

***“Public Engagement” Stage  
Consultation Summary  
February - December 2009***





# Content

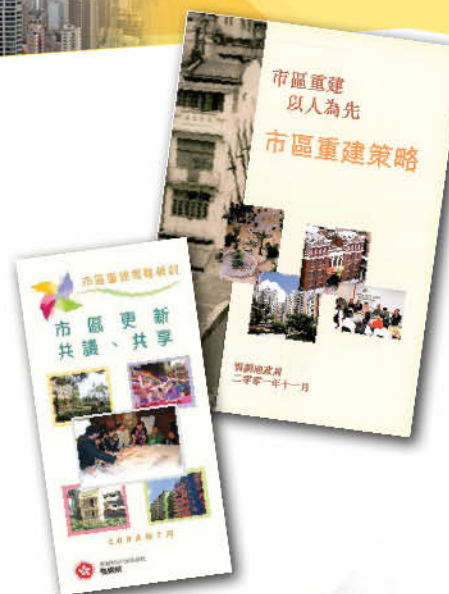
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## 7. Background

Hong Kong, like most developed cities, faces a formidable problem of ageing buildings and inadequate community facilities in older districts. Some quarters of our community are living or working in rundown areas which are in need of environmental improvement and revitalisation through the process of urban renewal.

The establishment of the Land Development Corporation (LDC) in 1998 marked the beginning of a more focused approach to tackle the urban decay problem in Hong Kong. In June 2000, the Legislative Council passed the Urban Renewal Authority Ordinance (URAO) as the basis for the establishment of Urban Renewal Authority (URA) and to clearly set forth the purposes, general power and duties of URA, and the implementation process of its projects. In May 2001, the URA was established to succeed the LDC with a vision to create quality and vibrant urban living in Hong Kong - an ideal home in this world-class city.



In November 2001, the Government published the Urban Renewal Strategy (URS), after consulting the public. The URS sets out broad policy guidance for the work of the URA. The URS states that the purpose of urban renewal is to improve the quality of life of residents in the urban areas; it also prescribes that a “people-centred” approach should be used to carry out urban renewal. The major provisions of the URS include:

- The main objectives of urban renewal
- The role of the URA - redevelopment of target areas, implementation of redevelopment, rehabilitation and heritage preservation
- The land assembly process - land acquisition by agreement before applying to the government for land resumption
- Processing of projects - planning procedures, freezing surveys, district advisory committees, public consultation, social impact assessment, social service teams
- Financial arrangements and planning parameters

With the progress of time and societal development, people have changed their values and priorities regarding the objectives and aspirations over urban renewal, its mode of implementation and consequences. Hence a comprehensive review for the current URS is necessary to ensure that it can continue to reflect the needs of the community and provide effective guidance for urban regeneration in Hong Kong.





## 2. Model and Process of Review

The review of the URS is initiated by Development Bureau and guided by a Steering Committee chaired by the Secretary for Development. The Committee comprises 10 independent members of different professional and community background. The URA and Consultants provide support to carry out the URS Review.

The review was launched in July 2008 and the whole review process is expected to be completed in about two years. With no pre-determined agenda, the review comprises 3 stages of public engagement as follows :

### Stage 1 Envisioning Jul 2008 - Jan 2009

- Identify key issues and agenda items that should be reviewed
- Commission a consultant to research into urban renewal practices in Asian cities (Singapore, Tokyo, Seoul, Taipei, Shanghai, Guangzhou)
- Collect feedback from the community through focus group discussions, meetings with professional organisations and institutions, seminar on sharing Asian experiences on urban renewal, eForum and various channels

### Stage 2 Public Engagement Feb 2009 - Dec 2009

- Engage the general public to discuss the issues identified and develop possible options
- Organise roadshows, structured interviews, public forums, topical discussions, radio programmes and public opinion surveys
- Organise a series of educational and public engagement activities with partnering organisations and groups

### Stage 3 Consensus Building Jan 2010 - Apr 2010

- Review choices and preferences on issues and options
- Identify majority views on how the URS should be revised
- Organise workshops with all participants involved in previous stages and other interested parties and individuals



Since the launch of the URS Review, the public have identified the following issues during the Envisioning Stage for further review:

- 1 Vision and Scope of Urban Regeneration
- 2 4Rs Strategy in Urban Regeneration
- 3 Roles of Stakeholders (Public and private sector participation and owners' participation in urban redevelopment)
- 4 Compensation and Rehousing Policies
- 5 Public Engagement
- 6 Social Impact Assessment and Social Service Team
- 7 Financial Arrangement





### 3. Vision and Scope of Urban Regeneration

#### Current Policies

According to the current URS:

- The purpose of urban renewal is to improve the quality of life of residents in the urban area
- A “people-centred” approach is employed
- 9 target areas are designated to facilitate better restructuring and replanning

#### Public Views

- The vision of urban renewal should hinge on the long term positioning of Hong Kong, and as part of the town planning and economic development strategy
- Urban renewal should be extended to cover industrial areas and areas outside the target areas of the current URS
- Urban renewal planning should be undertaken at the district level
- “People-centred” approach should be enhanced to protect the social network and relieve the effects of gentrification\* on the citizens and small businesses
- Practical considerations (e.g. development density, urban design, local culture, cultural preservation, traffic impact)

\* Gentrification may occur when an older urban area, upon being renewed, has higher land prices and rental values. Accordingly, higher income earners move in and replace the original low income earners and small businesses.

Tsuen Wan

9 Target Area

Sham Shui Po

Tai Kok Tsui

Ma Tau Kok

Yau Ma Tei

Kwun Tong

Yau Tong

Sai Ying Pun

Wan Chai



#### Experience in Other Cities

Various Asian cities will regard raising their competitiveness, promoting economic development and improving the quality of living environment as the goals of urban renewal

##### Singapore

Urban renewal is an important component of national development; the development of tourism has also helped in the promotion of heritage conservation

##### Tokyo

Stimulation of urban rebirth and economic revitalisation, and upgrading buildings' resistance to earthquake and fire

##### Seoul

Improvement in urban structure and living environment to enhance the city's competitiveness

##### Taipei

Regeneration of urban functions, improvement in living conditions and the enhancement of public interest



Singapore

Singapore URA is the central planning and preservation organisation, responsible for city planning and design, preservation, land sales, approval for development, and management, planning and promotions of activities of the waterfront areas. The photo shows Clarke Quay in Singapore waterfront



Seoul

Seoul aims in enhancing the city's competitiveness

##### Shanghai

Conduct urban regeneration in accordance with the more long term overall positioning and development strategy of the city

##### Guangzhou

Elevate its city status; tourism development in recent years has also promoted the work of heritage preservation



Tokyo targets in upgrading building's resistance to earthquake and fire

Tokyo



### 3. Vision and Scope of Urban Regeneration

#### Food for Thought

Lessons from redevelopment of Wanchai:

In the past decades, the ex-LDC and the URA carried out a number of redevelopment projects in Wanchai. These redevelopment projects commenced planning and land acquisition at different times and did not link or relate to each other. As such, residents and business operators affected by these projects had difficulties in finding replacement flats or shop premises within the same district. For example, even if some residents and wedding card shop operators at Lee Tung Street wished to relocate to another URA project area in Johnston Road and Ship Street, it could not be arranged.

#### Questions:

- Can planning for urban regeneration be “**district-based**”? That means the whole of Wanchai district should be included in the formulation of an urban regeneration plan for Wanchai; the needs and characteristics of the local community would also be taken into account in working out the right balance of the 4Rs strategy for the district.
- What should be the principles behind the “district-based” planning for urban regeneration? Should the concept of **sustainable development** be part of it?
- If there are **industrial areas** and **harbour front areas** within a district, should these areas be covered in the urban regeneration planning for the district?
- Should the planning for urban regeneration be **implemented in stages** to allow more room for gradual and spontaneous regeneration?



### 4. 4Rs Strategy in Urban Regeneration

#### Current Policies

- The URA adopts a 4Rs strategy for urban renewal. The 4Rs are:  
Redevelopment  
Rehabilitation  
pReservation  
Revitalisation
- Redevelopment: the factors considered for determining the priorities include the conditions of buildings, living environment of residents, environment of the area and utilisation of land etc.
- Rehabilitation: Providing allowance, loan and material subsidy for owners of rehabilitation projects
- pReservation: Buildings, sites and structures of historical, cultural and/or architectural interest. The preserved heritage buildings should be a living and functional part of the community and not mere historical artifacts for display



- URAO and URS focus primarily on redevelopment; they provide less for rehabilitation and preservation, and rarely cover revitalisation
- The current URS requires the URA to implement an urban renewal programme consisting of 200 new projects and to give priority to the 25 uncompleted projects of the ex-LDC in 20 years. 43 of those projects have been started and partly completed so far (including the 25 projects of the ex-LDC)





## 4. 4Rs Strategy in Urban Regeneration

### Public Views

- Some called for more emphasis on rehabilitation, preservation and revitalisation, considering that these would help to preserve the local characteristics and the existing social network
- Some urged for early redevelopment of dilapidated buildings and those with poor environmental hygiene conditions
- Some doubted whether it was feasible for URA to implement the 225 projects within 20 years, especially under a self-financing approach in the long-term
- Should improve co-ordination among 4Rs and devise guidelines for determining which of the 4Rs should be adopted for an area (e.g. the age and conditions of buildings, their historical value etc.)



Shanghai's preservation has become more prominent since the 1990s

### Experience in Other Cities

Urban renewal is primarily focused on urban redevelopment. More calls for preservation and rehabilitation in recent years

**Singapore** Redevelopment mostly takes place in public housing (which constitutes a great portion of the housing market). Conservation work has started earlier and has moved faster compared with other cities

**Tokyo** Redevelopment is predominant; with increasing emphasis on heritage preservation, rehabilitation and revitalisation in recent years

**Seoul** Redevelopment is predominant

**Taipei** Most of the legal provisions are related to redevelopment. However, there are increasing calls for preservation and rehabilitation in recent years

**Shanghai** Redevelopment was the emphasis in earlier stages of urban renewal, but preservation has become more prominent since the 1990s

**Guangzhou** The emphasis is on redevelopment while there is discussion on preservation and rehabilitation in recent years

### Food for Thought

Past urban regeneration experience tells us that some people objected to certain redevelopment projects and preferred building rehabilitation; on the other hand, some people did not welcome building rehabilitation programmes and would urge for an early redevelopment of their areas.

#### Questions:

- What factors should be considered in deciding whether to rehabilitate or redevelop buildings? Should the balance of 4Rs in a district be determined by its own local characteristics?

- What should be the roles and responsibilities of the government, URA and property owners with respect to building rehabilitation, heritage preservation and revitalisation of old districts?
- Does URA have sufficient statutory power to carry out its 4Rs strategy effectively?
- Should the future role of URA be an implementation agent or a facilitator of urban regeneration projects?



## 5. Roles of Stakeholders



### Current Policies

- **Government:** Responsible for overall land use planning, public consultation, and establishing and reviewing policies and measures to promote urban regeneration, including the formulation of URS. In recent years, the government has made more efforts in heritage preservation including promoting the Revitalising Historic Buildings Through Partnership Scheme
- **Statutory/Non-government institutions:**
  - URA: Implementation of redevelopment, rehabilitation, preservation and revitalisation
  - Hong Kong Housing Society (HKHS): Implementation of rehabilitation; assisting URA in implementing selected redevelopment projects; providing rehousing flats to persons affected by redevelopment projects of URA; responsible for the management, redevelopment and rehabilitation of its rental estates
- **Hong Kong Housing Authority (HKHA):** Offering resettlement units to persons affected by redevelopment projects of URA; responsible for the construction, management, redevelopment and rehabilitation of public housing estates
- **Private sector:** Participating in redevelopment of projects; majority owner with 90% ownership can apply for compulsory sale for redevelopment purpose
- **Property owners:** Responsible for management and maintenance of their property
- **Property owners, tenants and the local community:** Participating in urban regeneration by joining the public engagement process and sharing the results of urban regeneration (please refer to the section of "Public Engagement")



### Public Views

- **Government:** There are different views on whether it should take a leading role in urban regeneration; some suggested that it should invest more in infrastructure to facilitate 'organic' urban regeneration by private owners and organisations
- **Statutory/Non-government institutions**
  - URA: Should explore the possibility of strengthening its facilitating role to include district planning and assisting private owners in redevelopment
  - HKHS: Should enhance its role in the area of rehabilitation
  - Should enhance the coordination among URA, HKHS and Buildings Department, and the collaboration in re-housing the affected residents



- **Private sector:** Should enhance private sector participation in urban regeneration through lowering the application threshold for compulsory sale, concessions in taxation, or transfer of development rights
- **Property owners:** Some suggested to allow owners' participation in URA's redevelopment projects, others suggested compulsory maintenance and compulsory heritage preservation by owners



## 5. Roles of Stakeholders

### Experience in Other Cities

#### Redevelopment

##### Government-led or Private-led

Redevelopment in Tokyo and Singapore is led by the private sector and the other studied cities have gone through stages of government-led, private-led, and finally a public-private partnership model

**Singapore** Since public housing is predominant, redevelopment in private housing is rare and is primarily led by private developers

**Tokyo** Private-led redevelopment predominates and the government encourages developers' participation through increasing the plot ratios

**Seoul** The government increased the plot ratio to encourage private redevelopment in 1980-90s, but this led to worsening traffic and a continuous increase in building density and height. In 2000, the Public Private Partnership mode was implemented



Tokyo

**Taipei** The government has encouraged private participation in redevelopment since the 1990s, but it has only successfully attracted some small projects in upmarket residential areas. As a result, the Taipei Urban Renewal Corporation was established in 2008 with 40% government and 60% public ownership to implement redevelopment projects in areas which are not attractive to private developers

**Shanghai** Since 2003, the government has adopted a land bank mode by acquiring land first, then demolishing the existing buildings and finally releasing the land in the market for private development when the time is right

**Guangzhou** The role of the government in planning, removal, compensation and monitoring has strengthened in recent years and private developers are responsible for design and construction

#### Percentage of owners' consent required for private redevelopment

The percentage of owners' consent required for private redevelopment is between 50% and 80% among the studied cities

**Singapore** 80% (for building age of 10 years or older)

**Tokyo/Seoul** 2/3

**Taipei** 1/2 -2/3 (depending on the priority of redevelopment)

**Shanghai** 2/3 (minimum legal requirement)  
75% (under trial)

**Guangzhou** 2/3 (minimum legal requirement)  
70% (under trial)



Guangzhou

#### Owners' Participation

Owners' participation in redevelopment projects is adopted in Tokyo, Seoul and Taipei through the cooperation between property owners and private developers. If necessary, the government will provide assistance to them

**Tokyo** The process is more harmonious, but the negotiation process is long and re-negotiation may be required at times of economic fluctuation (e.g. the redevelopment of Roppongi took 17 years and the Akabana Nishiguchi took 40 years to complete)

**Seoul** Conflict often occurs among owners, tenants and developers

**Taipei** Owners' participation in redevelopment to form a harmonious community, but successful cases were restricted to small projects in better off districts

**Other studied cities** No owners' participation is seen



Seoul



## 5. Roles of Stakeholders

### Experience in Other Cities

#### Rehabilitation

##### Seoul/Taipei

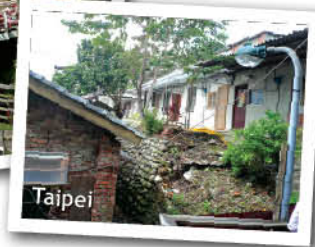
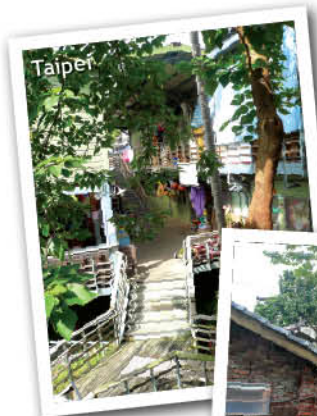
The government provides loan or financial assistance for prioritised areas of urban regeneration

##### Other studied cities

Building maintenance is the responsibility of owners

#### Preservation

- Preservation is primarily government-led with private participation in the studied cities
- Historical and cultural protected districts or historical districts are established in the studied cities with development restrictions (such as permitted building height and plot ratio)
- The role of the government includes: planning, declaring and classifying heritage and cultural protection districts, establishing restrictions, offering financial assistance and support, and property acquisition



### Food for Thought

Many dilapidated buildings in Hong Kong were redeveloped by property owners and developers through the market mechanism. There is legislation to facilitate site assembly by private property owners through compulsory sale of land for redevelopment, whilst URA is taking up projects involving greater challenges in land acquisition, planning of the project sites, or project financing.

#### Questions:

- Should we also adopt the principle of “big market, small government” in urban redevelopment? That means the government or the URA should only aim at providing a suitable environment for private organisations to carry out redevelopment.



- Multi-storey buildings in Hong Kong are usually under multiple ownerships. Should URA assist private owners in assembling titles of the entire property so as to facilitate its redevelopment?
- Should URA be allowed to acquire properties before commencement of urban regeneration projects? Should URA be allowed to hold properties for a longer term to achieve urban regeneration objectives?
- Should individual property owners be allowed to participate in redevelopment projects by public organisations? Are they capable of understanding and shouldering the development risks?



## 6. Compensation and Rehousing Policies



### Current Policies

- The current compensation arrangements adopted by URA are worked out with reference to the compensation policy approved by the Finance Committee of Legislative Council in 2001
  - Residential owner-occupiers: market price + home purchase allowance (based on a notional 7-year old replacement flat)
  - Owners of vacant or tenanted residential properties: market price + supplementary allowance
  - Non-residential owners: market price + allowance (35% of market price)
  - Residential and non-residential tenants: ex-gratia payment or ex-gratia allowance
- Public housing units will be provided to qualified residential tenants by HKHA or HKHS
- In view of public demand, URA has introduced other compensation arrangements, such as "Expression of Interest in Purchasing Arrangement" (EIPA), which allows affected owner-occupiers to register their intention to purchase a unit in a newly developed project and accord them a priority to purchase in future. In addition, shop owners will be given ex-gratia business allowance

- According to the URS, although the URA can apply for land resumption in accordance with the URAO, it should consider acquiring the required land by agreement before making the application to the Secretary for Development. Up to June 2008, among the 18 completed or nearly completed redevelopment projects, around 80% of the land titles were purchased by URA while the remainder were obtained through land resumption

### Public Views

- There are different views on the current compensation policy. Whilst some affected property owners considered it insufficient, some people considered it too generous
- Some requested for more compensation options, such as "flat for flat", "shop for shop" or allowing the owners to participate in a redevelopment project
- Some requested for compensation prior to the announcement of a project
- After the announcement of a redevelopment project, there were cases where some owners terminated their leasing contracts with their tenants according to the provisions under the "Landlord and Tenant (Consolidation) Ordinance". Some considered the protection for tenants insufficient
- Some had doubts about whether it was reasonable to allow URA to apply for land resumption for implementation of its urban regeneration projects

### Experience in Other Cities

**Singapore** Compensation or resettlement is a private agreement and not regulated by law

**Tokyo** Individual compensation arrangements (such as "flat for flat" or "shop for shop") are negotiated and agreed by the Redevelopment Association, which comprises the owners and developers. If necessary, the government or renewal organisation can provide assistance. The compensation / resettlement of tenants is a private agreement and the Redevelopment Association can also decide to allow the tenants to come back after redevelopment

**Seoul** Owners can participate in urban redevelopment project through the Redevelopment Association formed by owners and participating developer. Owners are given a "priority ticket", which is transferable in the market, to purchase a new unit after redevelopment. Owners and tenants are given relocation subsidy. In designated redevelopment districts, construction of rental housing is also required to re-house the tenants



### Taipei

Similarly, owners can participate in the urban redevelopment project through the Redevelopment Association formed by the owners and the participating developer. The compensation for the participating or non-participating owners will be determined by the Redevelopment Association upon approval by the government. The tenants are also compensated





## 6. Compensation and Rehousing Policies

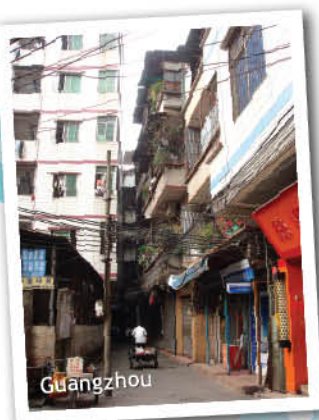


## 7. Public Engagement

### Experience in Other Cities

**Shanghai** The owners can opt for cash compensation (market value plus 25%-30% additional incentives), relocation outside the district or relocation in the vicinity. Tenants can opt for relocation outside the district with renewed leases

**Guangzhou** Owners can opt for cash compensation (market value with incentive, the government is reviewing the compensation based on the price for an undecorated flat), relocation on-site or outside the district. Some tenants of state housing can opt for lease renewal in a location outside the district or cash compensation



### Food for Thought

From time to time, we heard that some property owners affected by urban regeneration projects would prefer “flat for flat” or “shop for shop” arrangements in lieu of cash compensation.

#### Questions:

- Should the affected residents and shop owners be offered the options of “flat for flat” and “shop for shop” as compensation? Should rental subsidies be given to residents and shop owners who opt for “flat for flat” or “shop for shop” until the redevelopment projects are completed? These will increase the redevelopment cost; as taxpayers, will you support these compensation options?
- Should the amount of cash compensation be the same for **owner-occupiers and owners of vacant or tenanted residential properties**?
- The community in general wishes to lower the development density in urban areas. This would reduce the financial returns of redevelopment projects, but not the acquisition cost. **Is the current compensation model sustainable?**
- Should the affected residents be **re-housed in the same district?**

### Current Policies

At different stages from planning to acquisition, URA engages the public and local communities through different channels including:

- Setting up District Advisory Committees
- Conducting research on community opinions and questionnaire survey
- Organising briefings, talks, seminars, community workshops and road shows
- Maintaining close liaison with District Councils and local organisations
- If it involves a planning application or an amendment to an outline zoning plan, public consultation must follow the procedures stipulated in the “Town Planning Ordinance”
- As a large sum of public funds is involved in compensation and housing resettlement, a ‘freezing survey’ must be first conducted prior to the announcement of a new project and commencement of related public consultation



### Public Views

- The public engagement process from policy planning to project implementation should be strengthened (such as participation in designating target areas for urban regeneration, selection of urban regeneration projects and confirmation of the business strategy)
- Based on a ‘district-based’ principle, affected local people should be invited to help identify potential target areas for urban regeneration
- Urban regeneration projects should be monitored by community organisations
- It was believed that by strengthening the public engagement process, the acceptability of an urban regeneration project can be enhanced. There were also concerns that this might slow down the pace of urban regeneration, or attract speculators



## 7. Public Engagement

### Experience in Other Cities

**Singapore** No relevant regulations  
**Tokyo** Public consultation is needed for redevelopment projects

**Seoul** A public hearing is compulsory  
**Taipei** The views of the residents form part of the considerations in deciding whether an area should be designated as an urban

renewal area. The redevelopment plan must be made known to the public for the community to express views



### Food for Thought

Residents affected by urban regeneration projects generally wish to know more about the project plans as early as possible, yet the pre-mature announcement of project details may invite speculators to enter the project area and unnecessarily increase the acquisition cost and difficulties in re-housing. There seems to be conflicts between these two considerations.

#### Questions:

- How should we strike a balance between facilitating early **public engagement** and **preventing speculations**?

**Shanghai** The redevelopment plan and the opinions as collected must be made public. A pilot two-stage consultation process is now employed to decide whether there is sufficient support for the redevelopment

**Guangzhou** A pilot scheme is in progress, involving a questionnaire survey of owners and residents, announcing the planning proposal and the holding of a residents' meeting

(Please refer to the section of "Roles of Stakeholders" for the percentage of owners' consent.)

- What kind of **public engagement mechanism** is required for "district-based" urban regeneration planning? How to ensure the **representativeness of participants**?
- Should URA be required to obtain the **consent of a specified proportion of affected owners and residents** before a redevelopment project is allowed to proceed?
- How can we **encourage more public engagement** and **at the same time maintain the pace of urban regeneration**?



The Study Delegation visited Roppongi Hills in Tokyo.

## 8. Social Impact Assessment and Social Service Team

### Current Policies

According to the current URS, URA must:

- conduct a non-obtrusive social impact assessment prior to publication of the proposed project; the content includes demographical characteristics, social and economic characteristics, community and welfare facilities, cultural and community characteristics of the district, etc., as well as an initial assessment of the potential social impact of the project and the mitigation measures required
- after announcing the project in the government gazette, there will be a freezing survey to gather necessary data for the preparation of a detailed social impact assessment. The content covers the needs of affected residents (particularly the elderly, the disabled and single-parent families), as well as a detailed assessment on the potential social impact of the project and the mitigation measures required



- URA has set up Social Service Teams in Kwun Tong, Sham Shui Po, Yau Ma Tei, Tsim Sha Tsui, Mong Kok, Wong Tai Sin, Kowloon City, Tai Kok Tsui and Central and Western districts. The teams are formed by professional social workers who provide assistance to affected residents and follow up cases for residents in need

### Public Views

- The social impact assessment aspect should be strengthened (e.g. details and scope of assessment)
- Tracking studies should be conducted after the completion of redevelopment
- The appointment of Social Services Teams should be reviewed to strengthen their independence





## 8. Social Impact Assessment and Social Service Team

### Experience in Other Cities

Taipei	Social impact assessment is part of the environmental assessment
Other studied cities	No social impact assessment is required



### Food for Thought

Currently, URA conducts social impact assessments on its projects and sets up the social service teams. There are concerns about the independence of the social impact assessments and social service teams.

#### Questions:

- How to **strengthen the role of social impact assessments** in the decision making process?
- Should **tracking studies** be conducted?
- Are there potential **conflicts** in the current arrangements for setting up of social service teams? What can be done to improve the situation?
- What should be the **role of the social service teams** under a "district-based" planning approach?

## 9. Financial Arrangement

### Current Policies

- According to the current URS, the government's objective is to allow the urban renewal programme (including 4Rs strategy) to be self-financing in the long run. Every year, the URA needs to submit for the Financial Secretary's approval an annual business plan for the next financial year and a corporate plan for the next five years
- The government has injected an aggregate amount of \$10 billion to URA
- The government provides government land within the URA project boundaries and charges only nominal land premium for any potential benefits derived from a development project
- Upon the completion of planning, rehousing and land resumption, URA will invite the developers to participate in the construction to enhance the quality of a project



### Public Views

- Public views on the self-financing mode of urban renewal programmes are divided
- The supporters believed that public resources should be used prudently; the objectors believed that it would only force URA to maximise commercial profits while weakening its ability to launch unprofitable but socially beneficial projects
- Some believed more public resources should be allocated, e.g. another injection of capital by the government, transfer of development rights and the approach to 'link' renewal projects to other development sites





## 9. Financial Arrangement

### Experience in Other Cities

**Singapore** The Singapore URA is primarily responsible for planning, management and approval work, whilst the government is responsible for the recurrent expenses. Various charges are waived and tax incentives are offered to promote conservation

**Tokyo** The government provides interest free loans, shares the construction cost of public facilities, grants extra plot ratio and provides tax exemptions to encourage private redevelopment; it also provides subsidies and tax incentives, and increases the plot ratio of adjacent sites to encourage conservation

**Seoul** The government encourages private redevelopment through loans and increased plot ratio. The government also injects funds directly into large-scale redevelopment projects (namely the "New Town")

**Taipei** Loans, tax incentives and extra plot ratio are given by the government to encourage redevelopment. Land resumption, land exchange, transfer of development right and compensation are also used to encourage conservation



### Experience in Other Cities

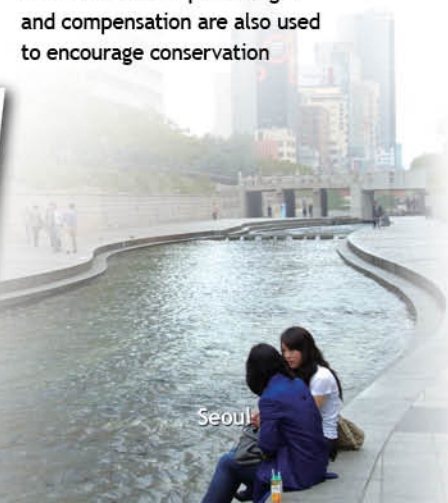
**Shanghai / Guangzhou** Apart from direct application of redevelopment by private developers, the government acquires, clears, and at a later stage sells the land parcel to developers for redevelopment. The government also encourages conservation by transferring plot ratio between sites

### Food for Thought

Through utilising the unrealised development potential in its redevelopment project areas, URA has been able to divert part of the surpluses generated from its redevelopment projects to support other financially non-viable projects which may bring substantial value to the community. This would allow the urban renewal programme to be self-financing in the long run. Nevertheless, old urban areas which may have unrealised development potential are gradually vanishing, whilst the public are having stronger demand for a lower development density.

#### Questions:

- Should we continue to require the urban regeneration programme be **self-financing in the long run**? If not, how can we ensure the long-term sustainability of the programme?
- How should we **interpret self-financing**? Should we count just the direct financial return to a project, or should we also take into account the economic benefits that a regeneration project may bring to the neighbourhood (e.g. the Mid-levels escalators)?
- Should we examine the feasibility of other alternatives such as **"transfer of development rights"** and **"linked development sites"**?







Together we cultivate and enjoy the fruits of  
urban renewal  
Your opinions are cordially invited!

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Please register for the public forums and topical discussion sessions,  
and use our e-forum to express your views

#### Contact us

Address : Development Bureau (Attn: URS Review)  
9/F, Murray Building, Garden Road, Central, Hong Kong  
Email : [enquiry@ursreview.gov.hk](mailto:enquiry@ursreview.gov.hk)  
Fax : 2845 3489  
Telephone : 2848 2718  
Website : [www.ursreview.gov.hk](http://www.ursreview.gov.hk)

## Urban Renewal Strategy Review - Public Engagement Stage Road Show, Public Forum and Topical Discussion Series

Series 1	ROAD SHOW 7 - 11 May 2009 Level 4 Atrium, Langham Place, Mongkok	FORUM 1 30 May 2009 Hong Kong Heritage Discovery Centre (Kowloon Park, Haiphong Road, Tsim Sha Tsui)	DISCUSSION 1 Redevelopment vs Rehabilitation 16 May 2009 The Hong Kong Federation of Youth Groups Building (21 Pak Fuk Road, North Point)
	ROAD SHOW 14 - 18 May 2009 Sham Shui Po MTR Station (near exits A and B)		DISCUSSION 2 Heritage Preservation & Revitalisation 13 June 2009 Urban Renewal Idea Shop (38 Tai Yuen Street, Wanchai)
Series 2	ROAD SHOW 11 - 15 June 2009 Covered Piazza, Times Square, Causeway Bay	FORUM 2 18 July 2009 The Boys' & Girls' Clubs Association Headquarters (3 Lockhart Road, Wanchai)	DISCUSSION 3 Private vs Public Sector Participation in Redevelopment 27 June 2009 Urban Renewal Idea Shop (38 Tai Yuen Street, Wanchai)
	ROAD SHOW 25 - 29 June 2009 Hong Kong MTR Station		DISCUSSION 4 Compensation & Rehousing Policies 4 July 2009 The Boys' & Girls' Clubs Association Headquarters (3 Lockhart Road, Wanchai)
Series 3	ROAD SHOW 20 - 24 August 2009 Wong Tai Sin (venue to be confirmed)	FORUM 3 12 September 2009 Christian Family Service Centre (3 Tsui Ping Road, Kwun Tong)	DISCUSSION 5 Owners Participation in Redevelopment 1 August 2009 Duke of Windsor Social Service Building (15 Hennessy Road, Wanchai)
	ROAD SHOW 3 - 7 September 2009 Kowloon Bay (venue to be confirmed)		DISCUSSION 6 Public Engagement 15 August 2009 Urban Renewal Idea Shop (38 Tai Yuen Street, Wanchai)
Series 4	ROAD SHOW 17 - 21 September 2009 Tsing Yi MTR Station	FORUM 4 24 October 2009 Cultural Activities Hall, Tsuen Wan Town Hall (72 Tai Ho Road, Tsuen Wan)	DISCUSSION 7 Social Impact Assessment and Social Services Team 26 September 2009 Urban Renewal Idea Shop (38 Tai Yuen Street, Wanchai)
	ROAD SHOW 8 - 12 October 2009 Upper Ground Floor, City Walk, Tsuen Wan		DISCUSSION 8 Financing Urban Renewal 31 October 2009 Urban Renewal Idea Shop (38 Tai Yuen Street, Wanchai)
Conclusion	FORUM 5 21 November 2009 Hong Kong Island (venue to be confirmed)	Road Show 11:30 a.m. - 8:30 p.m., Thur. - Mon. (Except for Langham Place: 11 a.m. - 11 p.m.) Public Forum / Topical Discussion 2:30 - 5:00 p.m., Saturdays	





