



Ir WAI Chi-sing, GBS, JP, FHKEng

# MANAGING DIRECTOR'S STATEMENT

## Gathering Momentum for New Urban Renewal Strategies

Since the publishing of my last statement in the 2016/17 Annual Report under the theme of "Laying a Solid Foundation to Undertake a Dynamic and Forward-looking Urban Regeneration", I have been delighted to see that a number of initiatives have begun to take shape towards realising the objective. While the URA has been implementing the four core businesses of urban renewal, namely: redevelopment, rehabilitation, revitalisation and preservation, in order to address the aggravating problem of ageing buildings in the long run, we have in parallel actively conducted strategic studies to formulate comprehensive new strategies with the aim of achieving sustainable urban renewal.

At the beginning of my tenure, I took stock of the challenges we faced and soon became aware of the difficulties in racing against time and catching up the pace of urban decay. I contemplated at that time 'how much the URA needed to do', a question which is still relevant today as the pressure posed by ageing buildings has continued to rise over the past two years. The total number of buildings aged over 50 years increased from around 9,000 two years ago to around 10,200, representing an average increase of 600 buildings per year. It is estimated that this number will reach over 20,000 by 2046. Despite the fact that the URA has launched more than 60 redevelopment projects over the past 17 years, only around 1,300 dilapidated buildings have been redeveloped. It is apparent that with this pace and the current mode of urban renewal had failed to meet the challenges of urban decay, a new strategy to guide future urban renewal is much called for.

**"This past year has been a time of sustaining efforts and getting ready for the future."**

Center

making  
concept

Central Market

n Street Project (H18)



## Steering from Project-led towards Planning-led

The URA has recently adopted a two-pronged approach to undertake urban renewal more effectively. On the one hand, we continue to adopt a project-led model to deal with individual dilapidated building, complemented by the aspiration of bringing greater benefits to the community by improving the accessibility of public spaces and pedestrian walkways, as well as enhancing the overall townscape of the project area. To this end, the URA has opted for projects that provide opportunities for re-planning and rationalisation of land use. In this regard, three new redevelopment projects, namely: the Sung Hing Lane/Kwai Heung Street project (C&W-005); the Queen's Road West/In Ku Lane project (C&W-006), and the Oak Street/Ivy Street project (YTM-011) were undertaken last year from a planning perspective. On the other hand, the URA also adopts a planning-led model that allows urban renewal to be able to realise more planning benefits, through for example, the development and optimal use of underground spaces to accommodate parking and other building provisions such as machine and refuse rooms, as well as the designing and building of additional quality pedestrian areas that can make communities more liveable.

Apart from moving from a project-led to a planning-led approach, and to effectively implement the direction under the Urban Renewal Strategy (URS) that urban renewal is not a slash-and-burn process, we need to formulate a new set of comprehensive and holistic strategies that integrate our four businesses of redevelopment, rehabilitation, preservation and revitalisation. To achieve this, the URA embarked on three strategic studies last year with a view to exploring new planning and implementation models for urban renewal to be sustainable in the long run.

## Yau Mong District Study: Realising Potential from Constraints

Taking Yau Ma Tei and Mong Kok as the study area, the two-year Yau Mong District Study (YMDS) aims to formulate strategies from a holistic perspective for solutions to the current impasse which has seen urban renewal failing to catch up the pace of building deterioration in facing the high density of both population and ageing buildings in the area. The Study strives to make recommendations on how to enhance the efficiency of current land use and the redevelopment potential of the Yau Mong district as well as tackle the constraints to development density under existing urban planning and legal framework, based on a three-step approach. Following the initial step of a holistic planning, the URA will identify appropriate projects and decide on the best business strategy or a combination of strategies for the development before making a final selection of implementation methodology.

First phase of the YMDS being a baseline study on the physical attributes of the Yau Mong district has been completed. Preliminary data revealed that the overall plot ratio of the buildings in the district has reached 90% of the capacity under current planning regime. The remaining plot ratio available for development is only 10% with fragmented ownerships. Benefits of urban planning and land efficiency will be out of the question for URA to redevelop these buildings of which the plot ratio has been nearly used up or has



Visiting the Oak Street/Ivy Street project on the day of project launch and inspecting the varied and poor building condition with URA staff members.



Appreciating the winning design of URA/IVE Innovative Design Competition, which targets to leverage students' creativeness to enhance the living quality of elderly in old districts.

exceeded its approved capacity, if the URA continues to use the prevailing project-led model under the current regulatory framework. In addition, the higher the density of these ageing buildings, the greater the number of households will be affected by the redevelopment, not to mention the large number of subdivided units in these flats, causing serious rehousing burden. It can be foreseen the number of new units that can be built after redevelopment will be much less than that of affected households who have the rehousing needs, hence aggravating the problem of housing unit shortage.

To address this concern, the YMDS is exploring the possibility of plot ratio transfer that would allow the plot ratio residue of some buildings in the district to be transferred to other projects with greater development capacity, thus unleashing the full potential of redevelopment. Meanwhile we are also looking for suitable lots to improve the efficiency of land use by means of upzoning and rezoning. All of these aim at revitalising the redevelopment market and encouraging more stakeholders to participate. The study also includes an integrated planning model with a good mix of redevelopment and rehabilitation. For buildings whose remaining plot ratios are released and whose structures are in good condition, rehabilitation and retrofitting shall be in place to prolong the building serviceability, improve the living environment, and upgrade current facilities to modern standard. The URA is now conducting comprehensive planning on districts with urban renewal potential within the study area and will subsequently formulate a Master Renewal Concept Plan with proposals of three different development density options. We will make reference

to the consultation exercises previously conducted by the Kowloon City District Urban Renewal Forum for collecting public views towards the proposals.

### Building Rehabilitation: From Passivity to Proactivity

The problem of urban decay cannot be tackled solely by relying on the URA to take over old and dilapidated buildings for redevelopment. A critical factor in realising sustainable urban renewal is the effectiveness of building rehabilitation, especially when preventive maintenance and regular repair can be introduced to buildings which are still young such that building conditions can be maintained safe and sound, hence alleviating the redevelopment pressure from buildings in poor and varied conditions. We see the increasing importance of building rehabilitation as the key to tackle urban decay and realise we need to be more proactive in adopting a multi-pronged approach in building rehabilitation to promote and encourage owners to undertake maintenance and repair works for their buildings.

Over the years, the URA has been providing technical and financial support to building owners mainly through various rehabilitation schemes. However in the absence of a preventive maintenance culture, owners are often not accustomed to carry out regular maintenance and repair for their properties, resulting in deteriorating building conditions. Since 2016, we have proactively approached building owners in order to find out their reasons for failing to conduct maintenance and repair for their buildings as well as their needs. Schemes were developed addressing such concerns, including the 'Smart Tender' Building Rehabilitation Facilitating Services to alleviate the worry of building owners over the risk of tender rigging at the works procurement stage.

Last year, we took a step forward and commenced the New Building Rehabilitation Strategy Study which aims to formulate an all-round and holistic new strategy for different age groups and categories of buildings. The URA has also successfully conducted an extensive survey on the conditions of around 5,900 domestic and 700 non-domestic building blocks to establish a database encompassing all domestic, commercial and industrial buildings. This information collected will provide us with a comprehensive picture of building

conditions conducive to the formulation of new building rehabilitation strategies addressing specific problems and needs.

The URA also surveyed owners' representatives of 3,000 building blocks to understand their views on building repair and maintenance, and the difficulties encountered therein, with an aim to explore how to put forward supportive measures that address their needs. Initial findings revealed that owners generally lack the professional knowledge to comprehend the scale and complexity of major maintenance works. In response to this, the URA began in last year the setting up of a Building Rehabilitation Platform with its first stage of service to give Owners' Corporations a one-stop access to the practical guidelines and codes of various repair and maintenance works, as well as tender and document templates for appointing consultants and contractors, thereby reducing owners' anxiety about carrying out rehabilitation works for their buildings.

In addition to making reference to the policy, strategy and regulatory framework for building rehabilitation in other countries or regions, the New Building Rehabilitation Strategy Study will also review the roles played by different stakeholders in the long-term building rehabilitation strategy, and make recommendations to the Government on policies including, among others, the establishment of a special fund with mandatory and regular contribution mechanisms for owners in order to promote the culture of preventive maintenance, which is a key to address the fundamentals of building rehabilitation in the long run.

### **Sustainability Study: Setting Performance Indicators for Urban Renewal**

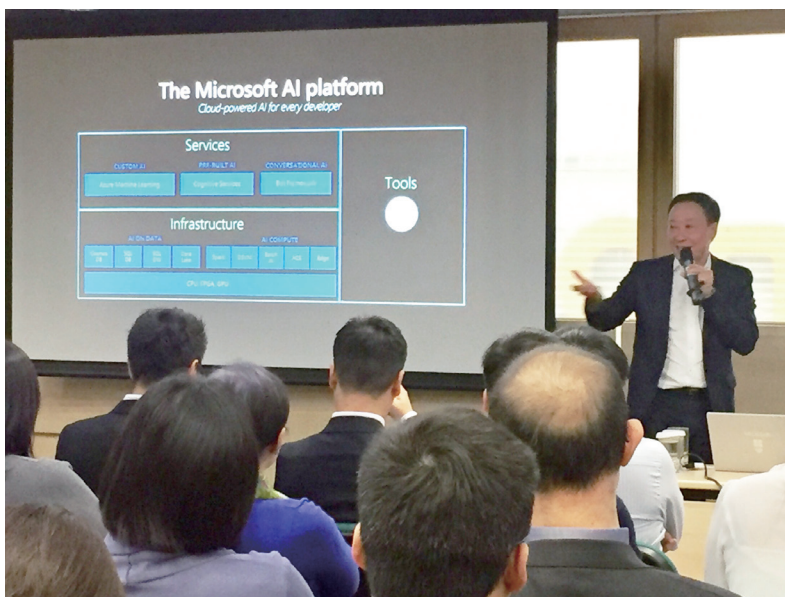
The Urban Renewal Strategy requires the urban renewal process to be forward-looking and to create sustainable, positive impacts for the community, covering not only the financial sustainability of the work of urban renewal, but also lasting results that benefit the socio-economic status, environmental protection, and the living quality of residents. Therefore, a framework is required to measure the impact of urban renewal from various perspectives. Last year, the URA commenced the Sustainability Study that aimed to formulate a framework of the performance indicators for URA's urban renewal works. On top of

a number of sustainability factors which are common criteria of assessing sustainable developments, namely Society, Environment and Economy, the framework also includes Process and People to give a more comprehensive representation. The next phase of the Study will focus on developing a series of indicators for each factor so as to specifically measure and track the impact and benefits of each project on society under the five urban renewal strategies that cover redevelopment, rehabilitation, preservation, revitalisation and retrofitting. The measurement of these social impacts and benefits of our projects, as reflected by the indicators, will be instrumental in the process of formulating URA's business strategies in future.

### **Science and Technology: Leading the Future**

As urban renewal work becomes increasingly arduous while social resources are limited, we need to be more innovative and efficient so as to transcend our current limitations and maintain efficiency and quality through the application of technology in urban renewal work. In the past year, the URA started to introduce the Smart Building concept and incorporated for the first time various smart features, including home energy and water consumption system, home health and wellness system, smart displays, home waste management system, building information modelling (BIM), as well as building management system, in the buildings of Peel Street/Graham Street redevelopment project (Site A) (H18), Fuk Chak Street/Li Tak Street demand-led redevelopment project (DL-6:YTM), and Reclamation Street/Shantung Street development project (YTM-010). In addition, BIM technology has also been applied to the Shanghai Street preservation project to rationalise the engineering procedures and enhance their effectiveness.

To further facilitate its planning and decision-making, the URA is also establishing a geographic, information-based Urban Renewal Information System for the analysis and integration of big data covering statistics on urban land use, district planning, development density, road network, infrastructure, building conditions, population distribution and commercial operations. This will strengthen our ability to process and analyse the vast amount of planning information. The URA is reaching out to different government



Members of staff attending a training session on Artificial Intelligence applications to equip themselves with latest knowledge.

departments to promote the sharing of data as one of its main tools for future urban planning and formulation of a master renewal plan.

Technology advances rapidly, and it's always the masterminds behind the work that have made innovations possible. Amid the fast-changing environment, the URA is in need of a professional team of staff who would constantly equip themselves with latest knowledge and skills and with a crave for innovation to drive the work of urban renewal at various fronts. For this reason we have invested significant resources in enabling our colleagues to learn and acquire new technology over the past year. Of the staff training hours accumulated in 2017/18, more than 30% were technology-related covering BIM application technology, Artificial Intelligence, applications of Big Data, and the development of the Internet of Things.

This past year has been a time of sustaining efforts and getting ready for the future. Our three strategic studies are expected to be completed next year, and I look forward to being inspired by their forward-looking findings and opening up new resolutions in combating the severe urban renewal problems. I wish to extend my gratitude to the Chairman and the Board of the URA for their valuable advice and suggestions over the past year, as well as for their devoted time and energy

in leading the URA to carry out various urban renewal works and strategic studies. Furthermore, I would like to express my appreciation to the URA team for their hard work during the past year in driving our research projects to achieve breakthroughs in urban renewal work and to bring in new prospects that will benefit the whole community. We will continue to work with our stakeholders to realise sustainable urban renewal, and together create a better home for the people of Hong Kong.

**WAI Chi-sing**, GBS, JP, FHKEng

**Managing Director**

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