



Mr Victor SO Hing-woh, SBS, JP

# CHAIRMAN'S STATEMENT

## Together We Take Urban Renewal to New Dimensions

The year 2016/17 was particularly meaningful to me as I embarked upon my second three-year tenure as Chairman of the Urban Renewal Authority (URA). Nonetheless, it has continued to be a year full of challenges - the rate of urban decay outruns the efforts of both private and public sectors combined; the sizeable gain in plot ratio from redevelopment has already been reaped, making future

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projects less appealing to the private sector; as well as the all-time high property prices, resulting in a highest-ever acquisition cost under the 'seven-year rule' Home Purchase Allowance policy, thereby posing serious threat to our financial soundness, especially when there is

a levelling-off in prices which Hong Kong had experienced before.

Unlike commercial entities which maximising profit is among their mandates, yet, the URA has to remain cautious and is obliged to exercise due diligence in the handling of its finances to ensure sound long-term finances on a self-sustaining principle, as stipulated in the Government's 2011 Urban Renewal Strategy. In this regard, while everyone at the URA works hard, we herald extra effort in bringing innovations to urban renewal, a theme highlighted in the URA's International Conference held last year to celebrate its 15th anniversary.

### Thinking Outside the Box and Securing Breakthroughs

As I remarked in my opening speech at the International Conference, we should not just 'think outside the box' but would need to secure major breakthroughs for bringing more innovations and new means to our urban renewal mission in the years to come. I am glad to see under the guidance of the Board and the management, the URA had put this into action, kick-starting a number of enhanced and innovative initiatives with some already showing good progress.

The current short term 'benefits', which the URA was able to fetch from the remaining few project sites that it acquired quite some years ago, shall no longer exist going forward to buffer the "buy high sell low" consequence. In this connection, the URA has embarked on larger and more 'enlightening' redevelopment projects, making urban regeneration more sustainable in the long term.

The district-based approach in redevelopment, which the URA initiated last year and drawing from the recommendations from the earlier Kowloon City District Urban Renewal Forum, aimed to bring in more social benefits with far greater planning gain than other smaller scale redevelopment projects. This is in line with the overall urban renewal objectives to create high quality and vibrant urban living in Hong Kong. We are confident to carry on with this approach to create a few more

similar and sizeable redevelopment projects in the foreseeable future. Despite the fact that a larger site plan exemplifies a capital intensive investment, incurring a higher financial risk under a volatile property market situation, we consider it worthwhile as we take into account the social benefits for the community by giving a better living environment, enhanced public facilities and infrastructure, much-improved pedestrian walkability and vehicular network as well as more appropriate land use that we would have after the project is completed.

Building rehabilitation, on the other hand, is much capital lighter and could offer a relatively speedy improvement to the living conditions of people in-situ, complementing the long time frame for redevelopment projects to come to fruition. It is also instrumental in arresting urban decay as proper and regular maintenance could help to prolong the building serviceability. Hence, rehabilitation defers the need for redevelopment as well as relieves the pressure on rehousing/decanting. While it should be owners' responsibility to care for their own properties, the lack of general knowledge on acquiring relevant services and the financial burden that could incur together have created a major deterrent to carrying out building rehabilitation work. In this regard, the URA is diligently working on providing building owners with both

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technical support and subsidies in order to promote and facilitate building rehabilitation. The 'Smart Tender' Building Rehabilitation Facilitating Services launched last year was one of the breakthroughs which has received very positive responses from building owners.



Mr Victor So shares his insights at the "Bringing Innovations to Urban Renewal" International Conference.

Collectively the above has led the URA to embark on a number of elaborate studies with a view to finding more comprehensive solutions in regenerating run-down areas, paving the way for a more holistic and forward-looking urban regeneration. One example is the New Strategy on Building Rehabilitation which conducts a detailed analysis on stratification of buildings in Hong Kong and proposes specific measures, from preventive maintenance to proactive rehabilitation and retrofitting initiatives, targeting different age groups of buildings with different structural conditions. Another major study is the Yau Mong District Study launched in May this year to critically examine current constraints and challenges, as well as to explore new planning means and implementation models by integrating the 5Rs, with retrofitting being the additional R on top of the existing 4Rs (redevelopment, rehabilitation, preservation and revitalisation) to formulate new solutions to bring urban regeneration to a new dimension.



Mr Victor So enjoys happy moments with URA staff and their family at the URA 15th anniversary corporate event to Ocean Park.



Mr Victor So, together with URA Board members, proposes a toast at the annual Spring Dinner.

### **An Engaging Board to Help Drive Results**

I am glad to see over the years our Board has become more participative internally and externally. Members have actively participated in leading the URA to address the present day and impending challenges of urban decay. With a thorough understanding of the Urban Renewal Authority Ordinance and Urban Renewal Strategy, the Board has enlightened the URA to pursue and achieve higher productivity, not merely in the realm of its 4R businesses but also as manifested by its social contributions, through continuous proactive engagement and innovative means in its urban regeneration work. Members took part in many of our brainstorming sessions and meetings to explore new urban renewal strategies and contributed their valuable insights and suggestions on the URA's 4Rs and helped in setting clear directions on urban renewal for a new dimension to meet future needs.

It is also gratifying to note that our Board members not only offer strategic direction but are also prepared to "walk the talk" by contributing to the improvement of the public perception of the URA through personally taking part in the URA's community and educational activities.

### **Our Way Forward**

To be truly innovative in urban regeneration, we should not confine ourselves to the existing mechanism of urban renewal. The Board will continue to provide its considered guidance and unwavering support to Management, and I am sure the Management will also continue to lead and develop the staff members; so that together we take urban renewal to new dimensions and be sustainable.

Lastly, I would like to offer my sincere thanks to all the Board members, for their counsel and commitment, the URA Management as well as every staff member for their concerted efforts in making 2016/17 a year of both achievement and promise. Urban regeneration is a challenging task, yet, I am fully confident that the URA as a whole has the ability and stamina to take on future challenges.

**Victor SO Hing-woh, SBS, JP**  
**Chairman**

31 July 2017