

## **Urban Renewal Strategy (URS) Review**

### **Gist of Envisioning Stage Focus Group Discussion**

Date: 15th January 2009 (Thursday)  
Time: 4:00p.m. – 5:45p.m.  
Venue: Theatre, HKGCC, 22/F, United Centre, 95 Queensway, Admiralty, Hong Kong  
Group: Hong Kong General Chamber of Commerce members  
No. of participants: 9

Mr Kyran Sze, Chairman of HKGCC's Real Estate & Infrastructure Committee, hosted the discussion and invited Mrs Sandra Mak, the facilitator, to briefly introduce the background and progress of URS Review public engagement. They invited participants to express their opinions. Key points were as follows:

#### **1 Vision and considerations of urban renewal**

- 1.1 Urban renewal efforts should not only be confined to designated geographical areas, but should be conducted wherever they are needed. In addition to redevelopment, there are other ways to advance urban renewal. For example, rehabilitation may be a more appropriate mode in some cases. Moreover, Urban Renewal Authority (URA) can provide loans to owners who cannot afford to refurbish their flats/buildings before becoming dilapidated. Since many owners do not know how to organise for building maintenance, refurbishment or rehabilitation, URA can help set up owners' corporations for individual buildings to work on these areas.
- 1.2 Definition of 'dilapidated' building was however unclear or unacceptable. If it were to be defined purely by building age, such as any building over the age of 30 years be considered 'dilapidated', then there would constantly be buildings of such kind which required refurbishment or redevelopment. Apart from translating into extremely high costs, relying on building age alone is not a reliable yardstick to determine whether a building is dilapidated. Other criteria need to be considered too such as building conditions. As long as buildings had basic services and toilet facilities, which could be refurbished, there would be no need to buy them out for redevelopment.

## **2 Clarification of URA's positioning**

- 2.1 Criteria, e.g. building age, condition of building, etc., should be set and announced for the public to know in what circumstances URA would be permitted to exercise their power.
- 2.2 Objectives of URA and the Government of HKSAR with regard to urban renewal must be well defined and all-encompassing. The key was to establish a strategic vision and facilitate district-based urban renewal.

## **3 Urban renewal programme**

- 3.1 URA should take a broader perspective by focusing on upgrading the quality of life of Hong Kong people. Apart from focusing solely on urban renewal, some of the funds/budget could be reserved for other related purposes, e.g. beautification and improvement of streets and localities.
- 3.2 Many buildings in the URA target areas were worse off than those in non-target areas because owners and tenants were waiting for URA's action on their buildings. They lack the incentive to keep their buildings in good repair. On the other hand, some buildings in the URA target areas were in conditions that would simply require refurbishment. Thus it might be better not to assign any target areas, or at least reassess the building conditions in the target areas to see if they were absolutely necessary.
- 3.3 URA had a tendency to take up financially viable projects only.
- 3.4 URA should consider both the overall urban renewal policy and strategy on the macro level as well as the individual projects/cases in specific geographical districts on the micro level. Each district was different and people had different aspirations from different perspectives. Therefore, the strategy and mode of urban renewal must be tailor-made for different districts. This also meant that URA needed to communicate with residents in each and every district.

3.5 Old buildings with high plot ratio in Kowloon (such as Chungking Mansion 重慶大廈) posed serious problems that were not being dealt with as there was no incentive for these buildings to be redeveloped due to complicated ownership problems and new building height limits.

3.6 Citing the example of the old Shatin villages, which had been transformed into Shatin New Town, it was important to distinguish between urban renewal and new town development.

#### **4 Building density**

4.1 Gross floor area (GFA) concessions would increase density of buildings by up to four times (e.g. Tseung Kwan O). It was necessary to re-examine whether GFA concessions should be so easily granted.

#### **5 Balance & coordination among 4Rs**

5.1 The fact that the layout or urban planning of particular districts had remained the same for decades did not imply that they needed to be refurbished or redeveloped.

5.2 Renewal did not mean tearing down or totally transforming a district or an area for redevelopment. Historic buildings should be preserved and revitalised.

#### **6 Social and environmental impacts**

6.1 One of the issues was how we defined 'urban decay'.

6.2 Once URA started renewing an area, the local entrepreneurs, companies, neighbourhood shops and other small and medium enterprises (SMEs) in the district would all disappear, resulting in a loss of social and economic vibrancy.

6.3 To prevent original residents from being marginalised, URA must make sure the original residents could afford to live in the same community either in the refurbished or the redeveloped buildings after renewal was completed. Those who could not afford would have to move to a

cheaper district, such as Tin Shui Wai, which might then become a problem district.

6.4 If urban renewal were left to the market forces, new and tall buildings would spring up, especially for commercial use, e.g. shopping malls. As a result, it would marginalise the original residents and neighbourhood shops of the existing community.

6.5 Environmental Impact Assessments of the surrounding area (e.g. air quality) should be conducted before an urban renewal project was carried out.

## **7 Compensation and incentives**

7.1 It was wrong to provide incentives for owners to sell their properties to URA. Owners wanted more than the current market price and so, their real motive was not preserving or redeveloping the building for a better and safer living condition but profit-making. It would also be difficult for stakeholders to switch to a new compensation method or review the compensation amount despite public criticisms of over compensation.

7.2 There were also views that a comprehensive compensation and/or allowance system should be devised, e.g. the provision of grants and loans for owners for refurbishment or renewal purpose.

## **8 Partnering with others**

8.1 Urban renewal should be a collaborative exercise involving different strategic partners and government departments.

8.2 Citing the example of Happy Valley, different government departments (e.g. Fire Services Department, Buildings Department and Housing Department) conducted inspections of an old building, and through the Home Affairs Department the owners set up an owners corporation and undertook the necessary refurbishment work. The process turned out to be more effective than that of URA's. In fact, in many cases, it should be urban refurbishment but not urban renewal.

8.3 URA should work with the Transport Department to ensure that local traffic would not be adversely affected by its redevelopment projects.

## **9 Overseas experience**

9.1 We should follow examples such as of Holland where the owners were obliged to pay for the regeneration and refurbishment of their own properties. Hong Kong people, on the other hand, would wait until their own properties became dilapidated so that URA would pay them for moving out.