

Review of the Urban Renewal Strategy
Consensus Building Stage
Summary of Discussions on Radio Response Programme (4)

Date: 27 February 2010 (Saturday)
Time: 10:00 am to 11:00 am
Channel: Commercial Radio 1
Host: Mr. Michael FUNG
Guests: Mrs Carrie LAM, Secretary for Development,
Mr HO Hei-wah, member of Steering Committee on Review of the Urban
Renewal Strategy (the ‘Steering Committee’)
Topic: Social Impact Assessment and Social Service Teams

1. The Secretary stated that the subject of the Urban Renewal Strategy Review (URS) Review as discussed in the public forum on a radio programme sponsored by the Development Bureau (DEVB) had attracted public attention. She said there would also be continual meetings with the public under different modes to inquire into other issues. She emphasised that the authorities seriously and sincerely hoped that consensus could be reached in the community through the URS Review, whilst the Government and the Steering Committee both expressed their sincerity in accommodating different expressed opinions. Mr. HO Hei-wah agreed that consensus should be reached in the community before the URS could be properly set out.
2. Mr. HO Hei-wah pointed out that under the existing URS, the authorities would have regard to the housing and compensation provisions made to the affected residents. Their removal would certainly affect the way of life of the residents, for instance their sense of belonging to the community, worries about their livelihood after removal, and the schooling arrangements for their young children. In such a context, the Social Service Teams (SSTs) could render appropriate professional services and assist the affected residents.
3. Mr. HO Hei-wah explained that a Social Impact Assessment (SIA) had to be carried out before a redevelopment project commenced, and after the freezing survey had been conducted to ascertain the actual number of households and their occupancy status,. It was hoped that in future an SIA should (1) ensure that a bottom-up approach be adopted; (2) include more comprehensive and informative contents; (3) inquire into the socio-economic characteristics of the entire district with respect to their compatibility with the URS; (4) address the needs of the community and the circumstances of the affected

residents, and;(5) ensure compatibility with the overall planning framework to develop the community.

4. The Secretary explained that there would be two areas of involvement for social workers: (1) after the commencement of the redevelopment project, social workers would undertake follow up actions on a case by case basis, and assist affected residents to solve problems like compensation; (2) at the early stage, to examine from the perspective of a social worker what areas in the district should be redeveloped or rehabilitated, and to assist the public to strive for their rights. Mr. HO Hei-wah emphasized that the duties of a social worker would be to render professional services, thus the social workers engaged by the Urban Renewal Authority (URA) would not take sides with the URA at the expense of rendering their services with due diligence to strive for the rights of the residents, otherwise, the residents could lodge complaints with the Social Workers Registration Board.
5. The Secretary stated that the URA should fulfill its social mission, and be responsible for improving the living environment of the citizens, hence its redevelopment projects are very different from those done by private developers. The URA dedicates much effort and utilises many resources to rehouse the affected tenants, and to enable eligible people to move into public housing or to compensate them with cash. The URA does not aim at making profits and neither the URS require that there must be credit balance for every project.
6. The Secretary explained that every year the URA must comply with the provisions of the Urban Renewal Authority Ordinance and the URS to submit a Business Plan for the following year and a Corporate Plan for the following 5 years, setting out among other things: the number of planned redevelopment projects and how many resources would be utilised in rehabilitation and revitalisation projects. These plans would be reviewed by the DEVB and then approved by the Financial Secretary (FS). In case of an urgent need to commence a new project, then an application must be submitted and if a loss was anticipated then the approval of FS must be sought.
7. The URA anticipated that the Ma Tau Wai Road redevelopment project will suffer a loss, as apart from the rehousing need there will be also new ideas like: (1) the URA will implement the redevelopment project on its own and will be more proactive in the design of the project; (2) as the supply of small-sized residential flats is somewhat low this project will comprise mainly small flats; (3) to implement the initiative of "District-based Strategy, Bottom-up Approach" - to consult the Chairman of the Kowloon City District Council and to make reference to the opinions of the district's residents, such as

the retention of street shops, a better provision of open space, the provision of community facilities and a building resources centre. The authorities will treat it as a test case in the hope that when it becomes the district centre it will in turn be a catalyst for the regeneration of the surrounding districts, thereby setting an example for other URA redevelopment projects.

8. There was a suggestion from a listener that conditions should be imposed on the future sale of the flats of the Ma Tau Wai Road redevelopment project, so that buyers could sell their flats within three years, or that purchases could be made in a company name to curb speculation. Concern was also expressed that the completion of the redevelopment project will push up the property prices, however, if the selling prices were set too low the flats may become another type of home ownership housing unit. The Secretary responded that the Government was taking some initiatives to tackle the issue of high property prices which included enhancing the supply of land, particularly for the building of medium and small-sized flats, and endeavouring to make arrangements for those residents who were in need of public housing units to move into such units within three years. It would not however be a proper measure to interfere with the buyers' offers for sale or property prices. Furthermore, the incomes derived from the sale of the redeveloped buildings by the URA would be used in fulfilling its social mission and also as the capital fund for other redevelopment projects.

9. There was a suggestion from a listener whether "the years when there had been no maintenance" of the buildings could be applied as a criterion to reduce the acquisition price? There was also a suggestion that in cases which included a large number of illegal structures for which maintenance has long been overdue then the sizes of such illegal structures and the number of years of their existence should be taken as the criteria for the imposition of fines. The Secretary explained that this would be an issue of the interaction between urban regeneration and building maintenance. She stated that the Legislative Council was scrutinising the Buildings (Amendment) Bill 2010 which required the property owners to conduct the examination of buildings of specified ages and that the legislation was preventive. Furthermore, BD was carrying out a large volume of work which included the issuance of repair orders, maintenance orders and the prosecution of property owners who had contravened the law., The Secretary however reiterated that the number of buildings aged fifty and above is very large, that the aging process is very rapid, and that quite a number of the buildings are evidently devoid of maintenance. This is an enormous problem which requires the mobilization of the joint efforts of the URA, property owners and private developers in order to solve more effectively the problem of old buildings that have been devoid of maintenance.

10. A listener enquired whether the URA would consider alternative measures to deal with minority owners who adamantly refused to sell their flats, for instance "flat for flat" or "shop for shop"? Furthermore, a listener asked how long would it take to completely demolish old buildings aged fifty and above under the present URA policies? The Secretary stated that the element of social mission is present in the URA's redevelopment work. In those cases which URA is progressing but is unable to acquire all of the ownerships, URA can still submit an application to the Secretary for Development for the Secretary's recommendation to the Chief Executive in Council to invoke the provisions of the Lands Resumption Ordinance to resume ownership of the property. The Secretary however also pointed out at the same time that the use of the Ordinance to resume the buildings has to be stringently scrutinised and that the acquisition threshold of a specific percentage has to be reached before a recommendation can be made to the Executive Council. She also stated that though most of the "concrete buildings" were designed to last for an average of fifty years, some of them have been quite well maintained and need not be demolished immediately.
11. A listener suggested that the Government should assist the building owners to form their Owners' Corporations (OC). The Secretary stated that the Government is adopting a double-barrel strategy to uphold building safety. Firstly, the DEVB and the Buildings Department take responsibility for building safety, secondly the Home Affairs Bureau and Home Affairs Department focus their attention on building management. The Secretary was of the view that if the owners of old buildings are incapable of management, it will be quite difficult to conduct regular building maintenance or to comply with the repair orders issued against the buildings.
12. Some listeners agreed to the policy of compulsory examination of buildings and that the older the buildings, the more frequent the examinations should be. They considered that the current penalty was insufficient, and taking charge of the property title (釘契) was of no deterrence to investors and owner-occupiers. Another opinion was that the implementation of "Operation Building Bright" could be improved. The present policy was that owners have to pay in advance in order to receive subsidies, thus it was suggested that subsidies should be released to the OCs before the commencement of the maintenance works.
13. The Secretary responded that BD would enforce the law with follow up actions to punish heavily irresponsible owners; as this issue not only jeopardized the buildings' own safety, it even undermined the safety of the surrounding buildings and public. In respect of the issues of advance payments and cash flow, the Secretary stated that serious consideration is needed. Regarding the illegal structures attached to the

buildings, the rooftop illegal structures found in all the "single-staircase" buildings in Hong Kong had been included in the demolition operations in the past ten years due to concern about the means of fire escape.

14. Mr. HO Hei-wah stated that he had helped some elderly owners to apply for public housing units which involved selling or letting the properties for the sake of their living expenses. He hoped that the Hong Kong Housing Society could gradually acquire these types of buildings and then let them to the needy. He and other people concerned had proposed to the Government to consolidate the management of an entire street or a series of buildings to solve the difficulty encountered in managing old buildings as pointed out by listeners. The Secretary supplemented her response that it would be worthwhile for the authorities to launch a study on how to exclude some parts of the elderly applicants' assets from their applications for public housing or to liquidate their properties, in order to help their livelihood thereafter. In this regard the Elderly Commission has been conducting detailed studies, however, the popular "reverse mortgage" as practised in overseas countries (i.e. to return the property to the bank and then the bank will pay money to the elderly owner on a regular basis) does not work in Hong Kong as most of buildings in Hong Kong are in multiple ownership.
15. The Secretary stated before the end of the programme that societal discussions must continue and she would like to build up consensus together with people in the community. HO Hei-wah also stated that he would like to see residents of various districts actively participate in discussions on the development of their respective districts which includes the issue of rehabilitation of buildings. He was of the view that enhancing the participation of residents, supporting buildings that have formed OCs, and also assisting and organising the owners of buildings that do not have OCs to manage and maintain their buildings effectively are the main areas for the work ahead.

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