

# The First Estates

*The Story of Fairview Park and Hong Lok Yuen  
with Documents*

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# *Clifford Wong: The Champion of Fairview Park and Hong Lok Yuen*

Every major development scheme needs to have a champion, particularly ones like Fairview Park (FVP) and Hong Lok Yuen (HLY). Both projects were groundbreaking, requiring a unique vision, as they contained big elements of risk and were programmed to take many years to complete. This champion must be fully committed to and have an unwavering belief in the merits and quality of the projects, coupled with the tenacity and courage to see the projects through all their inevitable ups and downs, from start to finish.

Clifford Wong was such a champion who sadly passed away on 31 March 1987 before his fifty-fourth birthday, and before these developments were fully completed. But he laid solid foundations and guidance from the start, and particularly helped his company navigate the choppy economic environment of the early 1980s, following the Sino-British negotiations that generated so much uncertainty as to Hong Kong's future post-1997. This ensured that when totally completed, these projects were an undoubted success that would have probably exceeded his most optimistic expectations.

There are many lessons that can be learned today from how Wong approached these projects, which at the same time tell us a lot about the man himself.

## **The Fairview Park Vision**

Since 1964 Wong was a minor shareholder and director of the original company that owned the land, and always thought that it could be put to better use than the first idea of a golf course and resort hotel. He visualized a development of a subdivision of two-storey garden houses modelled on those in North America where he had studied to become an architect. When the majority shareholders decided to sell in 1971, Wong formed the Canadian Overseas Development Company Limited (CODCL), becoming the major shareholder. He even resisted a HK\$2.5 million buyout offer at the time so that he could pursue his dream.

The endeavour would be to create a unique low-rise, low-density, and low-cost suburban housing estate which would be the first and the best of its kind in Hong Kong. No competition was anticipated as there were no other similar developments

targeting the mass market in Hong Kong. There is no evidence of there being any market research, just the conviction that at the right price, there would be a market for people to realize their own dream of living in a house with its own garden in a well-planned estate. In the context of the prevailing dominance of multi-storey, high-density private and public housing developments, it was a refreshing change for people to have the opportunity and choice to live in low-rise two-storey garden houses. It would also provide a much better living environment and improve the mental health of its occupants.

In an interview Wong did in May 1977 with *Modern Asia*, a business magazine of the time for South-east Asia, he is quoted as saying: ‘We’re building a whole new town, a whole new concept of living in Hong Kong and we’re going to do it our way; and this means the emphasis will be on quality materials—from tiles to window panes. Each housing unit will have the latest air-con system installed.’ He went on to say: ‘Hong Kong people are becoming increasingly particular about their housing condition—they will no longer accept the poor housing dished up throughout the building boom of the past decade or so. They want comfort, and a return to a more gracious and leisurely style of life.’ He would no doubt be heartened by the stories told by some of the original buyers described in the chapter, ‘Who Is Living in Fairview Park Today?’

Back in the early days of the project it would have been impossible to predict the growth in the Pearl River Delta and the porosity of the cross-border boundary. A recent talk with a young Chinese engineer whose workplace is located across the border in Guangdong Province reveals that he has lived at Fairview Park for the past six years because of its very convenient location. Wong would have, indeed, found this highly ironic given that one of the reasons for the government’s initial rejection of his early submission was because of its ‘awkward’ location. Today, ‘strategic’ may be a better description.

### The Hong Lok Yuen Concept

As a follow-on project to Fairview Park, the houses to be built at Hong Lok Yuen were clearly targeted at the higher end of the market, but with a similar philosophy to Fairview Park. Hong Lok Yuen also gave the target buyers a relatively affordable option for a change of lifestyle, away from the dense high-rise urban areas, and to be surrounded by greenery and fresh air. The emphasis would be on peace and privacy, with each house having its own private garden with a soothing view of trees and flowers. Amid this pleasant country environment there would be modern facilities such as a country club, kindergarten, primary school, supermarket, and other shops.

### Tenacity

As is spelled out in the opening chapters, the initial response from the government officials to this visionary Fairview Park housing development application was

disappointingly, but unsurprisingly, negative. To start with, Wong went through the right channels with his application. Only when they failed did he resort to the 'top-down' approach, when he had an opportunity to present his scheme and ideas to the then-governor, Murray MacLehose. The governor enthusiastically endorsed them, instructing the relevant staff to offer all assistance together with granting the scheme 'priority' status.

This was definitely the right way to approach the government, because from my own personal experience, civil servants quite understandably get upset if developers try to bypass or go over their heads and seek approvals from their seniors to their project proposals. In this case the relevant front-line officers were first given a chance to consider the scheme. Only when they had rejected it and then subsequently received instructions to proceed from the highest level did they change their attitude and stance to cooperate in implementing this project.

Wong's charisma and negotiating skills came in handy on many occasions, not only with the government but also with business partners and counterparties. This was evident in the 1978 joint venture negotiations with George Wimpey Co. Ltd. for the Hong Lok Yuen development, when it became necessary for him to address the Chairman of Wimpey's in London on a personal basis, following a board meeting held in Hong Kong in October that year. The meeting had 'started cordially enough until the questions of Sales Policy and the authority of the Managing Director were discussed. There were basic differences in approach on the former and a fundamental disagreement in the interpretation of the latter.' Whilst these issues were eventually resolved, there was an underlying problem of a culture clash between the working style of the local Chinese board members and those on the Wimpey side who were seen as being brash, arrogant, and lacking in tact. Wong, whilst defending his own local team, needed to spell out the problem to his counterpart in London. He was able to achieve this in a frank and fair manner, thus ensuring the survival of the ongoing joint venture partnership.

### **Handling the Ups and Downs**

The first phase of the Fairview Park development of 1,500 houses probably exceeded expectations, being sold out quickly without the need for widespread advertising. A 1977 board meeting, however, noted there were cash flow problems as 60 percent of the total sales revenue was contingent on the Occupation Permits being issued by the government, which did not occur until 1979. So, in spite of this initial success, Wong was aware of the need for prudent financial management, plus looking for all possible ways of expediting the construction programme without compromising quality, until a break-even situation was achieved.

A much sterner test had to be faced as a result of the many variables, such as high interest rates and falling financial indices, caused by the Sino-British negotiations

during the 1982–1984 period. This was when Wong had to show real courage. The following extracts from a 1985 board meeting are revealing:

Mr Wong went on to state that the Fairview Park Project, under his personal guidance, had gone through periods of ups and downs to the extent of requiring personal sacrifices at times in aid of the Company. He had made personal loans to the Company when all other possible sources were exhausted in the face of dire economic conditions. He made no hesitation in donating the Wong Chan Sook Ying Memorial School when Fairview Park was desperately in need of a primary school, which the Company itself was unable to provide, to encourage sales. Without his undaunted dedication and tireless effort, the Project would have been unable to survive the recent economic crisis and thrive for its ultimate success.

While the Company was free from commercial debts, Mr Wong cautioned against upsetting the cash-flow balance by making long-term plans with no assurance of a positive outcome. He stressed in particular that the project would be self-financing without resorting to borrowing noting that the Company was on a sound footing and short-term plans would be sufficient for the time being to guide their work through the difficult period free of risks.

These are a sensible and sound collection of ideas and philosophies of how to navigate a company through difficult economic times and could be incorporated into any contemporary business training manual and operation plan.

### **Clifford Wong: The Man—in the Words of His Third Daughter, Frances**

My father, Clifford Wong, and my mother, Louisa, met as students in Canada and my two elder sisters, Mary-Jean and Margaret, were born in Montreal when my father was still an architecture student at McGill University. His nickname at McGill was ‘The Tourist’ because he was absent from so many classes to help with the babies and because he used a Pan Am travel bag to carry his books around.

My father had a great sense of humour and a zest for life. He loved sport and regularly played soccer and tennis. Rare for parents of girls in Hong Kong at that time, he ensured that all five of us learned to play tennis. He was always coaching us on the side to make sure we had the right form. Games of hide-and-seek were taken seriously at our household. My sister Christine recalls how after lights were out one evening, she heard spooky sounds from a high cupboard in her room—a child’s worst nightmare. Suddenly, my father burst out of the cupboard shouting ‘BOO!’ to her shrieks of terror and laughter. He certainly won the game that night!

My father’s positive attitude to life framed his approach in developing residential communities. His design of cylindrical buildings for the public housing estate at Lai Tak Tsuen near Causeway Bay on Hong Kong Island was unconventional back in 1975. But his purpose was to nurture a sense of community among neighbours—you meet a lot more people when you can pass by their homes from either direction.



He took the concept of community building further with his developments of Fairview Park and Hong Lok Yuen. I remember him and my mother on their hands and knees in our living room positioning model houses on a giant site map to make sure that the parks, recreational sites, and shopping malls would bring families and neighbours together. He wanted to generate a vibrant suburban-style living to Hong Kong, not a sterile high-rise community.

As children, my sisters and I spent many weekends going out to building sites with him. I remember being awed by the endless line of trucks working on the vast open space that would become Fairview Park. During these site visits we saw how my father managed the staff as if they were family. Everyone called him ‘Architect Wong,’ using his profession as an honorific. Roger Nissim caught up with three members of the sales staff recently, who spoke fondly of their former boss, remembering him as a father figure. They said he was polite, generous, and never lost his temper. They appreciated how, during economic downturns, there were no lay-offs or redundancies. Even today, occasionally we see staff like them at the Fairview Park Country Club because my father gave lifetime memberships to long-serving employees. My family was especially touched when a group of staff members volunteered at the Hong Kong Sanatorium to donate blood when they heard he was ailing in January 1987.

One can have a thousand brilliant ideas, but they would be worthless without proper execution. My father excelled in executing his ideas and making the impossible into reality. There was no obstacle too great to prevent him from achieving his goals. His passion and brilliance won over the most senior officials of the British administration, such as the then Governor Sir Murray MacLehose. When China opened up in the early 1980s, my father likewise impressed many Chinese officials with his vision and willingness to share his business acumen for the betterment of the mainland. In June 1983, my father was appointed a Hong Kong delegate to the national Chinese People’s Political Consultative Conference (CPPCC). My maternal grandfather, General Wang Yao Wu was also a member of the CPPCC (1965–1978), appointed in recognition of his contribution to winning the war against Japan during World War II. In recent years, my sister Mary-Jean Wong and her son have also been appointed as delegates from my grandfather’s province, Shandong, thus continuing this long line of service.

I was lucky to be back in Hong Kong when the director of the Xinhua News Agency (HK) Branch, Mr Xu Jiatur, came to officiate at the grand opening of the Fairview Park Town Centre on 18 March 1984. I remember the excitement of the residents and the staff lining the boulevards to watch the ceremony and the lion dances. My parents subsequently hosted many other dignitaries to Fairview Park and Hong Lok Yuen—Mr Ji Pengfei, the state councillor and director of the Hong Kong and Macau Affairs Office visited both in December 1985. The photographs below record these two events. The second, lower, photograph is kindly reproduced courtesy of the *South China Morning Post*.

## *Contextual Background to the Two Developments*

The following data and information aim to give some context to the Fairview Park and Hong Lok Yuen developments, with regard to the different economic, political, and social forces that drove and shaped housing, planning, and New Territories development in the 1970s and 1980s.

Apart from the development of Tsuen Wan, in the early 1970s the New Territories was still basically a farming and rural community interspersed with the original traditional villages. Access to the urban area was difficult. The former Kowloon–Canton Railway only had eighteen services a day on a single line track that had level crossings; the journey from Lo Wu to Kowloon took seventy minutes. The double tracking, electrification, and station modernization were not completed until July 1983. Similarly for vehicular access there were only ordinary two-way roads around the New Territories and it was not until late 1987 that the Fanling Highway section of the New Territories Circular Road was completed and could serve both Fairview Park and Hong Lok Yuen properly. As can be seen by the lack of transport infrastructure in the region at that time, the vast majority of Hong Kong’s population lived in Kowloon and on Hong Kong Island. In 1971 Hong Kong’s population was 3.94 million, with only 17 percent living in the New Territories, whereas today the city boasts a total population, according to the 2016 by-census, of 7.33 million, of which 52 percent live in the New Territories.

In the 1970s and 1980s Hong Kong experienced a population explosion driven by mass migration from China, as the following figures from the Census and Statistics Department (CSD) demonstrate:

1971—3.94 million

1976—4.40 million

1981—5.11 million

1986—5.50 million, with 35% residents in the New Territories, and

1991—5.67 million

The biggest jump was between 1971 and 1981 and can, largely, be attributed to the ‘Touch Base Policy’ which was introduced in 1974. This policy allowed illegal migrants from China who successfully reached the urban area, defined as being south

of Boundary Street in Kowloon, to obtain a Hong Kong identity card and stay. In 1977 it was recorded that 6,000 people a year had been successful. If migrants were intercepted at the border or apprehended in the New Territories, they would be immediately repatriated but, undaunted, they would try again as there were many cases of multiple failed attempts to get across. In 1978 another wave of illegal migrants started and during the first eight months of 1980, 91,000 people came from the mainland.

Due to the large influx of migrants entering Hong Kong, there was no choice but to abolish this policy and this occurred in October 1980. The majority of these immigrants were young men from Guangdong Province who helped provide a cheap and willing labour force for Hong Kong factories. So at the same time, a law was passed to prohibit the employment of illegal immigrants, and thereafter their numbers decreased dramatically.

This rapid increase in population had a number of serious repercussions. Firstly, it exacerbated the housing problem, as the 1981 census showed that 700,000 people were living in squatter huts and most were post-1976 immigrants; and secondly, the government lost its budget balance over the construction of public utilities to cater for the massive migrant population. The planning was based on a 2 percent annual population growth when, in fact, between 1978 and 1980 the growth was 5 percent. Social problems arose from the imbalance of male-to-female ratio, which by then had widened to 4:1. The only solution to these men finding a spouse was for them to return to the mainland, but this in turn resulted in further social problems for these women to assimilate into Hong Kong life. This rapid growth in population also exerted a great pressure on the supply of school and medical places, their premises and staff.

In order to regulate the continuing flow of people from the mainland in 1983, the Chinese and Hong Kong governments agreed to a daily quota of 75 legal immigrants; in November 1993 this was increased to 105 and in July 1995 it was raised to the present limit of 150.

After the 1980s, 80–90 percent of the migrants from the mainland were women and children who came for family reunion (the data in the preceding three paragraphs comes courtesy of the Hong Kong Immigration Department). Despite this rapid unforeseen surge in population numbers, fortunately the Hong Kong government had already got in place plans for a significant increase in housing supply. In October 1972 the government announced its biggest ever Ten-Year Housing Programme, with the aim of providing decent living accommodation for 1.8 million citizens in ten years. The plan was to build fifty-three new public rental housing estates and convert nineteen old housing and village estates. The Housing Authority was established and the Housing Department was formed to act as the executive arm of the Housing Authority.

In 1973 the New Town Development Programme was promulgated to ensure there was an adequate supply of new land with the first generation being Tsuen Wan, Sha Tin, and Tuen Mun. Between 1973 and 1982 these new towns delivered 220,000 flats, including Home Ownership Schemes (HOS) and Private Sector Participation Schemes (PSPS) which had been introduced in 1978, to house over 1 million people.

In the late 1970s the second-generation new towns, Tai Po, Fanling/Sheung Shui, and Yuen Long, were started, with the third generation comprising Tseung Kwan O, Tin Shui Wai, and Tung Chung coming on stream in the 1980s and 1990s. According to the 2016 by-census these nine new towns now house about 3.44 million people, equivalent to 47 percent of Hong Kong's population.

The first two generations of new towns were all planned to be self-contained, providing schools, hospitals, and other essential facilities, as well as factory space for employment in addition to housing. They did not, and probably could not, have anticipated the huge impact of Deng Xiaoping's 'Open Door Policy'. Launched in 1979, this groundbreaking initiative resulted in the establishment of the Pearl River Delta Economic Zone (PRD) which was to encourage export-oriented production of foreign-invested entities based in Shenzhen, Dongguan, and Guangzhou. The region's GDP grew from US\$8 billion in 1980 to US\$89 billion in 2000 and up to US\$221 billion in 2005. Hong Kong manufacturers were quick to seize the opportunity of cheap land, cheap labour, and preferential tax policies to relocate their clock and watch, toys, garment, plastic products, and textile operations across the border, which all contributed to the PRD's growth. They usually retained a headquarters function in Hong Kong to handle the import/export, design, finance, and insurance as well as quality control. The result was that Hong Kong very quickly changed from being a manufacturing-based economy to a service-based economy, leading to a declining demand for factory space and a surging demand for Grade A office space. The Hong Kong factory owners in the PRD then had the benefit of being able to live in Hong Kong and commute comfortably to their factories in the mainland. As such, upmarket residential developments in the New Territories such as Hong Lok Yuen have become popular to cater for this segment of the market, as the number of cars with the cross-border dual licence plates attest to. Because of this change in economic drivers, the new towns have become more like dormitory towns, as most of the resident workers need to travel down to the business districts on Hong Kong Island and in Kowloon for their employment. This all puts a great strain on the transportation systems, which require constant upgrading. For example, the widening to four lanes of the Tolo Highway/Fanling Highway between Island House Interchange and Tai Hang was completed in 2014, and the Stage 2 works up to Fanling are due to be completed in 2019, which will greatly benefit both developments.

Another impact brought about by these changes is that a lot of the older industrial premises throughout the territory have become redundant and obsolete. This has resulted in the government planners changing the land use zoning in most of the old industrial areas, such as Kowloon Bay and Kwun Tong, from 'Industrial' to 'Other Uses (Business)'. This is to encourage the owners of these older industrial buildings to apply for a lease modification, when the building is ripe for redevelopment, for non-industrial uses such as offices or hotels. These redevelopments, primarily for Grade A offices, have helped and encouraged the decentralization of offices by usually providing a cheaper alternative to the traditional central business districts. According to a 2017

survey commissioned by the Planning Department, this source of supply of Grade A offices resulted in an increase in gross floor area from about 6.9 million square metres in 2001 to about 9.6 million square metres in 2015, representing a significant 39 percent increase which has continued to this day, particularly in areas such as East Kowloon.

There has been an upward trend towards home ownership, which reflects the shift in policy articulated in the government's 1987 Long Term Housing Strategy. The emphasis shifted away from public rental housing, in order to promote home ownership as the long-term solution to Hong Kong's housing problems. The intention was to speed up the development of Home Ownership Schemes and Private Sector Participation Schemes and to promote the greater use of private development resources. The 1976 by-census revealed that only 23.2 percent of domestic households were owned, out of a total number of 990,290 households. However, this was already up from the 18.1 percent ownership figure in the 1971 census. Fast forward to the 1991 census and owner occupation had jumped to 42.6 percent out of a total of 1.58 million households. Interestingly, the 2016 by-census revealed that in the past ten years the tenure of accommodation of domestic households had changed. Only 48.5 percent of domestic households owned the quarters they occupy out of a total of 2.51 million, which was down from 52.8 percent in 2006.

When Fairview Park was first planned in the early to mid-1970s, the border with China was closed and Shenzhen as a town did not exist. The relatively remote location was not helped by the poor road and rail access. Therefore, in order to generate market interest there was no choice in the early phases of the development but to build something the Hong Kong public had not seen before: suburban houses with their own little gardens, yet with house sizes small enough, 850 or 1,050 square feet, to ensure affordable pricing targeted at the mass market. Only when overall upgraded road and rail transportation infrastructure was in place could there be any thought of building larger, more luxurious units in the later phases as well as the more upscale positioning of Hong Lok Yuen.

A comparison with the adjoining Palm Springs and Royal Palm estates built by a different developer is instructive. These developments were completed in 1994 so all the planning, construction, and marketing took place after the main transport infrastructure improvements had been completed. The majority of the work on the second generation of adjacent new towns and the development of the PRD were also underway. The house sizes range from 1,400 to 2,000 square feet, demonstrating that the developer was very confident of marketing these houses at more upscale rather than mass market level. One can see in FVP and HLY Introduction Document 1 the similarity of the layout of these two developments; a comparison with that of FVP and HLY in Document 2 shows that Fairview Park and Hong Lok Yuen set the future standard for this type and style of development.

In parallel with Hong Kong's changing economic structure, big transformations were taking place immediately across the border. Shenzhen was a modest sized market town of 30,000 in 1979 when it was promoted to city status. A year later it

was designated China's first Special Economic Zone (SEZ) and during the 1990s and 2000s it became one of the fastest-growing cities in the world. A nationwide by-census in 2015 recorded 11.39 million residents in the city. Today Shenzhen's most important economic sector lies in its role as the headquarters of many of China's high technology companies, such as Huawei and Tencent, which are now recognized internationally. As a result, it has also become a fertile place for start-up companies. The impressive high-rise buildings that make up Shenzhen's skyline now look down over Fairview Park.

## *A Brief History of the Land*

Fairview Park is situated at Tai Sang Wai, Yuen Long, and had long been uncultivated because of the high salt-content of its soil and the lack of flood control in the area. In 1962, Sun Wing Wah Co. Ltd. purchased the unusually large single lot of about 12.5 million square feet from the previous owner, a retired Chinese Nationalist general.

The initial idea was to develop this land for high-density mixed development of industrial and residential buildings but the banking crisis of 1964 put an end to that. The next idea was to develop the site as a golf course and resort hotel together with a Japanese joint venture partner. But despite progress being made with obtaining approvals for this proposal, the pro-Communist demonstrations and riots of 1967, which left fifty-one people dead, severely dented the confidence in Hong Kong. People were selling their properties and migrating overseas, so this idea was also abandoned. In mid-1971, the majority shareholders of the company decided to put the land up for sale. Wong had been a minor shareholder and a director of Sun Wing Wah since 1964. When the land was put up for sale, he formed the Canadian Overseas Development Co. Ltd. (CODCL) to secure an option to purchase the land within a two-year period. The partnership was with Mr. Hui Chun-fung, also a former shareholder and director of Sun Wing Wah, and Mr. Paul Yuen, an associate of Mr. Hui. They both shared Wong's bold vision of developing this site into the New Territories' first garden city, with two-storey houses modelled after those common in North America where he had studied at McGill University in Montreal, Canada, to become an architect. The directors' meeting of CODCL held on 8 July 1971 resolved to buy the land from Sun Wing Wah for \$9.5 million, on very favourable payment terms spread over four years. On 25 July 1973 the directors agreed that, because there were issues related to obtaining vacant possession with fifty fish pond operators to be bought out and sixty squatters to be moved, the original purchase price was reduced by \$1 million to \$8.5 million. The transaction was completed on this basis on 15 September 1973, and thus the foundation for Fairview Park was laid.

## *An Inauspicious Start*

On 28 July 1971 CODCL wrote their first letter to the District Officer Yuen Long, who was the local land authority in those days up until the establishment of the Lands Department on 1 April 1982. The letter set out their bold vision for the development of this site as follows:

It is the intention of our company to develop the land into a unique residential housing estate. The magnificent size of the land offers great opportunity for modern comprehensive planning. We envisage the creation of a very low density suburban housing subdivision modelled after many of the new suburbs of English cities which yet may be made possible in Hong Kong. The plan is for neat, orderly modern standard housing to brand [*sic*] into a planned environment of trees, gardens, parks and recreation grounds. The housing will be within the economic reach of the people in the district and the ordinary workers in the urban area. We will offer for their benefit the enjoyment of direct ownership of house and land as an alternative to their present choice of conjoined [*sic*] high-rise tenements or sub-standard temporary village dwellings. The subdivision will be mainly one and two-storey detached or semi-detached single family housing units. The plan is for an overall plot ratio of only 0.4 of the land with the complimentary allowable site coverages for the one and two storey houses which I believe will be the lowest housing density of any kind anywhere in this Colony.

Both the District Officer Yuen Long, and his superiors under the District Commissioner, New Territories Administration (NTA), struggled to comprehend the scale and size of this project. But, perhaps more importantly, they failed to see the opportunity a project of this size would be to boost the territory wide housing supply as well as the development of this region of the New Territories. Therefore, they declined to agree to the principles that had been put forward, thereby stalling the project.

Frustrated by these initial setbacks, CODCL then wrote on 16 December 1971 to the Principal Assistant Colonial Secretary, Buildings and Lands Branch, of the Colonial Secretariat in Central Government Offices seeking reconsideration of the earlier rejection in the following words:



Our application outlines clearly our intention to make intelligent use of the land for orderly permanent and low-density housing development. We have also affirmed our intention to service all roads and drainage system to the approved standard of the Public Works Department at our own cost. We fail to see the reason not to invite a more meaningful and more tangible reply from the District Office for such application.

The NTA finally responded on 2 June 1972, somewhat inadequately, with a single page letter apologizing for the delay in replying but still in the negative with wording such as:

but the scheme is one of considerable magnitude and situated in a somewhat awkward location. I further regret that your application must be refused, since it is considered that a development such as this must be provided with proper services and this will not be feasible for a long time to come. Furthermore, the scheme will give rise to drainage problems affecting a considerable area all round and is also situated very close to an area designated on the Colony Outline Plan as a nature reserve.

What the administrators were basically saying was that, in their opinion, the project was 'too big' and therefore 'too difficult'. So, the easy way out was for them to say 'No' rather than 'Yes, let's think this very imaginative and original idea through.'

On 20 October 1972, CODCL responded, very politely, to this rejection in the following style:

I am most surprised that you have refused our application to develop the above property on grounds which are not clearly explained since your letter was couched in very vague terms. Therefore, we feel that our application has not been given the consideration it deserves.

The letter then goes on in some detail to rebut, explain, and elaborate on the three points of objection:

1) Awkward Location; 2) Provision of Proper Services and 3) Nature Reserve for certain bird species.

The penultimate paragraph of this letter was in many ways prescient when it starts by saying: 'It will be recalled that His Excellency the Governor in taking up his post in Hong Kong emphasised the importance of raising the quality of life of people in Hong Kong.'

## *Estate Management*

Special Condition 18 of the Conditions of Exchange governing the development of this estate, at FVP Document 5, specifically requires that the estate be managed by the grantee for the entire duration of the lease, initially up until 1997 and now extended up until 2047. This is a most unusual condition locking in the developer/grantee, with everything that this long-term commitment implies. This condition in the lease probably goes back to the size and complexity of the estate, and government's desire to effectively guarantee its long-term management. In response, the developer made an unusually personal commitment to oversee Fairview Park with Wong's family members still directing the estate management for over thirty years.

The Deed of Mutual Covenant (DMC), which is required under Special Condition 17 (a) (i) of the Conditions of Exchange was drawn up by the developer/grantee and approved by the government, stipulates that the Fairview Park Property Management Limited is appointed to provide comprehensive services at Fairview Park for the residue of the term of the government lease. Importantly, the DMC also ensures that the individual house owners are aware of, and required to comply with, the relevant lease conditions relating to the use of the land.

In accordance with SC 19(a) of the Conditions of Exchange, each residential unit was allowed one carport, which was probably the appropriate parking ratio back in the 1970s. However, in keeping with the general increase in affluence, the 2016 by-census showed that the median monthly household income for economically active households in this estate stood at HK\$65,000, resulting in there being a large number of households with more than one car. This has manifested itself in the present-day management issue of on-street parking which still persists. The management company continues to remind residents of the potential dangers caused by such parking, which include blocking of pedestrians, driving sight lines, and emergency vehicles.

As described in the *2015 Residents Handbook*, the estate management has a well-structured organization with various departments that handle different aspects of work: The Customer Services Department receives and responds to service requests or complaints from residents; the Administration Department communicates with residents to enforce the DMC and Estate Rules; the Security Department provides 24-hour service to safeguard the estate and controls parking and estate traffic, including

manning the Main Gate; the Maintenance Department maintains the common areas, communal facilities, utilities, as well as infrastructure; the Environmental Services Department ensures the estate is kept clean and the landscaping is properly tended; the Accounts Department processes the management fees and posts statements on the income and expenditure of the estate; and the Human Resources Department is responsible for all the employment and labour affairs related to the estate management activities.

There is a Management Advisory Committee (MAC) which was voluntarily set up by the estate management in 2001 and is made up of elected representatives of Fairview Park. The estate is divided into fourteen sections of electorate, with one representative elected from each section. The committee meets with the Estate Manager approximately eight times a year. The objectives of the MAC are to liaise between the residents and the estate management, providing feedback and reflecting views and suggestions of the residents. However, unlike most organizations of incorporated owners in modern estates, the MAC is purely advisory in nature as the developer/grantee has the ultimate responsibility of managing the estate, due to the special land lease conditions previously mentioned.

Pursuant to the DMC there are a number of Estate Rules which are designed to achieve the three main aims, namely:

- (1) To maintain a low-density built environment as required by the land grant;
- (2) To maintain a safe and pleasant living environment; and
- (3) To maintain a positive image of the estate.

The Estate Rules under *Usage of House Units* reiterate the DMC and lease requirement that the house units shall be used as a single-family dwelling only and clarify that no part of any house shall be used for other purposes. This includes but is not limited to solicitation, or carrying on with trade or business activities or professions of any nature (for example to use a house unit as office, shop, workshop, tutorial centre, hostel pet service store, showroom, kindergarten, etc.).

A large percentage of the house units are semi-detached houses and the Estate Rules allow for the *Individual Redevelopment of Semi-detached House Units*. It states that the owner of both sides of the semi-detached house units may redevelop the entire house in strict accordance with the requirements of the new grant, DMC, relevant authorities, and the developer. The gross floor area, building footprint, and site coverage of the new house shall not be changed from the original house.

Helpful guidance and advice are given for the two categories of construction:

### Prefabricated Houses

All precast reinforced concrete wall panels of prefabricated houses are load-bearing. No alteration or cutting of any part of these wall panels is allowed because any alteration to

these structures will affect the structural safety of not only the house concerned but the adjoining houses as well and may give rise to leakage problems or worse.

### Cast in-situ Houses

Cast in-situ houses have both structural and non-structural walls. House owners may only alter or remove non-structural interior partition walls subject to the prior written approval of the relevant authorities and the estate management.

On completion of the estate in late 1989 there were 5,024 units. The data from the Census and Statistics Department's 2016 by-census reveals that there are now 4,335 domestic households, which might indicate that some of the original semi-detached pairs of houses may have been modified into single house units, usually to accommodate a larger family or multiple generations living together. Interestingly, the management company has advised that there have been no formal applications for such conversion work so there is a discrepancy here. This together with overall declining household sizes would also partially explain the drop in population figures.

Under *Other Essential Conditions* is the reminder to house owners that they have a duty to ensure their properties are free from unauthorized alterations and additions. Once breaches are discovered, house owners and their successors and assigns are required to remove any such unauthorized alterations/additions. They are further reminded that they should not follow other residents' breaches and that pointing to breaches in other houses is not a defence against the requirement to rectify their own breaches.

1. In 2017 the Estate Management Team conducted an opinion survey covering nearly 2000 residents seeking their views on a wide range of issues to enable them to improve the services they provide. The results can be summarized as follows: Over 75 percent of the respondents found the overall estate management satisfactory or better.
2. A similar percentage was concerned about roadside parking and dog control. Favourite estate activities include festival celebrations, community events, interest/hobby classes, and information seminars on subjects such as environmental protection.

As at 2018/2019 fiscal year, management fees are charged at a modest average of \$1.57 per square foot per month, which appears to be good value for money as today the estate seems to be well-run. The landscape areas, trees, and gardens are well tended, and there is very little litter around. The sewage treatment plant remains odourless, so forty years on it would appear to be still operating efficiently.

## *Joint Venture Negotiations with George Wimpey & Co. Limited*

Very soon after the execution of the main land exchange, Hong Lok Yuen Estates Ltd. entered into detailed negotiations with George Wimpey of London, UK, which resulted in a 60:40 joint venture (j/v) agreement for the development and construction of the project.

By way of background which may help understand this choice of j/v partner and what strengths they brought to the project, George Wimpey in the 1970s had become the UK's largest private house builder, selling 106,440 homes in that decade. In the 1980s they began to reinforce Wimpey Homes as a brand focusing on quality compact housing. Wimpey Construction had become known in Hong Kong for the building of HSBC's new headquarters in Central, which when completed in 1985 was the most expensive building in the world (HK\$5.2 billion, roughly US\$668 million). This j/v partnership would then enable the project to be branded as an upmarket residential development with a strong international flavour helping to distinguish it from any of its competitors. Wong was to become the managing director of the new j/v company and he was ideally suited to handle and resolve the issues and differences that would inevitably arise from this cross-cultural team.

The sales policy, which is set out in HLY Document 4, was agreed upon after a robust exchange of views, interestingly not on the sales price, but on the number of houses to be sold in the first phase. Initially, Wimpey wanted a lower number of 220–250 houses because they felt they could place a construction contract for these quantities compared to the 400–500 suggested by their local partner, who felt the prevailing market conditions justified going for the higher numbers. The local partner's views prevailed.

The sale of Hong Lok Yuen management rights in 1991 provided the natural end to the partnership with Wimpey's, as the commercial elements of the small town centre, amounting to less than 22,000 square feet, were considered not worth keeping by either party. The partners decided near the end of the project to sell it with some development rights left, so that a local developer could buy out the remaining interest and, perhaps more importantly, also take over the long-term management responsibilities as required under the lease.

## *Hong Lok Yuen Estate Development*

Hong Lok Yuen is quite some distance away from the urban area, so it was planned to be more or less self-sufficient, with a town centre providing basic needs of everyday life and a prestigious clubhouse to provide recreational and dining facilities for the residents. Club members could enjoy their games of tennis, squash, billiards, darts, roller-skating, and swimming besides dining in the Chinese restaurant or the coffee shop. The club would also admit non-residents on a fee-paying basis.

The provision of the kindergarten and primary school was also a key element in providing education for the younger children on the estate, avoiding the need for them to travel outside. The attractiveness and importance of the schools is demonstrated by the fact that there are several third-generation families who have lived and schooled here over the decades. Today the school has roughly a 50–50 split between resident and non-resident children.

Originally the estate was envisaged to have 1,000 houses but with the 1982 and 1987 extensions, this number was to go up to 1,132 houses plus 62 flats, giving a total of 1,192 units. In the initial stages of development, three basic house types, with over twenty different designs, were available for purchasers to choose from:

Type I—semi-detached three-bedroom houses with about 2,000 square feet gross floor area;

Type II—detached four-bedroom houses with about 3,000 square feet gross floor area; and

Type III—detached four-bedroom houses with about 3,500 square feet gross floor area.

Construction started in mid-1978. Up until 1983, 476 houses had been completed, together with a clubhouse of about 13,358 square feet, a school, and a town centre. The aerial photograph taken in 1979 in HLY Document 5 shows the extent of site formation works necessary in preparation for the main building contracts.

The financial crisis of 1983, which is discussed in more detail in Chapter 1, resulted in a run on the Hong Kong dollar and sky-high interest rates which were only stabilized following the introduction of the Hong Kong dollar peg in October 1983. The negative impact on the local real estate market was significant and developers

needed to respond. In the case of Hong Lok Yuen, the developers did two things. Firstly, they slowed down the pace of the construction works in progress as much as they could, without running into trouble with the phasing requirements spelled out in the building covenant and the MLP, which required the second phase to be completed by 1983 and the final phase by 1985. The second thing they did was to review the areas still remaining to be developed and introduced a range of smaller and more affordable duplex apartments and flats better suited to meet the needs of the depressed property market. They were:

Types IV & V—duplex apartments, each with a gross floor area of about 1,420 square feet, and flats in the town centre, with a gross floor area ranging from 1,170 square feet to 1,640 square feet.

It was around this time that a PARKnSHOP supermarket was introduced to enhance the attractiveness of the estate. The final paragraph on page 51 also refers.

### **Master Layout Plan Approvals**

According to records provided by the District Land Officer/Tai Po under the Access to Information Code, the first MLP was approved on 6 April 1978. There were subsequently over twenty MLP submissions made with various revisions leading up to the latest approved MLP (MLP-5) on 11 November 1993. The following are some examples:

MLP-2A was approved on 6 December 1983 with a variation in two different house types, which resulted in an overall reduction of 17 units.

MLP-2A was further amended on 11 January 1985 with the total number of units increased from 1,060 to 1,082. A slight increase in density was allowed in Stages 2 and 3 with a reduction in density in Stage 4.

MLP-3 was approved on 27 January 1986 allowing the total number of units to be increased from 1,082 to 1,201. The density in Stage 3 was allowed to be increased with some smaller units being introduced.

MLP-4 was approved on 9 February 1988 but the changes were not recorded.