

香港酒店業主聯會  
The Federation of Hong Kong Hotel Owners

Our Ref: 081/08/ML

July 14, 2008

Mrs Carrie LAM  
Secretary for Development Bureau  
8<sup>th</sup> Floor, West Wing  
Central Government Offices  
11 Ice House Street  
Central, Hong Kong

Dear Mrs LAM,

**Re: Comments on the Proposed Special Conditions of Sales for “Hotel Only” Sites**

We are supportive to the Government for listing 10 “Hotel Only” sites. After meeting with you on July 3, 2008, we had consulted our members regarding the captioned issue and we would like to draw your attention to the following points.

**1. Basic Development Clause and Parameters and Ancillary Accommodation**

Height limit is already stipulated in the OZPs. If the Government considers there is a need to set height limit in the Special Sales Conditions, it is necessary that height limit be prescribed the same as other lots/ sites in the vicinity.

Ancillary accommodation should be specified clearly from hotel’s functional and integral parts because F&B outlets, business centre, banquet amenities, meeting and function rooms, gym, back-of-the-house facilities etc. are the basic components which form part of the hotel operations, and should not be bound by the 20% rule.

We recommend to the Government for consideration that total GFA which comprises of the areas for hotel purposes and those of the basic components can reach 80% of the maximum GFA permissible of a site given the ancillary accommodation being not more than 20% of the maximum GFA. We hope that the Government will view this with a degree of flexibility and on a case-to-case basis.

**2. Approval of Internal Layout, Design and Size of Hotel Rooms and subsequent Approval required for any change**

We consider that the requirement about approval of internal layout, design and size of hotel rooms is not necessary and should be left to the market demand.

At the meeting, we were informed that a change to building plan may be equivalent to a lease modification and the Government may impose any condition and charge a premium for such a change. We would like to convey our members’ view that change in building plans in response to market trends are very common in the industry in order to cope with the market change, customers’ expectation and is market driven.

香港酒店業主聯會  
The Federation of Hong Kong Hotel Owners

**3. Land Premiums & Restrictions on Land Use**

The purpose of the strict regulations proposed by the Government is to prevent abuse of the land allocated to "Hotel Only" use when there is a relief on the land premiums imposed. In other words, the Government does not want the land to be used as residential or service apartments.

It is also understood at the meeting that the Government would set a reserve price for the land to be triggered by application before the commencement of the "auction process" by interested developers. Under this process, it makes no difference to the existing land auction process which may inflate the land premiums for "Hotel Only" Sites.

**4. Suite-type Hotel Development**

Internal design and layout are strictly developers' business decision on the market trend. Again 30% limit on "suite-type hotel room" is against the common trend of all-suite hotel. We consider it is a commercial decision of individual hotel developer and operator. Both in the United States and the Asia Pacific Rim, there is an increasing tendency to build "all-suite" hotels to cater for increasing demands for this style of accommodation. The seemingly arbitrary imposition of 30% limit ignores the market driven economy and the evolution of hotel development worldwide.

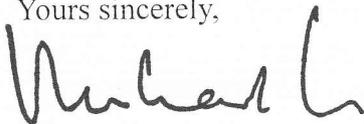
Internationally accepted profile of hotels has evolved over the past century, to incorporate firstly en-suite toilets and bathrooms, followed by Jacuzzis, mini-bars and increasingly in later years, pantries and kitchenette. In this regard, laundry facilities and kitchenette to be provided or installed in suite-type hotel rooms are welcome.

The condition for hotel to provide with central ventilation system and central hot water supply under the proposal is actually regulated by the Buildings Department's "Practice Note for Authorized Persons and Registered Structural Engineers" 111 on Hotel Development. The proposal is not contrary to the existing practice.

The HK Government has always been supportive to the industry to keep pace with the changing needs of travelers. We urge you to reconsider our views.

We will be more than happy to discuss this subject with you further.

Yours sincerely,



Michael LI  
Executive Director

cc: Miss AU King Chi, JP  
Commissioner for Tourism