

Urban Renewal Strategy (URS) Review
Brief Report on Study Visit to Shanghai (26-28 March 2009)

1. Background

- Following the policy study of six Asian cities undertaken by the Policy Study Consultant (the research team of the University of Hong Kong), two study visits have been organized to provide key stakeholders with first-hand knowledge of other cities' work on urban regeneration. Shanghai was one of the cities selected for the purpose.

- A delegation of 26 members was led by Mr. Barry Cheung, Chairman of Urban Renewal Authority. Members of the delegation included members of the Steering Committee of the URS Review, members of the URS Review Committee under the Urban Renewal Authority (URA), members of the URA's District Advisory Committees and representatives of the Development Bureau and URA.

- The two-and-a-half day study visit programme, which was organised by the Public Engagement Consultant (A-World Consulting Limited), comprised meetings with local government officials, academics and those businessmen experienced in urban renewal in Shanghai City. Site visits were also organised to a number of redevelopment and preservation projects.

- The gist of the meetings and forums are noted as follows, with a summary of the interests and views expressed by the members of the Delegation.

2. Presentation by Mr. Liu Haisheng, Head of Shanghai Municipality Housing Protection and Administration Bureau

Date: Afternoon 26 March 2009

Venue: Shanghai Municipality Housing Protection and Administration Bureau

Topic: History and strategies of urban renewal, compensation and return

Gist of Presentation

- The history of renewal of Shanghai's old urban area could be traced back to the 1930s. Government mainly used demolition and redevelopment to solve the housing problems. Piecemeal demolition and renewal was the major approach and therefore the overall appearance of the old urban area did not have much change. An average area of about 87,000 m² was demolished in old housing area annually. Shanghai only started large scale renewal of old housing areas in the 1990s.
- In the early 90s, the renewal was mainly aimed at dilapidated houses. The focus was to improve houses without toilet and gas supply and about 48,000 households benefited from it. Later, the renewal of the entire city centre was accelerated to tie in with "The Tenth 5-year" plan. The Municipal government enacted the "Rules of Shanghai Municipality on the Implementation of the Administration of Demolition and Relocation of Urban Houses" which ascertained that the compensation for demolition and relocation of the old urban area would be based on the assessed market value of the houses to be demolished. About 28,000 households benefited from it. At the end of 2005, "The Eleventh 5-year" plan was carried out. Demolition and relocation projects were sped up to match up with the large scale construction of municipal infrastructure. However, relocation was becoming more difficult and the cost was becoming higher.

- Different renewal approaches

1. Establishment of self-contained units (舊住房成套改造)

At the early stage of economic reform, the proportion of self-contained housing (with toilet and kitchen) in Shanghai was only 31.6%. Government and enterprises (most of them were state owned enterprises) partly reconstructed the buildings to increase the living area. In 2008, the proportion of self-contained units was increased up to 95%.

2. Re-roofing and comprehensive re-roofing project (平改坡和綜合平改坡)

The old-type workers' premises in the city centre were characterised by the red roof. The building standard of this type of houses was low and buildings became dilapidated without maintenance. In 1999, Government started to carry out large scale renewal to increase ancillary facilities for rain protection, heat insulation etc. and to beautify the houses. By 2008, there were 16.64 million m² of completed re-roofing projects in the city and 12.11 million m² of completed comprehensive re-roofing projects.

3. Integrated improvement (綜合整治)

In order to enhance the living standard of the residents, the municipal government improved dilapidated houses in old urban areas for residents, i.e. improving the ancillary facilities, restoring the style and features of historical buildings etc. Between 2003 and 2005, the living environment of more than 56,000 households had been improved.

4. "Preserve", "Protect" and "Renew" (「保留」、「保護」及「改造」)

Since 2003, the municipal government started to carry out preservation, protection and renewal for areas with historical and cultural features. The Housing Protection and Administration Bureau, the Cultural Relic Management Committee of Municipal of Housing and the Land and Resource Administration (市規土局市文管委) were the authorities

responsible for protection and management. The Committee of Urban Protection (市保護委員會) had also been set up for organising and coordinating works on the protection of areas with historical and cultural features and the Valuable Historical Buildings. Among these buildings, 140 were under the municipal cultural preservation and protection. Other Valuable Historical Buildings would be announced in the near future to enlarge the scope of protection.

- The redevelopment project of Jonghai City (中凱城之光) was announced in 2000 and kicked off in 2002. The total land area of the project involved more than 64,000m² which were mainly occupied by small factories (*Nongtong* factories, 弄堂工廠). The project involved around 150 various units and required relocation of about 3,000 households. The project adopted “flat for flat’ on-site resettlement in the same district (「拆一還一」原區安置) as its principle. Special care was given to the poor. Affected residents could receive a transitional subsidy or live in transitional houses (過渡房).
- The implementation of flat for flat on-site resettlement faced a lot of problems as many residents would choose compensation for buying a bigger flat in another area rather than on-site resettlement. It was because the living area would be the same when they returned homes as a result of the “flat for flat” arrangements. Moreover, due to the design of housing type, it could not satisfy the residents’ demands for on-site resettlement. As a result, the residents’ return rate was only 15%.

3. Presentation by Mr. Hu Jun, Deputy Head of the Shanghai Municipality Planning and Land Administration Bureau and Mr. Gu Shiyang, Head of Department for the Protection of Historical Landscape (歷史風貌保護處)

Date: Morning 27 March 2009

Venue: Shanghai Municipality Planning and Land Administration Bureau

Topic: Overall Policies and Working Approaches

Gist of Presentation

- The Shanghai Municipality Planning and Land Administration Bureau was a new bureau combining planning and land administration works so as to strengthen government management, eliminate internal discrepancies and conflicts, unify goals and cooperation, increase the flexibility of policy implementation and facilitate communication, thus contributing to an effective policy implementation.

- In the 10-year plan (2001-2010), the Shanghai Municipal Government had fulfilled many goals. Expo 2010 Shanghai China Expo and Deepwater port, etc. had brought about motivation to the development of the city. The State Council just announced the idea of developing Shanghai into 4 centres, namely the international financial centre, shipping centre, economic centre and trading centre. Shanghai would become the hub of the Yangtze River Delta.

- The population of Shanghai city was about 18.8 million in which 5.6 million usual residents lived in the city centre. Now, there were more than 2 million km² available for planning and development. The Municipal government was greatly concerned about the planning on land use and development.

- In recent years, the rapid development of Shanghai city was driven by the redevelopment of the west of Shanghai city, and Huangpu River harbourfront and the development of Pudong. Pudong mainly developed cutting-edge technologies and the municipal government mainly redeveloped the city centre. Impartiality and fairness were the principles of the relocation, with emphasis on the convenience and safety of residents.

- Key development aims were:
 1. strengthening the competitiveness of the city centre
 2. developing Pudong harbourfront by means of relocation; emphasising infrastructure network;
 3. constructing additional 3rd, 4th and 5th runways for Pudong

Airport before 2012; and developing the orbital network mode

4. building new towns in rural areas of the outer ring and encouraging prestigious secondary schools, universities and hospitals to move to rural areas or set up new campuses and hospitals there
 5. strengthening environmental protection and greening
 6. emphasising community harmony and listening to opinions more
 7. developing rural villages (by ways of financial transfer or subsidy to safeguard the living of farmers)
- Development was driven by national policies. In addition, the participation of investors was also relevant as they bore the risk of development.
 - Shanghai delineated 12 areas with historical and cultural features through legislation and municipal protection regulations were also laid down and implemented. The related municipal governments in these areas also actively organized and established protection plans. They also enhanced strict management and the level of emergency maintenance (搶救性修繕力度) in the day-to-day preservation and protection of buildings. They paid much attention to the conservation of excellent buildings, antiquities and historical buildings by means of maintenance and established them with point-line-facet (點、線、面) approach. With the planning, management of antiquities, conservation and improvement of roads, the historical features could be preserved.

Interests and views expressed by Delegation Members

Was there an objective set of standard for the protection of historical buildings?

- Historical cultural buildings were divided into five categories: Category 1 - antiquities; Category 2 - excellent historical buildings; Category 3 - preserved historical buildings; Category 4 - general historical buildings and Category 5 - other buildings.

- Thorough understanding was the prerequisite for the protection of historical buildings. Secondly a database on the history of the buildings should be established. Thirdly, on-site visits to each historical building should be carried out.

How could the public participate in the protection of historical buildings?

- There was very limited public engagement in the protection of historical buildings in Shanghai at the moment. Requests for maintaining the buildings were normally made through reporting to the senior management.

Who was responsible for the maintenance costs of historical buildings?

- Owners, national loans or investors (if any).

How to coordinate renewal of old urban areas with the overall planning?

- The Municipal City Planning Administration of Shanghai was responsible for planning. There was no specific differentiation between “plans of renewal of old urban areas” and “development of new urban areas”. There was specific district planning for the six areas in which the area of conservation as well as capacity of the newly-built area, etc. had been determined.
- Recently there were plans for specific programmes, i.e. renewal of old urban areas, particularly economy housing (經濟適用房) and ancillary consumer housing (配套商品房). The greatest problem for renewal of old urban areas was the rising relocation costs resulting from the increasing property price in recent years. The original buildings were poor in quality and densely populated. If the improvement of living environment only relied on market operation, without relevant supporting policies, it would be very difficult to carry out renewal of old urban areas. Since 2004, the Municipal City Planning Administration of Shanghai had started to prepare ancillary consumer housing to reserve land for relocation of residents.

4. Presentation by Prof. Zheng Shiling, Tongji University

Date: Morning 27 March 2009

Venue: Hong Kong Economic and Trade Office in Shanghai

Topic: Protection of Historical and Cultural Features

Gist of Presentation

- In the 1960s, population expanded but the government did not regulate the renewal of houses. Not until the early 1980s did the municipal government begin to improve the housing problems, e.g. building toilets where they were lacking, constructing an additional floor on two-storey buildings to create three storeys etc.

- The current total land area in Shanghai was 63 million km². The residential population was about 18 million, with a transient population of 4 million. The development process was affected by three factors:
 - 1) Development of Pudong – The development of Pudong started in 1990. In the past, factories, depots and piers were lined along the Huangpu River. But after the economic reform, the Huangpu River had become the city centre. Since 2000, the municipal government has marked the two sides of the river as public open space.

 - 2) Expo 2010 Shanghai China – the site selection of Expo at Huangpu River had significant meaning. The site was very conveniently located, just 5 km away from the city centre. The land of the Huangpu River was originally used for factories and depots. After renewal and development, the Huangpu River could change from industrial to residential use, leading to the increase of the residents' living standards.

 - 3) The municipal government put forward rural development in 2000 to establish a hygienic city (衛生城) and new socialistic villages (社會主義新農村). A design competition was held and foreign designers were invited to participate in the construction of rural areas.

- The prescribed height of residential buildings in Shanghai city was not more than 100m. However, many developers hoped to construct iconic buildings. Up to now, there were 13,114 high-rise buildings of which 777 were skyscrapers.
- The population density in Shanghai was very high but very unevenly distributed. The area with the highest density had more than 49,000 people living in every km² while the average population density in Shanghai city was just about 2,000 people per km². The whole city became very crowded in view of its extremely high building density. Since 2005, the government had increased public open spaces, carried out greening and reduced the plot ratio.
- During the development process, municipal government and respective authorities requested to protect cultural and historical buildings and even delineate antiquities protection areas in rural areas. Now, there were 12 areas with historical and cultural features in Shanghai, 632 excellent historical buildings, 2,138 historical buildings, and 9,343 other preserved buildings. 32 areas with historical cultural features have been delineated in rural areas. Although the protection of antiquities would also affect urban development, conservation topics were gaining more attention now compared with 20 years ago.
- With reference to “Procedures of Shanghai Municipality on the Preservation and Management of the Sites of Modern Construction” and “Regulations of Shanghai Municipality on The Protection of the Areas with Historical and Cultural Features and the Excellent Historical Buildings”, the municipal government announced a series of policies on the conservation and protection of historical buildings. The 12 sites with historical and cultural features included:
 - 1) The Bund 外灘歷史文化風貌區(101 hectares)
 - 2) People’s Square 人民廣場歷史文化風貌區(107 hectares)
 - 3) Old City 舊城歷史文化風貌區(199 hectares)
 - 4) West Nanjing Road site 南京西路歷史文化風貌區(115

hectares)

- 5) Hengshan Road & Fuxing Road 衡山路—復興路歷史文化風貌區(775 hectares)
- 6) Yuyuan Road 愚園路歷史文化風貌區(223 hectares)
- 7) Hongqiao Road 虹橋路歷史文化風貌區(481 hectares)
- 8) Shanyin Road 山陰路歷史文化風貌區(129 hectares)
- 9) Tilanqiao Road 提籃橋歷史文化風貌區(29 hectares)
- 10) Longhua Road 龍華路歷史文化風貌區(45 hectares)
- 11) Xinhua Road 新華路歷史文化風貌區(34 hectares)
- 12) Jiangwan 江灣歷史文化風貌區 (458 hectares)

- The municipal government delineated 144 roads with historical features, out of which 64 were not allowed to make any changes.
- Huangpu River Riparian Zone Planning Project (黃浦江濱水空間規劃): Starting from the upstream of Huangpu River, one of the water treatment plants opened in 1883 was preserved. This drove the plan for the area along Suzhou River(蘇州河). It increased public space and set rules that no changes or additions to buildings were allowed within 200m of the River.
- There were 75 centres of creative industry (創意產業中心) located in Shanghai city. Successful cases included Bahaoqiao and Tianzifang, yet there were also some unsuccessful cases. Tianzifang, located in Taikang Road, was constructed by the French in 1926. Since 1999, many creative persons from different countries and different nationalities moved into Tianzifang, including architects, fashion designers and artists, making it a cluster of creative industry. The nearby railway station would be opened by the end of 2009.
- The development of Expo promoted urban development, facilitated the development of public transport and infrastructure and encouraged residents to focus more on the cultural industries, public space, protection of historical and cultural buildings and environmental protection etc.

Interests and views expressed by Delegation Members

Did the public request protection of any specific buildings or districts?

- If the public raised any request, the concerned authority would carry out study according to the established procedures.

Was compensation needed where the government hoped to conserve certain historical buildings which the developers planned to demolish?

- If the involved area was large, negotiation on compensation was needed between two parties. However, in most cases developers would prefer conserving the historical and cultural buildings as it would be the most significant selling point and would increase the attractiveness of the project.
- In some cases, land instead of cash would be offered as compensation.

What was learnt from the case of Xintiandi?

- The policy of transferring plot ratio could be taken as a reference, yet there were limitations.

If the government decided to acquire the historical building, how would it be priced?

- Relevant professional experts would be responsible for pricing.

5. Presentation by Mr. Xu Jianqun, Secretary General of Shanghai Municipal Urban-Rural Development and Communications Commission

Ms. Leng Yuying, Head of Housing and Infrastructure Coordination Office (住宅建設協調處)

Time: Afternoon 27 March, 2009

Venue: The Shanghai Municipal Urban-Rural Development and Communications Commission

**Topic: Planning and Implementation of Redevelopment Project
Public Consultation of Xujianong (徐家弄), Pudong**

Gist of Presentation

- Redevelopment of old urban areas started in the 1990s, but it only focused on the renewal of dilapidated houses; it was only

after 2000 that a new round of old urban area redevelopment had been implemented. To tie in with the eleventh 5-year plan, a total of 70 million m² of dangerous and dilapidated buildings in the city were demolished, and the living environment of about 1.2 million households had been improved. From 2005, the soaring property prices had further increased the difficulty of redevelopment.

- The concept of old urban area redevelopment started with the city centre and then extended across the whole city. After the reorganization of the government last year, both rural and urban areas were regulated. A coordination office (協調處) was established, putting further emphasis on the coordination of housing issues.
- In 2007, a mechanism was in place to extend old urban area redevelopment. A pre-implementation consultation system was introduced. Before implementing pilot projects, two rounds of consultation should be made according to the system which was co-introduced by the Shanghai Municipal Commission of Construction and Administration, and the Shanghai Municipality Housing Protection and Administration Bureau. There were two pilot sites; the renewal consultation was very successful for the project in Pudong (*tangyi* and *tanger* small districts (塘一、塘二小區)), while the one in Yangpu was not successful.
- Two-round consultation process:
 - 1) First Round: the opinions of residents in the renewal area would be consulted for two months. A second round of consultation would only be conducted if 90% of the affected residents agreed to the reconstruction;
 - 2) Second Round: the opinions of the residents on the resettlement and compensation package would be consulted for one month. The consent of 75% of the affected residents should be obtained, otherwise the renewal project would be cancelled.
- Old urban area redevelopment adopted the principle of “Can do

or drop” (可做可不做). Should the project not gain the stated percentage of support from the residents in the consultation process, the government would cancel it. There were still controversies on the passing percentage of the consultation system.

Interests and views expressed by Delegation Members

Did the compensation and acquisition price fluctuate according to the market?

- It was generally based on the agreed acquisition price. Should market prices fall, for example, the originally agreed price for acquisition and compensation would be taken. On the contrary, should market prices rise, the amount of compensation might adjust upward according to the market conditions. The main principle was not to affect the acquisition.

Did opposition come from sources other than the affected residents?

- In Shanghai, opposition mainly came from affected residents.

What if renewal was essential?

- Projects which were essential were generally municipal projects which did not require public consultation.

6. Presentation by Mr. Zhu Jinsong, Representative of Jianye Lane, Shikumen Lane building group (石庫門里弄建築群建業里)

Time: Afternoon, 27 March, 2009

Venue: 190 Yuyuan Road (愚園路 190 號)

Topic: Recovery and Reconstruction of the Monument Protection Project (古蹟保護專案復原與改建)

Gist of Presentation

- “Jianye Lane (建業里)” was the largest Shikumen Lane building group in Shanghai. Built between 1930 and 1938, it was vividly characterised by architectural features including the use of *qing shui hong zhuan* (清水紅磚, red bricks), *ma tou feng huo qiang* (馬頭風火牆) and semi-circular arched doorways (半圓拱券門洞). The restoration project was one of the major protection projects

for the coming Expo 2010.

- Before kick-starting the protection project, the 36 flats in the community which were originally designed to hold 260 households had already been the home of 1,050 families. Due to the prolonged overloading, cracks appeared in the houses, the wooden parts were decayed and the moisture-proof layer did not function. Some residents demolished the walls to open shops for business, which also damaged the environment of Jianye Lane. Some original red brick walls and Shikumen doors (扇門) no longer existed.
- The project covered an area of 17,894 m², with a current building area of 23,272 m². Renewal would be carried out in two parts; the east and west *nong* (lane; 弄). Following the requirement of “preserving the original appearance after rehabilitation” (修舊如故留其真), the well-maintained lane for the residential group (里弄住宅群) in the west *nong* (西弄) would be preserved (which amounted to 40,000 bricks) and rebuilt into service apartments whereas the more seriously damaged lane for the residential group in the east lane (東弄) would be restored.

7. Meeting with Mr. Sha Hailin, Deputy Secretary of the Shanghai Municipal Government and Officer of the Business Council

Time: Evening, 27 March, 2009

Venue: Shanghai Municipal Government Building

Gist of Meeting

- Mr. Sha Hailin was once the Head (區委書記) of Luwan District. While he was in office, 20,000 households did not have toilet facilities in the district. After carrying out redevelopment in the old urban areas, the figures dropped by half. The living conditions of residents was improved.
- At the beginning, redevelopment of the Shanghai's old urban areas had adopted a 'complete demolition' (推倒重來) approach. The living environment of residents then was very poor;

redevelopment of the old urban areas brought about marked improvements to the living of the people and it was therefore easy to carry out renewal. As property prices had soared high, compensation cost had now become an issue.

- Preserving historical characteristics and cultural heritage was another issue. A lot of buildings in Shanghai had its preservation value, each with very different styles. As one travelled westward on the Yanan viaduct, one would first notice houses in *laochengxiang* (老城廂, old urban area) displaying Chinese architectural features, then gradually see Shikumen which blended together eastern and western characteristics. Further west, western styled houses would be found.
- Regarding compensation, during relocation, Shanghai residents could vote for the surveying company (評估公司) assessing the value of their properties. The amount of compensation would normally be 20 to 30% higher than the market price. He opined that the compensation amount for affected owners in Hong Kong, which was equivalent to a “7-year-old building”, was very favourable, and would be unaffordable for Shanghai.

8. Presentation by Mr. Chen Yongliang, Deputy Secretary of the People's Political Consultative Conference of Luwan District of Shanghai (上海市盧灣區政協) and Chairman of the Luwan District Development and Reform Commission (區發改委)

Time: Afternoon, 28 March, 2009

Venue: Tianzifang (田子坊)

Topic: Renovation and Creativity at Tianzifang

Gist of Presentation

- Tianzifang, located on Taikang Road (泰康路) in Luwan District (盧灣區), was a successful example of the revitalisation of Shanghai's creative cultural area. Its development concept was combining the efforts of people from the business, travel and cultural sectors, and together they built, managed and shared the fruit of the project. Shikumen buildings were the major building group; starting from 1999, famous painters namely

Haung Yong-yu and Chen Yi-fei moved to Shikumen, which gradually attracted many Chinese and foreign artists to move in. Today, creative persons from 26 countries and districts stationed in Tianzifang (田子坊). The working population was 880. There were a total of 671 households, of which 332 households rented their own shops.

- Tianzifang (田子坊) was the “cultural wetland” of Shanghai, and was awarded as ‘China’s best creative area’ (中國最佳創意地區) in 2006.
- Tianzifang (田子坊) was co-managed by the district government, business associations (商家協會) and owners. The renting issues of residents should be processed by the business associations, with priority given to preserving district features. Approximately 30% of the original residents were still residing at Tianzifang, while the district government would be responsible for maintenance and improvement of the residents’ living environment.
- Future development and promotion would be headed by three directions: cultural tourism, historical features and creativity.

Why was Tianzifang a successful creative cultural area (創意園區)?

- The location of Tianzifang was good. It was the original location which emphasised the cultural background and it had also been benefitted from the infrastructure built by the government.

What were the problems?

- The conflicts between businesses and residents.

Were the houses for rental or for self-occupation? Who would pay for the cost of reconstruction? How could the interest of original residents be secured?

- Most original residents leased their houses for rent in return.
- The government was responsible for the cost of renewal.
- The government had household records to protect the interest of original residents.

Who would assist the owners and shop owners in the rental issues?

- The business association would coordinate rental issues, whereas the government would be responsible for environmental improvements.

9. Presentation by Mr. Albert Chan, Director of Planning and Development (規劃及發展總監), Shui On Land Limited

Time: Morning, 28 March, 2009

Venue: Clubhouse, 1 Xintiandi (新天地一號會所)

Topic: Taipingqiao (太平橋) Redevelopment Project – the Problems and Solutions during the Renewal of Xintiandi

Gist of Presentation

- The development of Xintiandi originated from the Taipingqiao redevelopment project, covering an area of 1.25 million m². In the 1980s, Shui On Land established its base in Shanghai, and was approved by the Shanghai Municipal Government to carry out redevelopment in early 1990s.
- The municipal government basically agreed on demolishing all dangerous buildings in Taipingqiao. After site visit (考察工程), it was decided that part of the historical buildings were to be preserved and the area was to be developed under a combined commercial and residential mode (混合商業住宅模式).
- For early development and relocation projects, it could resettle several thousands of households in one month, but it might now take three years to relocate one building. At present, 60 % of the Xintiandi project was still under development.

- Mainland development and redevelopment should be adjusted according to the national conditions and timing. Redevelopment conditions could be seen in two perspectives: macroscopic and microscopic:
 - 1) Macroscopic: -redevelopment should go in line with the Chinese national policy.
 - 2) Microscopic - it was necessary to carry out consultation and discussion together with the municipal government.

As related laws and regulations or past examples were not available for reference, a wide degree of flexibility was seen in redevelopment; for example, related parties were consulted and discussed together on the fire escape requirements during the redevelopment process before its implementation.

What were the keys to success for Xintiandi?

- The key to Xintiandi's success could be attributed to Shanghai's need for redevelopment projects of this kind. Shanghai people positioned Shanghai as an international city and the citizens were proud of and loved their own culture. The Xintiandi project provided compensation for the poor families and improved their living conditions. The older generation saw it as nostalgic whereas young people saw it as a trendy area. The government also regarded Xintiandi as one of its outstanding projects.

10. Concluding Session

Time: Noon, 28 March 2009

Venue: Clubhouse, 1 Xintiandi (新天地一號會所)

Debriefing by Dr. Y.C. Wong

- Until now, around 5% of the Shanghai houses did not have toilets or gas supply, which amounted to approximately 300,000 households.
- Relocating companies (動遷公司) were established by the government in the past. A lump sum would be provided by the developers and the government which would be given as compensation to the affected residents through the relocating

company. Since there were many interests involved, the government was now responsible for both relocation and compensation. The compensation amount would be set according to the market price, with an additional 20 to 30% subsidy. Under the new arrangement, compensation methods became diversified. Public consultation was introduced.

- Public consultation for “Can do or drop” projects was still in the pilot stage. A successful case example was the Pudong Xujianong, while an unsuccessful example was the Yangpu district. No information was available on the whereabouts of the remaining residents who opposed to the compensation for the Pudong Xujianong project.
- The Shanghai Municipal Government was currently putting emphasis on the development of rural and agricultural land. As the cost of renewal of urban areas increased and the implementation became more difficult, it in turn slowed down urban development.
- Regarding old urban area redevelopment, the municipal government had recently established the Old Urban Area Redevelopment Steering Group (舊改領導小組). It consisted of members from various major departments, with the city mayor and deputy mayor as the group leader and vice group leader respectively. The district government also had its own old urban area redevelopment steering group / office. It was also the authority which carried out redevelopment works.
- The most successful examples in the creative industry area (創意產業區) were Bahaoqiao and Tianzifang; the former was operated purely under the commercial mode, while the latter was led by residents and the district government. Many residents altered their flats for businesses rental, but there were still residents living in Tianzifang.
- By legislation, Shanghai implemented laws to protect areas with historical cultural features and the excellent historical buildings.

But the necessary repair costs for these buildings had yet to be resolved. At present, renewal / demolition of the buildings concerned was compulsorily prohibited.

The Views of the Delegation Members on the Relevance of Shanghai's Urban Redevelopment model to Hong Kong:

- A significant number of members considered that the role of the Shanghai Municipal Government in the redevelopment projects was clear. The clear register of residents (戶籍) for each project avoided many disputes. But for the urban redevelopment in Hong Kong, all projects must be announced first, followed by freezing surveys.
- Hong Kong had stricter parameters on related policies and regulations, whereas Shanghai had more flexible policies and mechanisms. Members in general considered that the government structure and mode in Hong Kong was different from that in Shanghai. Hong Kong could draw reference from Shanghai projects' operation, but not its management approach.
- Several members considered that consulting the affected residents on "Can do or drop" projects could reduce conflicts. One member considered it feasible in Hong Kong to kick start projects after the first round consultation; but for the consultation on the concerned compensation options in the second round, a consensus might not be reached. Should a project be withdrawn due to inadequate support from the majority of residents, it might result in interaction among people, which might, on the contrary, facilitate the implementation of the project. Some members also suggested "acquisition before planning" (先收樓，後規劃).
- Some members suggested introducing more diversified compensation methods in Hong Kong, such as "flat for flat" and "shop for shop" exchange arrangements. But some other members also questioned the differences of law and social structure of different cities and that Hong Kong might not be able to follow the approach of other cities.

- One member considered that redevelopment was less difficult in Shanghai. As the plot ratio in Hong Kong was very high, it reduced the attractiveness of the redevelopment projects.
- Several members also considered that urban redevelopment projects in Hong Kong usually required the approval from Town Planning Board. As compared with Shanghai where projects were implemented actively by the executive authority, the policies in Hong Kong were less predictable.
- One member considered that the case of Shanghai might not be applicable to Hong Kong, taking into account factors such as transparency and timing; whereas another member considered that the government should provide support and facilitate development. It was the government's responsibility to define the nature, priority and scale (定性, 定位, 定量) of the projects.
- A significant number of members expressed their appreciation towards the efforts of the Shanghai government on preserving areas with historical and cultural features and promoting creative industry areas. For the case of Bahaoqiao, the government had approved a 20-year tenancy as an economic incentive to encourage private sectors to take part actively; and the developers were eager to promote the projects more actively. Some members suggested that revitalisation of old industrial buildings in Hong Kong could consider such an approach.

A-World Consulting Ltd.

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