



Mr Victor SO Hing-woh, JP

CHAIRMAN'S STATEMENT

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As I wrote the Chairman's Statement for the Authority's 2015/16 Annual Report, my second three-year tenure as Chairman of the Urban Renewal Authority (URA) has just begun. I am honoured to be re-appointed and much obliged to the trust that the Government has placed in me and the opportunity to serve in a dynamic and forward looking organisation.

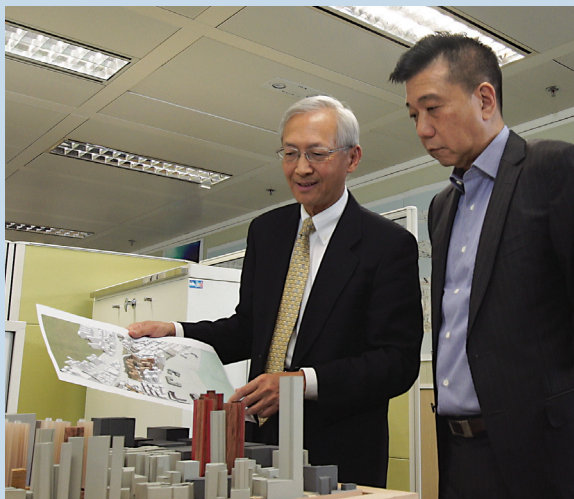
While looking forward to opening a new chapter of urban renewal in Hong Kong over the coming three years, I am equally pleased to see that some of the thoughts and initiatives which have been set in motion in recent years are being progressively realised with good prospects.

The URA has continuously addressed its challenges in the context of the Urban Renewal Strategy which sets out 12 objectives for the work of urban regeneration. It has carefully evaluated

and managed its resources in the areas of financial planning, project management and process re-engineering, and is striving towards a clear target of taking up more projects with greater urgency, and on a larger scale and magnitude.

The URA's achievements depend heavily on its close partnership with the Government, the URA Board and various stakeholders, as well as the support of the entire community. I am grateful to members of the URA Board whose active involvement has been instrumental in helping the organisation set corporate objectives with key performance areas and new strategies. New thoughts were then galvanised into action and effect, as witnessed by the implementation of the District-based approach in redevelopment, the "Smart Tender" Building Rehabilitation Facilitating Services, the refined Demand-led redevelopment project pilot scheme, to name just a few.

In this regard, a larger planning area for redevelopment has been identified to bring more social benefits to the neighbourhood, while new ways and means are being reviewed to enhance the URA's work on building rehabilitation.



■ Mr Victor So discusses the District-based approach with URA colleague.

During the year under review, an Area Planning Study was conducted in Kowloon City / To Kwa Wan district. Subsequently, five projects commenced using a holistic manner, which will synergise traffic and environmental enhancements with other URA projects in the same area. With this District-based approach, effort has been made to put people first in the interest of the local community. To retain the urban fabric and enhance the local vibrancy of the area under redevelopment, the plan offers more open space, better access to road and pedestrian networks, and more shop frontage to accommodate clusters of small street shops in the new neighbourhood. In the coming years, we will continue with similar area planning studies in other districts.

For the URA, 2015/16 was a year of change and challenge as it celebrated its 15th anniversary. While we have taken collective pride in our 4R work in redevelopment, rehabilitation, heritage preservation and revitalisation over the years, it is an opportune moment to re-think the way forward for the URA.

The URA's mandates remain the eradication of slums which are home to over 100,000 families. We are very conscious that we must explore alternative ways of furthering urban renewal more effectively and efficiently. One of the ideas is to retrofit old buildings to improve their structural conditions and extend their useful life while maintaining the vitality of the urban fabric. Much effort to realise this idea has been made in the past year and a new pilot scheme is now in the pipeline.



■ Mr Victor So together with URA Board members and senior executives propose a toast at Spring Dinner. Mr Hu Fa-kuang, the first Chairman of the Land Development Corporation (10th from right) is also present.

As a public organisation, we shall continue to exercise due care and diligence in the handling of our finances to ensure sound long-term finances on a self-sustaining principle. A total expenditure of about \$34 billion has been earmarked for URA's work in redevelopment, rehabilitation, preservation and revitalisation for the five years from April 2016 to March 2021. Although a net operating surplus of \$4.5 billion was recorded in 2015/16, the income is not recurrent in nature and the URA's operating environment remains challenging as unfavourable factors continue, including the higher-than-market acquisition costs, soaring construction costs, uncertainty in the property market and the conservative tender bids for the URA's projects from private developers.

In closing, I would like to express my gratitude to Mr Daniel C Lam for his outstanding contribution as the URA's Managing Director which has been conducive not only to the smooth operation of the organisation, but also to the commencement of a number of projects which will bring positive impact and benefits to our urban renewal work in the years to come. I would also like to offer my heartfelt thanks to all Board members



■ Mr Victor So and Ir Wai Chi-sing, newly appointed Managing Director (front row, 1st from right) together with other executives, report to Legislative Council's Panel on Development on URA's works during 2015/16.

for contributing their invaluable time, advice and support. Last but not least, my appreciation goes to the Management and all dedicated staff for their hard work and commitment to the URA.

Victor SO Hing-woh
Chairman

31 July 2016