程的業主都能守法,用比較簡單快捷的程序,確保所進行的小型工程符合安全標準,而不再因避免繁複又費時的手續而繼續挺而走險進行違例工程。這個構思本來是好的,但根據所草擬的法案,一般業主甚至建築界都可能無所適從。原因如下。

5. 第一,草案並沒有明確界定何謂「小型工程」,只是指明由建築事務監督刊憲公告。而根據立法會文件編號CB(1)2292/02-03(01)所列舉的例子,並沒有原則性的指引,如果建築事務監督如此刊憲公告,實在不能概括所有情況,結果就是會掛一漏萬,容易引起不必要的猜測。由建築事務監督刊憲公告當然有所必要,但這應該是在法定原則以外的補充,而並非是定義的本質。原條例第2(1)條有關「建築物」的定義,和新增的第41(3AA)條有關「豁免工程」的指引,都是先行解釋,再輔以刊憲補充的條款。本會認為「小型工程」的法定釋義,也應當同樣處理,以釋疑慮。

6. 第二,「小型工程」就是小型的工程,並無法定分類的必要,這只會使一個簡單的程序複雜化,並不利新制度的推行。況且,如此硬性的規定,必然扼殺行政的靈活性,使建築事務監督不能與時並進,因時制宜。本

會認為法例只要授權建築事務監督按實際需要,把「小型工程」分類監管就足夠了。本會曾經提出,分類監管應以簡明為原則,以是否影響原樓宇的設計基礎和樓宇結構為分野界定監管的程度。沒有實質更改樓宇原本的設計基礎又不涉及更改樓宇結構的小型工程,可由「小型工程承建商」單方面簽發安全證明。有實質更改樓宇原本的設計基礎或有更改樓宇結構的小型工程,則須由認可人士及註冊結構工程師設計並監督工程。但無論是哪一類工程,在施工前及竣工時都應由業主連同有關承建商或認可人士等備圖呈報。建築事務監督在小型工程施工前記錄在案,也可以隨時啟動監察系統巡視工程,以收核查之效。

7. 第三,「小型工程承建商」不應以工程大小分類。根據立法會文件編號CB(1)2292/02-03(01)所表列,乙類小型工程承建商,即專業水平較低者,竟然可以獨力承造第三類別小型工程,無須專業人士監督,事前又無須呈報,這個放任的做法,實有原則性矛盾。而所表列第三類別業務工程,也與條例第41(3A)條所豁免的業務工程混淆不清。「小型工程承建商」的技術水平應該一致,無必要分類,以避免魚目混珠。但是為了利便市民選擇合格及合適的承建商,「小型工程承建商」可參考「註冊一般建築承建商」和「註冊專門承建商」的分類,分別以「小型(一般)工程承建商」,「小型(業務)工程承建商」,「小型(拆卸)工程承建商」,「小型(招牌)工程承建商」等不同工種分冊登記,如同大型工程承建商的縮影。這樣清晰的表達,相信會成為推行新制度的誘因,使市民便於也樂於守法遵行。

8. 第四,監管「小型工程」和「小型工程承建商」註冊的細則尚待日後公佈,本會提請建築事務監督考慮引入註冊建築師,相關的註冊專業工程師,及相關的註冊專業測量師,參與「小型工程」的監管,為業界提供更多就業機會,也讓市民有更多選擇。

9. 最後,本會希望這個「精簡建築監管制度」的草案,能夠名乎其實,用精簡的文字,立精簡的法例,讓這個「還政於民,自我審查」的機制得以貫徹執行,杜絕違例建築,保障樓宇安全。若法例過於繁複或含糊,市民在不了解的情況下必定依然故我,違例建築如舊。而認可人士等也會望之而卻步,寧願沿用舊有辦法。一九九零年增加原法例第24B條,本擬提供一個快速辦法,使建築事務監督可優先拆卸有逼切性及不良影響的違例建築,但條文繁複不便引用,至今只有寥寥幾個個案,法例形同虛設,希望政府引以為鑑。

(b)註冊事宜

10. 本會支持有關承建商註冊事務委員會之組織和有關法定人士之註冊年期的修訂。

(c)岩土工程師的註冊

11. 本會一向主張參與建築發展的有關專業人士應各盡其職,各負其責。本會支持引進註冊岩土工程師的角色,負責相關的工程。

(2)提高法例在安全方面的要求:

12. 本會同意在有需要及實際可行的情況下,加強建築發展項目的安全設施,規定設置緊急車輛通道。草案訂明每幢建築物須設有緊急車輛通道,除非獲得建築事務監督酌情豁免。本會認為這樣的官僚手續可免則免,可豁免的情況應清楚列明,例如建築物是緊連一條公眾街道,或有一條合標準的緊急車輛通道已經存在,或獲建築事務監督豁免。相似條文可參考建築物(規劃)規例第28(1)條。這樣,在大多數單幢建築物發展或重建而無須設置緊急車輛通道的項目中,這項規定得自然豁免,無須按條例第42條的規定另行申請,辯證,審查,批准等。

13. 在比較大規模的發展項目中,緊急車輛通道的設置是一項基要的設計,如果沒有提供或不理想,建築事務監督理應就此有權拒絕批准有關圖則。本會認為在釐定緊急車輛通道的標準的同時,應在條例第16(1)條中增添建築事務監督拒批的理由,正如條例第16(1)(p)條所載的一樣。

(3)利便執法:

14. 有關草案提出多項修訂,以提高執法的成效,本會沒有強烈的意見。但對於把招牌納入建築物條例,本會認為並沒有解決所有有關問題,而大廈小業主有可能要承擔清拆大廈外牆被遺棄的違例招牌的責任,而他們可能都是受害者。

15. 本會不同意以「阻礙業主立案法團」入罪。本會認為這條款偏幫業主立案法團,抹煞了業主立案法團阻礙個別小業主的可能性。本會認為執法應對事公正,不偏袒任何一方,由條例第40(2AAA)條引伸,凡無理阻礙任何個人或法團進行任何由建築事務監督所發之命令中所需的工程者,皆屬違法,應於處分。

(4)改善為市民提供的服務:

16. 本會對有關修訂沒有意見。

結論

17. 香港測量師學會歡迎及支持屋宇署在建築監管制度上推行大膽而創新的「文化大革命」,使各參與伙伴,包括建築事務監督,建築專業人士,地產發展商,承建商,樓宇業主,及樓宇使用者,都各盡其職,各負其責。在執行管理上,為了保障建造環境符合安全,衛生,環保等訴求,業界與建築事務監督通常在問題的大原則上都能達成共識,但是如果實施這些共識的法律條文繁瑣,含糊,理解困難以致不能落實的話,共識建議就形同虛設,達成共識的努力亦一掃而空。本會希望政府從善如流,認真考慮重寫草案部份有爭議的條文。

18. 本會對繁複的草案條文細節尚有其他觀點,不能盡錄,惟希望與屋宇署繼續溝通,表達意見。☺

Temporary convenience can be costly

West Kowloon Cultural District Development

Subsequent to a forum on 19 December 2003, the HKIS has written to the Government outlining some problem areas that are largely seen to have originated from the Government's lack of control over the land management plan and formulation of the master layout plan. As a result, the single package arrangement was labeled "favouritism" in public eyes. (The Paper is a joint effort between the Town Planning Development Committee and the Quantity Surveying Division, led by Bernard Chan and Francis Leung respectively.)

Where the Invitation for Proposal (IFP) stated "any failure on the part of a Proponent to submit a Proposal in accordance with Government's Baseline will NOT (original emphasis) render the Proposal non-confirming", it clearly shows the fundamental inadequacies - absence of a value-for-money benchmark, lack of control of the project master layout, unawareness of the land management plan in the method of disposal.

It is interesting to note in the UK, where Public Private Partnerships (PPP)/Private Finance Initiate (PFI) has been used as a mode of delivery for over 600 public facilities in the last decade, the National Audit Office made some observations in 2003 which we cannot afford to ignore:

"... the attractiveness of not having to find the money up front to meet the initial capital costs creates a strong incentive for departments to present their PFI deals as the preferred choice simply to get them to proceed. Departments may also be under pressure to choose the PFI option so as to keep debts off the public sector balance sheet. These potential risks underline how

important it is that the PFI route should be chosen only after a robust value for money assessment of all the options.

To help in assessing whether or not to go ahead with a PFI option, departments are required to prepare a public sector comparator - an estimate of what a project would cost if conventional procurement methods were used. Decisions on PFI deals need to be based on a realistic, systematic and comprehensive analysis of benefits and risks as well as costs. A robust public sector comparator should be one of the factors in this assessment.... "

To break down the project into smaller packages will not jeopardize the integrity of the whole development, as a matter of fact, this can help to achieve a balance between commitment, risks and control. A multi-stage bidding process, whereby initial bids based on a preliminary master layout plan are invited, followed by subsequent fine-tuning of the master layout plan and output specification, seems to be the only path. Temporary convenience can be costly.

When the project proponent is free to come up with proposals, the absence of clear standards and output specification will open to misinterpretation on a windfall scale; the taxpayers will want to know why the money has been spent this way. When goal posts get moved, the project proponents bidding for the project can hardly see justice either. The absence of a proper business case or a detailed cost/benefit analysis for the procurement may make the Government's insistence on a high quality, state-of-the-art development, a high degree of transparency all wishful thinking.

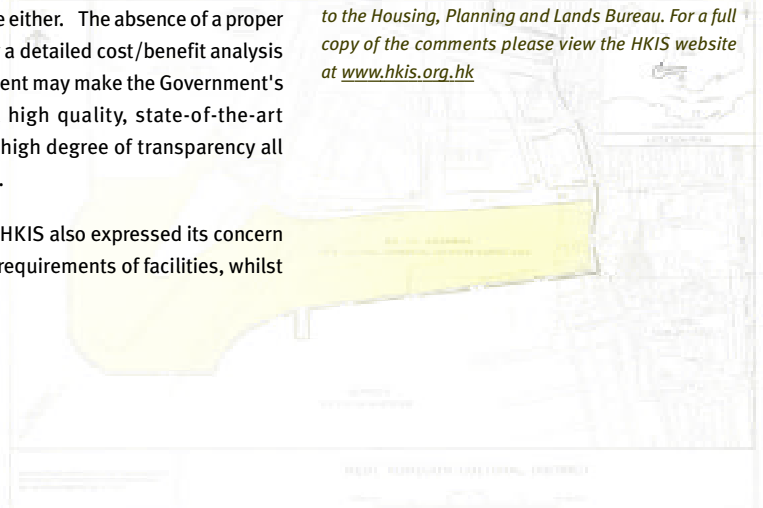
In the letter, the HKIS also expressed its concern over the quality requirements of facilities, whilst

general descriptions about the "hard deliverables" were contained though inadequately, "soft information" such as the Government's intent and constraints were largely missing.

And when the proponent is expected to shoulder risks not only for the provision of facilities as well as revenue potentials, he can only choose a proposal that looks promising but with a higher level or risk, or one that generates less revenue with lesser risks. We will not see the equilibrium because the Government, the core in forecasting and managing the risks from changes due to variables e.g. sociologic, economic and demographic factors, is absent.

The HKIS asks for a detailed land management plan which is crucial in the initial value, marketability, operation and maintenance, sustainability and long-term value of the project; it further states that the HKIS is always at the Government's disposal to provide professional advice, as well as to tap local and international talent/expertise on a wide range of subjects, such as land management techniques, risk management, affordability benchmarking, financial appraisal, output specification, tender assessment, due diligence audit, facilities management, and life-cycle closing at any time.

This is a summary of the comments submitted by HKIS to the Housing, Planning and Lands Bureau. For a full copy of the comments please view the HKIS website at www.hkis.org.hk





Chairman's message

Raymond CHAN

Chairman

Negotiation on Reciprocal Recognition with China Association of Engineering Consultants (中國建設監理協會)

I attended a meeting with the Ministry of Construction (MOC) (建設部) and China Association of Engineering Consultants (CAEC) (中國建設監理協會) on 5 February 2004 in Beijing. It was a cold day (around -4 to -10) but the discussion was hot. The MOC and CAEC intend to make a visit to Hong Kong at the end of February 2004 to find out more about us and other professional bodies (including HKIE and HKIA) negotiating with them. We target to finish negotiation around mid 2004 and sign an agreement within 2004 (hopefully around September 2004).

The BSD Council intends to hold a public forum for all BS members (including students) to outline our directions in around April to gather our members' view and comment, if any.

Discussion Forum on BMM Consultation Paper

Gary Yeung and I attended a discussion forum organized by the HPLB on the

Building Management and Maintenance Consultation Paper.

I expressed the following in the forum:

It appears no pre-determined direction from the government on the consultation paper, which is welcome.

The problematic buildings in question were both small and scattered, which may not be attractive and cost effective for integrated management.

It is difficult to procure insurance cover for the problematic buildings as there used to be unauthorized structures built.

The principle that private owners shall be responsible for the liability of maintaining their premises is supported.

Government subsidizes the maintenance of public housing. It shall also consider offering some assistance to the owners of private buildings as they also pay tax/rates.


Suggest government to arrange initial building survey for private owners. The cost will not be phenomenal and is estimated to be around \$40m per year for 4 years.

There is already statutory provision for mandatory management under the existing BMO but it appears to be unsuccessful. We better consider opting for mandatory inspection.

The previously proposed Building Safety Inspection Scheme by BD was unsuccessful because of the scope and depth of coverage

We shall be holding another discussion forum for HKIS members to discuss this and collect ideas for making a formal submission of comments under the name of HKIS. The forum is scheduled to be held on 12 March 2004 in the HKIS office.

Joint CPD Event with P&FMF on Indoor Air Quality Certification Scheme

The Joint CPD Event with P&FMF on Indoor Air Quality Certification Scheme on 13 February 2004 was well received by 63 participants. 





YU Kam Hung
Chairman

Chairman's message

In February's message, we conveyed that the General Practice Divisional Council's mission is to promote the career success of our members by excelling professional standards and strengthening the profession's influence on industry-related affairs. Serving this goal, we have established a comprehensive organisational structure consisting of 16 specialised working panels to maximise the effectiveness of our concerted efforts. In this month's message, we would like to report to our members on the progress of our recent work.

Business Valuation (Convenor: Mr. KK Chiu)

We have set July 2004 as the target date to issue a new Business Valuation Standard.

Issues relating to regulatory requirements continue to be under discussion with the Securities and Futures Commission, the HK Exchanges and Clearing Limited and various professional Institutes.

CPD & Internal Communication (Convenor: Mr. Ronald Cheung)

We have set a target to hold an average of two CPD events per month.

We have been arranging a number of functions to promote the internal communication of our members.

Disciplinary & Professional Ethics (Convenor: Mr. William Wan)

The Convenor has also been appointed as the GPD representative on the Constitution & Bye-Laws Committee and Surveyors Registration Board. Most of the works have been conducted at another level.

Education & APC (Convenor: Mr. Simon Wang)

The APC assessment was concluded at the beginning of January 2004.

In the process of reviewing the existing APC structure, a number of discussions with relevant members were conducted. We have set a target date for completion of a more appropriate APC policy by the end of 2004.

Government Practice & Local Affairs (Convenor: Mr. CK Lau)

We completed a consultation paper on the Landlord & Tenant (Consolidation) (Amendment) Bill 2003.

We have planned to conduct a research study for which the topic has yet to be finalized.

We shall have regular quarterly liaison meetings with the Lands Department in order to improve our professional practices on land matters.

We have been studying the various scale fees for Lands Department works and URA works.

International (Convenor: Ms. Monita Leung)

We have set a tentative programme for the 4-8 June visit to Singapore/Kuala Lumpur by the President and office bearers of HKIS.

The possibility of a trip to Korea/Japan is also under discussion.

I.T. Support (Convenor: Mr. Andrew Fung)

Subject to budget, the GPD Website will be further developed.

Mainland Affairs (Convenor: Mr. Francis Lam)

The Convenor has implemented the instructions of the President of HKIS, in relation to a reciprocal agreement with CIREA.

Guangdong Land Valuation Institute may visit Hong Kong from 15-17 March. We shall act as host and plan their itinerary of the trip.

Membership (Convenor: Mr. Augustine Wong)

The Convenor has also been appointed as the GPD representative on the Board of Membership. Most of the works have been conducted at another level.

In order to work more effectively with the Board of Membership, a cross-division membership is under consideration.

In order to work with the General Council, we are considering a reciprocal arrangement with ISM.

PR (Convenor: Mr. Daniel Mak)

We have set our terms of reference with the view to promoting the professionalism of GPD by arranging meetings/discussions between the GPD Council and relevant private and public organisations.

Practice Notes (Convenor: Mr. Lawrence Pang)

We have renamed the Panel to "Valuation Standard".

We expect to be in a position to issue a new Real Estate Valuation Standard in around July 2004.

Professional Development (Convenor: Ms. Serena Lau)

Alongside the General Council, we have been planning the future of the profession.

We have been conducting a survey on our members. We would like to understand more on the existing practices of our members. Based on these findings we will be able to make suggestions as to the necessary changes to be made.

Professional Practice

(Convenor: Mr. Charles Chan)

We have renamed the panel to "Valuation Practice".

With a view to promoting the practice of GP Surveyors, we have planned to proactively communicate with the Securities & Futures Commission, HK Exchanges and Clearing Limited, the Hong Kong Monetary Authority, the Hong Kong Society of Accountants, the Hong Kong Mortgage Corporation and the Hong Kong Association of Bankers.

We have been considering the concept of Certified Valuers, as we believe that only professional valuers having their base in Hong Kong should conduct all Hong Kong valuations.

Property Management

(Convenor: Mr. Wing-lung Mak)

We have set a target to have in place a reviewed APC system, more appropriate to Property Management practitioners, by the end of 2004.

In a recent interview in Career Times, the Convenor took the opportunity to promote the professionalism of GPD members in property management.

Sales & Lettings

(Convenor: Mr. Ronald Cheung)

We have set a target to issue a new Tenancy Management Standard at around the end of 2004.

Technical Associates

(Convenor: Dr. Lawrence Poon)

The Convenor has also been appointed as the GPD representative on the Board of Education and the Board of Professional Development. Most of the works have been conducted at another level.

We have been working with various Boards and Committees of the General Council on a new grade of membership.

We have set the Terms of Reference of the Panel as follows:

1. to determine the academic requirements for Technical Trainees;
2. to determine the requirements for direct admission to Technical Associates;

3. to help set up organization for Technical Associates and Technical Trainees for organizing social, educational and training activities; and

4. to co-ordinate with the Education and APC Panel for the TPC matters.


CIREA Working Group

(Chairman: Mr. Alexander Lam)

In addition to the existing sixteen working panels, we have formed a working group to work on the reciprocal agreement with CIREA.

The Terms of Reference of the working group are as follows:

1. to acknowledge the instructions from the President.
2. to implement the instructions from the President.

We emphasise "Communications, Concerns and Commitments". If you have any comments/suggestions on our work, please contact us. By considering your opinions and needs, we hope our members will be able to derive a deep sense of belonging at the Institute. 



Gilbert KWOK

Chairman

Chairman's message

In my last report, I have set out four of the most important tasks for the QS Divisional Council this year. I would like to say a few words on those matters:-

1. It is now planned that the reciprocal agreement between the Institute and the China Engineering Cost Association ("CECA") will be signed in or about June 2004. We believe QS members working in the mainland may be anxious to obtain local qualifications as soon as possible. The QS Divisional Council will therefore try its best to achieve this goal. While on this subject matter, I note that our Vice Chairman and Mainland Sub-Committee Chairman Sam Cheng, our Senior Vice President TT Cheung and two other QS Divisional Council members Tommy Yim (past Chairman) and Anita Liu (past Chairman) will be attending the annual general meeting of CECA in Wuhan on 19 February 2004. I am sure that they will foster a stronger tie between the QS Division and CECA.

2. Regarding the annual conference of the Institute on PPP later this year, which is arranged by a committee chaired by our Immediate Past Chairman Francis Leung,

well known speakers on this subject have been identified and are being invited to speak at the seminar. I trust that the conference will make it clear to the public that surveyors of the Institute will have a key role to play in PPP projects in the region.

3. The English version of the new SMM4, which is arranged by a sub-committee chaired by our Vice Chairman Sam Cheng, is expected to be officially launched in the next couple of months. The Chinese version is being prepared and should be ready in the near future. You will be kept posted of further developments.

4. Regarding the General Conditions of Contract, while the QS Divisional Council is anxious that the document is to be finalised as soon as possible, a number of issues with other organisations still need to be sorted out. The Divisional Council hopes that the Conditions of Contract, when it is ready, will be widely used.

Other than the above main focus, please note the following two international conferences:

1. The 4th World Congress of the International Cost Engineering Council ("ICEC") will be held in Cape Town on 17 to 24 April 2004. Given our good relationship with ICEC, our Vice Chairman Sam Cheng will be representing the QS

Division there. While on this subject matter, I am pleased to advise that TT Cheung, our Senior Vice President, has been re-elected as the Director of Region 4 of ICEC for a further term of 2 years from 2004. He will also be attending the Cape Town conference.

2. The 9th Pacific Association of Quantity Surveyors Congress has been fixed to take place in Dalian in 2005. I will let you have more details closer to the date of the Congress.

In addition to the above-mentioned activities, the QS Divisional Council is arranging or will be taking part in a number of other important functions. I will report to you later.

The above activities are organised by the Divisional Council or its sub-committees established for special purposes. Such sub-committees include:

Mainland,
International,
Conditions of Contract,
SMM,
CPD,
Information Technology,
Education and
APC.

Member Suspended

CHENG Chak Ho
MHKIS 2764, GP

The Disciplinary Board decided in its report dated 30 September 2003 the following charges against Mr. Cheng were established to the senior management of his employer:

1. Mr. Cheng had deliberately or otherwise failed to disclose any information relating to the listing on the GEM Board of a company to the senior management of his employing company;
2. Mr. Cheng should not have accepted or should not have accepted on behalf of his employer instructions in connection with the listing of a company given that Mr. Cheng had an interest or shareholding in that company and/ or Mr. Cheng was a director of that company at all material times.

In accordance with Part VI of the Bye-Laws, the General Council at its meeting on 20 November 2003, having duly considered the decision made by the Disciplinary Board

determined that Mr. Cheng Chak Ho, MHKIS 2764, GP had conducted himself in a manner unbefitting a member of the Institute, contravening the Standard of Conduct and exercised its disciplinary power under rule 2.1.3 to suspend Mr. Cheng's membership of the Hong Kong Institute of Surveyors for a period of two years, effective from 25 November 2003.

Bernard Chan
Hon. Secretary
23 February 2004

Note:

After the decision was communicated to Mr. Cheng Chak Ho he gave notice of intention to contest the decision of the General Council in a court of law and requested the council to withhold publication pending appeal. He had not proceeded with the appeal and did not respond to a request to do so and accordingly the Council decided to publish the notice.

CEPA High Level Conference in Beijing , 17 February 2004

A group of 6 members led by the President, Mr. Tony Tse, attended the CEPA High Level Conference on Professional Services in Beijing. The focus of the Conference was on reciprocal recognition of professional services. The GP Division of HKIS was the first Hong Kong professionals to sign a Reciprocity Agreement with the China Institute of Real Estate Appraisers on 16 November 2003, which is being implemented with training and assessment to be organized in March 2004. The QS and BS Divisions are progressing well on the negotiation of reciprocal recognition with Mainland counterparts.

At the meeting with the Ministry of Construction and counterparts in the morning of 17 February, the President urged for transparency, availability of information on licensing requirements, procedures, local facilitation and assistance under CEPA.

The idea of a one-stop office to assist the setting up of business and obtaining necessary licences was also put forward to the Chinese counterpart for consideration.



Meeting with Shanghai Real Estate Appraisers Association



Reported by **Tony WAN**
Chairman of Junior Organization

Led by our President, Mr. Tony Tse, a visiting team of nine representatives met with the Shanghai Real Estate Appraisers Association (SREAA) on 13 January 2004 in their Shanghai Office. Three key office bearers of SREAA, including their President, Ms. Wu Sai Zhen, Secretary-General, Mr. Yang Guo Cheng and Vice Secretary-General Mr. Xu Ze Lin gave their warm welcome to the visiting team.




Our President presented a souvenir to SREAA

The visiting team raised in the meeting the following issues for study and discussion with SREAA:

the main issues of HKIS in 2003 and the plan for 2004
proposal for jointly organising a seminar in relation to property management, agency, etc
training and working opportunity for young surveyors in Shanghai
suggestions for strengthening the cooperation between HKIS and SREAA

Positive feedback was received from SREAA. Ms. Wu not only appreciated the works done by HKIS but also expressed her willingness in jointly organising the proposed seminar and training session for HKIS members. As agreed by both parties, the tentative date for the said events would be in coming September and an ad hoc working group of HKIS, headed by Mr. Francis Lam, the Vice Chairman of our Mainland

Committee, would work out the details in this regard.

The entire meeting was held in a harmonic atmosphere for more than two hours and happily ended after the presentation of souvenir to SREAA by our President. 



Rear row from left: Edmond Yew, Bernard Chan, Francis Lam, Lesly Lam, Tony Wan, Sam Cheng, Gordon Ng. Front row from left: Serena Lau, Wu Sai Zhen, Tony Tse, Yang Guo Cheung.

2003 京港澳測繪技術交流會

陳志端

中國事務委員會

簡介

北京、香港和澳門測繪科技工作者在過去十年深刻感覺到科技進步一日千里，面對的挑戰也相應增加，為了增進友誼，促進交流，互相學習，共創未來，決定進行定期測繪交流會，1999年12月在北京召開第一屆京港澳測繪技術交流會，2001年12月在香港召開第二屆京港澳測繪技術交流會，並定於2003年12月在北京召開第三屆京港澳測繪技術交流會，由於12月份各方工作業務安排頻繁，所以改於2004年1月7日至9日舉行，下屆將於2005年在澳門舉行。

本屆交流會由北京測繪學會、香港測量師學會、香港工程測量師學會、香港理工大學和澳門地圖繪製暨地籍局聯合舉辦，北京測繪學會承辦。組織委員會主席是北京測繪學會理事長洪立波先生，多位副主席包括香港測量師學會副會長黃仲衡先生。



本屆交流會的主題是“數字城市”，“數字城市”是以城市信息高速公路和空間數據基礎設施為依托的一個廣泛概念，信息高速公路是一種形像化的說法，它是一個以光纖、電纜和無線電傳輸協調組成的大容量、高速度和智能化信息傳輸網絡，向社會快速傳遞信息。在信息高速公路，我們除了使用社會、經濟、人文等各類信息外，還要使用地形、地界、地下管、土地、水文、氣像、礦藏和災害等地理空間數據。這些空間數據具有地理座標，是各種信息的統一空間載體，是一個地方信息化的基礎設施。

會議於1月8日上午隆重開幕，除了港澳代表致詞外，國家測繪局局長陳邦柱、中國測繪學會理事長楊凱和北京市科學技術協會秘書長羅忠仁都有講話。參加者大概有一百六十人，北京代表佔大多數，會場設有展覽單位，展出最新測繪儀器、電腦軟件、地圖和各類書籍。會議於1月9日下午隆重閉幕。

會議過程

會議過程可分為四部份：實地考察、院士學術報告、代表報告各地數字城市發展情況和發表其它論文。

實地考察於會議前一天舉行，包括參觀建築將近完成的國家大劇院、人民大會堂和北京市全球定位系統綜合服務系統延慶基準站。

國家大劇院建築面積157000平方公尺，佔地面積8公頃，2001年動工，2005年完成，內設戲院、歌劇院和音樂廳，地下部份四層，地上部份七層，它是一個蛋形的建築物，四邊被人工湖環繞，觀眾和汽車出入口都在湖下。它的結構形式主要是框架、剪力牆和鋼結構等多種結構形式結合，基層為扇形基礎，柱、梁、板和牆等變化大，選形多，工程結構複雜。國家大劇院是國家級重點工程和國家標誌性建設，所以施工和測量都有很高的質量要求。我們在工地聽完簡介後，便戴上安全帽，參觀各部份建築。雖然建築尚未完成，我們已能體會大劇院的美侖美奐。真是令中國人自豪。



對大部份香港市民來說，人民大會堂是耳熟能詳的，講解員除講解一九五八年中國用了十個月的時間建成這宏偉的大會堂外，還介紹它的建築特色、內部結構和組成的各類廳房，它的大會議室是人大開會的地方，除了可容納萬人外，更可同時有六種



外語傳譯或十六種中國語言傳譯。因為時間短促，講解員只帶我們走馬看花地參觀了廣東廳、四川廳和重慶廳等，令我們喜出望外的是會議籌委會特別為我們申請了參觀香港廳和澳門廳，兩個廳各有特色，香港廳的大堂背景是美麗的維多利亞港夜色，驟眼望去像一張放大的相片，但近看才知道是一張用羊毛絨織成的大壁報，澳門廳還設有後院，裡面還有亭台等設施。

北京市全球定位系統綜合服務系統延慶基準站位於長城以北的塞外，我們到達時已是黃昏，氣溫是零下四度，這天是農曆十五，月亮姐姐又大又圓。首先參觀了室外的GPS接收站，因為是LEICA設計的，所以和香港的差不多；回到室內後，北京市信息資源管理中心的載連君部長詳細講述北京市全球定位系統綜合服務系統，整個系



統由基準站系統、管理系統、監察系統、服務系統和用戶系統五部份組成，這個系統利用全球衛星定位技術，經過信號聯網處理，不但提供定位服務，還對北京市的規劃、測繪、地震、氣像、國土資源、交通、金融、商業、旅遊、水利、礦藏、林業、農業和環保等30個重點行業提供服務。

院士報告在首日上午進行，第一部份是陳俊勇院士講述國家大地基準現代化，日本、韓國、蒙古、新西蘭、馬來西亞、歐洲和非洲最近都更新了他們的大地基準，我們中國的西安1980坐標系統是兩維的，極需要轉為三維地心大地系統。陳院士是我國及世界知名學者，他的講述精簡有力，中國大地坐標的現狀和問題和香港很相似，他大部份的演詞都令我們津津有味。



劉先林院士講述城市基礎信息三維虛擬現實網絡系統，虛擬現實(Virtual Reality)技術正處在快速上升階段，在交互器和飛行軟件支持下，系統可以向用戶提供的不是靜態的測量數據，而是動態的場景漫遊。他還介紹中國出品很多空中攝影器材，因為價錢平，功效大，精度高，所以很受顧客歡迎。此外他還介紹國產無人駕駛飛機，輕巧靈活。

首天下午三地代表報告了三地數字城市進展情況。黃仲衡副會長講述香港地政總署土地信息中心的工作，題目為《空間基礎數據建設與應用》，內容包括如何協助私營機構參與數字城市建設和鼓勵資源共享，北京的代表們對這報告非常有興趣；張紹基局長講述數字澳門的建設，內容非常宏觀；劉紹福博士則講述數字北京電子政務建設；北京市測繪設計研究院陳倬總工程師總結如何加速信息化測繪體系建設，構造數字北京空間基礎數據平台。

第二天的大部份時間是論文發表，因為共收到六十餘篇論文，所以不能每一篇論文都能在場內發表，主辦當局刻意安排港澳代表都能發表論文，可說用心良苦，極盡地主之誼。其中由香港測量師學會會員發表的有黃仲衡的(深港西部通道工程GPS衛星

定位控制測量)、唐均遠的(3D計算機動畫用於公路設計演示)和陳志端的(香港地籍記錄)。各篇論文都能達到國際水準，也極具現勢性、建設性和實用性。香港測量師學會圖書館已存放論文集一套，會員可以借閱參考。

會後感想

我感覺非常幸運能夠參加這個研討會，這個研討會不但適合每一位土地測量組會員，也適合其它組別會員，香港和澳門的近況我們耳熟能詳，但是北京之發展，不祇是歷史悠久，而且進步神速和目標清楚，香港真的要借鑒。在科技發展方面，他們大有勢頭

比起香港，北京的測繪工作者更小心利用資源，更注重成本效益，盡量做到一種投資，數種服務。他們每一篇論文都包括測量人員的使命、理想和目標，而且科研機構多，前途無可限量。

北京很像香港，到處都是新建的樓宇和地盤，街上車水馬龍，現在距離奧運只有四年，要做的事多得很，真是商機無限。

展出的地圖集非常豐富，總參謀部測繪局編制的世界地圖集和中華人民共和國地圖集內容精美豐富，叫人愛不釋手；另外乾隆雍正時全國各州縣地圖集，更使人回味大清盛世時的氣勢。

展望未來

京港澳測繪技術交流會已舉辦了三次，香港測量師學會作為主辦機構之一，我們一定要將它發揚光大，增進三地測繪科技人員的交流、切磋，建立更緊密的友誼，增強我們在這個測繪領域的領導地位。

Auction of Vehicle Registration Marks on 31 January 2004

Reported by **Tony WAN**

Chairman of Junior Organization




As part of the 20th Anniversary celebration events, the Lunar New Year Vehicle Registration Marks Auction was successfully held on 31 January 2004 at the Hong Kong Convention and Exhibition Centre. Our President Mr. Tony Tse, fellow GP member Mr. S K Pang and JO Chairman Mr. Tony Wan were nominated as the auctioneers to host the auction of 45 vehicle registration marks.

To welcome the Year of the Monkey, the Transport Department had arranged a lot of lucky registration marks for sale. Most of which were composed of lucky numerals like "3", "8" and "9", attracting hundreds of people to join the event.

Due to the recent rebound of the economy and improvement of market sentiment, the response of bidders was obviously more positive than that of the previous years. The vigorous competition amongst bidders for those special vehicle marks intensified the exciting atmosphere within the auction room.

The whole bidding reached its climax when our President began the auction of the special registration mark "23". Starting from HK\$1.405 million, the price was pushed up quickly by numerous bids. Ultimately, a lady offered HK\$3.9 million, representing 2.8 times of the opening price, to outbid all other bidders to win her preference number "23".

41 of 45 marks were successfully sold, which generated total proceeds of HK\$9.04 million. All such sums after deduction of expenses incurred would be put into the Government Lotteries Fund for charity purposes. (For detailed auction results, please view the website of the Transport Department via the following link: http://www.info.gov.hk/td/chi/services/auction_index.html) 

Meeting with the Vice-Chairman of Shanghai Surveying and Mapping Institute

林力山

土地測量組理事會委員, 青年組副主席

MSC, MHKIS, MRICS, MINSTCES,
FIG/IHO CAT. A, RPS(LS)

非常榮幸能夠代表土地測量組，參與本年度在上海市舉辦之香港基建及房地產服務博覽2004。期間，本人特別造訪了上海市測繪學會的副會長朱國雄教授。朱教授亦是上海市房屋土地測繪中心的主任。

在短短的個多小時會面，話題很廣，我們談論到兩岸三地測繪工作的架構、上海市在測繪工作上的分工情況、內地跟香港在測量專業範疇上的分別、上海市和香港社會的演變及發展。另外，朱教授更為我介紹了上海市及其周邊地區最新的基建項目與發展方針，崇明島的規劃形勢等等。

得到朱教授的熱情款待，感覺實在非常溫暖。為表謝意，我已表示，若他能抽空蒞臨香港，我們一定

會儘地主之誼，為他介紹香港的發展，以及遊覽我們這個動感之都。

為了增進彼此的友誼，我倆都認同上海市測繪學會跟香港測量師學會，可以安排一些滬港測繪技術交流活動，希望在不久的將來，能夠落實舉辦。📷



朱國雄教授與林力山先生攝於二零零四年一月十四日上海市房屋土地測繪中心

Property Market Déjà vu?

Young surveyors unravel the myths in property market



Reported by Sheldon IP

Crocodile Enigma

The sign for the current strong, but rather hysterical, upward rush in property market was already surfaced in as early as last November, according to one leading Fung Shui master. "The sudden appearance of a crocodile in Yuen Long is a good omen as it means things will be brought back to life," he said.



Marcos Chan

Could we believe him? To property professionals, the market wisdom was built on facts and figures. In a CPD event jointly organised by HKIS Junior Organization and RICS Matrics (HK Chapter) on 11 February, two speakers from Jones Lang LaSalle offered their perspectives on the latest market trend, with some interesting analysis.

Improving Fundamental

Mr. Marcos Chan, manager of Jones Lang LaSalle Research Department, reviewed the performance of key market sectors in 2003 and discussed the market outlook in 2004. He told the recovery drive was boosted by the strong upturn in economy and expectation on future tight supply resulting



Jim Yip

from the government's efforts in curtailing land sales and delaying railway projects.

Mr. Jim Yip, Senior Manager of Jones Lang LaSalle Valuation Advisory Team and chairman of RICS Matrics (HK Chapter), reviewed the residential market trend since 1997, the zenith of property bubble, and drew lessons learnt in the past six years of property doldrums. He told what had changed and what hadn't changed in the past six years, highlighting the underlying forces that will impact the market in the longer term.

On whether the current momentum of price upswing can be sustained, both analysts believed that the prospect is mixed. "The improving economy, the ease in deflationary pressure and unemployment, coupled with a marked decline in future supply should bolster the property market," said Marcos.

"The trade-up market is still very sluggish. Homeowners are yet to come out in droves to reinvest into the property market," Jim said.

Using the figures of the total outstanding mortgage loan and the annual loan repayment from the Hong Kong Monetary Authority,

Jim has tracked the performance of the trade-up market since 1996.

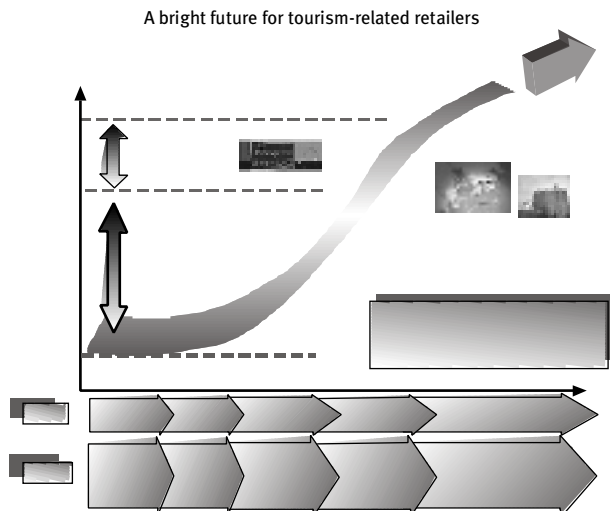
Sluggish Trade-up Market

A strong trade-up market is characterized by a high liquidity ratio and a net growth of the total outstanding mortgage loan, as homeowners sell and buy properties which trigger movements within the pool of existing loans.

The total outstanding mortgage loan fell 2% to HK\$522 billion in 2003. In 1997 the loan growth rate was 29%. The liquidity ratio (loan repayment in the current year to the total outstanding mortgage loan in the previous year) fell from 39% in 1997 to 17% in 2003, indicating the trade-up market is still very weak.

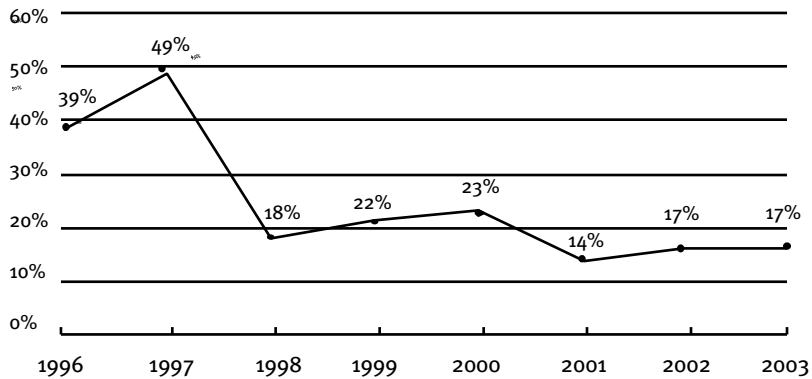
Hanging Clouds

The widening budget deficit remains the top hindrance to a full-blown recovery said both analysts. "With a shift in the HK economy base, the budget deficit has become a structural problem which requires more drastic government actions. But the slow progress in reforming the public sector, medical care and



Declining trade-up demand

Mortgage payment to total outstanding mortgage loan



Source: HKMA & Jones Lang LaSalle

education means a significant cut in government spending is limited, forcing the government to explore other tax avenues. A retail tax is on the cards," said Jim Yip, warning that a high tax regime could dampen the market sentiment.

Predicting future changes is difficult, taking actions well ahead of the changes proves even more difficult, especially in the property sector where property owners could be held hostage to the fallacy in the appraisal-based asset price which is considered a laggard indicator.

One case in point. In 1989 the collapse of Soviet Union brought an end to the cold war and a breathing space for the deficit plagued US government. But many homeowners in Riverside County, Southern California, failed to apprehend the implications of the end of the cold war to its local economy which had built its economic fortunes from the rapid growth of the aerospace industry in the 80s. They suffered severely in the property recession in the mid 90s that came on the

heels of a heavy scale back of the defense budget by the US government.

Supply in Check

In Hong Kong, there was an equally painful experience of failing to read the signs of market turn.

Back in the 1997 property boom, few in the market spotted a large supply pipeline that had already built up through government land sales by private treaty grant in the preceding years. The area of residential land disposed by the government through public auction and tender and private treaty grant between 1995 and 1997 amounted to an annual average of 650,000 sq.m, 2.5 times the figure between 1992 and 1994.

"There was indeed a looming oversupply while the market punters were still betting on supply shortage," said Jim Yip. The land area of 650,000 sq.m. could provide at least a total of 74,000 residential units assuming at an average plot ratio of 8 and a standard flat size of 70 sq.m.

Although at present there is a potentially large supply from the West Rail project - a situation comparable to that of 1997 when there was a large release of land supply from the airport railway projects, Jim thought that it should be the least to worry about.

"The government has learnt the lesson and would dispose them in a controlled manner."

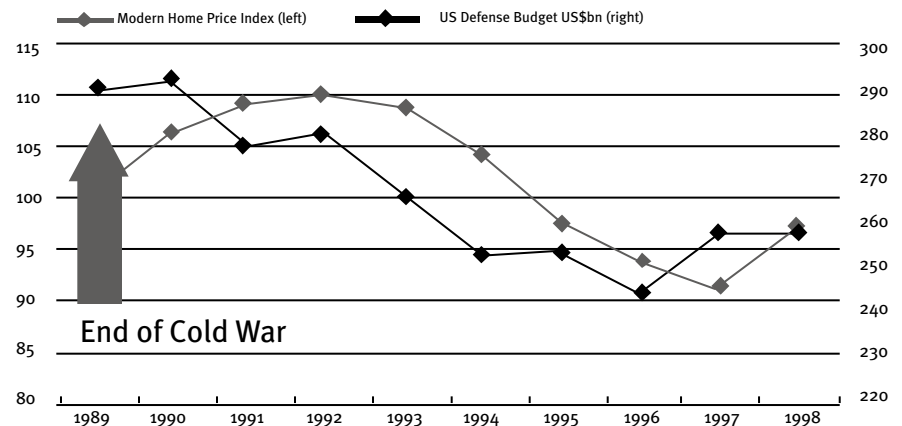
Siphoning Demand

Besides the deficit issue, the greater economic integration with the mainland is another cloud hanging over the property market.

"The completion of the Western Corridor between Hong Kong and Shenzhen by 2005 can be a more potent threat to the property market."

Impact of Peace Dividend to Home Price in the US Aerospace

Industry Base Riverside County, Southern California



Source: US Defense Dept & Southern Cali. Realtors

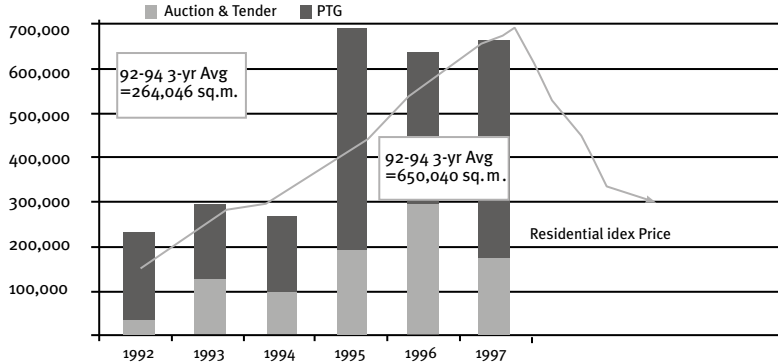
"The pace for price convergence between the two places is likely to intensify," said Jim. "If India's Mumbai, a powerhouse in the global IT and business process outsourcing, can send shockwaves to the real estate market in Silicon Valley in the US, why the two neighbouring cities Shenzhen and Guangzhou can't to Hong Kong?"

Jim ended the thought-provoking talk by encouraging young members to go out and look for career opportunities in the mainland property market.

The speakers' PowerPoint presentations can be downloaded from the JO website http://www.hkis.org.hk/hkis/html_jo/index.jsp

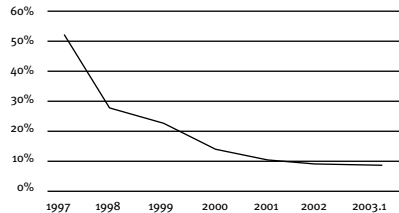
Author's note: Putting words into action, Jim Yip will relocate to Jones Lang LaSalle's Shanghai office in early March, focusing in the burgeoning industrial and business park sector in the Yangtze River Delta.

Residential Land Sales 92-97

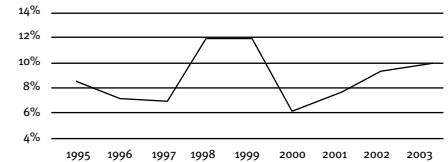


Source: Census & Statistics Dept & JLL

Guangzhou Grade A Office Vacancy



Hong Kong Grade A Office Vacancy



Inter Institutes' Football *Friendly Match 2004*



and it sent a football team to the friendly match. Our team was made up of around 30 energetic members from all the disciplines.


After the preliminary and final matches, our team became the 2nd runner up of the Inter Institutes' Football Friendly Match. We were honoured to have Hon. P.C. Lau to present the prize.

The encouraging news not only comes from the result, but also from the formation of our Football Team. We gained friendship among different surveyors from different disciplines and we were able to meet the different



professional bodies through the matches. We hope our team can last long and we will keep on having regular practice and gatherings in order to prepare for any matches similar to the Inter Institutes' Football Match in the future.

Special thanks are expressed to S. K. Au, Cody Pang, Horace Lam, Raymond Liu, James Cheung, Philip Wong, C.S Ho, Kenny Chan and Sunny Chan in sharing strategies, arranging the pitch and designing our team-shirt.

Thank you very much to all the participants in contributing to the football. 

An exciting football friendly match, which was organized by the Hong Kong Institute of Architects, was successfully held at Taikoo Shing on 8 November 2003 and on 3 January 2004.

Several Institutes were invited - the Hong Kong Institution of Engineers, Hong Kong Institute of Architects, Hong Kong Institute of Landscape Architects and the Hong Kong Institute of Surveyors. The match was sponsored by the Junior Organization of HKIS



Buoyant Market Is Here Again



Ronald Y F CHEUNG

BSc (Hons), MHKIS, MRICS, RPS (GP)
Director of Midland Surveyors Limited

Everyone is talking about it. You wonder if it is true. Yes. Buoyant signs are here again. The property market is showing all signs of recovery in 2004.

There are two aspects of the rising market that are worth mentioning.

Demand for Better Homes

As positive signs grow, so do property asset values. The following is a classic case of confidence over affordability. In view of the prospect of rising values, and taking advantage of low mortgage rates, people start to demand for better, larger homes, in addition to merely buying one. What drives them is purely their perception of better days ahead.

Our survey of 10 major residential estates showed that demand for larger units, such as three-bedroom flats, have been increasing. As seen in Chart 1 below, in the second half of 2003, sale of three-bedroom flats rose 60.6% over the first half while, correspondingly, sale of two-bedroom flats only rose 54.4%.

Looking at the unit transaction values of private flats over the same period reveals a definite increase in higher-value purchases, a reflection of higher demand for larger homes. This is illustrated in Chart 2 below.

Effect of Cancellation of HOS Flats

The private housing market is boosted by the cancellation of sale of Home Ownership Scheme (HOS) units since 2002. Between 1991 and 2000, the Government put up an average of 14,918 HOS units for sale every year. Removing them from the market has an immediate and significant effect on the private sector, as can be seen in Chart 3 below.

Increase in Net Return

Besides capital appreciation, the increase in net return for residential properties is an added attraction to investors. Net return is expressed as the excess of rental return over mortgage rates. Before 2001, in times of high mortgage rates, net return was negative. From 2001, when the mortgage rates started to fall, the excess of rental return over mortgage payment became apparent and net return started to rise. It now becomes less expensive to pay for mortgage than to rent, making renting out of properties attractive as an investment. This is shown in Chart 4 below.

As rent and mortgage rates are likely to follow the current level in the foreseeable future, any change in the net return rate will depend on the change in home price. From Chart 5 below, it can be seen that even if home prices rise significantly, it is still affordable to buy a home on mortgage. This in itself is an incentive to property investors.

Chart 1 Sales Trend of Two- and Three-bedroom Units

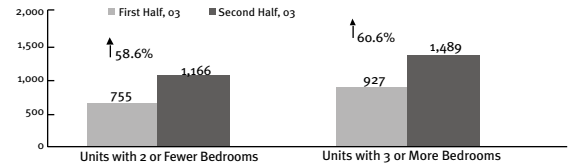


Chart 2 Home Sales Uptrend by Value (Second Half 2003)

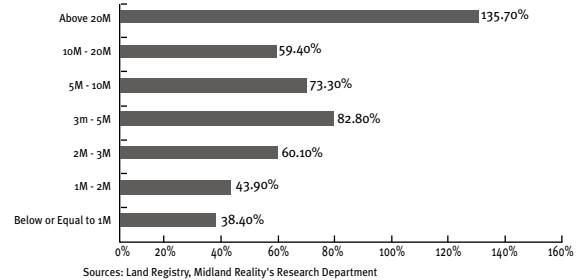


Chart 3 Sales Trend of Homes in Primary Market

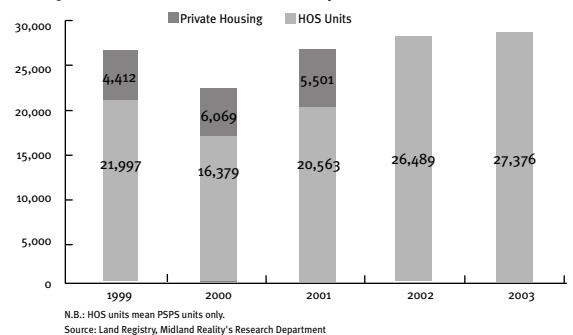


Chart 4 Correlations between the Rental Return and Net Return on Residential Properties

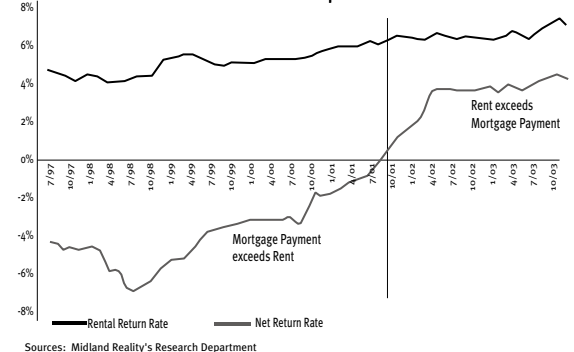
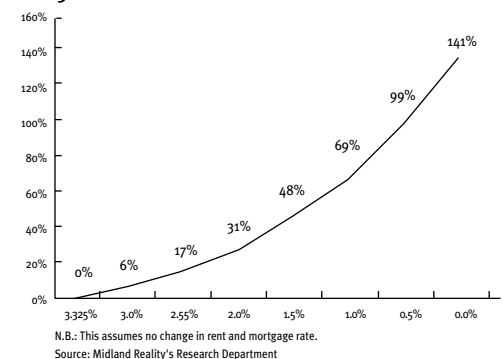


Chart 5 How Home Price Increases Affect net Return



The True Causes of Critical Delays



Brian E. Rawling

Brian E. Rawling & Associates

In construction projects, time is money. On the one hand there are the employer's liquidated damages to cover its losses on its investment if the project is not completed on time and, on the other hand, there are the prolongation costs of consultants, administrators, contractors and subcontractors which have to be reimbursed when the cause or causes of project overrun are compensable for one or more of such organisations.

Establishing the true causes of critical delays on any complex project requires careful analysis of the facts and project records. There may have been concurrent causes of delay and, even if there were complicated interactions between the delaying effects of several events, for each project, there can only have been one series of the true causes of critical delays to completion for the same part of the works. Furthermore, some of the delaying effects of the events which ran concurrently may be inseparable. However, even in such circumstances, there can only be one series of the true causes of critical delays.

Delay analysts may interpret the facts and project records differently, place more weight on the delaying effects of some events than others and form genuine beliefs upon the true causes of critical delays. However, in such circumstances, each delay analyst will arrive at only one series of the true causes of critical delays.

With the assistance of computer software, delay demonstration analyses for the most complex projects can be prepared to simulate the actual or potential effects of the delaying events. If the contractor increased resources or worked overtime (or both) to mitigate the effects of the delaying events then the delay demonstration analyses can be used to simulate the potential delays to completion as if such delay mitigation measures were not taken.

The analysis of the facts and project records can be done contemporaneously. If there are disagreements between the contractor and project administrator then disputes could arise

which require further detailed delay analysis. This is often carried out after a project is completed. There are then the few projects where disagreements cannot be settled and arbitration or litigation occurs. For those projects, each party is likely to appoint a programming and delay analysis expert and further delay analyses are carried out by each party's expert, again with the intention of establishing the true causes of critical delays.

It is not unusual for the contractor to have a different appreciation of the true causes of critical delays to the views of the project administrator, however, only one of them will be correct as there can only be one correct analysis of the true causes of critical delays.

Imagine then the scenario where the project administrator reviewed and reported upon the true causes of critical delays as the project progressed and awarded extensions of time to the contractor. Later, the employer engaged a claims consultant to assess the contractor's claims for reimbursement of prolongation costs. The claims consultant arrived at entirely different assessments of the true causes of critical delays to those made earlier by the project administrator. In such circumstances, provided that the same parts of the works were being analysed, one of the assessments of the true causes of critical delays will be wrong and which one is wrong will depend upon the competence of the analyst's understanding of the facts and project records.

However, in a recent dispute which involved two different assessments of the true causes of critical delays, one for time and the other for money, both carried out on behalf of an employer, it was argued that both assessments were right as the project administrator was assessing extensions of time and the claims consultant was assessing prolongation. It must be stressed that the differences between the two series of delay analyses were significant with none of the causes of critical delays in the first analysis featuring as a cause of critical delay in the second analysis despite the same parts of the works being reviewed.

The issue was included in the arbitration and pleaded by the employer in something similar

to the following terms:-

"It is admitted that the assessments for the contractor's prolongation claims carried out by the claims consultant after the completion of the works is materially different from the assessments of the contractor's extension of time claims carried out by the project administrator as the work proceeded. It is averred that the project administrator's assessments prepared as the work proceeded dealt only with the contractor's entitlements to extensions of time in accordance with the provisions of GCC clause 50, whereas the assessments of prolongation costs dealt with the contractor's entitlements in accordance with the provisions of GCC clause 63. In the premises, the assessments were carried out for materially different purposes whereby the contents of the same can reasonably be expected to be different."

The pleaded case referred to above cannot be correct as the true causes of critical delays will be the same whether the delay analysis was to consider extensions of time under GCC clause 50 or reimbursement of prolongation costs under GCC clause 63.

There may have been secondary issues which made the two assessments, one for time and one for money, different, such as the delaying effects of concurrent culpable and compensable events, but the true causes of critical delays will have been the same whether the delays were being analysed for the assessments of time or of money claims. Furthermore, the true causes of critical delays will have been the same whatever type of delay analysis technique was used.

There may also have been differences in the two assessments due to the treatment of secondary or tertiary events, or how costs were incurred in different parts of the project, but the true causes of critical delays would not be different for the time and money claims for the same part of the works.

I know that lawyers have different views to technical people but I shall enjoy listening to the employer's expert witness arguing that at any one time there were two or more true causes of critical delays on the same part of the works when such causes did not create concurrent delays and were the product of the different considerations for time and money claims.

For further information contact info@brianerawling.com [www.brianerawling.com]

Unforeseen Ground Conditions



John B Molloy

LLB (Hons), BSc (Hons), FHKIS, FRICS,
FInstCES, MCI Arb, MAE, RPS (QS)
Managing Director, James R Knowles
(Hong Kong) Limited

Risks in construction are plentiful. Time, quality, availability of resources, politics, and financial risks (funding, bankruptcy, exchange rates, etc) are but a few. However, if you ask any contractor the risk which concerns him most in construction projects, and particularly civil engineering projects, the answer will invariably be that which arises once ground is broken - unforeseen ground conditions.

What distinguishes construction works below ground from above ground is the additional uncertainty, which is inherent in the ground through which construction is required. Nature plays a much smaller part in construction above ground level.

The general position at common law was established in *Thorn v London Corporation* [1876] 1AC 120 where the court held that in the absence of express terms in the contract the cost of overcoming adverse physical conditions being encountered fell upon the contractor.

These days most forms of contract do contain express provisions dealing with the liability for unforeseen ground conditions. I say most because in Hong Kong the local HKIS/HKIA Private Form of Contract does not contain any provisions for unforeseen ground conditions and under that form the common law position prevails.

International opinion on this issue suggests that the employer should bear (at least some) of the risk for unforeseen ground

conditions. The reason for this is simply that, apart from the fact that the site usually belongs to the employer, if the contractor does not have to bear the risk he will not need to price for it. Thus the employer will only pay in circumstances where the risk eventuates. The result will therefore be, in theory at least, lower tender prices.

In Hong Kong whilst the MTRC and KCRC's contracts do provide that the Employer bears the risk of ground conditions that could not have been reasonably foreseen, the Government Conditions of Contract, (under which the majority of civil engineering works in Hong Kong are carried out) place the risk entirely on the contractor.

General Conditions of Contract Clause 13 will probably be well known and understood by everybody reading this article. The clause provides:

"(1) The Contractor shall be deemed to have examined and inspected the Site... and to have satisfied himself, before submitting his Tender, as regards, the nature of the ground and sub-soil, the form and nature of the site,, the nature of materials (whether natural or otherwise) to be excavated, and generally to have obtained his own information on all matters affecting his Tender and the execution of the Works.

(2) No claim by the Contractor for additional payment shall be allowed on the ground of any misunderstanding in respect of the matters

referred to in sub-clause (1) of this Clause or otherwise or on the ground of any allegation or fact that incorrect or insufficient information was given to him".

The clause is much criticized by contractors as placing unfair risk upon them, and was discussed in detail by the Government and the contractors in their joint discussion group meetings at the time the 1985 General Conditions of Contract ("GCC 85") were prepared. Despite pressure from the HKCA or BCA as it was known at that time, the Government held firm and reproduced the clause in GCC 85.

At that time it was pointed out by Government that the harsh effects of the clause had in fact been mitigated considerably by three developments, which meant that it was justifiable to put the clause in the new contract. These three developments were:

The Standard Method of Measurement

Prior to 1985 the Government in many Departments still adopted the ICE Standard Method of Measurement 1954 Edition in which no differentiation was made in measurement for the type of materials to be excavated. This meant that no matter what conditions were encountered the measured quantity would remain the same. However, the new SMM issued soon after GCC 85, required that excavation be measured through different materials. The Engineer when



preparing the Bills of Quantities and ultimately remeasuring the works was required to measure excavation through 'suitable materials', 'unsuitable materials', 'rock' and 'artificial hard materials'.

General Conditions of Contract Clause 59(4)(b)

The GCC 85 contained a new clause, Clause 59(4)(b) which provided a means whereby if there was a substantial increase in the quantity of an item in the Bills of Quantities, then in certain circumstances, the contractor could have the rate in the Bills of Quantities adjusted to take account of such increase. This provision coupled with the Standard Method of Measurement requirement to remeasure excavation in different materials separately, mitigated further the effects of GCC Clause 13. Therefore if, in the above scenario the quantity of excavation of rock went up from 10% to 90% of the total quantity, not only could the contractor be paid at the rate in the BQ for excavating rock, but there was the possibility of seeking an enhanced rate as well.

General Conditions of Contract Clause

50(1)(b)(v)

Thirdly, coupled with the provisions of GCC Clause 59(4)(b) the new extension of time Clause 50 provided that in circumstances of a substantial increase in quantities the contractor could claim an extension of time pursuant to GCC Clause 50(1)(b)(v).

These three developments are still relevant today, and do, it is admitted take some of the sting out of GCC Clause 13. But the clause is nonetheless an onerous one, and question must be raised as to whether the clause really does serve the Government's best interests.

Many years ago I attended a seminar here in Hong Kong at which Ian Duncan-Wallace, the learned editor of Hudson's Building and Engineering Contracts spoke. In discussions on this topic he gave the following example to illustrate the downside of the employer transferring the risk of unforeseen ground conditions to the contractor.

An employer wants to construct a pipeline underwater across a lake. The pipe is in a shallow trench. The site investigation information shows the lake has a sandy bed, but nonetheless the contract puts all the risk of unforeseen ground conditions on the contractor.

Three contractors tender for the works. The first contractor does not even notice or appreciate the risk that the ground conditions may be different and makes no allowance in his tender for anything other than dredging a trench in sand. The second contractor appreciates the risk, but can not be bothered to investigate further and so makes no, or at the most, a small allowance in his tender for the risk of different ground conditions. The third contractor appreciates the risks, hires a boat and carried out investigations and discovers rocky outcrops in several places along the line of the pipeline, and duly makes allowance for this in his tender.

Which contractor would you want to do the works? Clearly the third contractor, who is experienced and conscientious and has priced for the works required. But who will get the works? Generally the first contractor because his tender will be the lowest.

Is this really in the employer's interests? He gets a poor contractor who will inevitably run into difficulties when the rock is encountered, and this will undoubtedly lead to serious claims and disputes.

Perhaps it is time for the Government to consider a change to its GCC Clause 13.

Guaranteed Maximum Price for the Project?



Avan Fan Chi wai

BSc (Hons), LLB(Hons)
Project Quantity Surveyor
Newland Engineering Limited (A member of
Key On Group)



David Greenwood

Ba, MA, MSc, FCIOB
Associate Dean, School of the Build
Environment
Northumbria University, United Kingdom

In Hong Kong, and indeed around the world, Guaranteed Maximum Price (GMP) contracts are becoming popular as a way to minimize client risk and avoid claims. We recently conducted an informal survey of Quantity Surveyors in Hong Kong about their knowledge of the GMP contract and its implications. Surprisingly few of them had experience of GMP, and some did not know what it was - a remarkable situation considering the apparent growth in its use.

In simple terms, GMP is a crossover of Traditional and Design & Build contracts. Historically under a Traditional Contract, the client controls and dictates the project's design, and although the price may be lump-sum, the contractor's interests are protected by a variation provision. Conversely, the Client is thereby exposed to the possibility of an increasing contract sum and contract period. With Design & Build contracts (at least in their 'pure' form) design control is with the contractor. The Works should be designed and constructed to the Employer's Requirements and Contractor's Proposals¹, and variations (or *changes*, as they are normally referred to under such contract forms) are limited to changes initiated by the Employer, and thus do not include design changes, which are considered to be at the risk of the contractor.

Most clients are content to have a contract that controls a project's cost, but many of them would prefer to keep control of the design process as well. The GMP contract has evolved to offer clients this possibility. Furthermore, it is normally provided that in the event of the *out-turn cost* of the works being lower than the GMP; the contractor will share the saving with the client, on whatever percentage basis stated in the contract documents.

With GMP, unlike Design & Build, the client may employ the design team to carry out, expand and develop the design of the constructed product. But unlike the traditional form of contract, the GMP option places many of the risks of change upon the contractor.

Strictly speaking, GMP is not a form of contract, but a condition, set of conditions, or amendments to any form of contract, including well-known industry standard forms. A typical addition or amendment might read:

Clause, Condition or Article Number N

'The parties agree that the Contract Sum shall be the guaranteed maximum price for the carrying out of the Works / Contractor's Obligations under the and includes the full cost to the Contractor of all risks and responsibilities assumed under this [*Clause, Condition or Article N*]. The Contract is to be amended to implement this guaranteed maximum price as set out in this [*Clause, Condition or Article N*].'

If the contractor is carrying out a 'pure' Design & Build project under a GMP, it may be difficult for the scope of works to be defined precisely at the start, but at least the contractor has the benefit of being able to

be in control of the way the design develops and has the opportunity to 'value-engineer' the design within the constraints of the GMP. The less design control the contractor enjoys, the more onerous the GMP provision becomes. The Employer may regard any design variations as entirely at the risk of the contractor, while the contractor may argue that certain changes fall outside the original scope of the work and their additional costs should be claimable. There is thus the potential for disputes to arise.

Sometimes the contract will define what is considered to be within or outside the scope of the works. An example is the recent DHL Central Asia Hub Project at the airport. In the contract the following events are defined as GMP variations:

- a) There is material change to the overall floor plan and /or building volume (e.g. the building roof level increased/decreased by more than 1m);
- b) There is material change to the function of an area (e.g. the building floor space enclosed to form additional rooms or office floor area redefined as toilet area);
- c) There is material change in the level of quality of an area (e.g. toilet vanity benches changed from Corian to granite);
- d) A variation leads to an adjustment to a provisional quantity or incurs the expenditure of a provisional sum;
- e) A variation serves to correct material quantity errors or material mistakenly omitted by the consultants (i.e. which in the opinion of the Architect do not result from Design Development);

f) A change imposes additional fees and charges payable under clause 4 of the Standard Form of Building Contract. (i.e. the Statutory Obligations, Notices, Fee and Charges)

One of the more notable points in the above is the expression 'design development': itself a grey area that can be the topic of much discussion and potential dispute. Two recent cases from the Technology and Construction Court in the UK serve to illustrate how difficult it is to be precise about such arguments. The details of the cases were similar, but their outcomes were very different.

In the first case, *Mowlem Plc v Newton Street Ltd* [2003] EWHC 7373 (TCC), the contractor (Mowlem) claimed additional payment over the agreed GMP for work they considered to be outside the original scope. Their contract had included a risk transfer clause that effectively turned a standard form (the JCT Standard Form of Building Contract with Contractors Design 1998 edition) into a GMP arrangement, under which the contractor would not be entitled to 'any claim against the Employer' except where caused by an 'employer's change'. Mowlem received a contract administrator's instruction ('CAI') for unforeseen repairs to an existing concrete perimeter ring-beam for which no provision had been made in the contractor's proposals. They claimed that this was an 'employer's change', whereas the Employer argued that the risk transfer clause had made such problems the responsibility of the contractor.

In the second case, *Skanska Construction UK Ltd v Egger (Barony) Ltd* [2003], the contractor (Skanska) claimed additional costs for the installation of extra fire safety equipment to a new factory, despite having agreed a GMP for design and construction. The scope of works was defined by Contractor's Proposals and Employer's Requirements, with the former prevailing if any discrepancy arose. The employer argued that the additional works were needed to comply properly with the original scope of works, and were 'design development' for which the contractor was therefore responsible under the GMP.

The claims were thus on a similar basis, but the judicial decisions (interestingly made by the same judge) were entirely different. Mowlem failed with their claim: the concrete repairs were held to be covered by the GMP provision in the contract and the risk transfer was considered to be reasonable in the way it excluded and restricted the employer's liability. (A key factor was that it was considered that Mowlem might or should have been aware of the potential problem at bid stage). In the second case, Skanska were awarded additional payments because the extra work was held to be a change to the employer's requirements.

A GMP provision clearly involves the contractor in increased risk, of which he should be fully aware and prepared for. One common response is for the general contractor to simply pass the risk down the line to the subcontractors. It has been pointed out that this will then inflate the bid price: in other

words, the client gains a degree of cost certainty, but not the lowest price.

However, GMP does have its advantages. The system certainly incentivizes contractors and designers to work hard to keep costs down, in that they are rewarded for doing so, and penalized for not doing so. To the extent that both parties to the contract bear some risk, the deal represents a kind of partnering.

In conclusion, there is an obvious advantage for employers in having what is as close as possible to a true fixed contract sum: the pay-off is a higher contract price than the employer might expect under other procurement routes. For main contractors, there are considerable risks, which must be understood and reflected in the bid. Contractors should understand the risks they are taking on; beware of undescribed work, and of 'design development'; and, of course, ensure that their subcontractors' bids reflect the risks that they will be taking on. In general, for these reasons it is best for the contractor to delay its commitment to a GMP until as late as possible a stage in the design and procurement process.

Note:

¹ The relative 'priority' of these two documents in cases where they conflict, is an important issue for the particular Form of Contract.

參觀稔灣堆填區有感



鄭成光

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香港城市大學建築科技論壇

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筆者最近參加了“大專院校廢物回收計劃新紀元”的工作坊，跟隨環保署參觀新界西堆填區，因此可以實地視察堆填廢物的運作過程，發現原來這並非是易事。參觀完稔灣堆填區後，我明白到堆填區選址的困難性，對於稔灣這個正確的選址感到由衷地讚賞。但是筆者亦考慮到堆填區很可能在不久的將來就會飽和，實在擔心香港難以找到另一個能夠代替稔灣堆填區的地方。

要正確選擇一個堆填區，主要考慮地理及交通運輸方面的要素：首先必須要遠離民居，具有獨處一隅的優勢；其次山的高度要適中，過高的山勢會造成堆填工作的困難，山上的石質亦要夠堅實，而山下則應該有平地興建化油污水池。至於交通運輸方面，無論是水運還是陸運都必須要順暢，才能符合做堆填區的條件。

稔灣，完全具備了以上所提及的所有條件，是一個非常合適的地方。它距離民居有十多分鐘的車程，可算是符合了第一個條件了。另外，它處於新界的最西面，而新界西的土質主要以花崗石為主，這種地基能給予足夠的地質支持以承受非常厚實笨重的堆填區廢物。它面向大陸和香港的主要水道，水運便捷。為了使它亦擁有良好的陸運條件，當局特地在迂迴的山路上修建了一條寬闊的混凝土大道，足可讓兩部對頭行駛的貨櫃車平行通過。

聽說這堆填區本來是一個郊野公園，但經過幾十年的使用後，區內的景象早已是面目全非，暫時變得不堪入目。由於堆填區的繁忙交通情況，參觀人士休想可以徒步進入，必須乘坐特派的旅遊大巴。司機儘管早已在上山前就把冷氣調至最大並關閉了鮮風活門以防避熏天的垃圾臭氣，但我們在參觀的過程中還是被那不知從何處湧入車廂的臭味煩擾著，簡直被熏得直想嘔吐！區內的重型推土機不斷地操作，將運來的廢物一層又一層地鋪砌上去。介紹員說這些工作人員每天由早上八時直至晚上八時都這樣不停地工作著，即使農曆新年都不休假。我實在佩服他們的敬業精神，要留在這麼惡臭的環境中工作是何等的苦差！

區內堆填的廢物種類五花八門，那些物品甚可稱為是千奇百怪的東西。當中主要是固體的廢物，如家居用品、商業及工業所產生的廢物，又或是在建築過程中、建築拆卸後所遺留下來的，甚至還會看見牲畜的屍體。除此以外還有一些液體的廢物處理，如油污收集，也有一些特別的廢物，例如一些與醫療相關的物品。當這些廢物被運送至堆填區後，區內的指揮員就會指示把廢物傾倒於山上，使用推土機依著山勢堆放，再鋪上一層厚厚的泥土。待整個過程完成後，再進行綠化措施，務求還原成郊野公園本來的面貌。這種運作的模式叫做“策略性堆填區”。

整個堆填區就像是一個平整過後的巨型屋村地盤，正等待著一幢幢的大樓興建似的。那些尚沒有進行堆填的部份全都被厚厚的綠色膠布蓋上，然後用一排排舊膠輪斜斜地壓在上面。另外那些有貨車和推土機工作的山頭，到處都布滿了內含大量垃圾的黑膠袋，貨車和推土機把它們砌成一堵厚厚的牆。垃圾牆上的一袋袋垃圾滲出黃白色的液體，正不停地一絲一點地滴流出來。為了遏止這些滴液滲透地下水，堆填區的山頭全都放了數層的防滲透墊層，收集滲濾污水就靠污水收集管。在遠一點的預備接收廢物的山頭就依山放了很多一條條黑色的疏孔滲濾污水收集管，看起來好象蜘蛛網。

在這些山頭，到處都是蒼蠅和覓食的飛雀，一群群地到處亂飛。也不知是否因心理作用，這裡的蒼蠅的體形特別大，數量也特別多，讓人吃驚的是他們居然一點也不怕陌生，膽敢不斷地撞向旅遊大巴的玻璃窗，誓要破壁前來吃掉我們似的。我們還看見了被動物屍體吸引而到訪的大鷹，它們目光銳利，在空中盤旋著，似隨時會俯衝下來把它的獵物叨走，讓我不禁疑惑自己是否到了一處荒涼且毫無生機的危險地帶。那些平時所見到的優游自在的雀鳥都變得兇狠萬分，例如我家鄰處有很多體形胖胖的、行動悠閒不已的喜鵲，但眼前的喜鵲都是身材瘦削而且行動異常敏捷的，活像侏羅紀公園裡面所描述的速龍般快速，我幾乎無法把它們辨認出來。這裡的鳥雀都是集

體行動的，飛上天空時就象一群群蝗蟲般蓋天襲來，非常嚇人。

環保處的同事為了讓我們多拍一些照片，指示巴士司機將車子停在了堆填區的最高點。這地方其實已跟進行繁忙的堆填活動的山頭相去甚遠了，然而垃圾的臭味還是縈繞不去。我們從這裡所觀察到的都是貨櫃車卸貨的活動，看見流動的卸貨臺將進入了的貨櫃前半部捉緊，然後用油壓唧升高後半部，這時，貨櫃箱就由本來平放著的位置變成了45度傾斜，只要一打開門，裡面所有的垃圾都會向下滑下去。山上也設有臨時的污水池，而從市區收集回來的廚房油污等液體就是從這個池邊傾泄下去的。

在回程的路上，我看見了一張張似曾相識的舊沙發靜躺在堆填區當中，不由地想起去年我家換傢俬時，我用四十元聘請泥頭車司機送走的那張舊沙發，不知是否就是這當中的一張呢？我心裡納悶著：我是否不應扔掉它，令堆填區加重了負擔呢？回到山下，我很擔心我們的巴士已被臭氣物所污染，所幸經過山下的自動洗車設備，那股熏天的臭氣立刻消失了一大半，車廂內的空氣也變得清新多了。現在回想起來，我在參觀當天所遇到的蒼蠅數目和臭氣程度並不為過，都控制在合適的範圍內，但也許是因為我習慣了在現代城市生活，所以才會覺得緊張，甚至有點探險的刺激感。我問導遊小姐這種臭味算不算嚴重呢？她回答說這種臭氣已經不算是厲害的了，上一次剛好遇上天雨，臭味就變得更加強烈了。我想，如果我們在扔垃圾前都把垃圾先自行處理一下，扔出的垃圾都是乾的，那麼廢物堆填的工作一定會較為容易完成，其成本亦會便宜很多。當然，要根治垃圾堆填區的問題，最重要的還是我們要少製造垃圾，多關心環保活動。否則即使我們再找多十個稔灣堆填區，也不過是換湯不換藥的自欺方法罷了。☹

YU Kam-hung - *Powering Up!*

Interviewed by



Kelvin NG



Sheldon IP

For many years until recently a qualification in the General Practice Division has meant a passport in property. The work scope of a GP surveyor could be as wide-ranging as from valuation to leasing and sales, investment, development and to property management.

But the relentless changes in the market place in recent years have seen many of our traditional business strongholds increasingly encroached on by other professionals. We are fast losing the clout in the industry. The public is more likely to associate the GP surveying with property valuation, and not others.

This month we interviewed Mr. YU Kam-hung, new chairman of the General Practice Division (GPD) and Executive Director of CB Richard Ellis Limited. Unveiling his plan to rebuild the GP brand, Mr. Yu also shared his view on how young surveyors should position themselves in today's market place.

Mr. Yu is a property veteran in Hong Kong and Mainland markets specializing in valuation, investment and development site sales, litigation and property development.

How far do you understand the plights of GP students in taking the APC?

A large number of candidates particularly in the property management and agency sector feel that they do not have a fair chance in the APC and drop out from getting the qualification; the average work-out time for the qualification is far too long, many of them

have taken a longer time than the normal two-year training period would require, which is not conducive to their career development.

Putting aside the argument on the standard of APC candidates, I personally think the APC system itself has not provided incentives to encourage practitioners to explore career opportunities beyond our traditional boundaries.

In recent years there have been enormous professional developments in property management and leasing and marketing fields. I have spoken to many dedicated candidates in these fields and they show tremendous commitment in what they are doing.

I feel strongly there is a need to improve the current APC format, which was set many years ago in a market condition vastly different from today's, so that we can not only foster their career aspiration in their professional development, but also strengthen our presence in these practice areas.



How are you going to address this?

An APC review led by Simon Wang is currently under way. Immediately after the last APC oral session we have conducted an APC forum inviting candidates to share their experience and give us feedbacks to improve the assessment system.

We will be looking into overhauling the format and the timing of assessment. We hope to cut short the waiting time between each assessment (currently one year) for the candidates provided we could muster resources and support from our members for this initiative.

We think valuation is a core skill of a GP surveyor for which a candidate should demonstrate his/her competence. We will bring back valuation as a mandatory question in the written exam. However the mandatory valuation question would be straightforward that a candidate with a proper training in their surveying degree course should be able to handle it.

The paper will be divided into several specialties, such as valuation, planning and development, leasing and marketing and property management, so that candidates can choose two questions from each specialty according to their practice areas.

Finally, we will improve the practice on selection of the interview panel so that panel member's expertise is more aligned with that of the candidate. We will issue guidance notes to candidates on our requirements in the APC interview.

We hope the re-energized APC system will be a catalyst to draw back our membership in property management, leasing and marketing fields, the two growing areas for the GP profession.

What are the wider objectives that the new GPD council wishes to achieve?

We spelt out our visions for the GPD before we got elected. Two months into the job, we are now on target in delivering what we have promised. We have set up 16 focused groups each led by a dedicated council member to spearhead the professional development in the GP profession. We will strengthen our standard in asset valuation; we will take a leading role in developing a new practice standard in business valuation; we are writing up our practice notes in property management and sales and leasing. We will devote more resources to research and communication with the public and media; we will push for more liaisons with the government bureaux and contribute in public consultations of government policies that affect the industry and profession.

More importantly, we will maintain transparent governance and engage an active dialogue with our members. I am delighted so far we have gathered over 60 surveyors inside and outside the GPD council to help achieve our plan.

Can you share your view on the impacts of CEPA and the reciprocity agreement to GP surveyors?

It will benefit Hong Kong surveyors in the long run. As the mainland property market continues to develop, the regulatory framework will be more transparent and consistent, and the market will offer a level-playing field for all players. By then, there will be more demands for sophisticated and high quality professional services, which in other

words means more business opportunities for Hong Kong surveyors.

How do you think young surveyors should position themselves in today's market place?

A young member should understand what are the market needs for today's surveyors, which is different from the past. A professional surveyor needs to possess a higher standard in professional skills and ethics, and needs to work hard in today's competitive market.

Unlike the past, a qualification is no longer a guarantee for a well-paid job, yet it is still an important stepping-stone for career advancement.

The trend for globalization in property market is going to intensify. A surveyor with regional market experience definitely has a competitive edge over those without.

What was your career path?

I joined J Wilburn & Associates as an assistant valuer after graduation from secondary school. This was my first job and I took a distance-learning course in surveying through the University of Reading. I moved to the valuation team in Jones Lang Wootton for three years before I rejoined J Wilburn to head up its valuation and investment departments. In the late 80s I joined Collier Jardine and was stationed in Tianjin. I was responsible for marketing and sales of several large-scale developments in North China. For most of the 90s I ran my own partnership in the Hong Kong market with a major focus in property investment. In 2002 I joined CBRE, heading up its valuation advisory department in the Greater China region.



Yu Kam Hung's Profile

Education

B.Sc. (Honours) in Estate Management, the University of Reading, U.K.

M.Sc. e-Commerce, the Hong Kong Polytechnic University

Professional Qualifications

Fellow of the Hong Kong Institute of Surveyors
Fellow of the Royal Institution of Chartered Surveyors

Career

1981 - 1982

Assistant Valuer, J. Wilburn & Associates

1982 - 1985

Valuer, Jones Lang Wootton

1985 - 1989

Head of Valuation, J. Wilburn & Associates

1989 - 1991

China Representative, Colliers Jardine

1991 - 1998

Director & General Manager, EC Properties Ltd.

1998 - 2000

Deputy Managing Director, Vigers

2000 - 2002

National Director, Jones Lang LaSalle

2002 - present

Executive Director, Asia, CB Richard Ellis

Institute and Community Services

Current Chairman of the General Practice Divisional Council

Current Council Member of the Hong Kong Institute of Real Estate Administration

Wendy Gan

- Sales and Marketing Director, Cyber-Port Ltd



Interviewed by
Kelvin NG

A surveyor with a literature degree, Wendy Gan, sales and marketing director of Cyber-Port Ltd, shares the art of selling homes.

How did you get into surveying? What was your career path?

After graduating from the University of Hong Kong with a Bachelor of Arts degree in Comparative Literature, Languages and Philosophy, I joined Swire as their Group Management Trainee and was posted to various business units. My first posting was to the properties division and then to the travel division. Before I moved onto my third posting, I was offered a position in handling shopping centre marketing at Swire Properties together with an extra incentive in the form of company sponsorship for surveying studies. I therefore took up a correspondence course in surveying with the College of Estate Management whilst on the job.



In 1992, I was given the golden opportunity to re-establish the Sales Department of Swire Properties and my first project was Robinson Place. Since then I had been responsible for the entire sales portfolio of the company and was later overseeing the marketing of the company on a corporate level as well as for the residential, retail and office portfolio. In 2000, I was asked to join PCCW to establish the Sales and Marketing Division for the HK\$15.8 billion IT infrastructure project of Cyberport.

Can you share your memorable working experience and some interesting projects that you have been involved in recent years?

I find every project that I have been involved in is extremely interesting. Sales launches are, of course, an experience in itself. Take for example, when Robinson Place was first launched, we had long queues of keen purchasers, even top celebrities in town were in the queue. Then there was Ocean Shores Phase 1, launched in 2000, when the market was in a terrible shape, but then in just one day, some 1,200 apartments were pre-sold at very respectable prices. Residence Bel-Air, the residential portion of Cyberport, is perhaps the most interesting. It is unique in many ways and the experience of having successfully positioned a brand new location was most gratifying. Despite the challenging environment of 2003 interspersed with the US-Iraq war and the outbreak of SARS, we managed to pre-sell over 1,200 apartments. We are currently working on how the next phase can excel in terms of product development and sales results. Many may think that the sales and marketing of new projects is all about sales launches. No doubt, this is a very, very important element but then equally important is the positioning strategy

as well as the product design. Therefore, I make it a point that I participate in the design development of each project so as to ensure that every detail fits into the positioning of the project and that preferences of our target customers are given a priority. I find this whole experience from design development to delivery of the end product along with the subsequent maintenance and management of the development extremely satisfying.



After more than a decade in the industry, what are the key attributes that you see as important in one's career?

I think certain key attributes are important in any industry. Personally, I believe it is important to have a strong sense of responsibility, the ability to empathize with the stakeholders in your industry, an open-mindedness that is sensitive to new trends in the market and an enthusiasm for continuous learning.

What do you do in your spare time?

Spare time is a rare commodity nowadays. But when I do find time away from the office, I would spend quality time with my family as well as playing a role as a member of the community. Hence, I was involved with Rotary and Soroptimist International in the past and am currently chairing HKU Convocation. ☺

Make the Best out of the Worst



Jim YIP
MRICS, MHKIS

Hong Kong property is back into power drive after 6 years in the doldrums. As we celebrate the end of the worst property slump in our time, it is also time for us to celebrate the emergence of new talents in the surveying profession. The hard times they faced ever since graduation, as they say, is the best training ground they could hope for. The struggle between ambition and reality and the inexorable demand on job performance are life experience that will benefit them in a numerous ways.

In this new column "Youth Speaks", Jim Yip spoke to Jasmine Wong, a graduate trainee at Jones Lang LaSalle, and asked how the property downturn has redefined her career.

Which year did you graduate? Why did you choose surveying?

I graduated from The University of Hong Kong in 2002. Back in 1999, when I was thinking about what to choose for my degree course, I only had an idea that I would like to engage in the construction / real estate related area. To be honest, at that time, I was more inclined to get involved as a professional in construction projects. As a result, I shortlisted architecture, surveying and civil engineering as the first 3 choices.

Afterwards, I started researching the differences between the three professions and evaluated each of them against my strengths and interests. Surveying is what I reckoned to be my first priority. At the beginning, I was quite determined to be a Quantity Surveyor as I wanted to work with architects and engineers in construction

projects. At the time I graduated, I found that General Practice surveying would suit me more in terms of the nature of work.

We were told it was bit of a fight to get in HKU surveying in 1998 and 1999 and the department's intakes in those two years were from among the brightest A-level students in HKU. What was the picture? Was it also a bit of a fight to get a job in property after graduation?

Absolutely! Especially for the 1998 candidates, their average A-level grade was even better than that of Medicine in that year with a mean of 5As in A-levels! I'm sure everyone can imagine how "scary" the whole situation was.

After graduation, the situation was a bit different. It was hard to get a job. Some top students chose to switch to other fields. The banking industry and the civil service, such as the Immigration Department were among two of the most popular choices.



Jasmine (Centre, second row) with cheerful colleagues

The competition among other candidates to get a trainee position offered by some renowned developers / international real estate consulting companies was fierce. The interview process involved up to 4 rounds of assessments / tests, including individual presentation, group discussion, report writing, panel interviews and so on.

Besides, we heard a lot of stories about pay cuts and unreasonably heavy workload in the industry, which added to what was already a frustrating experience.

So you and your classmates became victims in the property downturn even before stepping out of the university, which was quite a

different story to many of us. But any positives you think have come out from this experience?

Many say so. But I beg to differ. To be more objective, not only is the property market experiencing a downturn, the whole economy has indeed been suffering in the past few years. I reckon this to be an excellent time for us to develop our professional skills, knowledge and most important of all, integrity. I am still young and the current situation provides lots of opportunities to shape myself to be tough enough to measure up to the bigger challenges when we

take up more senior positions in the years to come.

To be honest, the true victims are those aged 30 to 40 something surveyors who were supposed to be in their high-earning ages. The downturn, I believe, have significantly impacted their pay cheques.

How is your graduate training in Jones Lang LaSalle? Has it changed you perception in the property career? In what ways?

It is great. I am now on the GAPP (Graduate Asia Pacific Programme) which provides me with 3 six-month placements in 3 different departments in the firm in the first 18 months. I first joined the Tenant Representation Team and then rotated to the Strategic Consulting Group and finally to the Valuation and Advisory Department.

And now, I am at the firm's Auckland office with the Advisory Team for the next 12 months stage overseas training.

The training has definitely changed my perception in the property career. When I was at school, I used to think that the property (GP) sector only dealt with agency (lease or sales), valuation, land matters and property management. And what surveyors needed to do was apply the established methodology /



Jasmine Wong

system and that's it. I only started to learn the true meaning of Value-added - a rather abused phrase - when I had the on-the-job training. It's the customer-oriented focus, proactive attitude, and perfectionist mindset, which inject substance to the phrase.

Do you still find surveying and real estate a rewarding career? What skills do you think are important for young surveyors?

Surveying can be a rewarding career if one treasures what he/she gets from it. Satisfaction is perhaps the greatest reward of all kinds and this is what I get from my position as a trainee and hopefully, later as a professional surveyor.


If you ask me what skills are important, I would say none. This is because this is only a by-product of attitude. When you get your attitude right, you will easily acquire the right skills in no time under whatever circumstances. The right attitude is humble, honest and hardworking (oh coincidentally, they make up to 3H). Of course, a smile cannot be missed in establishing good interpersonal relationships.

What do you see in the future for young surveyors and what is your career goal?

It is difficult for me to comment / generalize the future for young surveyors. But I see that true professionals are welcome in every property market.

My career goal would be to become a true professional and earn respect from other professionals in the market.

In your opinion how can the Institute better serve the interests of young members?

The institute is doing a great job in serving young members through the Junior Organization. To further strengthen the existing well-developed platform, I would suggest that the Institute be more proactive to establish alliance with overseas counterparts so that the members will develop a better world view and to better exchange information / associate with other surveyors / real estate market practitioners in the rest of the world. 

Calendar of Events

Beijing, Hong Kong and Macau
Geomatics Conference
7-9 Jan 2004
HKIS LSD
Beijing, China

Infrastructure and Real Estate Services Expo
13-15 Jan 2004
HKTDC
Shanghai, China

Lunar New Year Auction of Vehicle
Registration Marks
31 Jan 2004
HKIS/Transport Dept
Hong Kong, China

Education & Careers Expo
19-22 Feb 2004
HKTDC
Hong Kong, China

Sports Competition
Mar 2004
HKIS
Hong Kong, China

Photo Competition
Mar 2004
HKIS
Hong Kong, China

Mediator Training Course
12-14 Mar & 19-22 Mar 2004
HKIA/HKIS
Hong Kong, China

4th International Conference on
Mobile Mapping Technology
29-31 Mar 2004
FIG
Kuming, China

International Real Estate Finance and
Investment Seminar
9 Apr 2004
HKIS
Hong Kong, China

8th PAQS Congress/18th ICEC
Congress and 4th World Congress 2004
17-22 Apr 2004
PAQS/ICEC
Cape Town, South Africa

WOBO - Annual Governor's Meeting
22 Apr 2004
WOBO
Tokyo, Japan

HKIS 20th Anniversary Cocktail Reception
26 April 2004
HKIS
Hong Kong, China

HKIS Conference - "Public, Private, Partnerships"
29 May 2004
HKIS
Hong Kong, China

FIG Working Week and
XXVII General Assembly
22-27 May 2004
FIG
Athens, Greece

Dragon Boat Competition
Jun 2004
HKIS JO
Hong Kong, China

Visit to ISM and SISV
Jun 2004 (tentative)
HKIS
Singapore & Malaysia

"Towards a New Era of Land Tenure
in the New Territories" Conference
24 Jun 2004
HKIS LSD
Hong Kong, China

FIG International Symposium on
Engineering Surveys for Construction
Works and Structural Engineering
28 Jun-1 Jul 2004
FIG
Nottingham, UK

ISPRS XXth Congress
12-23 Jul 2004
ISPRS
Istanbul, Turkey

Social Services Programme
Aug 2004
HKIS JO
Hong Kong, China

IVSC Annual Meeting
Sept 2004
IVSC
Europe

BSD Conference 2004
Oct 2004
HKIS BSD
Hong Kong, China

Surveying Direction - Orienteering
at one of the HK Heritage Trails
Oct 2004
HKIS JO
Hong Kong, China

FIG Regional Conference
3-7 Oct 2004
FIG
Jakarta, Indonesia

AIBS National Conference
7-10 Nov 2004
AIBS
Tasmania, Australia

HKIS Annual Dinner
Nov 2004
HKIS
Hong Kong, China