

THE ROYAL INSTITUTION OF  
CHARTERED SURVEYORS (H.K. Branch)

THE HONG KONG INSTITUTE  
OF SURVEYORS

# NEWSLETTER

— JULY 1989 —

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Editor Graham Heath.

Members are welcome to make use of this Newsletter to express their views on any matters relating to the Institutions and/or the profession. These may take the form of written articles, photographs or cartoons. All contributions should be sent to the Editor, Graham Heath, 25th Floor, Hennessy Centre, 500 Hennessy Road, Hong Kong (Tel. 5-8957670) The next Newsletter is scheduled for release in September 1989.

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The advertising space on the backcover of the Newsletter is available to any member, income being used to finance the publication costs. Details from the Editor.

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Articles contained in this Newsletter do not necessarily reflect the views of the Editor nor those of the Committees of the Institute or Branch. The Editor reserves the right to reject or amend any articles submitted.

## MESSAGE FROM THE HELM

This issue of the Newsletter sees a transition from the RICS (H.K. Branch) newsletter into a joint RICS (H.K. Branch)/HKIS Newsletter. The move had the strong support of both Councils and Graham Heath, the Editor is to be congratuated for making the change a reality. While there are a number of areas where each Institute needs to operate independently, both have the common goal of the advancement of the surveying profession in Hong Kong. The majority of our members are members of both Institutes, three of the Divisions have joint committees, and many working groups have joint representation. It does not, therefore, make sense to duplicate costs and effort in our communications.

Good liaison is important for surveying in Hong Kong, and this is perhaps best illustrated through our promotion of the profession and in the development of surveying education. Exhibitions, promotion pamphlets and videos are produced on behalf of both Institutes. The pressure to develop degree and higher degree courses has been a unified action. It has been agreed in principle that the RICS and HKIS should administer a joint TPC with each Institute retaining independent control over assessment. Keeping members up-to-date with these common areas through the newsletter is very important and is to be welcomed.

The traumatic events in Beijing recently have underlined the unity between surveyors in Hong Kong and by the people of Hong Kong. On 6th May 1989, over 300 surveyors paid their respects to the dead at a temporary shrine in Happy Valley. Representatives of the HKIS and RICS (HK Branch) then handed in a petition to the New China News Agency. The quiet, dignified and moving event showed just how close the two Institutions really are.

R. A. BATES

President  
Hong Kong Institute  
of Surveyors

K. K. CHAN

Chairman  
Royal Institute of  
Chartered Surveyors  
(H.K. Branch)

## EDITORIAL

Welcome to the inaugural joint newsletter of the Institute and the Branch.

After the setting up of HKIS in 1984 it was thought by many that the RICS Hong Kong Branch would fade away. This has not happened and the Branch is, if anything, more active today than previously.

The major entry route to HKIS is via RICS membership. Presently some 864 or 98.5% of HKIS corporate members also belong to the RICS. There is thus a high degree of interlap not only in interests but also in personnel. Members obviously attach importance to the international recognition that RICS gives but also wish to promote a strong independent Hong Kong institute capable of maintaining professional standards locally after the Territory becomes part of PRC.

The advent of HKIS brought about separate Councils, Committees etc. Experience showed however that much of the work done was common and volunteers hard to come by. Slowly the Divisions came back together and now only the Q.S. run their affairs separately.

With this background it is appropriate that we should now have a joint Newsletter. The range and number of interests in which our Councils are involved is staggering. I aim to continue to produce the Newsletter on a quarterly basis and look for your support for articles, advertisements and feedback.

As I write this on the Sunday evening following the carnage in Tiananmen Square, I hear the sounds from the demonstration in Central. The events in China have already had a profound effect on Hong Kong and its people. How will they affect us in future and what now for the property market and investment in Hong Kong. As professionals, we must lead by example: to help maintain peace and stability, and thus the confidence so necessary if Hong Kong is to continue as a dynamic commercial centre.

**Graham Heath**

## CHINA

By Raymond Bates

On 23rd May, 1989, the Hong Kong Institute of Surveyors together with eight other Professional Institutes made their position clear on the issue of human rights in China. In advertisements taken out in a number of leading newspapers (Sing Pao, Oriental Daily, Wen Wei Po), the Institute deplored the use of violence to suppress opposition, and urged early settlement of the crisis by all possible peaceful means. The massacre on 3rd and 4th June saw these hopes shattered, together with confidence in the future of Hong Kong under the concept of "one country, two systems".

On the evening of Tuesday, 6th June 1989, a group of 300 Surveyors walked from Stubbs Road to a temporary shrine in Happy Valley. Headed by the President of the HKIS and the Chairman of the RICS (HK Branch), the book of condolences was signed before a wreath was laid on the shrine and respects were paid to the dead. K.K. Chan, Chairman RICS (HK Branch) read out to the assembly the text of a petition to the Chinese Government. This explained the surveying profession and its role in the modernization of China. It supported the move towards democracy, the elimination of corruption, and freedom of speech. The petition condemned the use of violence and force to suppress these freedoms. A delegation of Council members and past Chairman/President of both Institutions then walked to the New China News Agency where the petition was received by the Agency. Raymond Bates, President HKIS then addressed the assembly. He said that the unprecedented unity shown by surveyors and the Institutes was essential for the future of the profession, and that the unity of the Hong Kong people was essential for the future of Hong Kong.

In a parallel move, the Joint Council of nine professions, which includes the HKIS, wrote to the British Prime Minister and to the Governor of Hong Kong. They asked the Prime Minister in the light of events in China, what tangible actions Her Majesty's Government will be taking to ensure the stability of Hong Kong can be maintained, and that the provisions of the Sino-British Joint Declaration will be upheld after 1997. They repeated three proposals they had made to the Foreign Affairs Committees of the British Parliament on 19th April 1989 namely:—

- Right of abode in the United Kingdom to British Nationals of Hong Kong.
- The establishment of a fully elected democratic Government in Hong Kong as soon as practical.
- The immediate enactment of human rights legislation in Hong Kong incorporating the relevant provisions of the two international covenants.

The Governor, Sir David Wilson, was given a copy of the letter to the Prime Minister and was asked to assist in putting the Joint Council's views to Her Majesty's Government through appropriate channels.

The Branch has written to the President of the RICS seeking assistance in making representations on behalf of Hong Kong Surveyors to the Prime Minister. Reaction to events is very personal. Individuals who feel strongly and who own property in the UK may wish to lobby their local MP. Firms may also wish to make direct representations to the Prime Minister.

### Petition Presented to the Chinese Government

6th June 1989

The surveying profession is involved with the promotion and advancement of property development. Since implementation of the open-door policy in China, we have seen advancement in a number of areas, including those related to landed properties. We are proud of the contribution that the surveying profession in Hong Kong has made. Our hope is for a China with a stable society and an open-minded Government free from corruption. This will enable further progress to be made.

In recent months, Chinese students of their own volition have launched a patriotic movement for democracy. We consider this is highly complementary to the open-door economic policy currently adopted in China. We deplore the suppression of this movement by the use of force and the brutal killing of patriotic citizens by the rulers in Beijing. We express our deep sorrow for those Chinese citizens who have lost their lives in the pursuit of freedom and democracy.

For the future of China, we urge the Chinese Government to take the following action:—

- (1) Immediately halt the violent and brutal suppression of the people.
- (2) Immediately remove the ban on the freedom of the press.
- (3) Develop a sound political system on the basis of democracy and legality.

We are optimistic about the future of China and are willing to contribute further through activities relating to landed properties in both China and Hong Kong.

We sincerely request that you act on our proposals.



Mr. Raymond Bates  
President,  
Hong Kong Institute of  
Surveyors



Mr. K. K. CHAN  
Chairman,  
Hong Kong Branch  
Royal Institution of  
Chartered Surveyors

From the President  
David Yorke FRICS

**Dear Mr. Chan**

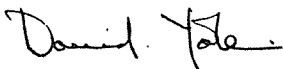
**8 June 1989**

I am writing to you, your Officers and all Members of the Hong Kong Branch to let you know that here in the UK we are thinking of you at this difficult time. If there is any way in which we can help you please do not hesitate to get in touch. In any event I look forward to seeing you and Tony Walker when you come to London shortly.

Despite your own worries, I do hope you will be able to encourage your Members to cast their Proxy Votes on the very important matters to be decided at the EGM on 3 July.

Kindest regards.

Yours sincerely,



Dear Mr. President,

June 14 1989.

Your kind and thoughtful letter was greatly appreciated by myself and all members of the Hong Kong Branch. These are troubled times in which the confidence of Hong Kong has been very badly shaken by the horrific events in Beijing.

Your offer of help was most generous and I would like to solicit your assistance on matters of enormous importance to our members in Hong Kong. We believe it to be imperative that the British Government give consideration to the following matters with utmost urgency for the maintenance of Hong Kong's stability and prosperity and the protection of its citizens.

- (a) The grant of the right of abode in the United Kingdom to British nationals in Hong Kong. If the British Government's confidence in the Joint Declaration, often expressed by Sir Geoffrey Howe and British government officials, is still valid, Britain will need have no fear of a mass migration by Hong Kong people to its shores. The grant of right of abode would amount to no more than an insurance policy. However, in the event that things do not go well for Hong Kong, the people of Hong Kong will be given a way out. In the former case, Britain will have nothing to lose. In the latter case, Britain will have properly discharged, and be seen to have properly discharged, its obligations to its nationals in Hong Kong.
- (b) The establishment of a fully elected democratic government in Hong Kong as soon as practicable. Over the last few weeks, the democratic movement in Hong Kong has gathered momentum. Those who have held different views on the pace of democratic reforms in Hong Kong are trying their utmost to bury their differences in order to reach some acceptable middle ground. Whilst it may be true that no government, however constituted, could withstand intervention by the PRC if it were minded to do so, an immediate decision to move towards a fully elected future government will prevent further loss of confidence in Britain's will or ability to stand behind the people of Hong Kong.
- (c) To enact immediately human rights legislation in Hong Kong incorporating the relevant provisions of the two International Covenants. Few would regard human rights legislation, by itself, to be an adequate safeguard against an authoritarian regime. The Chinese constitution, containing as it does human rights provisions, is an example. However, this step, taken with other measures suggested would, we believe, help to maintain confidence.

These matters directly affect the Institution's membership in Hong Kong, which as you are aware is the Institution's second largest branch. The Hong Kong Branch would find it extremely supportive to its members if you were to write to the Prime Minister on their behalf expressing these views.

The surveyors of Hong Kong are dedicated, intelligent, resourceful and hardworking. It is extremely unlikely that they would take up a right of abode in Britain but if they had they would be an enormous asset to our profession in Britain.

I am sure that you share with us our sense of outrage and that you will express these views to the Prime Minister on behalf of the Institution.

Kindest regards,

Yours sincerely,



K. K. Chan  
Chairman  
Hong Kong Branch of the RICS

## THE NEW JOINT OFFICE

by Paul Varty

As members may be aware the joint office recently moved, but not far. In fact only next door to the office immediately adjacent on 19th floor Swire House.

For some months anyone who had visited the old office would have been well aware of the cramped conditions, the numerous cardboard boxes stacked to the ceiling and the general ambience of a textile factory in the Walled City.

Maggie Brooke, our erstwhile Administrator, bent backed from shifting bails, was overheard mumbling something about the need for an overhaul.

The joint office committee swept into action and after 16 board meetings, 3 sub-committees, 2 special working parties, 5 long lunches and one phone call to the right person, a solution was found.

Seriously the joint office has been the central focus of the working of both the RICS and HKIS in Hong Kong. It is the focal point for our activities and the central administration for all members. Virtually all branch and council meetings are held there together with various staff committee meetings almost daily. On some occasions there are 2 or 3 meetings in one day.

With the establishment of the centre for Real Estate Studies in China and the employment of the administrator for this project, the need for additional space became desperate.

Also as the TPC is now organized entirely in Hong Kong and the CPD playing a more significant role, it is apparent that there will be a need for someone specialising in education and to be responsible for the administration and organization of education related matters in years to come. This is one of the joint institution's most important roles. It is acknowledged in Hong Kong that graduates are excellent academically but lack the real understanding of the subject matter which only comes through a wider training and breadth of experience.

The extremely competitive and commercial nature of the property business make very few organizations able to offer any real professional training to graduates. The joint institution really must take on this role and ensure that adequate training is being provided by employers. This is tested only by the TPC but hopefully in the future some close coordination with graduates undertaking TPC training will be able to be maintained and better monitored.

The enormous clerical and general paper work required to administer the joint office has also *caused problems with the shear volume of notices being despatched every month taking many hours to arrange.*

By the time you read this newsletter the new office will be established in larger premises of approximately 720 sq. ft. with a separate administration area and two meeting rooms. Whilst we do pay rental for the premises this is provided at a substantial discount at the generosity of Hong Kong Land. The joint Institutions owe a special debt of gratitude to Hong Kong Land for this as without their generosity it would be quite impossible for members to enjoy the luxury of prime office space for the joint office.

Please do remember the office is yours to use for meetings, for enquiries, for the library, or basically to check anything you need to know about the RICS, the HKIS and their members. Your subscriptions pay for the office and staff, so please take an opportunity to visit 1934, Swire House to see what you get for your money. The current Telephone Number 5-263679 and Fax Number 5-8684612 remain unaltered.

## BRANCH NEWS

### Committee for Protection of Property Purchasers

The first meeting has been held under the chairmanship of K. K. Chan. Other committee members C. K. Lau, Dominic Leung and Daniel Lam. Three subcommittees were to be set up:—

Information in Sales Brochures, Selling Procedures, and Defects. Additional members, will be invited to sit on each.

K. K. Chan reported that the Consumer Council proposed to set up a high powered Committee under the Chair of Martin Lee to look into much the same problems but concentrating mainly on selling procedures and defects. It was agreed that the Branch should be represented and Paul Varty attended the first meeting held during April.

## **Future Education and Training**

The RICS has produced a report on Future Education and Training Policies which has been discussed by the Education Committee. The report which focuses on the need to establish a professional bridge in the UK for non-cognate degree holders is not directly relevant to Hong Kong, in that we seem to be attracting sufficient quality students through our existing degree courses. Nevertheless, the Branch may wish to support the introduction of post graduate courses in Hong Kong and thus facilitate the entry of non-cognate graduates into the profession. The report is being circulated to the Divisions for information and comment.

## **Bursaries/Scholarships**

The Education Committee has discussed the Branch's present policies in regard to the award of bursaries and scholarships and financial support for study tours. The unanimous view is that in the event that funds are available these should be spread amongst the majority, thus promoting the image and name of the RICS amongst students generally; but that any grants or support given should be specifically linked to a requirement that part of the research be related to a topic which is designated by the RICS.

## **HKIS NEWS**

### **HKIS Management Committee**

In order to streamline the administration of the HKIS, the General Council has established a Management Committee chaired by the President. It comprises the Office Bearers of the Institute namely the Senior and Junior Vice Presidents, the Honorary Treasurer and the Honorary Secretary. The change will permit the General Council to focus on general debate, policy and overall control. Day to day administration, cost control and management, including setting up working groups to deal with current issues, will be dealt with by the Management Committee.

### **Rural Planning and Improvements**

*The Lands and Works Branch have issued a consultative document on a strategy for rural planning and improvements. The deadline for comments is the end of June. Alexander Meyers has been asked to form a working group to make a response, so if you have any thoughts, he may be contacted on 5-278883.*

### **Foreign Affairs Committee**

In April, the HKIS took part in the first Hong Kong public hearing of the Foreign Affairs Committee of the U.K. Parliament. *The joint Council of Nine Professions comprising HKU, HKIE, HKIA, HKIP, Bar Association, Law Society, Medical and Dental Association and the Accountants made a representation on the need for a Bill on Human Rights and on British Nationality. Despite some hard questioning by the Committee, the views put forward were in line with those of later in the hearing.*

### **Women Today**

Supported by private practice firms, the HKIS is providing the content for a weekly five minute slot in the T.V. programme 'Women Today'. Aimed at providing advice in home purchase, management and maintenance the series will run for thirteen weeks.

## Property Management Companies

In 1988, a joint committee comprising RICS (H.K. Branch), HKIS and the Institute of Housing (H.K. Branch) produced a second report on the proposed formation of an Association of Property Management Companies. The President of the HKIS and the Chairmen of The Branch and I of H have now formed a special committee to review the report together with comments made by the respective institutes.

## Education

A letter from the H.K.I.S./R.I.C.S. (HK) Branch has been sent to the University and Polytechnic Grants Committee (U.P.G.C.) who control the purse strings of tertiary education. They allocate money in 3 year periods known as trienniums. If new courses are to develop, it is important that funds are made available. In 1986, the H.K.I.S./R.I.C.S. successfully made the case for "Surveying" degree courses to be introduced and there are now courses in Surveying (with B.S., G.P., Q.S. options) at the Hong Kong University and in Building Surveying, General Practice Surveying and Quantity Surveying at the Hong Kong Polytechnic. The current approach argues for:—

- an increase in the number of B.S., G.P., Q.S. places
- the introduction of a L.S. degree
- the development of more higher degree courses relevant to the Surveying Profession

## Basic Law

On 11th May, the H.K.I.S. held a seminar on the second draft of the Basic Law. Well attended by some 60 members, the guest speaker line up was impressive and comprised:—

Mr. Cheung Chun Kwok  
Mr. Kan Fook Kee

Mr. Martin Lee  
Dr. Wu Wai Yung

The seminar concentrated on the speed of direct elections and the way the Chief Executive was to be elected. With a full range of views, the calibre of debate was high with a difficult subject being handled well with good participation by members.

## THE HONG KONG INSTITUTE OF SURVEYORS BILL

On 12th July an Extraordinary General Meeting of the HKIS will be held at 6:00 p.m. on 2/F., Beaconsfield House to consider the "HKIS Bill". In brief, the resolution for consideration:—

- seeks the incorporation in Hong Kong of the HKIS by legislation
- proposes the promotion of "The Hong Kong Institute of Surveyors Bill" with a view to being passed into law as "The Hong Kong Institute of Surveyors Ordinance"
- approves the form and substance of the draft bill
- authorises the promotion of the bill by the "Working Group on the Drafting of the HKIS Ordinance", including any action deemed necessary by the group

The object of the Ordinance is to provide statutory recognition for the Institute and to ensure that the existence of the HKIS is protected by law. A registered society does not have the degree of permanent protection afforded by legislation. The Ordinance will provide the necessary status for the Institute when dealing with other forms of legislation such as the Registration of Surveyors. Changes to the constitution require a 66% vote in favour of the change and it is important that members exercise their right to vote for or against this resolution in person or by proxy.



## H.K.I.S. ANNUAL GENERAL MEETING

The H.K.I.S. A.G.M. was held on 6th April 1989 and this is the line up:—

President	Raymond Bates	3-7603202
Senior V.P.	S. C. Leung	5-7212847
Junior V.P.	Marco Wu	3-7157444
Hon. Treasurer	Menfus H.K. Wong	5-210143
Hon. Secretary	Peter M.P. Hui	5-283282
Chairman B.S.	David Lawrence	5-8324502
Chairman L.S.	Roland Chan	3-7801114
Chairman G.P.	Andrew Petty	5-8401177
Chairman Q.S.	Y.C. Chan	5-282463
J.O.	Nicholas St. Johnston	5-8101180

## RAYMOND BATES' INCOMING ADDRESS

The HKIS is certainly never dull and there are always a great many activities on the go at any one time. Our Institute is a professional one founded on high standards of ethics. The development of our rules of conduct is a must. The HKIS Bill is being prepared. For this to proceed a change in our constitution is required. This will require a 66% vote in favour of changes at an EGM planned for June. In education we need full recognition of our TPC by Government. The next academic triennium is approaching and must see the establishment of a Land Surveying degree, expansion of existing courses, and more surveying related post graduate degrees. Our student membership is weak, divisions can be strengthened, the list is endless, but I would like to focus on three things:—

### Communications

We have HKIS members on dozens of committees or bodies either in an Institute or personal capacity. Our members are having an increasing influence on the way our society is shaped. As an Institute, we spend hundreds of hours each week on developing the advice we give to Government and the public. The one thing we are abysmal at is communicating with our own members:—

- I would wish to re-examine all forms of membership communication. I don't see how we can act as a single Institute if people don't know what is going on.
- Communication is a two way process and I think it is particularly important that I have the opportunity to meet members, and meet members who unlike you, are not always able to attend AGM's.

### Corporate Image

What is a Surveyor, well, there are GP, QS, LS, BS and then there are two Institutes, HKIS and RICS (HK Branch) Members can be Associates or Fellows but we are not the ones always going on strike in Government. I am not really surprised we have a very confused public.

It is necessary to develop a corporate identity. In the mind of the public, "Surveyor" should be synonymous with "the property professional". We have an immense breadth and depth of skills. It is this range of skills that we should be marketing. We have high standards, it is an awareness of these standards that leads to public trust. We must be seen to be leading in the development of new markets not following. If the public want a service that we provide, it is at that stage that a person can be guided to an appropriate speciality within the Institute.

I am setting up a "think tank" but the Chairman will be disappointed to learn that I am not proposing to pay \$100,000 a month for his services.

## Administration

On the face of it rather mundane and a subject that does not warrant a special focus of attention. I think it does, we are not running a club but a Professional Institute. It must be effective, forward thinking and to coin a phrase, it must run on prudent commercial lines.

Your General Council is bogged down with an immense amount of detail. This must be streamlined, your General Council must be permitted to concentrate on policy, control and debates, with the day to day administration delegated.

If the public has a query or someone wishes to become a member, this must be dealt with promptly. There should be longer term financial and administrative strategies, for example, the future of our professional office. We must be capable of responding rapidly to matters of public interest in an effective way.

Mundane yes, but essential. I think it will be an interesting year.

## AROUND THE DIVISIONS

### Building Surveyors

By David Lawrence

The highlight of the last few months was the visit of Mr Michael Finn the President RICS Building Surveying Division. He made visits to

Hong Kong Polytechnic  
Housing Authority  
Architectural Services Department

Hong Kong University  
Building Ordinance Office

He kindly hosted a dinner for Council members and just before he left he gave a CPD talk on International Opportunities for Building Surveyors. The talk took place at the Ladies Recreation Club and was followed by buffet supper. Michael Finn was impressed by the broad range of activities in which Building Surveyors are engaged in Hong Kong. He also visited the Whitehead Refugee Camp (the construction is under the control of one of our members.) While at Whitehead he enjoyed a picnic lunch with the student members on the beach overlooking Tolo Harbour.

The broad range of interests of Building Surveyors was highlighted in the two CPD activities.

- A visit to Kowloon Wall City was arranged to see how the BOO is preparing for demolition.
- An equally well attended activity was a talk given by Terry Pitt on the use of computers in Management of Maintenance. We were obliged to ICL for the use of computers/video screens and accommodation in their headquarters.

The report period has seen the AGM for HKIS Building Surveying Division and the election of a new Committee. The new members are

Chairman	David Lawrence	Members	Chip Au
Vice Chairman	David Chan	Daniel Ho	Barnabas Chung
Hon Secretary	C.K. Hui	E. N. Luk	Andy Fong
Hon Treasurer	Willie Tse		

The highlight of the coming year will be the Building Surveyors Conference in the Spring. Preparations are already in hand.

### Land Surveyors

by Ronald Chan

The Council of Land Surveyor Division, HKIS was elected last March. Chairman is Ronald C. D. Chan, Secretary K. K. Ng, Treasurer K. W. Law, with P.C. Yick, and T. N. Wong the two councillors.

We are extremely pleased to hear that the HKIS has written to UPGC for the support of the establishment of a Land Survey Degree in the next academic triennium. It appears that the degree course Land Surveying and Geo-informatics will be launched in 1991 and Hong Kong will have locally educated professional land surveyors before 1997. On behalf of the council I thank heartily every body involved in the setting up of the degree course.

However we are told that their support for the degree course will only be given if it is developed by the Department of Civil and Structural Engineering (CSE). It is also proposed that the Centre of Land and Engineering Survey (CLES) and CSE be merged into one department and the existing Higher Diploma in Land Surveying be phased out. The staff of the CLES has already objected strongly to this proposal.

The speech by the Hon. Cheng Hon Kwan recently on the proposed land survey bill was welcomed by the council. Hong Kong is perhaps the only Commonwealth country besides England without a Land Surveyors Act or Land Surveying Regulations, which are of prime importance in the definition and demarcation of parcel boundaries. The enactment of the bill is beneficial to lawyers, architects, engineers, town planners, land owners, developers, in fact the whole community. Mr. S. C. Leung explained the need of the proposed ordinance in the Good Morning programme, HK TVB on 23.5.89.

Forty land surveyors visited the Daya Bay Nuclear Power Site on 13.5.89. We were welcomed warmly by Mr. Chi Zhen Yu, Senior Engineer and deputy Head of Public Relations Branch, Secretarial Department. A general introduction of the Power Plant was given by another senior engineer, Mr. Kwok and the establishment of a geodetic network, monumentation, instrumentation, methods and survey accuracies etc were explained in detail by the French Survey Chief, Mr. Growel. The Authority also arranged a demonstration of the survey process with the latest KE5000 which measured to the nearest 0.1mm. This strictly forbidden and a gourmet lunch in the Power Plant restaurant.

The monthly CPD programme is proceeding well under the leadership of Mr. Sin King Hau and the support of CLES. The last technical seminar was given by Mr. LI Chi-hung M. Sc. ARICS on 2.5.89. His topic was the validation and enhancement of a non-contact theodolite intersection measuring system. A seminar/workshop on this year's RICS examination Papers will be held in September for those who are going to take the examinations next year. Coating for RICS examinations and TPC has proceeded very well and will certainly continue.

The amalgamation of the Hong Kong Institute of Surveyors and the Hong Kong Institute of Land Surveyors was discussed in the last HKIS council meeting. I am optimistic on the amalgamation and agree that all obstacles are surmountable. The amalgamation will bring a unique local representation of land surveyors.

The Buildings and Lands Department has just signed a multimillion dollar contract for the installation of a Land Information System. At last land surveyors in Hong Kong have entered into a more modern era which is, unfortunately, already behind most developed countries.

The joint council also propose to publish booklets on survey specifications, map data and other information. Please send your views to Mr. Law King Wai or any councillor.

May I appeal to all members to participate more in all events and functions held by HKIS/ RICS(HK). There are about 30 standing committees, ad hoc committees and miscellaneous committees and land surveyors should contribute their expertise. There is certainly a limit to the work that can be carried out by council without your support.

Finally we are sad to hear of the death of Mr. John Hollwey, a renowned land surveyor who contributed a lot in Land Survey Education and CASLE and the serious illness of Mr. Chan Hon-kiu, chairman of the Division two years ago.

## **General Practice Division**

**by Mike Price**

As usual the General Practice Committee is extremely busy considering amongst others the following upon which members' views would be most welcome:

Metro Plan; Town Planning Ordinance; Rural Planning Strategy; The imposition by Government of a standard Deed of mutual Covenant; Controls regarding Dual Purpose Industrial/Office Buildings; and Fee Scales.

Any comments please to K.K. Chiu of JLW on 5-8465000 (Fax 5-8100677).

Rent Reviews and their usage in Hong Kong will be the first "Higher Level" CPD function to be run this year. This presentation will be made by Ronald Bernstein Q.C., the leading UK expert, on the subject. The event will take place in the Pacific Club on the 30th of June 1989, 5:30 for 6 pm. In the future we will be looking to provide a better standard of CPD event in conjunction with the Polytechnic, J.O., and perhaps the Law Society. Mike Price of R & V is co-ordinating CPD for us.

Our Vice Chairperson, Bobby Hastings and her sub-committee is close to finalising the rules of the HKIS TPC which will be run jointly with the RICS. The first batch of students will shortly be taking this joint TPC.

S. C. Liu of Knight Frank and a small group are actively partaking in the preparation of a television programme promoting the profession that will be put out on TVB Jade shortly. Recognition at last.

## **Quantity Surveyors (RICS)**

**by John Peacock**

The proposed CPD talk by Michael Charlton of J.R. Knowles did not take place as originally scheduled and members will be advised in due course of the new venue and date.

Considerable discussion has taken place over the RICS TPC to be held in September. Following the interviews of certain candidates after the 1988 examinations, it was agreed that prior to the 1989 examinations, a series of "clinics" would be held for the 1989 candidates to explain the requirements and procedures for the examinations. The "clinic" sessions are now being arranged and candidates will be advised in due course.

The QS Division Committee has noted that the HKIS will be holding its own TPC examinations this year and should like to draw to the attention of the HKIS TPC candidates that a pass in this examination will not exempt them from the RICS TPC examination as the HKIS examination is not recognised by the RICS.

*It is hoped that in 1990, a joint RICS/HKIS TPC will be set and marked locally and that such an examination will provide the necessary entry route to both professional bodies.*

A high level CPD event is proposed for October of this year on the subject of Estimating. An outline programme for the event has been discussed and further details will be provided in due course.

The QS Dinner is to be held on Friday, 30th June, 1989 in the Marina Room of the Excelsior Hotel. See you there !

In response to concerns that have been voiced by both individuals and HQ in respect of possible abuses of the rules by candidates sitting the Practice Problem of the Test of Professional Competence the QS Divisional Committee wishes to advise candidates sitting the TPC Paper in September this year of the following.

It has been suggested that in the past there has been collusion by certain candidates in the preparation of their Practice Problem papers. The attention of candidates is therefore drawn to the following extracts from the "Rules and Guide to the Test of Professional Competence" as published by the RICS.

Under the heading "Practice Problem" Item 11.5, the Rules specify.

"Employers and candidates will be required to sign a declaration that candidates have not collaborated with others in the course of preparing the answer to the practice problem"

In respect of collaboration, further emphasis is set out in the Instructions to Candidates issued with all papers. Within these instructions it is clearly stated that:—

"Consultation with principals and other members of staff is not permitted ..... Collaboration in the use of aids and reference documents is permissible, but not collusion in the preparation of the submission"

In order to reduce the likelihood of collusion in the preparation of written answers, employers are asked to take such steps as they consider necessary to ensure that work produced by individual candidates sitting the TPC Practice Problem in their offices is the result of the candidates efforts alone. Employers should note that they are responsible for signing the declaration mentioned above.

In addition the local QS Division has offered this year to mark in Hong Kong all TPC papers sat locally. Should this offer be accepted by HQ, the panel marking the papers will take care to examine all papers for signs of any collusion by candidates. Interviews may also be conducted as a means of ascertaining whether the work is 100% the candidates' own.

The Institution expects every candidate for corporate membership to have an awareness of professional ethics. Collusion in the preparation of practice problem papers will therefore be dealt with in a severe manner appropriate to such conduct.

## **Quantity Surveyors (HKIS)**

**by Y. C. Chan**

The Annual General Meeting of the Division, together with a lunch, was successfully held at the Furama Hotel on 29th March 1989. The Office Bearers elected for 1989/90 are:

Chairman	: Y.C. Chan	Hon Secretary	: Vincent Wu
Vice-Chairman	: Philip Toh	Hon Treasurer	: Amy Tang
Council Members	: Eric Au	H.K. Wong	: Johnny Tam
	Joseph Ip	Ivan Ho	: Kenneth Poon
		C.H. Chan	: Lawrence Tang

An important task of the Division for this year is to organise the first local Test of Professional Competence, the Practice Problem of which will take place in October 1989. The response from the candidates in encouraging, more than 50 applications have been received. No doubt, the Education Sub-Committee are working very hard.

The Divisional Council is now finalising the programme of events for this year. The first CPD event was scheduled for 18th May 1989. Mr. Tom Blair, Assistant Director of Housing Department, will give a talk on "Computerization in Hong Kong for QS".

## **RICSHAW — J.O. JOTTINGS**

**by Nicholas St. Johnston**

The HKIS JO AGM took place on 4 April 1989 and a new committee was formed. Sincere thanks went to Andy Fong as Chairman and his committee, for an extremely good year. The existing RICS JO committee were elected in their existing posts and thus the two committees have therefore joined as one.

Our Annual Mock Auction held on 14 April 1989 provided a great deal of fun and surprise results all round. Congratulations to Terrance Chow at Richard Ellis on winning the Practitioners Trophy (he also was the students trophy 2 years before) and to Chan Kee Yip for his excellent performance and winning the Students Trophy. At last count we have raised over HK\$10,000 which we have agreed will be given to the Hong Kong Association for Children with Downs Syndrome.

The Majong Dinner took place in March and congratulations must go to Thomas Teng for a very strong performance but it was a close run finish providing a great subject for debate at the following dinner. Will David Faulker win the Trophy next year?

The six-a-side soccer is still on the drawing board and we hope that July will see a match taking place perhaps on the Southorn Football Ground.

The horse racing box at Shatin on 30 April was full as expected providing great sport for those who were lucky to get in. This will hopefully be repeated twice next season.

As for the high level CPD our sub-committee has now fixed its gaze on the Auction and/or Tendering process, and will hopefully have a date fixed for September 1989. All suggestions are welcome but we plan to involve a full Saturday of seminars, lectures and competitions, as well as lunch of course.

Of great importance to your diary are the following

- 1) HK Polytechnic Beijing Study Tour Presentation on 23 June 1989. This is well thought out and with a thoroughly considered approach promises a very interesting evening.
- 2) Role of surveyors in the Canadian Construction Industry TBC.
- 3) Q. S. Practice in PRC TBC.
- 4) Q. S. Practice in Australia TBC.

Many thanks to all who have assisted so far.

## **NEW FROM RICS HEADQUARTERS**

### **International Committee**

Jane Woolley (Secretary for International Affairs) in answering some criticisms wrote.

The only additional point that I would like to make is one of reassurance — that the international committee and department remain committed to the international interests of the profession and the membership. I mention this because there is apparently an impression in some quarters that too much of our energy is at present being concentrated on Europe. It is true that preparing for the single market — from which surveyors outside Europe also stand to benefit — is time-consuming; but it is one of several high priority activities occupying the attention of the committee, me and my staff. Another such activity, which we are undertaking jointly with education and membership, is seeing what recognition the RICS might in future be able to give to overseas qualifications, in response to the several requests we have received to enter into reciprocity agreements with overseas societies. I will have more to report on this front later in the year.

### **China's State Land Administrators Visit**

The State Land Administration of the PRC paid an official visit to the RICS in March. They were hosted by the President, David Yorke. The purpose of their visit was to study U.K. Land Administration and as well as spending time at Great George Street, they had a programme which included presentations at:

HM Land Registry  
Denton Hall and Burgin  
Inland Revenue Valuation Office  
London Borough of Hillingdon  
Dept. of Land Economy, University of Cambridge  
London Docklands Developments Corporation

Dept. of the Environment  
Warwickshire Country Council  
Crown Estates office  
Milton Keynes New Town

In addition their social well being was catered for by invitations to be guests of the Institution at the Annual Dinner at the Hilton and were hosted by Idris Pierce, Vice-President, at the Carlton Club, at two RICS receptions at HQ and by the Worshipful Company of Chartered Surveyors at Fishmangers Hall.

The visit made a substantial contribution to reinforcing ties between the RICS and the PRC and paved the way for an official visit to the PRC by the RICS President in 1990, who will be Idris Pierce. Tony Walker joined the visit to represent Hong Kong.

The visitors from the State Land Administration were:

Wang Xianjin (Director General),  
Zhu Sibao (Laws and Policies),  
Ma Ying (Foreign Affairs Office) and  
Qi Mingchen (Director of China Land Economic Research Office)

## **THE HONG KONG PROPERTY MARKET – A BANKER’S PERSPECTIVE**

Roger C. Spyer, head of the commercial banking division, Chartered Bank, delivered the following thought-provoking speech at the February luncheon.

The Property Market in Hong Kong is of key interest to the Commercial Banker and vital to the prosperity of the Banking Industry.

The following points illustrate this statement:—

- (i) Mortgage lending represented 82.9% of all personal retail bank lending at end of 1987 compared with 51.% at end of 1978.
- (ii) Commercial/Industrial mortgages for owner-use represent about 10% of lending to the Corporate sector.
- (iii) Construction, Development and Investment loans represent possibly around 15% + of all lending to the Corporate sector and are also a major source of interest and fee income.

In addition property and cash deposits traditionally in Hong Kong represent the major proportion of assets used to secure Bank lending to the Industrial and Commercial sectors.

### **Present Situation**

No need for me to elaborate too much as people are well aware of the present strengths in most sectors of the Property Market. The Commercial sector looks particularly strong with very low vacancy rates and limited new supply. However there are a few specific points which may be worth considering:—

- (i) Hong Kong has a particular vulnerability of a heady mix of Economic/Political factors and the heat of the fire brewing this mix will become intense as we approach 1997.
- (ii) Experience over the past 20 years or so indicates a downturn in the Market every 6-8 years. On this basis we can expect the next downturn in 1991-93.
- (iii) The cycle varies in intensity and Vacancy Rates are probably the best indicator of how severe the price movement will be. Downturns have varied from about 5% in 1974 to 40% in 1984.

### **Residential Market**

There is in this Market a very good Cost/Affordability Quotient or formula which will indicate price overheating. This is worked on the interaction between property prices, household income and mortgage rates. (Appendix Page 17 shows effect over past 13 years).

The danger point is 70% and at the end of 1988 our figures indicate the present position to be 56% but rising. However the figures support the contention that the Market should remain firm through 1989.

In 1981 the AQ reached a staggering 184.5% indicating speculation on an unprecedented scale and when the collapse came it dropped to 63% in 1984.

## **Mortgage Lending**

Following adoption by the Bank of England and local Banking Authorities of the new Capital Adequacy guidelines drawn up by the Bank for International Settlements (Basel Convention) mortgage lending will have a very privileged position, i.e. 5 weighting against a full 1 weighting for most other forms of corporate, commercial or personal lending.

This gives mortgage lending a very high appeal to Banks and competition will intensify. This should benefit the property industry particularly during periods when interest rates are high as Banks will be keen to keep up loan volumes.

New schemes such as that recently announced by Kleinwort Benson in the U.K. allowing borrowers to fix interest payments at 6% and roll the balance with their mortgage up to a ceiling of 80% of the Current Market Value (CMV) of the property will proliferate in the years to come.

## **Commercial Sector**

With vacancy rates so low and demand high the future looks good but there will be a continuing movement of corporate support functions from Central, Tsimshatsui, Wanchai and other high cost areas to lower cost centres (provided these are served by MTR). This has happened in most other major cities such as London and New York. A continuing rise in Central rents will depend on price levels in other major Regional Centres as it can only be sustained by a continuing influx of international companies.

## **Industrial Sector**

My prediction is that prices will steady but hold up better than some experts predict despite the substantial new supply coming on the Market in 1989 and the move of many manufacturing operations to Southern China. Demand will be maintained by marginal/fringe users who will switch from commercial "office" space to industrial space flirting with the planning regulations.

## **Interest Rates**

These still have some way to go and will probably peak at 12% or 12.5% by July or August may be easing before year end. They will closely track US\$ rates.

## **UK-US\$ Link**

This will remain for the foreseeable future and when irresistible pressure for a change finally comes it will be for a devaluation rather than a revaluation against the US\$. My estimate is 1993 or 1994 after 5 to 6 more years of Hong Kong inflation rates double those of the United States. This continuing inflation difference represents an ongoing revaluation which will eventually over price the Hong Kong currency and this situation will be unsupportable.

## **Final Comments**

Long term I am optimistic for the Hong Kong Property Market. It is the classic situation of limited supply in a city serving an enormous hinterland of vast potential. Wherever this has occurred before i.e. New York, London, Tokyo the only long term movement is up.

### **REMINDER**

#### **Joint Annual Dinner**

Please note your diary that the Annual Dinner will be held at the Regent on 23rd November 1989. Apparently interest is running high and almost half of the tickets have been pre-booked.



## Assumptions and Interpretation of the “Cost/Affordability” Quotient (AQ)

### Quotient Assumptions:

- (a) Numerator: monthly installment on a 20 year, 80%, loan against small flats (40 sq.m) at the prevailing mortgage interest.
- (b) Denominator: Median monthly household income

	Average Flat Price Per sq.m.	Monthly Mortgage Payment	Median Monthly Household Income	Cost/Affordability Quotient
	\$	\$	\$	\$
1976	3,313	861	1,382	62.3
1977	3,811	895	1,564	57.2
1978	4,661	1,174	1,811	64.8
1979	7,800	3,104	2,213	140.3
1980	10,108	4,235	2,645	160.1
1981	11,316	5,812	3,150	184.5
1982	7,866	3,841	3,694	104.0
1983	7,798	3,031	4,194	72.3
1984	7,295	2,869	4,508	63.6
1985	7,681	2,291	4,930	46.5
1976	8,670	2,390	5,411	44.2
1987	10,440	2,774	6,096	45.5
1988*	12,917	3,719	6,700	55.5

### Quotient Interpretation

- (a) The majority of purchasers of private residential flats should have household incomes much larger than the median level. For 1988, the maximum household income for applicants for the Home Ownership Scheme sponsored by the Hong Kong Government is \$8,500, whereas the median household income is \$6,700.
- (b) To most mortgagors, fixed monthly installments account for a decreasing portion of their incomes which should rise as a result of economic growth and inflation.
- (c) The quotient does not therefore represent the financial burden of buying a home with mortgage; it reflects the historical trend of the affordability factor as a result of the interaction of property price, household income and mortgage rates.
- (d) The higher the quotient, the less the affordability, and the greater the possibility of a downturn in the residential sector.

### Surveyors Appointments Consultancy

by Dan Leggatt

SAC was born, as part of Surveyors Holdings Limited, in early 1981, out of the old Appointments Service. There are other subsidiaries, notably Surveyors Publications and the Bookshop, and the idea is that we should provide services to members without generating overheads and thus fees. SHL staff tend therefore to be commercially orientated. After years of being in the public sector I must confess that I thoroughly enjoy the challenge of having to balance the books.

It soon became apparent we had not really changed at all from the old Appointments Service despite the formation of SHL. All we are doing was to run a Service for professionals similar to that operated by various bureaux for 'Secretaries'. As an example, a sister Institution, running a similar service for its members has a Consultant/Vacancy ratio of 1:10. A very well-known West End firm of head-hunters operates at 1:5. In SAC, the Consultants each have about 75 vacancies to deal with. I think this shows how we had not moved with the times. It also illustrates why many of the top firms and top people in the Institution have tended to ignore SAC in the past.

Well, all that has changed. My Board, several of whom are prominent members of the RICS, have given me a reasonably free hand.

Students of the Appointments columns of our professional journal will have seen that we are beginning to advertise a considerable number of top jobs-and there are quite a few such jobs which we don't advertise. What I am doing is to operate the Consultancy in such a way that I can switch Consultants so that while one copes with the majority of the work-the bread and butter one might call it-the others deal with the jam. In this way special jobs and special people get special treatment, while by no means neglecting the rest.

The reaction to this strategy has already become apparent. Famous names are coming to me and overseas business is growing (I take particular pleasure in helping the export drive-invisible though it may be). Most important of all, firms outside the profession who know nothing about Surveyors but know that they have to employ them, are coming to me. This week, with the assistance of a retired surveyor I am interviewing and will prepare a short-list for one such company. They will select on the basis of our six page dossier on the short-listed candidates.

I have managed to find the right vacancies and they pour in each day. My initial problem was to get the right candidates but I am glad to say that the register is filling rapidly.

What is the right candidate? Quite apart from the order members whom it is always an intense pleasure to place-redundancy is a nasty shock-and we have helped a number of these, I suppose I would define him or her as being:

22-33 years.

Having sound professional qualifications.

Ambitious.

Happy in their jobs, but prepared to look around.

Concerned about that important mid-career change of course.

Presentable and with confidence in themselves.

Every day I see such people-either through word of mouth recommendations or because our new image is beginning to show. I find it an enjoyable experience because our conversation though not really an interview, in a curious way is. If they want me to criticise their style I do. I am able to counsel them and I have yet to meet somebody who has felt that our chat was a waste of time.

Confidentiality is my watchword. So much so that I make a point of never recognising members either in the bar at HQ or if I meet them in a West End wine cellar. I used to find this embarrassing but not anymore. If they want to recognise me all well and good.....and mine's a pint of Yorkshire bitter.....

I may never contact these people again. But I do find an uncanny sense developing that I am beginning to think more and more that Bloggs might suit Snodgrass's job and then make a discreet call. It is fascinating how it seems to work out. Bloggs often says "no thank you-not for me". It does not matter-in a year's time Bloggs' ideal opportunity may come up.

At the time of writing we have recently made two very senior appointments in Hong Kong using our Executive Search Service and I am currently working on a major City Development Assignment where the salary starts at £150,000·BASIC, not to mention the perks.

I must stop banging my drum.

SAC is here to serve all members, we are delighted to help and it costs you nothing. Please write to us at Headquarters be you client or candidate.

## **STOP PRESS**

### **Membership Record**

Office Administrator, Maggie Brooke, has asked me to remind you to complete and return the questionnaire enclosed with this Newsletter. Your input is needed to update our records.

### **Diploma in Project Management**

A two year distance learning course is being offered by the CEM commencing September 1989. This post qualification course for Chartered Surveyors covers the development process — from inception to completion. See the enclosed pro-forma.

### **Building Economics and Construction Management Symposium**

An international symposium is being held from 14 — 21 March 1990 in Sydney. Cost is A\$400 and Anthony Walker (5-8592128) has the details.

### **College of Estate Management Books**

Several packages of books have been received for the Centre for Real Estate Studies in China for Tienjin and Beijing universities. Members visiting these two cities are requested to take a few books with them for delivery by hand to the universities. Please contact the Joint Office.

### **Surveying Technician Educaiton**

A survey is presently underway into the adequacy of technician education in Hong Kong. A schedule of existing courses is being prepared and members are invited to contact Nick Brooke (5-283282) with any views or comments they may have.

## **TPC DOCTOR**

Due to work commitments David Faulkner has had to turn in his stethoscope. Brian Reid has taken up the post and can be contacted at Hennessy Centre 25th Floor, 500 Hennessy Road, Hong Kong (tel 5-8957638).

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