



行政總監報告 MANAGING DIRECTOR'S STATEMENT

引言

市區重建局(市建局)繼承土地發展公司(土發)的工作，並肩負新的權責，推行市區重建。本人於二零零二年一月就任市區重建局行政總監。一方面，我以興奮心情準備迎接這項新挑戰，另一方面，我亦知道當前的任務非常艱巨。

令人感到鼓舞的，是政府以堅定的決心成立市建局，對市建局的承擔和支持，實在毋庸置疑。對急需改善居住環境的廣大市民來說，政府亦必會恪守承諾的。

香港的市區老化問題，其實非常嚴重。在市區內，逾九千幢私人樓宇樓齡超過三十年，其中很多樓宇的情況極需改善。市民對市建局的期望極高，部份更要求本局立即公佈業務綱領的內容，並開展承繼自土發的二十五個項目。

市建局成立初期，其財政狀況令人關注。與此同時，本港經濟仍未脫離亞洲金融風暴所帶來的影響，而物業市場則繼續下調。

Introduction

In January 2002, I took up the job as Managing Director of the Urban Renewal Authority (URA), the successor to the Land Development Corporation (LDC) vested with a new mandate for implementing urban renewal. Although I was looking forward to this new challenge, I realised there was a monumental task lying ahead of me.

Fortunately, the Authority could count on the Government which has demonstrated its strong support and unwavering commitment in setting up the URA. In so doing, a promise had been kept to the many thousands of Hong Kong people in dire need of help to improve their living environment.

The scale of our city's urban decay problem is enormous. Over 9,000 private buildings in the metropolitan area are more than 30 years old and many are in need of improvement. Public expectation had grown unabated for the Authority to deliver, and was voiced in the clamour for the URA to immediately announce its Corporate Plan and to start work on the 25 projects inherited from the LDC.

市建局在二零零一年八月進行了重大的架構重整，但亦保留了大部份前土發員工。然而，為了符合新添的職責，包括重建發展 (Redevelopment)、社區復修 (Rehabilitation)、保存文物 (pReservation) 及舊區更新 (Revitalisation)，簡稱「4R策略」的工作範疇，市建局的架構和文化仍須不斷改進，以迎接新的挑戰。

At its inception and for some time afterwards, the financial position of the URA was a cause for concern. The economy was still reeling from the effects of the Asian economic crisis and the property market had not ceased its downward spiral.

Back in August 2001, the URA had already undergone major restructuring whilst retaining the majority of the former LDC staff. Nonetheless, it was clear that we needed to continue to shape the organisation and its culture to meet its wider mandate which encompassed the 4Rs – redevelopment, rehabilitation, preservation and revitalisation.

The priorities for action were clear. The financial position had to be strengthened and costs brought under control. We needed to prepare progressive but realistic 5-Year Corporate and annual Business Plans. We also needed to launch projects as soon as possible to get on with the work of the URA. One thing was obvious, it would be difficult for the Authority to shoulder its enormous task alone. Closer relationships with our stakeholders must be fostered to build support for a practical and achievable renewal programme and where appropriate, strategic alliances with other associates should also be forged.



大角嘴櫻桃街重建項目。
*Redevelopment project at
Cherry Street, Tai Kok Tsui.*

明顯地，本局的當前急務，首先是要鞏固財政狀況和控制成本；此外，我們一方面要擬備進取而符合現實的五年業務綱領和周年業務計劃，另一方面必須儘快開展項目，投入實務工作。但市區重建委實是極為龐大而長遠的任務，絕非單靠市建局一己之力便可成功。故此，我們必須與有關人士緊密合作，並在適當時與其他機構結成策略性夥伴，協力推行一個務實的市區重建計劃，方可得到豐碩的成果。

財務及控制成本

市建局的重建發展模式，是資金密集的業務。市建局給予其項目內的業主的補償方案，是基於政府就立法會的意見而釐定的建議，並經由市建局董事會同意，以同區「七年樓齡」的樓宇估值為基礎。通常業主可獲得的補償約為其物業現值的三至三倍半。該等補償須於項目初期，即本局尚未有任何收益時支付，加上利息支出不菲，所以一定對本局現金流量構成影響。要控制這些成本絕不輕易。其實，在本局首個五年業務綱領所涵括的四十二個新重建項目中，收購補償及安置的支出佔總發展成本逾半，估計約共港幣二百一十億元。

令市建局的財政狀況更添負荷的，是市建局須承擔土發遺留下來的二十一億六千萬元負債。政府為了協助市建局解決財政問題，已向本局注資二十億元，並承諾在今後四年內進一步注資八十億元。此外，政府只會向市區重建地盤和市建局安置樓宇土地收取象徵式的地價。首批注資於二零零二年七月收訖，令本局淨負債減至八億元。明年收到第二批的注資後，情況當可進一步改善。

Financial and Cost Control

The URA's redevelopment formula is a capital-intensive one. The compensation package paid to owners of properties within the URA's project areas was recommended by Government on the basis of proposals from the Legislative Council and agreed by the URA Board. The compensation rate is intended to be based on the estimated value of a 7-year-old flat in the same area. Often owners receive an amount 3 to 3.5 times the current value of their properties. This compensation is paid early in the lifecycle of a project before any returns can be realised – with heavy interest payment and obvious consequences for cash-flow. It is a daunting task to manage this cost. Indeed, acquisition costs including compensation and re-housing costs came to around HK\$21 billion which constitute over half of the total development cost in the 42 new redevelopment projects of our first 5-Year Corporate Plan projects.

Compounding the issue are the challenges posed to the URA's financial position by the HK\$2.16 billion in liabilities inherited from the LDC. To help addressing the financial problem, the Government has committed an initial capital injection of HK\$2 billion to the URA this year and a further HK\$8 billion over the next four years. In addition, Government will levy only a nominal premium for urban renewal sites and land used for URA re-housing purposes. We received this first tranche of the capital injection in July 2002 which has reduced our net liabilities to HK\$0.8 billion. Once we receive the second tranche next year, the situation will be much improved.



市建局管理的古蹟西港城內近攝一景。
Close-up inside the Western Market, an Edwardian building managed by URA.

本局為控制成本，已實行一系列措施：

- 就已推行五年的荃灣市中心項目的負債作出再融資的安排，以減省一億二千三百五十萬利息開支。但我們同時根據該幅土地的重新估值，須再撥備二億三千萬元，令該項目的預算總虧損達四十九億五千四百萬元。
- 考慮以利率掉期及其他方法，儘量減低本局的銀行貸款面對息率浮動帶來的風險。
- 遷往新寫字樓，每年節省租金三千萬，減幅達百分之七十。
- 調整員工薪酬及有關條件至市場水平，特別是引入浮薪制，以節省成本及提昇生產效益。
- 二零零一年八月時進行的架構重整加上自然流失，令員工成本減少約百分之十五。

To control costs, a series of measures have been taken during the financial period:

- Refinancing of the debt for the 5-year-old Tsuen Wan Town Centre project to save HK\$123.5 million in interest costs – though revaluation of the site incurred a further provision of HK\$230 million resulting in a total estimated loss of HK\$4,954 million on this project.
- Consideration to use interest rate swaps and other measures to hedge against interest rate fluctuation risks on the URA's outstanding bank loans.
- Relocation of URA headquarters to new premises achieving a HK\$30 million or 70% saving in annual office rent.
- Adjustment of the staff terms and conditions in line with the market, in particular the introduction of a variable pay system, thus achieving both cost savings and productivity gains.
- The organisation restructuring which took place in August 2001 and the departure of some staff subsequently also had the effect of reducing costs by some 15%.

The First 5-Year Corporate Plan and Annual Business Plan

One of the urgent tasks for the new URA was to prepare its 5-Year Corporate Plan and annual Business Plan (which in effect formed the first year of the 5-Year Corporate Plan). Both Plans are required by the URA Ordinance and must be approved by the Financial Secretary. The Corporate Plan comprises 52 projects, 10 of which were taken over from the former LDC and include the Tsuen Wan Town Centre



重建項目新紀元廣場的噴泉。

Fountain at Grand Millennium Plaza, a milestone project of redevelopment.

首個五年業務綱領及周年業務計劃

新成立的市建局，其中一項當前急務是儘快擬訂其五年業務綱領及周年業務計劃（即五年業務綱領內的首年計劃）。兩者均是《市區重建局條例》所指定，必須呈交財政司司長批核的。業務綱領涵括了五十二個項目，當中十個乃前土發在進行中的項目，包括荃灣市中心項目在內。其他內容還包括屬於4R範疇內的工作，與及集中於九個重建目標區的多個項目。

業務綱領和業務計劃勾劃出市建局未來五年的路向，其目標是在某些假設下，當所有項目在十三年內完成後，大致達到收支平衡。市建局在業務綱領所涵蓋的首五年內，將展開四十二個項目，包括二十五個承繼自土發「已宣佈」的項目，其餘則選取自政府於二零零一年十一月發出的《市區重建策略》所確定的二百個項目。我們

Project. They cover activities under the 4Rs and projects concentrated in the nine target areas.

The Plans map out the URA's work for the coming five years with the aim that in 13 years' time, and subject to certain assumptions, the projects will broadly break even after full implementation. In total, 42 projects will be launched over the plan period, including the 25 'announced' projects inherited from the LDC and others chosen from the 200 projects identified by Government in its Urban Renewal Strategy (URS) issued in November 2001. Many factors govern the selection and priority of the URA's projects such as physical conditions and the need to redevelop, availability of housing accommodation for people affected, financial viability, a fair distribution in the districts and target areas and the merits of alternatives such as rehabilitation.

The 42 projects will cover an area of 13.5 hectares, with 6,200 property interests and 10,400 tenant households. Based on current estimates, they will provide around 18,000 flats with one million square meters domestic gross floor area, 13,400 square metres of public open space, 220,000 square metres of commercial floorspace and around 40,000 square metres of community facilities. Of course, these are necessarily ballpark figures and will require updating and adjustments upon more detailed individual project planning and implementation.



創造商機

CREATING
BUSINESS
OPPORTUNITIES

選取項目和釐定項目優先次序是基於多重考慮的，例如樓宇狀況、重建需要、是否有足夠資源安置受影響居民、財務上的可行性、是否平均分佈各地區及重建目標區，以及可否採用其他途徑例如復修等。

根據目前估計，四十二個項目佔地的總面積為十三點五公頃，估計涉及約六千二百個業權和一萬零四百個租戶，完成後可提供一百萬平方米住宅樓面，約一萬八千個住宅單位、一萬三千四百平方米公眾休憩用地、二十二萬平方米商業樓面，以及約四萬平方米社區設施。當然，以上數字只是概括性的約略估計，有待進行個別項目的規劃和實施時，根據當時實際情況加以調整。

業務綱領亦列出市建局在社區復修、保存文物和舊區更新幾個新範疇上的工作和政策。四十二個項目連同這些工作所需的資本性開支，未計利息在內，約為港幣三百九十億元。

我們的首個業務計劃(二零零二／零三年度)有八個項目，包括三個於二零零二年一月開展的「前期項目」。八個項目的總面積為二點二公頃，涉及大約一千個業權和大約一千七百五十個租戶。

The Corporate Plan also includes the URA's activities in pursuing its new initiatives for rehabilitation, preservation and revitalisation. The total capital costs before interest for the programme of 42 projects and these initiatives will be around HK\$39 billion.

The Business Plan for 2002/03 contains eight projects, including the first three 'early launch' projects which were started in January 2002. In total these eight projects will cover an area of 2.2 hectares, and affect around 1,000 interests and 1,750 tenant households.

The 'Early Launch' Projects

The three 'early launch' projects, in Wan Chai, Tai Kok Tsui and Sham Shui Po are part of the 25 projects announced by the LDC in 1998. Taken together, these projects cover an area of 0.8 hectares, affecting over 400 interests and around 570 tenant households based on our surveys. Specially endorsed by the Financial Secretary ahead of giving his approval for the Corporate and Business Plans, the 'early launch' projects demonstrate the determination of the Government and the URA in speeding up the urban renewal process and in responding to the anxiety of residents.



市建局行政總監林中麟向傳媒介紹「前期項目」。

URA Managing Director, Mr Billy Lam, briefs the media on the 'early launch' projects.

前期項目

三個「前期項目」分別位於灣仔，大角嘴及深水埗，是土發於一九九八年公佈的二十五個項目中的其中三個，總面積達零點八公頃，涉及逾四百個業權。據我們的調查顯示，約五百七十個租戶受影響。這些項目是得到財政司司長特別核准，始能於業務綱領及業務計劃批核之前得以開展，亦充份表現出政府和市建局加快市區重建步伐的決心，並對有關居民的焦慮作出積極回應。

對有關的新程序來說，這幾個「前期項目」正好作為試驗其優點和效率的機會。我們可藉此評估收購成本控制的成效、執行新補償政策的方法，以及如何加快收購、收地及發展的進度。此外，雖然政府並無特別規定，但我們亦就這三個項目進行了社會影響評估，以爭取實際經驗，作為將來同類評估的借鏡。

The projects also serve a very practical purpose in testing the merits and efficiency of our new procedures. We can assess the need to control acquisition costs, the methods of applying the new compensation policy, and how the acquisition, resumption and development process might be expedited. Although not specifically required by Government on this occasion, we undertook social impact assessments both as a real exercise and a way to devise a pragmatic approach for future use.

The results of these projects are very encouraging so far. Between March and August 2002, more than 70% of owners have voluntarily accepted our purchase offers. This is by no means a small achievement, considering that in the LDC's experience it usually took a much longer time to reach this percentage. These are still early days, however, and the knowledge gained will doubtless require adjustment and refinement of our policies and procedures, in particular the best way to join hands with the developers and other stakeholders to speed up the whole urban renewal programme under the umbrella of the 4Rs.

三個項目均進展順利，由二零零二年三月至八月底為止的五個月內，總數逾百分之七十的業主接受了我們的收購建議，遠超土發時期的收購進度，成績殊不簡單。我們正在剛起步階段，這些經驗將有助我們調整和改善有關的政策和程序，尤其是與發展商及其他有關人士尋求合作的最佳方法，以便在4R策略的範疇下，加快整個市區重建計劃的步伐。

策略性夥伴

市區重建是一項艱巨的任務，涉及的過程十分複雜，單靠市建局的力量，難以成功，我們必須爭取合作夥伴和有關人士的支持。在這方面我們已有相當成果，例如我們已與香港房屋委員會（房委）及香港房屋協會（房協）簽署諒解備忘錄，兩間機構將會為受市建局項目影響的居民提供安置居所。

政府在二零零二年六月公佈的「公營房屋架構檢討」報告書建議市建局與房協結成策略性夥伴，目標是在運作及人才資源上能相輔相成，事半功倍，並以聯營、委託，或代理人形式實施項目，共同推行市區重建計劃。

市建局和房協高層已作多次磋商，我們期望儘快可落實合作方案，並將方案涵括在第二份五年業務綱領之內。



房委及房協會為受市建局項目影響的租客提供安置。
Both Housing Authority and Housing Society provide re-housing for tenants affected by URA projects.

Strategic Partnership

The task of urban renewal is so enormous and the process so complex that it is obviously difficult for the URA to tackle it alone. We will need the support of our stakeholders and partners and we have made significant progress in this direction already. For example, we have signed Memoranda of Understanding with the Hong Kong Housing Authority and the Hong Kong Housing Society (HKHS) to provide re-housing for residents affected by our projects.



大角嘴櫻桃街重建項目完成後的概念圖。

An artist's impression of Cherry Street, Tai Kok Tsui, after completion of redevelopment.

展望

在可預見的將來，本地經濟及物業市道仍然有待回升，市建局的首要目標，是在財務上維持緊縮政策，確保本局的各項業務能穩定發展。我們將在所有業務上繼續保持審慎理財原則，並與有關人士尋求增加收入的最佳方法，發展新的運作模式，以加快重建計劃。

在為4R策略的理想而努力奮進中，我們一定要顧及現實環境，亦要儘早取得成果。因此，我們將全力以赴，務求在首個五年業務綱領期內，創造好成績。

The Government's Report on the Review of the Institutional Framework for Public Housing' (RIFPH) published in June 2002 has recommended that a strategic partnership be developed between the URA and the HKHS. This partnership would aim to achieve a synergy of operation and use of staff resources to facilitate the implementation of the urban renewal programme by carrying out projects through joint ventures, entrustment or agency arrangements.

Discussions at a senior level between the URA and HKHS are already well advanced and hopefully concrete plans for cooperation could be formulated in the near future in time for incorporation in our second 5-Year Corporate Plan.

Looking Ahead

In the foreseeable future, keeping a tight rein on the URA's finances and ensuring steady progress of our various programmes will remain our top priority as the local economy and property market in particular are still weak. We will continue to pursue financial prudence in all our activities. Together with our stakeholders, we will explore better ways and means to generate revenue and develop new modes of operation, thereby speeding up the whole renewal programme.

在重建發展方面，我們在過去一年已建立了一個良好的開始。除此之外，我們將會在其餘三大業務－即社區復修、舊區更新和保存文物方面展開工作，希望能在較短時間內為更多居民帶來裨益。

隨著社會環境的變遷，我們在業務上將有不同的優先考慮。本人深信我們今天的耕耘，將可為未來帶來豐盛的收穫。市建局自成立以來，變革不少，員工們仍全心全意，奮力進取，本人深表謝意。對董事會同仁的支持和指導，本人亦謹此致謝。

行政總監
林中麟
二零零二年九月六日

Whilst we begin our pursuit of the 4Rs in earnest, it is important that we do not lose sight of present day realities and the need to see early results. We shall endeavour to deliver concrete results as soon as possible, well before the expiry of the current 5-Year Corporate Plan.

On top of the redevelopment work with which we have made a good start in our first year, we will also begin to focus on the other three Rs – rehabilitation, revitalisation and preservation. These activities would probably bring benefits to a wider range of people in a shorter period of time.

Whilst our priorities will move with the times, I am confident that the result of our efforts will be more widely felt in the years to come. I am grateful to the staff for their support and for taking on the various changes introduced since the establishment of the URA. To the Board, I am grateful for its wise counsel and dedication to the cause of urban renewal.

Billy LAM Chung-lun
Managing Director
6 September 2002