



OPERATING REVIEW

#adversity #resilience #5Rs #urbanrenewal

Come rain or shine, resilient birds soar high on their wings to reach their destination, just as the URA strives to accomplish its urban renewal mission through thick and thin.

Urban degeneration is an issue faced by many large cities, and is challenging enough without unforeseen setbacks such as the three-year pandemic. Yet with a solid foundation built up over the years, the URA has been able to overcome the challenges of these difficult times and maintain a stable operation with a reasonable strong financial position.

With most pandemic-related restrictions lifted by early 2023, Hong Kong finally began returning to normalcy. Economic recovery, however, has proved more fragile than we would have hoped, overcasted by global inflation and rising interest rates. The impact of these headwinds on the URA is evidenced by less than satisfactory bids received for four of our projects offered for open tender in the 2022/23 financial year. This naturally raises concern on the sustainability of URA's financial model and consequently urban renewal in Hong Kong going forward, which will need to be addressed in the foreseeable future.



Amidst the ever-changing and unpredictable environment, we will continue to manage our business operations nimbly under our '5Rs' strategies of Redevelopment, Rehabilitation, pReservation, Revitalisation and Retrofitting, and closely monitor our financial position to accomplish our urban renewal missions with exceptional resilience.

Age-old problems require new approaches. The URA has adopted a holistic 'planning-led' and 'district-based' approach in recent years to create more development capacity, encourage private market participation and enhance liveability in old districts. Other fresh planning concepts include trialling the Integrated Approach to leverage redevelopment projects for improving the living environment through rehabilitation and revitalisation initiatives, as well as applying the 'vertical city' concept in the Kwun Tong Town Centre Project. New planning tools are also introduced to release development potential of lands.

As regards maintenance and rehabilitation work, another critical area in urban renewal, we are pioneering various new preventive maintenance measures, including trial applications of maintenance manuals and plans, alongside incorporating clauses into the Deed of Mutual Covenant of our self-developed residential project to reinforce regular repairs and maintenance, and setting up a special maintenance fund.

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Strategic Studies for Effective Urban Renewal

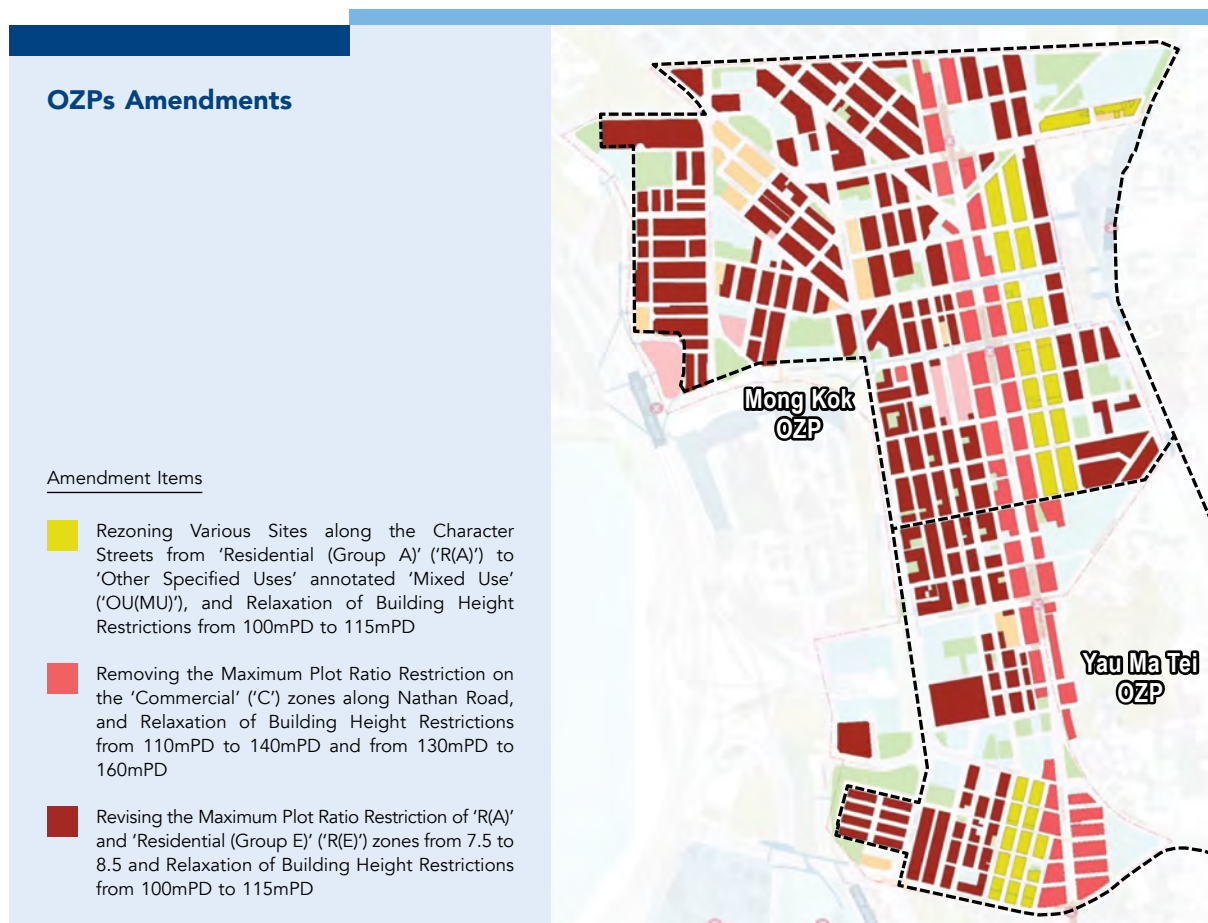
To realise the holistic 'planning-led' and 'district-based' approach, key follow-up actions were taken in the past year for the Yau Mong District Study and the Study on New Strategy on Building Rehabilitation.

Yau Mong District Study (YMDS)

To undertake urban renewal with greater effectiveness, the YMDS, a strategic planning study for establishing new implementation mechanisms and planning tools to overcome existing challenges in urban renewal, was completed in 2021. Over the last year, the URA had been working closely with the Government to progressively implement the proposed initiatives in the Master Urban Renewal Concept Plan and assisted in formulating amendments to the Outline Zoning Plans (OZPs) within the study area for future urban renewal. The implementation of new planning tools will unleash the untapped development potential in the district and therefore incentivising more private market participation in urban renewal to catch up with the pace of urban decay. A workgroup involving associated Government departments and policy bureaux was set up to oversee the development. Major progress is summarised below:

Amendments of Outline Zoning Plans (OZPs)

The URA has supported the Government to initiate the first batch of amendments to the Mong Kok OZP which was exhibited in July 2022 to permit more flexibility for interchangeability between domestic and non-domestic plot ratios in 'Residential' zones; to increase the maximum plot ratio restriction of the 'Commercial' ('C') zones along Nathan Road, to rezone various sites along the character streets to 'Other Specified Uses' annotated '(Mixed Use)' ('OU(MU)'), and to relax the building height restrictions of a number of zones. The Chief Executive in Council (CE-in-C) approved the Mong Kok OZP in June 2023. Within the same month, corresponding amendments to the Yau Ma Tei OZP were exhibited by the Town Planning Board (TPB) for public inspection.



Site Specific Planning Proposals

In light of the proposal to establish five development nodes that interconnect various major shopping/character streets or key pedestrian corridors, to create a knitted network in the two districts, some early initiatives on nodal development and Street Consolidation Areas (SCAs) have been included in the URA's Corporate Plan for implementation in the next five years from 2023/24 to 2027/28, subject to the Financial Secretary's approval.

Renewal of Public Facilities

Amongst the proposals in YMDS to re-provision and enhance community facilities, parks and open spaces, the URA will create a Nano Park System in collaboration with the Leisure and Cultural Services Department (LCSD) by upgrading six small, isolated pocket open spaces in the dense urban setting around the Shantung Street precinct. The design will apply an appealing and distinctive design language to unify the style, colour scheme or other creative components of the existing park spaces, and further differentiate them through cohesive programming or theming with an aim to promote all-inclusive, intergenerational and multi-functional uses within the compact urban environment (details as noted on page 41 under Integrated Projects).

Application of New Planning Tools

A joint effort from the Government and the URA has been initiated to implement the new planning tools, including taking forward a pilot scheme to apply the Transfer of Plot Ratio (TPR) to enhance the development potential of the small and isolated sites with a view to encouraging participation from private developers in urban renewal. The URA is also working with the Development Bureau on the recommendation of SCA sites suitable for redevelopment, along with implementation details, to better utilise the street areas. Upon the settlement of key implementation issues and endorsement by the Government, the selected SCA sites will be included in the Corporate Plan of the URA.

While the implementation of some of the initiatives or recommendations is currently underway, a Work Plan for Government reference with identifications of potential implementation agents, timeframe, planning parameters and design requirements for the planning and design proposals was prepared to highlight the outstanding items.



Under the TPR mechanism, Gross Floor Area will be transferred from sites with low redevelopment potential to more sizeable receiving sites at strategic and accessible locations suitable for higher development intensity, maximising land use and bringing planning benefits to the community. The picture shows the development node of Argyle Street Commercial/Integration Hub with the application of TPR proposed by YMDS.

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New Strategy on Building Rehabilitation (NSBR)

The NSBR is a comprehensive rehabilitation strategy covering buildings of all ages to reduce the number of dilapidated buildings which may otherwise require redevelopment, as well as to introduce preventive maintenance to prolong service lifespan of buildings at their young age.

Based on the findings of our 2020 study, the NSBR aims to address the three main obstacles that hindered building owners from undertaking building rehabilitation projects: (i) insufficient professional knowledge in organising building rehabilitation works, (ii) inadequate financial resources, and (iii) insufficient organisational capabilities. Over the past two years, the URA has taken a multi-faceted approach in partnership with various stakeholders, including professional institutions and practitioners, to identify solutions to these challenges. Significant progress has been made, and the key achievements are outlined below:

Building Rehabilitation Resource Centre (BRRC)

The BRRC, located at the second floor of eResidence in Hung Hom, is the first multi-purpose centre providing one-stop building rehabilitation information and supporting services in Hong Kong. With multimedia displays and digital technology filling an area of 7,500 square feet, the BRRC aims to promote the importance of building rehabilitation to visitors in interactive ways. Additionally, meeting rooms are available for owners' corporations (OCs) to convene meetings to discuss matters on building rehabilitation works. Following its soft opening in April 2023, over 30 guided tours have been arranged for various stakeholder groups. Upon its full opening to the general public in July 2023, the BRRC will offer online video consultation services to support building owners on their applications for assistance and subsidy schemes.



The first-in-Hong-Kong Building Rehabilitation Resource Centre provides owners with one-stop building rehabilitation information and support.

(Below left) Owners can apply for various building rehabilitation subsidy schemes through online video consultation with URA staff at the centre.





(Left) In the designated area at Kowloon City where URA has commenced a three-year District-based Rehabilitation Pilot Scheme, owners of single-block old buildings (right) attend a briefing session on joint property management, with the hope to improve building management and thus their living environment by jointly hiring a single property management company at a more economical price.

Kowloon City District-based Rehabilitation Pilot Scheme

During the year, the URA has forged ahead with the Integrated Approach to urban regeneration by taking forward rehabilitation and revitalisation initiatives in Kowloon City to improve the built environment. A small pilot area of 40 buildings from Nam Kok Road to Tak Ku Ling Road was mapped out as the testing ground for various 'planning-led' and 'district-based' rehabilitation initiatives and promotion strategies. An operation model/roadmap for testing out joint property management (JPM) was agreed with two property management organisations in 2022 to provide services to single-block buildings without property managers, thereby achieving economies of scale.

In October 2022, a 'district-based' promotion programme was launched with extensive effort in introducing the URA's special assistance for owners in the pilot area, including subsidies in facilitating building rehabilitation and face-lifting of external walls, the start-up interest subsidy offered upon the establishment of maintenance funds, as well as the assistance to small-scale structural repairs within owners' units. Following the promotion of building rehabilitation schemes to all buildings in the pilot area by the end of June 2023, alongside the introduction of the benefits of forming an OC to the three-nil buildings (that are buildings which do not have OCs nor any form of residents' organisations, and have not engaged property management companies), six buildings have applied to join the rehabilitation schemes, among them two three-nil buildings have successfully formed their OCs to facilitate the implementation of rehabilitation works.

Going forward, the URA will assist those building owners with an interest in building rehabilitation to engage project consultants for the implementation works, while providing maintenance plans for buildings without immediate repair needs through work consultants. Experiences derived from the implementation of the District-based Rehabilitation Pilot Scheme in Kowloon City will serve as a reference for fostering building rehabilitation in other focus areas in the future.

New preventive maintenance measures

After the successful trial applications of maintenance manual and maintenance plan templates in the four URA's rehousing blocks, eResidence and Kai Tak project in the past year, the URA has taken a further step to promote preventive maintenance covering periodic inspection of buildings and regular contributions from owners to a special fund for future maintenance. In addition to including relevant clauses in the draft Deed of Mutual Covenant (DMC) of the eResidence Tower Three Starter Homes project, which is set for launch in September 2023, the URA will also provide a start-up fund to encourage owners to keep making contributions to the special fund for future maintenance. The relevant clauses would be recommended for consideration and adoption in the Government's DMC guidelines and Home Affairs Department's Codes of Practice in the near future.

Our advocacy of preventive maintenance has become stronger by joining forces with different stakeholders, including the Property Management Services Authority, the Hong Kong Institute of Housing and other property management associations. Following the ten seminars conducted for property management associations and companies in 2022/23, there will be ongoing promotions in the next year targeting major stakeholder groups to foster the adoption of various preventive maintenance measures.



#terracedfields #restructuring #optimisinglanduse

Redevelopment of old urban areas is likened to the building of terraced fields. The potential of sloping land can be optimised upon development to create multiple functional and aesthetic advantages, bringing benefits to the community.

REDEVELOPMENT

URA's redevelopment efforts continued in the past year unabated by the pandemic. Parts of the Kowloon City district will be transformed under three new regeneration projects breathing fresh life into the dilapidated area. With the addition of the Queen's Road West/Kwai Heung Street Project (C&W-007) launched during the year, these four redevelopment initiatives will yield a total of over 6,760 new flats.



Setting aside new housing supply, our holistic 'planning-led' and 'district-based' strategy continues to bring abundant planning and community gains to the old districts through replanning and restructuring of land.

By unlocking the development potential of under-utilised land, not only will the walkability and connectivity of the areas be improved with wider open spaces and passageways, community facilities will also be reprovisioned and upgraded under a 'Single Site, Multiple Uses' approach. Meanwhile, the URA will continue to adopt the Integrated Approach to enliven the renewed districts through rehabilitation and revitalisation, with a view to injecting vibrancy into these areas.

Projects Commenced in 2022/23

Ming Lun Street/Ma Tau Kok Road Project (KC-018) and To Kwa Wan Road/Ma Tau Kok Road Project (KC-019)

To realise the vision of the 'planning-led, district-based' approach to urban renewal, the two projects were commenced in October 2022 under a holistic plan to restructure and replan the land uses of the area to improve the living environment and connectivity to the waterfront.

In KC-018, an area also known as 'Five Streets', the eight-storey buildings covering 101 street numbers are generally aged about 60, without elevators, and in dilapidated conditions. KC-019 covers the redevelopment of two industrial buildings. By incorporating 'Five Streets', the two industrial buildings and the adjoining underused streets in the holistic planning, opportunities to improve the local streetscape and overall living conditions can be optimised, realising an area-wide regeneration of the built environment in the old district.



(Left) A lot of the residents have been distressed by the serious water seepage problem.

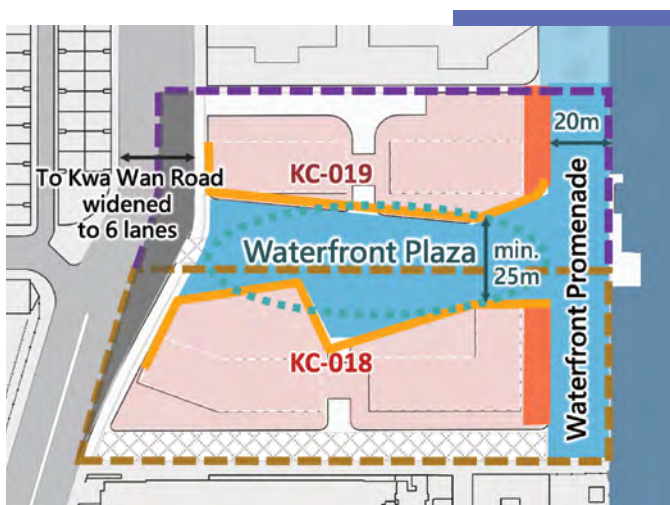


(Right) In the 'Five Streets' area of To Kwa Wan, buildings are generally in the age of 60 years and in dilapidated conditions.

As the project sites are strategically located in the harbourfront area, the URA has incorporated the Government's vision of enhancing the city's harbourfront environment in its comprehensive study. Through holistic replanning of land use, the redevelopment will allow a 20-metre wide setback from the waterfront to create a vibrant space for the waterfront promenade that will connect with a new housing estate under the Hong Kong Housing Society, the adjoining planned waterfront promenade and the Kai Tak Sports Park, enabling a continuous waterfront at the Kowloon East that will help achieve the design objective of shaping a world-class harbourfront.

In addition, through a properly-planned building layout and design, an at-grade waterfront plaza between the residential blocks and the commercial podium will be provided. The plaza, which is at least 25 metres wide, will enhance visual and walkability between the old districts and the waterfront connecting the promenade, and at the same time, provide space to accommodate on-street dining and shops, creating a pleasant atmosphere for public enjoyment.

Besides, the buildings facing To Kwa Wan Road will be set back upon the completion of the projects to provide sufficient space to materialise the Government's intention to widen To Kwa Wan Road from four lanes to six, thereby enhancing the accessibility to the Kai Tak Development Area.



By incorporating 'Five Streets' (brown boundary site), the two industrial buildings (purple boundary site) and the adjoining underused streets in the holistic planning, an area-wide regeneration of the built environment in the old district can be realised.

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For the industrial building redevelopment project of KC-019, the URA is reviewing the policies for acquiring property interests of the units, and studying appropriate arrangements for eligible owners, in order to drive success for the project.

The draft Development Scheme Plans (DSPs) of both projects were published in March 2023 for public inspection for a period of two months. The URA will accord to prevailing policies to issue acquisition offers and compensation to the affected owners and tenants upon the gazette of the approved DSPs by the CE-in-C.



Through the replanning of land use under holistic planning, a portion of the new buildings in KC-018 and KC-019 project area will be set back from the waterfront after redevelopment to make space for a waterfront promenade of about 20 metres wide, with a view to creating a vibrant harbourfront and bringing greater planning benefits to the old district.

Queen's Road West/Kwai Heung Street Project (C&W-007)

Commenced in December 2022, the C&W-007 Project involves the redevelopment of buildings across 15 street numbers. These buildings are currently in poor condition and range from four to six storeys. Along with the redevelopment of these dilapidated structures, the project aims to create synergy with another URA redevelopment initiative nearby at Sung Hing Lane/Kwai Heung Street Project (C&W-005). This will result in greater planning benefits for the community, including the restructuring of land use, the reshaping of urban green areas, and improved connectivity.

One of the key improvements that these two projects will bring is an expansion of the existing Sung Hing Lane Children's Playground by over 40%. This will significantly increase the size of the playground while also improving its accessibility from major thoroughfares. Subject to approval from the LCSD, the playground facilities will also be upgraded to modern standards to better cater for the needs of the public.

The URA will extend its efforts beyond the immediate project sites of C&W-005 and C&W-007, and focus on promoting the rehabilitation of buildings in the surrounding areas as part of its Integrated Approach to urban renewal. To this end, the URA will explore various measures, including financial incentives and technical assistance, to support building owners in undertaking rehabilitation works. Drawing on the experience in the Kowloon City Action Area Project, the URA will also investigate the feasibility of carrying out additional district beautification works to create a harmonious cityscape Project, that seamlessly blends the old with the new during the regeneration process.



The Sung Hing Lane Children's Playground is currently enclosed and obscured by surrounding buildings. Upon the completion of C&W-005 and C&W-007 projects, not only will the playground be expanded, but its accessibility from major thoroughfares will also be significantly improved.

The planning procedure of C&W-007 project is expected to take 12 months to complete. It is estimated that acquisition offers to property owners affected by this project will be made in the first half of 2024, subject to the completion of appeal procedures under the Urban Renewal Authority Ordinance (URAO).

Nga Tsin Wai Road/Carpenter Road Project (KC-017)

Composed of a main site, a northern site and an eastern site, KC-017, which was commenced in May 2022, occupies a total area of about 37,000 square metres. With the holistic plan of restructuring and replanning, complemented by the Integrated Approach to urban renewal by ways of redevelopment, rehabilitation, preservation, revitalisation and place-making, the project is set to uplift the living environment and vibrant streetscapes displaying the diverse local cultural and dining character in Kowloon City, in addition to improving traffic conditions and enhancing community facilities. A gateway square between the Lung Shing area and Kai Tak Development Area (KTDA) will also be created to strengthen the connectivity of the old and new districts.



Under the 'Single Site, Multiple Uses' concept, the KC-017 project will provide a new G/IC Complex with modernised facilities and greater community uses.

The northern site at Carpenter Road Park will be replanned to provide a new Government, Institution or Community (G/IC) complex with enhanced community facilities to re-provision the existing Kowloon City Municipal Services Building and the adjoining facilities at the main site under the concept of 'Single Site, Multiple Uses'. The total G/IC floor area proposed together with the main site will be about three times the existing one. The URA will take the lead in the design and implementation of the new G/IC complex, and coordinate with relevant Government bureaux/departments to secure design and funding approvals for construction. The new G/IC complex will be managed and maintained by the Government upon completion, while the Food and Environmental Hygiene Department (FEHD) will be responsible for the liaison with tenants of Kowloon City Market and cooked food centre on the relocation arrangements to the new G/IC complex.

Riding on this opportunity to allow better integration of the new G/IC complex with Carpenter Road Park, the URA will modernise the existing park facilities including a bicycle trail and a jogging path, in addition to restructuring and revitalising the park to improve connectivity between the two areas.

A steering Working Group involving the FEHD, LCSD and Home Affairs Department was set up in June 2022 to develop the design concept of the new G/IC complex at Carpenter Road. Meanwhile, an implementation plan is being formulated for the advanced improvement works at Carpenter Road Park.

The eastern site, which will link to the sunken plaza in the Kai Tak Road/Sa Po Road Project (KC-015) in future, will emerge as a gateway square to connect the KTDA. Through the application of the new planning tool of TPR, a lower development potential is proposed to be kept at the eastern site in order to create an enlarged gateway square with a low-rise retail block as a wide entrance of the Lung Shing area from the KTDA. The remaining development potential of the eastern site will be transferred to the main site to optimise the site development potential.

In October 2022, the TPB published the draft DSP for public inspection for a period of two months. The URA will accord to prevailing policies to issue acquisition offers and compensation to the affected owners and tenants upon the gazette of the approved DSP by the CE-in-C.

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Progress of Ongoing Key Projects

Integrated Projects

Kai Tak Road/Sa Po Road Project (KC-015)

Taking advantage of the implementation of the KC-015 and KC-017, which act as gateways to the Lung Shing area and enhance connectivity and walkability to the KTDA, a holistic integration with their surrounding built environment has been proposed. Streetscape improvements will be implemented in a focus area bounded by Tak Ku Ling Rest Garden, Nga Tsin Wai Road, Nam Kok Road and Prince Edward Road West. Tak Ku Ling Rest Garden will also be revitalised and beautified.

Furthermore, revitalisation of the existing building clusters within the focus area will be implemented through a 'district-based' approach, which includes enhancing the aesthetics of building facades and improving streetscape elements such as shop fronts, canopies, and signage. A cohesive place-making theme and design will be developed to rejuvenate the neighborhood, encompassing both new and old built environments and communities. The URA initiated a public engagement exercise to facilitate the formulation of the design concept. A schematic design for the first phase of the area has been completed and submitted to relevant Government departments for approval (more details on building rehabilitation are covered on page 35 under Kowloon City District-based Rehabilitation Pilot Scheme).



Artist Impression

Under the Integrated Approach, the Tak Ku Ling Road Rest Garden will be revitalised and integrated with the project area of KC-015, KC-017 and the nearby bus stops, providing an improved environment for bus queuing and disembarking.

Queen's Road West/In Ku Lane Project (C&W-006)

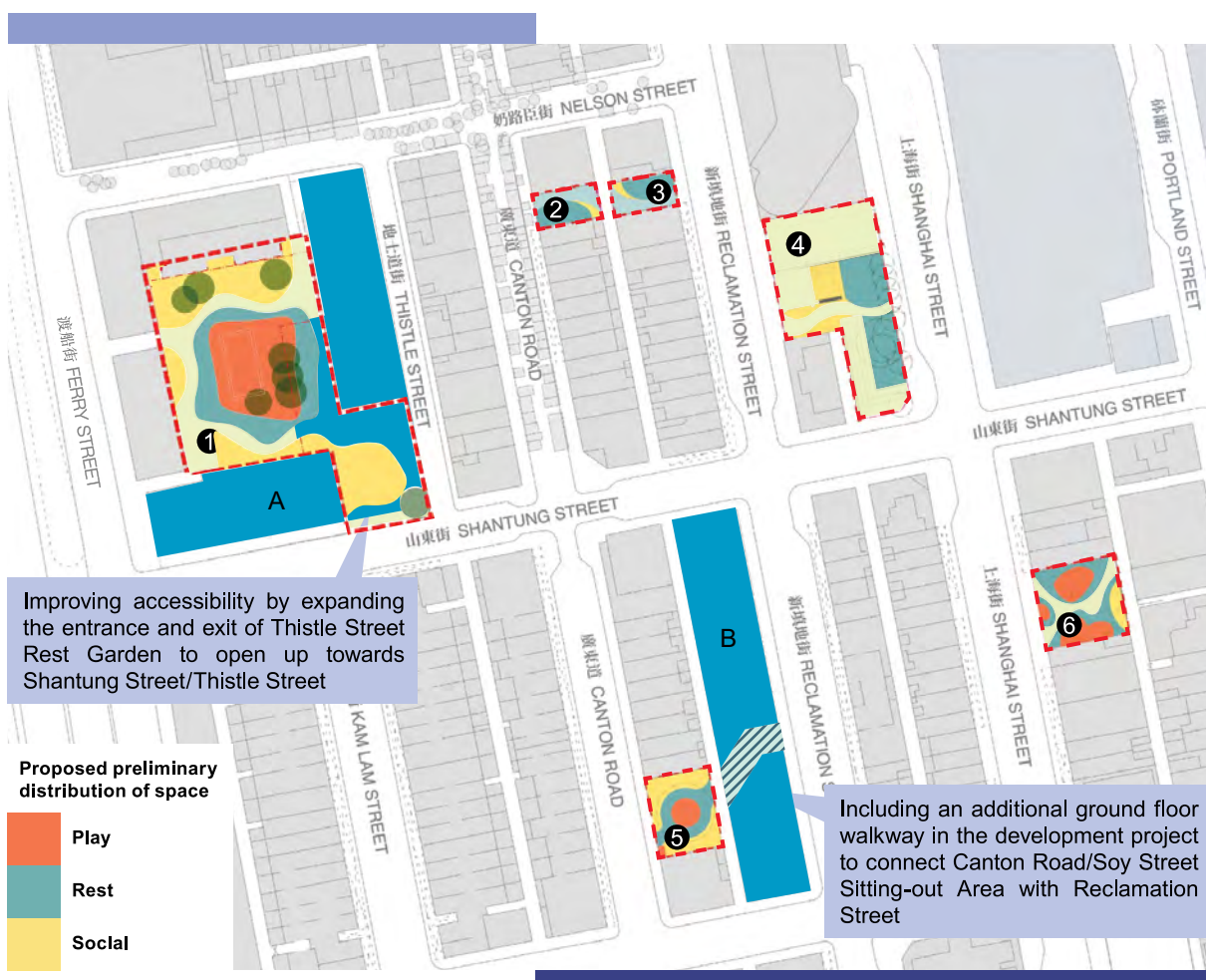
Under a holistic and integrated planning strategy, the URA proposed in 2019 to integrate rehabilitation and revitalisation initiatives with the redevelopment of C&W-006 to create more planning gains for the local community through enhancing the surrounding environment and communal facilities, such as the improvement works at Li Sing Street Playground.

Supported by the Central and Western District Council, community engagement was conducted to solicit stakeholders' views for generating a design theme and concept for the revitalisation of Li Shing Street Playground and the future 'green corridor' which forms part of the public open space. The first phase of improvement works at Li Sing Street Playground was completed with the handover of the basketball court to the LCSD on 31 March 2023. The next phase of improvement works has commenced with completion target in the fourth quarter of 2023. It is envisaged that the revitalised spaces coupled with the planning gains of the adjoining redevelopment project will become an exemplar to showcase the synergistic effects of the integrated urban renewal approach.

Nano-Parks in connection with Reclamation Street/Shantung Street/Thistle Street Project (YTM-010 and YTM-012)

As one of the initiatives proposed under YMDS, the key objective of the Nano-Parks open space system is to re-invent a new open space network through a collaborative community initiative on branding and place-making to connect existing small-sized and scattered parks within walkable distances, thereby creating greater design impacts and opportunities for community enjoyment. A cluster of Nano-Parks near Shantung Street has been identified for pilot implementation with support from the LCSD. Given its proximity to the two URAs ongoing redevelopment projects, YTM-010 and YTM-012, the Integrated Approach was also applied to elevate its renewal effect.

Following the completion of community engagement in September 2022, a schematic design for the first batch of the Nano Parks areas was submitted to Government departments for approval. Site works will commence in batches upon receiving the approval.



- Park location**
1. Restructured and revitalised Thistle Street Rest Garden
 2. Canton Road/Nelson Street Sitting-out Area
 3. Reclamation Street/Nelson Street Sitting-out Area
 4. Shan Tung Street Sitting-out Area
 5. Canton Road/Soy Street Sitting-out Area
 6. Shanghai Street/Shantung Street Sitting-out Area

- The URA's redevelopment projects**
- A. The Shantung Street/Thistle Street Development Scheme (YTM-012)
 - B. The Reclamation Street/ Shantung Street Development Project (YTM-010)
- Proposed addition of ground floor walkway**

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Other Projects

Kim Shin Lane/Fuk Wa Street Project (SSP-017) and Cheung Wah Street/Cheung Sha Wan Road Project (SSP-018)

The URA commenced two projects, SSP-017 and SSP-018, in September 2021 with aims to fully utilise land resources that cover both the Government land and the adjoining Kim Shin Lane building clusters, as well as to bring more planning benefits through restructuring the layout of both sites. The Secretary for Development authorised the URA to proceed with SSP-017 in June 2022. The decision, after the dismissal of an appeal, was published in the Gazette in February 2023. Acquisition offers were issued in April 2023, and upon their expiration in June 2023, property owners of 84% of the 830 property interests accepted the acquisition offer.

As for SSP-018, the DSP was approved by the CE-in-C in February 2023. Under the scheme, a new Government complex will be provided for the re-provisioning of community facilities including the Cheung Sha Wan Sports Centre affected by the redevelopment. In this regard, the URA has been working closely with relevant Government bureaux/departments to implement the project, and a technical feasibility study was completed in mid-2023 for the Government's approval to prepare the cost estimates for the construction of the Government complex in the coming financial year.

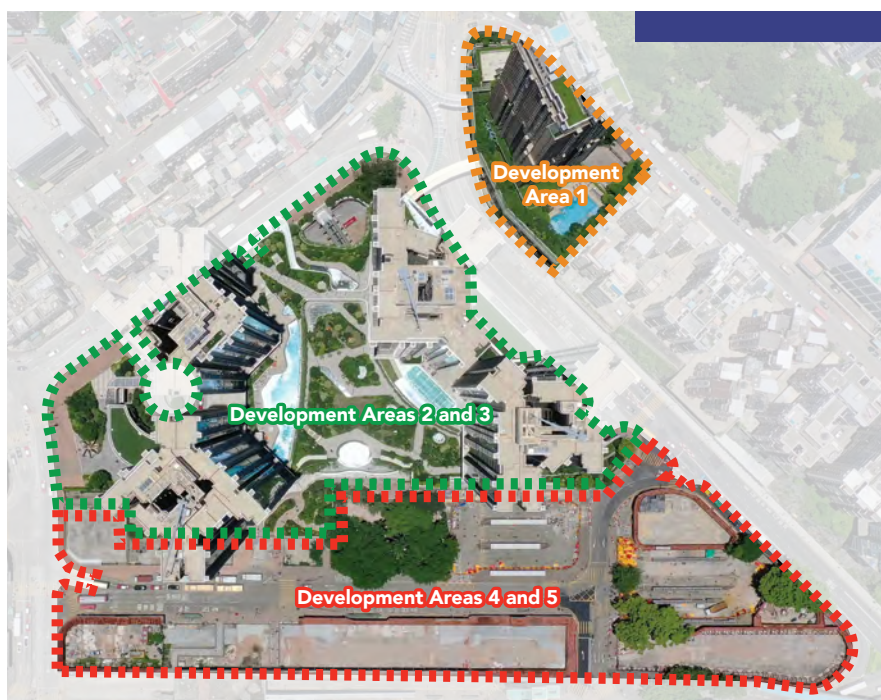
Kwun Tong Town Centre Project (K7)

K7 covers a total site area of 5.3 hectares and was inhabited by 1,300 households prior to its redevelopment. The project was divided in five Development Areas (DAs) which were implemented in phases. DA 1 at Yuet Wah Street (Park Metropolitan) and DAs 2 & 3 (Grand Central) have been completed and new residents have moved into the redeveloped towers. The Yue Man Square Public Transport Interchange in DAs 2 & 3 commenced operation in April 2021. It is Hong Kong's first Public Transport Interchange with an indoor air-conditioned bus waiting area.

Demolition works at DAs 4 & 5 were completed in April 2022. To cope with uncertainties brought by the pandemic and the latest market sentiment, the URA initiated a pilot arrangement of 'floating planning parameters' in pursuing the Joint Venture (JV) tender of DAs 4 & 5 in K7. The pilot arrangement would provide the JV developer with the flexibility to determine the actual Gross Floor Area (GFA) within specified ranges for retail, office and hotel uses on the condition that the total GFA would remain unchanged. TPB's approval for the 'floating planning parameters' was obtained in September 2022, followed by the issue of tender invitation in November 2022.

Progress of Kwun Tong Town Centre Project

- Development Area 1: completed
- Development Areas 2 and 3: residential site, Yue Man Square and Public Transport Interchange completed
- Development Areas 4 and 5: demolition works completed



Despite the URA's efforts to increase flexibility in the planning parameters, only one tender offer was received upon tender closing in January 2023 due to unfavourable market conditions. The URA Board, having considered the recommendation provided by the Tender Review Panel, decided to withdraw the tender invitation.

To take forward the project, a mixed-use development mode modelling the planning concept of 'vertical city' has been introduced. The concept entails the integration of multiple uses including domestic uses into a vertical environment to optimise its land potential at the strategic location, aiming to maintain the role of K7 as the future Kwun Tong Town Centre and to elevate its significance from the district to the city level. The development mix will include both residential and commercial uses which encompass flexibility under the 'floating planning parameters' to cope with changing market circumstances. The URA has been working with the Planning Department to submit the rezoning application for the TPB's consideration targeted by the third quarter of 2023.

During the course of undertaking relevant planning procedures, the URA has liaised with relevant Government departments to apply for temporary and short-term uses of the Government land at the project site to serve the local community. In April 2023, approval was granted for the temporary uses of the Government land and the first activity to promote skateboarding was launched with free workshops offered to the public. In view of the need to refurbish the area and upgrade the provisions at the site in May 2023, the Government has also approved URA's application for its short-term uses as a 'free space' for public enjoyment. A survey was conducted in Kwun Tong in June 2023 to gauge public views on the use of the free space.



Activities including skateboarding, exercise biking and canoeing are organised in the temporary 'free space' in the Development Area 4 and 5 of Kwun Tong Town Centre Project for members of the public to experience different kinds of sports.

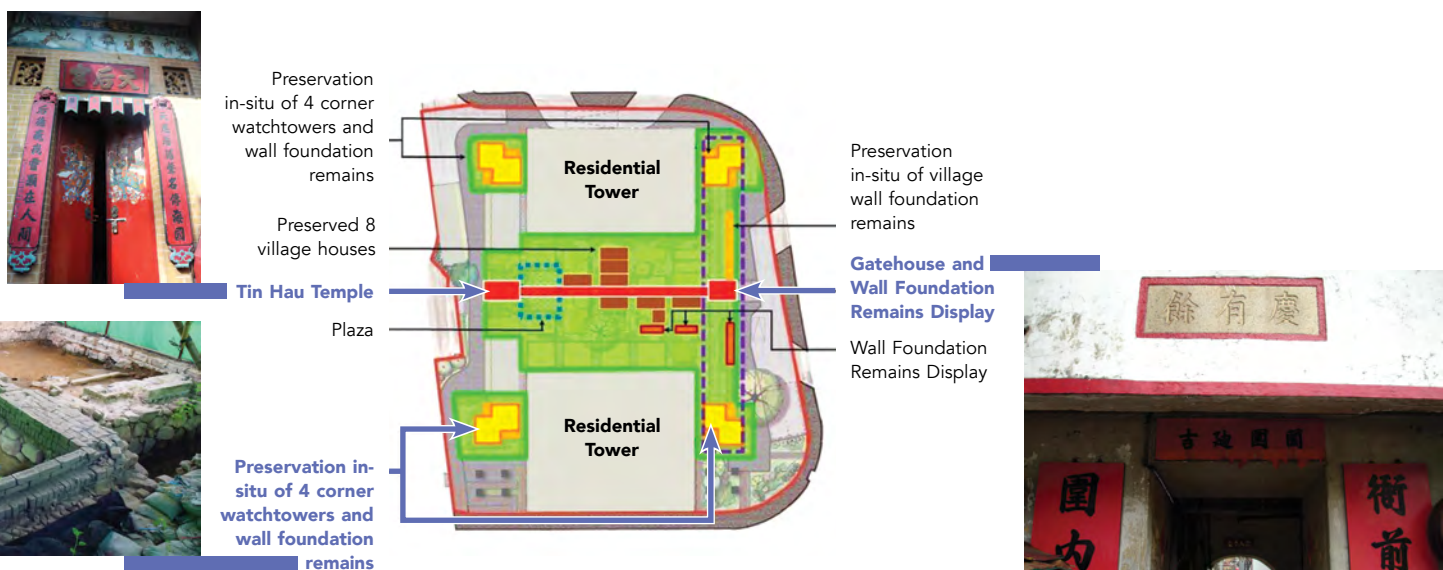


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Nga Tsin Wai Village Project (K1)

A conservation-led development approach was adopted for the project. Taking into account the foundation remains of old village walls and watchtowers at some excavated locations, and based on the findings from further excavation and field investigation works conducted between 2019 and 2021, an enhanced conservation proposal for K1 as a redevelopment and preservation project was put forward and presented to the Antiquities Advisory Board in December 2022. The land lease for the development of the project was granted by the Lands Department in June 2023. According to the enhanced conservation proposal, rescue excavation for the project site shall be carried out prior to the commencement of construction works. Also, a Conservation Park will be built at the project site to showcase the preserved archaeological elements.

Conservation Proposal of Nga Tsin Wai Village Project



Civil Servants' Co-operative Building Society (CBS) Projects

The two pilot projects to redevelop CBS buildings, namely CBS-1:KC at Shing Tak Street/Ma Tau Chung Road and CBS-2:KC at Kau Pui Lung Road/Chi Kiang Street, have made remarkable progress. The site clearance of CBS-1:KC was completed in March 2023 while demolition works for some buildings were commenced in January 2023. As for CBS-2:KC, among the nine CBSs pending dissolution at the time of project commencement, one CBS has successfully dissolved and its ex-members became owners of their flats in October 2022 through the URA's legal and administrative assistance. As of 30 June 2023, applications for the dissolution of the other five CBSs have been submitted while members of the remaining three CBSs are being engaged.

CBS-1:KC will enter the next phase of redevelopment upon the issuance of land grant. For CBS-2:KC, a planning proposal to provide 950 Starter Homes (SH) units to support the Government's subsidised sales flats initiatives has been submitted.



Former CBS members of the Maine Co-operative Building Society in CBS-2:KC Project attend the ceremony to witness the dissolution of their CBS.

Cleared and Tendered Projects

The keen pursuit of project site clearance and tendering continued in 2022/23 to sustain the pace of urban renewal. As of 30 June 2023, site clearance was completed for three project sites, covering C&W-006 at Queen's Road West/In Ku Lane, KC-014 at Wing Kwong Street/Sung On Street and CBS-1:KC at Shing Tak Street/Ma Tau Chung Road. Three JV tenders were awarded for C&W-005 Project at Sung Hing Lane/Kwai Heung Street, C&W-006 and KC-014 Projects.

Responding to Redevelopment Request from Owners

Under the Urban Renewal Strategy, the URA may respond to a joint approach from building owners to initiate redevelopment of their buildings.

Owners Opinion Survey

In 2021/22, a new approach to the Demand-led concept was explored under the Preliminary Project Feasibility Study for Sai Wan Ho through conducting an opinion survey with owners in the study area to solicit their views on urban renewal initiatives covering redevelopment, rehabilitation and retrofitting. Results are being analysed and will be incorporated during the formulation of the Master Urban Renewal Plan.

Facilitating Services (FS) Scheme

Through the Urban Redevelopment Facilitating Services Company Limited (URFSL), a wholly-owned subsidiary of the URA, the FS scheme has been running since 2011 to facilitate interested property owners in a building to assemble their titles and jointly sell their properties in the market. After conducting an internal review in 2021/22, it was concluded that without changing the current application requirements, priority should be given to sites that would be beneficial to the urban renewal process and that planning gains should be a major factor for consideration when selecting sites for the future provision of the joint sale services. The URFSL is currently providing assistance to interested owners of several potential sites on their applications for the joint sale scheme.

Since 2021, the URFSL has also launched a new service to facilitate the redevelopment of under-utilised non-governmental organisation (NGO) sites under the 'Single Site, Multiple Uses' model (more details are covered on page 47 under 'Single Site, Multiple Uses' for NGO Sites). At the same time, the URFSL is also offering free facilitating services to members of undissolved CBSs affected by the URA's projects to help them obtain legal titles of their flats through the dissolution of the CBSs. In 2022/23, the URFSL engaged with nine CBS buildings at CBS-2:KC and successfully facilitated one of them to dissolve. URFSL will continue the engagement work to facilitate the dissolution of the remaining CBSs for the smooth implementation of the CBS-2:KC project.

Flat-for-Flat (FFF) Arrangement

Since FFF introduction in 2011, the FFF arrangement has been offered to affected owners in 30 redevelopment projects. Domestic owner-occupiers in these projects were offered an option to purchase in-situ FFF units in the respective redevelopment sites, or FFF units in other selected URA development projects including the Kai Tak Development. Up to June 2023, a total of 49 flat owners have taken up the FFF offers, comprising 42 units in the Kai Tak Development and seven in-situ units.

OPERATING REVIEW

Policy Address Initiatives

District Studies

As per the Government's invitation in the 2021 Policy Address, the URA has taken on the task to conduct district planning studies for the old districts of Tsuen Wan and Sham Shui Po aiming to map out blueprints for urban renewal.

The district studies on Sham Shui Po (SSPDS) and Tsuen Wan (TWDS), which comprise works of baseline review, identification of opportunities and constraints, plan formation and technical assessment, commenced in August and November 2022 respectively. The baseline review report of SSPDS was completed in April 2023 with urban renewal opportunity areas identified for developing the master renewal plan, while the baseline review of TWDS will be completed in 2023/24. Views from owners, tenants and relevant stakeholders in the two districts are being collected or have been collected through surveys and interviews. Meanwhile, special studies aiming to examine particular topics such as the local culture and character streets in Sham Shui Po as well as the multi-level pedestrian network and territorial density review in Tsuen Wan, will be undertaken. The URA will work with the Government to take forward the restructuring and replanning proposals as recommended in the studies. New planning tools proposed in YMDS would be adopted as appropriate in the SSPDS and TWDS, subject to market response upon their implementation.

Starter Homes (SH) Projects

eResidence Tower Three

In response to the Policy Address which entrusted the URA with a new mission to actively provide more SH units in its redevelopment projects, the URA designated its Chun Tin Street/Sung Chi Street Project (eResidence Tower Three) as its second SH project providing about 260 units.

The URA has applied for pre-sale consent for eResidence Tower Three, while expediting all associated sales processes, including the handling of applications, eligibility assessments, preparation of sales brochures, and establishment of sales offices and show flats. Meanwhile, the URA has appointed an independent surveyor to assess the market values of the SH units. Having regard to the affordability of potential applicants, the assessed market values and the financial viability of the URA, a proposal on the discount rate and discounted selling prices of the SH units will be put forth for seeking Government approval. The SH units will be open for application in September 2023 upon receiving the Government's approval.

Redevelopment of Tai Hang Sai Estate (THSE)

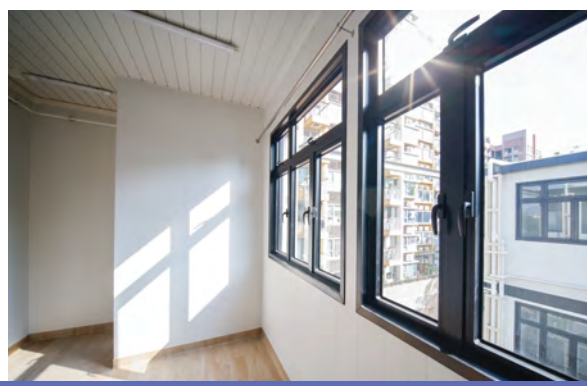
Following the announcement in the 2020 Policy Address, the Hong Kong Settlers Housing Corporation Limited (HKSHCL) and the URA signed a Memorandum of Understanding in March 2021 to take forward the redevelopment of THSE. The Government approved in September 2021 the joint redevelopment proposal by the HKSHCL and URA on the condition that the HKSHCL will provide proper rehousing arrangements for existing tenants. The TPB approved in December 2021 the planning application which involves further enhancements on flat supply and planning gains.

The redevelopment of THSE is being implemented in two portions, namely Sites 1 and 2, providing a total of about 3,300 new flats upon completion. Site 1 will provide about 1,300 units for HKSHCL to rehouse their existing residents while Site 2 will provide about 2,000 SH units to be disposed of by the URA. Opportunities will be taken to generate additional planning gains, such as increased provisions of G/IC facilities and public open space, and better connectivity with nearby transportation facilities for the benefit of the local community.

The Project Implementation Agreement was executed with the HKSHCL in May 2023. Rehousing offers were issued by the HKSHCL in June 2023. Depending on the progress of tenants' rehousing implementation and vacation of premises, demolition and construction works will commence accordingly in a timely manner.

Assisting NGOs in Developing Transitional Housing (TH)

The task of assisting NGOs in developing transitional housing has been accomplished. In the collaborative project with Yan Oi Tong to provide 410 transitional housing (TH) units in the Yan Oi House in Hung Shui Kiu, the URA rendered support in project planning, design and construction. Featuring a customised design of a 'horizontal' layout which enables better natural lighting and ventilation, the modular units were successfully installed using the Concrete Modular Integrated Construction (MiC) method. The project management fee received by the URA was also given back to the community by providing six kinds of communal and community facilities for the residents, so as to improve their living environment. Following the completion of construction in June 2023, Yan Oi Tong then commenced the tenancy management work while facilitating the move-in of residents to provide a better living environment to those needy families awaiting public housing.



(Above) Exterior view of Yan Oi House. The use of MiC construction method in this project has effectively shortened the construction time from 14 to 12 months.

(Above right) The horizontal layout design for flat units enables the inclusion of larger windows, facilitating natural lighting and ventilation.

(Below right) Each flat unit features a bathroom and an enclosed kitchen that are furnished with windows.



'Single Site, Multiple Uses' for NGO Sites

In response to the 2019 Policy Address inviting the URA to offer consultancy and facilitating services to NGOs in pursuing redevelopment initiatives under the 'Single Site, Multiple Uses' model, a facilitation scheme was launched in January 2021 by the URA who acts as a consultant to facilitate NGOs to optimise their under-utilised sites.

Up to June 2023, enquiries from 29 NGOs have been received with four of them having submitted their applications. Two of the applicants, one with the NGO site in Tuen Mun and the other in Sham Shui Po, were considered eligible and the final assessment reports as required under the scheme were issued by the URA to the respective NGOs in March 2023. The URA and the concerned NGOs are reviewing the benefits and financial implications involved, while assessment is being made on whether redevelopment projects, making use of the two NGO sites, could be taken forward. The two remaining applications were turned down due to their ineligibility for the scheme.



#preventivemaintenance #buildingrehabilitation #pruning #arborist

If given proper care and rehabilitation, the lifespan of both buildings and trees can exceed 100 years - pruning in the latter case.

REHABILITATION AND RETROFITTING

Cities and housing can be viewed as living organisms; like trees, they can become frail and deteriorate over time if left to age without proper care.



One of the URA's mandates is to encourage and incentivise building owners to undertake rehabilitation of their properties so as to arrest urban decay.

Maintaining good condition of their buildings is every owner's responsibility. Notwithstanding the challenges of changing the public's perception of property maintenance, we spare no effort in boosting public awareness of not just the need for building rehabilitation, but also the value to be derived from it. Apart from administering various subsidy schemes, one new initiative we introduced last year was the establishment of Hong Kong's first Building Rehabilitation Resource Centre, providing one-stop building rehabilitation information and assistance services.

Building Rehabilitation Subsidy Schemes

The URA pressed ahead with its rehabilitation efforts through the administration of various building rehabilitation subsidy schemes. Being the sole organisation to administer all Government subsidy schemes across Hong Kong involving over HK\$19 billion in total, the URA provides not only financial assistance to eligible owners but also technical support for their building rehabilitation works.

Following the success of the first and second rounds of Operation Building Bright 2.0 (OBB 2.0) and Fire Safety Improvement Works Subsidy Scheme (FSWS), the URA launched the third round of applications in April 2023 for both schemes. The application criteria for the third round of OBB 2.0 have been relaxed to encourage more buildings to participate. Subject to the maximum rateable value limits, all domestic or composite buildings aged 40 years or above are now eligible to apply. Meanwhile, buildings aged 30 to 39 years with outstanding Mandatory Building Inspection Scheme (MBIS) notices are also eligible. While the deadline for the third round of application is 30 September 2023, the URA has so far received very positive responses from building owners to both schemes.

To expedite the application process of the subsidy schemes, the URA has implemented new measures to assist owners to commence the rehabilitation works as soon as possible. Approval-in-principles (AIPs) are issued to eligible applicants in batches so that the relevant works can be organised and commenced promptly. To speed up the process further, Replacement AIPs¹ (RAIPs) and Conditional AIPs (CAIPs)² are being issued so that the application cases waiting in line can be processed with more flexibility.



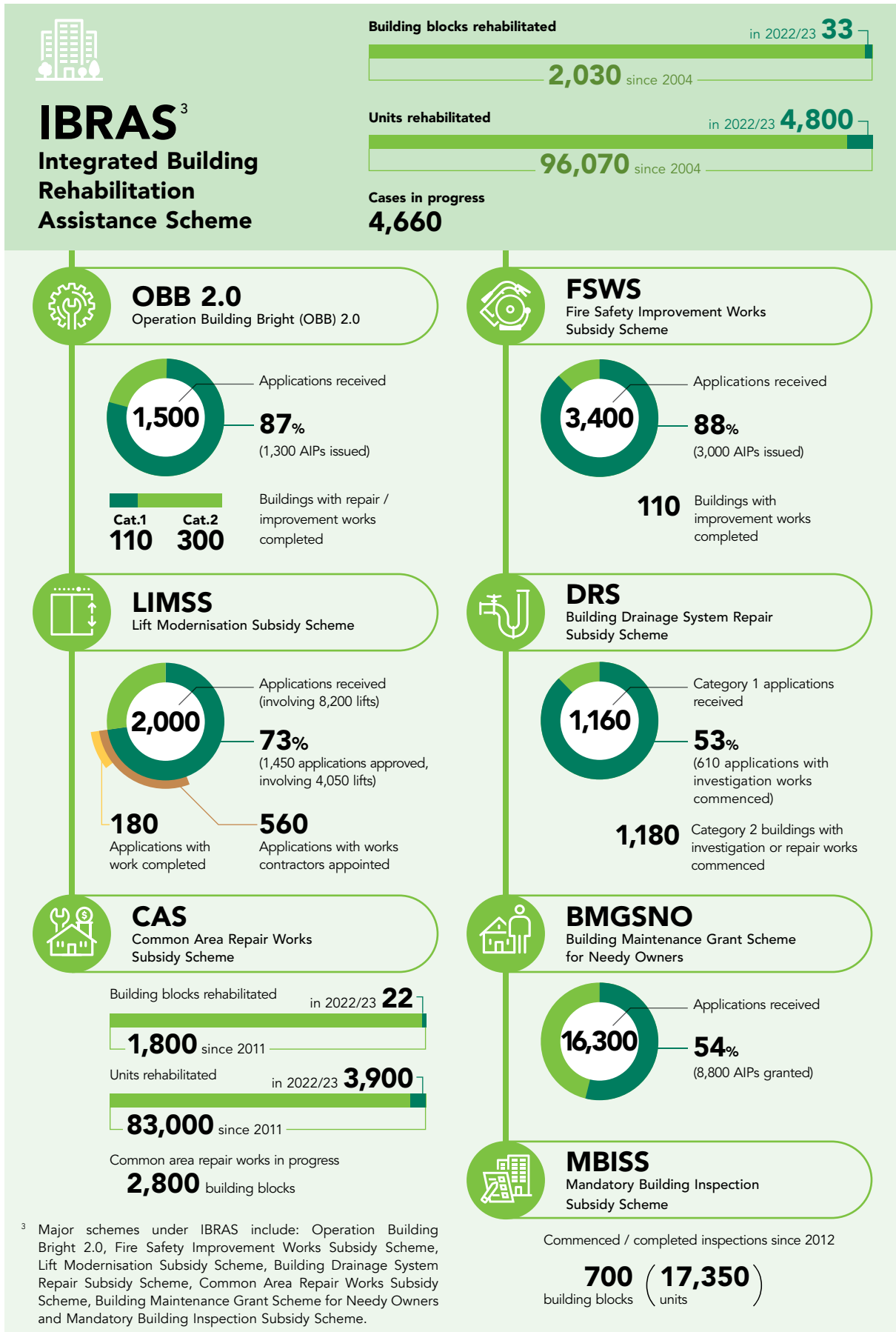
The new building rehabilitation office located at Yu Chau West Street, Cheung Sha Wan, provides one-stop services to the public from making general enquiries, applying for various building rehabilitation schemes, to submitting their applications by placing in the drop-off box at the office.



¹ Replacement AIP ('RAIP'): To avoid price escalation due to high market demand of works and services, all applications are prioritised into batches according to a set of risk determination criteria. Following the prioritisation order in each batch, applications submitted with required documents will be issued with AIPs and approached for assistance in organising rehabilitation works. Nevertheless, there are 'sluggish application cases' that fail to submit the required documents despite repeated reminders. To expedite the overall building rehabilitation process, applications in latter batches with required documents readily submitted will be issued RAIPs to replace the 'sluggish application cases' in earlier batches.

² Conditional AIP ('CAIP'): When the pre-determined number of applicants to be approached in each batch cannot be met after issuing AIPs and RAIPs, the 'sluggish application cases' will be issued with CAIPs on the condition that the required documents would be submitted within a prescribed period.

Progress of Various Building Rehabilitation Subsidy Schemes (up to 30 June 2023)



Equipping Owners with Professional Assistance and Technical Knowledge

'Smart Tender' Building Rehabilitation Facilitating Services Scheme (Smart Tender)

Launched in 2016, Smart Tender provides technical support to private building owners' corporations (OCs) in conducting rehabilitation works with the aim of reducing the risk of bid rigging during the procurement of consultants and works contractors. Successful applicants of the scheme can access an electronic tendering platform and receive advices from independent professionals for their procurement process. Currently, the scheme covers the procurement of consultants, registered general building contractors, registered minor works contractors, registered fire service installation contractors and registered lift contractors. Since its launch, approximately 3,000 OCs have utilised the scheme for the procurement needs of their rehabilitation works.

Apart from Smart Tender, the URA also launched a free-of-charge and independent e-tendering platform in 2021 to allow OCs and/or Deeds of Mutual Covenant (DMC) managers of domestic and non-domestic buildings to carry out procurements for their rehabilitation works.

3,000 cases
have utilised Smart
Tender since 2016

Building Rehabilitation Platform (BRP) and New Features

The BRP (<https://www.brplatform.org.hk>) is an all-in-one platform providing comprehensive information and tools on building rehabilitation for use by building owners. The BRP contains a guidebook, which is available for download with a broad range of information on building rehabilitation preparatory work, the appointment of consultants and contractors, as well as monitoring of works. The public can also access over 50 trilingual videos on rehabilitation information from the BRP. In addition, a total of 18 sets of sample tender and contract documents for the procurement of consultants and contractors are available for owners to adopt and use for rehabilitation projects of their buildings. The BRP also provides a Cost Reference Centre showing rehabilitation costs information with breakdown on work items collected from recently completed rehabilitation works.

The Building Rehabilitation Company Registration Scheme (BRCRS) was introduced recently to further assist building owners in selecting consultant or contractor for their rehabilitation works. Databases of consultants and contractors who have expressed interests in providing rehabilitation services and possess the basic capability for carrying out rehabilitation works with inhouse quality management systems are published on the BRCRS by phases for users' reference. The databases for Authorised Persons/Registered Inspectors and Registered General Building Contractors were launched in March and August 2022 respectively, providing a one-stop platform for owners to search for service providers. The database will be expanded to cover Registered Minor Works Contractors and Registered Fire Service Installation Contractors in the near future.

In recognition of its inclusive and accessible design to serve people with and without disabilities, the BRP website was awarded the Gold Award in the Web Accessibility Recognition Scheme organised by the Hong Kong Internet Registration Corporation Limited in 2020/21 and 2022/23. More public opinions on the functionality of the BRP will be garnered through online surveys in 2023/24.

Retrofitting Projects

Ex-Mong Kok Market Building (Ex-MKM)

The URA will retrofit the Ex-MKM into an interim District Health Centre (DHC) to be operated by the Health Bureau (HB) after completion. The detailed design was completed to the satisfaction of HB and retrofitting works were commenced in March 2023 with target completion in early 2025 to meet HB's operational requirement. As agreed with HB, the permanent DHC will be provided in a new building complex of multiple uses comprising G/IC facilities, office, retail and an underground public car park within one of the URA's project sites identified from YMDS.



The ex-Mong Kok Market Building will be retrofitted into an interim District Health Centre for completion in early 2025.



#butterfly #transformation #preservation #revitalisation

A butterfly emerges from its chrysalis, symbolising the completion of its transformation process and breathing new life into its original form – one of our notions of preservation and revitalisation.

PRESERVATION AND REVITALISATION

Public awareness of and demand for preservation of Hong Kong's heritage has grown significantly over the years. For many elderly people, old buildings and spaces around us are important emotional anchors and sources of collective memories; while historical structures are also heritage treasure to many of the younger generation for connecting with their roots.

Heritage preservation is rightly designated as one of the five pillars of our urban regeneration efforts.



At the URA, we not only focus on the preservation of heritage buildings, but also attach importance to their adaptive reuse and new social functions.

These efforts, together with place-making initiatives, will breathe new life and inject vibrancy into old districts for public enjoyment across generations.

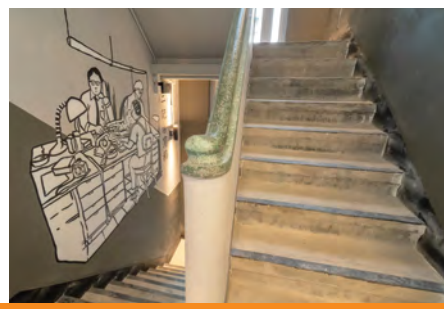
Community Making at Staunton Street/Wing Lee Street Neighbourhood, Sheung Wan (H19) (With 88-90 Staunton Street as Grade II Historic Building)

In line with the 2018 Policy Address which outlined the vision of revitalising building clusters with special character and urban fabric under H19, the URA conducted various stakeholder engagements and completed a Community Making Study for the H19 neighbourhood.

Taken into consideration local views and aspirations in the Community Making Study, the revitalisation works of the URA's acquired buildings in H19 were completed in February 2023. The domestic units in the revitalised buildings will be put to adaptive reuse as co-living spaces with common rooms and community farms under the management of the co-living operator(s) targeted to be appointed in the latter half of 2023. Concurrently, the URA has formed partnerships with buildings in the neighbourhood to promote and encourage rehabilitation works to improve the built environment. With its commitment to community engagement and community making, H19 clinched the Gold Rating in the BEAM Plus Neighbourhood category in 2022, being the first private residential additions and alterations (A&A)/revitalisation project to receive such recognition (more details are covered on page 62 in Corporate Sustainability section).



Apart from rehabilitating the nine acquired buildings at Staunton Street and Wa In Fong West and preserving their historical elements, URA has also incorporated artistic elements of the newspaper and printing industry in the revitalisation work to highlight the local characteristics of the area.



OPERATING REVIEW

Central Market (Grade III Historic Building)

After a series of place-making and promotional initiatives, Central Market has become a new landmark widely welcomed by visitors, epitomising the themes of 'Approachable', 'Energetic' and 'Gregarious' in its overall presentation.

Since the full opening of Central Market to the public in April 2022, its visitor figure has reached a record high of over 20 million. About 1,400 events and workshops have been organised, ranging from intergenerational, educational, innovation, social inclusion, environment, art and cultural programmes. In 2022/23, Central Market won five awards for its efforts in balancing the goals of conservation and revitalisation as well as the provision of quality building (more details as covered on page 58 in the Corporate Sustainability section).



Since its full opening in 2022, Central Market has become a 'Playground for All' filled with a variety of events, attracting visitors from all walks of life and across generations.

Western Market (Declared Monument)

The Government in 2021/22 granted a five-year 'hold-over' of the land lease for the URA to undertake repair and renovation works of Western Market. To develop a long-term implementation strategy for revitalising the Western Market, a series of engagement works with existing cloth traders as well as a detailed condition survey of some key building elements and works programme are under preparation. Subject to the appointment of a suitable consultant, the condition survey, which will include consultation with the Antiquities and Monuments Office, will be conducted in 2023/24.

M7 (Grade II Historic Buildings)

In 2021/22, 7 Mallery Street was rebranded as 'M7' with a new logo, along with a revamp of its spatial uses, tenant mix and activity programmes. Promotional and community outreach programmes have been launched since 2022, including M7's social media promotions, a site promotional campaign on pixel art, a series of heritage workshops on the exchanges between new and old generations, and enlistment of new tenants in offering new visitor experiences and community services. During the year, over 100 activities including exhibitions, performances and workshops were held in indoor and outdoor areas, attracting over 800,000 visitors.



M7, with its theme of 'Culture Meets Community', organises a variety of arts and cultural activities such as musical performance for public enjoyment.

618 Shanghai Street (Grade II Historic Buildings)

Opened in November 2019, 618 Shanghai Street has been developed into a heritage destination featuring community, innovation and creativity. All shops were leased to restaurants and retail operators, aiming to accentuate the unique historical character of the area and the preserved building cluster while serving the needs of the local community. In 2022/23, over 70 recreational, cultural and community events took place to support the younger generation not only in their creative endeavours but also in the appreciation of local heritage among their peers and social networks.



Enriched with different kinds of cultural activities including seminars, exhibitions and weekend market events, 618 Shanghai Street has become a popular place among the younger generation.



Mong Kok Streetscape Improvement

In 2022/23, the URA continued to work with relevant Government departments to enhance the local streetscape, ambience and attractiveness of five themed streets in Mong Kok, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street, with due regard to their unique characteristics. Improvement works at Flower Market Road were completed while improvement works at Tung Choi Street were taken up by Government departments. The remaining works at Nelson Street, Sai Yee Street and Fa Yuen Street are being conducted in two phases. Phase One works were completed in February 2023 while Phase Two works were commenced in August 2022 for completion targeted in the first quarter of 2024.

Place-making Initiatives

The URA placed strong efforts in pursuing place-making initiatives in three of its completed projects, located within the same locality in the Central and Western District, namely The Center (H6), the Peel Street/Graham Street Project (H18) and Central Market forming a 'community triangle' under the 'CONET'⁴ concept. In 2022/23, about 40 events were organised by community groups at the exhibition space of H6 CONET, with the average number of visitors reaching around 4,600 on a weekday. With the full opening of Central Market in 2022, more than 10 workshops on arts and craftsmanship by Central Market were held at H6 CONET for generating more community interest and creating synergy between the nodal points under the 'community triangle'.

⁴ The name CONET stands for Community, Open space and NETwork.