

**立法會**  
**Legislative Council**

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**Panel on Planning, Lands and Works**

**Minutes of special meeting**  
**held on Monday, 24 September 2007 at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon CHOY So-yuk, JP  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Albert CHAN Wai-yip  
Hon Vincent FANG Kang, JP  
Hon LEE Wing-tat  
Hon LI Kwok-ying, MH, JP  
Hon Daniel LAM Wai-keung, SBS, JP  
Dr Hon KWOK Ka-ki

**Members attending** : Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon CHAN Yuen-han, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon WONG Kwok-hing, MH  
Dr Hon Fernando CHEUNG Chiu-hung

**Members absent** : Dr Hon LUI Ming-wah, SBS, JP  
Hon Bernard CHAN, GBS, JP  
Hon WONG Yung-kan, SBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon CHEUNG Hok-ming, SBS, JP

**Public officers attending** : **Agenda item I**  
  
Mr Raymond YOUNG  
Permanent Secretary for Development  
(Planning and Lands)

Ms Ivy LAW  
Deputy Secretary for Development  
(Planning and Lands) 2 (Acting)

**Attendance by invitation** : **Agenda item IV**  
  
Urban Renewal Authority  
  
Mr Billy LAM  
Managing Director  
  
Mr Quinn LAW  
Executive Director (Commercial & Corporate)  
  
Ms Iris TAM  
Executive Director (Planning & Development)  
  
Mr Ian WONG  
General Manager (Property & Lands)

**Clerk in attendance** : Ms Anita SIT  
Chief Council Secretary (1)4

**Staff in attendance** : Mr WONG Siu-yee  
Senior Council Secretary (1)7  
  
Ms Christina SHIU  
Legislative Assistant (1)7

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**I Work of the Urban Renewal Authority**

- (LC Paper No. CB(1)2371/06-07(01) -- Information paper on "Work of the Urban Renewal Authority" provided by the Administration
- LC Paper No. CB(1)2371/06-07(02) -- "List of relevant events and papers" prepared by the Legislative Council Secretariat (Position as at 18 September 2007)
- LC Paper No. CB(1)1184/06-07(07) -- Information paper on "Work of the Urban Renewal Authority" provided by the Administration
- LC Paper No. CB(1)1940/06-07(03) -- Information paper on "Responses to questions raised by the Legislative Council Panel on Planning, Lands & Works at its meeting held on 23 April 2007" provided by the Administration
- LC Paper No. CB(1)1934/06-07 -- Minutes of special meeting on 23 April 2007
- LC Paper No. CB(1)2304/06-07 -- Minutes of meeting on 26 June 2007
- LC Paper No. CB(1)2353/06-07(01) -- Referral from the Complaints Division in relation to the policy on urban renewal)

Members noted the submissions from Urban Renewal Monitor and H15 Concern Group tabled at the meeting.

*(Post-meeting note: The submissions (LC Paper Nos. CB(1)2398/06-07(01) and CB(1)2398/06-07(02)) were subsequently issued to members on 25 September 2007.)*

2. The Permanent Secretary for Development (Planning and Lands) (PS/P&L) said that the responses of the Administration and the Urban Renewal Authority (URA) to questions raised by members at the meeting on 26 June 2007 were set out in LC Paper No. CB(1)2371/06-07(01) and Annex A attached thereto. As regards review of the Urban Renewal Strategy (URS), the Administration was currently discussing with URA regarding the timing for commencing the review. The Administration would update the Panel on further developments on the subject as soon as possible.

3. The Managing Director, Urban Renewal Authority (MD/URA) said that URA would progress with the times in meeting the aspirations of society and refine its work in response to comments. As the interests of various parties would be involved, URA had to strike a proper balance in its work. URA's work had brought about benefits to society in areas such as greening, provision of community facilities and creation of employment opportunities. Apart from redevelopment work, URA had also carried out a lot of preservation, rehabilitation, and revitalization work. Examples included preserving 26 old buildings, providing assistance in the rehabilitation of some 370 buildings through its Materials Subsidy Scheme and Building Rehabilitation Loans, and undertaking revitalization initiatives in Sheung Wan Fong and Tai Kok Tsui, etc.

#### Financial status

4. Referring to URA's cumulative profit of \$2.3 billion in 2006-2007, Mr LEE Wing-tat commented that its financial status was not as unsatisfactory as URA had claimed. He believed that URA could maintain a steady source of income and stable profits in the coming few years in view of the trend of rising property prices. However, heightened awareness in conservation would lead to a reduction in the development intensity of URA's redevelopment projects, which would affect URA's profit or even result in a loss. He considered that URA had been over cautious on matters like compensation and conservation, and asked whether there would be some relaxation in this regard. The Administration should consider providing URA with further financial support or greater flexibility in land use matters, such as preservation of the Wan Chai Market by making use of the nearby slope.

5. In response, MD/URA said that during its initial years, the financial status of URA had been very unsatisfactory. With the Government's \$10 billion injection and premium exemption, URA had been able to carry out its work more smoothly. The improvement in recent years was mainly attributable to the fact that land acquired during 2002 to 2004 was subsequently tendered for joint venture redevelopment during 2004 to 2006 when the property market was steadily recovering. URA had already spent an amount approaching \$200 million in providing incentive funding for materials and interest-free loans for voluntary rehabilitation. With over 20 conservation items on hand, URA had preserved buildings, including some non-graded buildings, on its own initiative. In view of its improved financial position and the stable economic climate, URA would strive to implement more projects, including the Kwun Tong Town Centre project. PS/P&L added that the Administration would provide URA with flexibility in implementing its projects with a view to facilitating conservation work. Possible options for preserving the Wan Chai Market were being explored, such as using the nearby slope for the redevelopment project while preserving the Wan Chai Market.

6. Dr Fernando CHEUNG and Mr Frederick FUNG urged URA to provide the financial results of completed redevelopment projects. Mr Albert CHAN

criticized that URA lacked transparency in its operation and financial status, overplaying the losses that might be incurred in some of its projects while withholding the details of its profits.

7. In response, MD/URA explained that the actual financial results of an individual project would only be available when all the units built under that project had been sold. URA would be able to provide further information by then.

8. Noting that URA had many special powers under the relevant legislation, such as applying to the Government for compulsory resumption and the 7-year-old notional flat compensation mechanism, in carrying out its work, Mr Albert HO considered that although URA should balance its books, it should not make unreasonable profits from its redevelopment projects. He welcomed that URA would disclose further information after completion of sale of the flats.

9. Noting that URA had a cumulative profit of \$2.3 billion, Dr Fernando CHEUNG commented that urban renewal should be aimed at renewing the community and enhancing the living of citizens rather than making profits.

10. Dr KWOK Ka-ki pointed out that there were views that URA's urban renewal work was unfair, lacked participation by the affected parties and changed the characters of the affected districts. Society's aspirations on urban renewal projects were different from private development projects. Instead of cooperating with developers alone, URA should also cooperate with public bodies because the latter would allow greater flexibility in implementing changes to redevelopment projects. He queried why URA had to adopt commercial and self-financing principles for every redevelopment project given that it had so many special powers.

11. In response, PS/P&L clarified that there was no requirement for URA to be self-financing for every project. URA did not aim at making profits for most of its projects. It had to make acquisition offers as planned irrespective of market conditions. As URA was a statutory body, the Administration would not intervene lightly in its operation. The focus should be on whether URA had discharged its responsibilities and whether its financial resources could support its future work.

12. MD/URA added that URA had a social responsibility and it did not aim at making profits. URA launched redevelopment projects based on its five-year Corporate Plan approved by the Financial Secretary rather than market conditions, and projects of the former Land Development Corporation (LDC) would be launched first. URA's budget had to be approved by the Financial Secretary. Some projects had generated profits while others would result in deficits. URA's surplus funds would be used for implementing more redevelopment projects and meeting increasing demands from society, such as calls for conservation and lower development intensities. All profits earned would be applied to finance further urban renewal projects and other rehabilitation, preservation and revitalization efforts for the benefit of the community. Only out-going expenses were incurred

in implementing rehabilitation, preservation and revitalization projects and there would not be any income from such projects. Examples of such loss making projects included creation of Sheung Wan Fong and preservation of six shophouses in Mallory Street. Discounting the opportunity cost, acquisition cost and preservation cost alone for the latter could amount to some \$100 million. More readily available funds would expedite urban renewal work. Although he was not too optimistic about URA's financial status in future, he would do his utmost in achieving URA's missions.

13. Mr James TO commented that in view of the changes in the values and aspiration of the society, the former financial projections for redevelopment projects might no longer be valid. Conservation was primarily the Administration's responsibility but was intertwined with urban renewal. Thus, URA was expected to undertake conservation work in implementing its projects. However, given the growing demand for conservation from the society, URA might not be able to carry out urban renewal work if the Administration did not provide it with sufficient resources, whether directly or indirectly.

14. In response, MD/URA thanked Mr James TO for his constructive comments on and thorough understanding in URA's work. He stressed that the unsatisfactory living conditions of the 110 000 residents living in some 1 500 dilapidated buildings which were in dire need of redevelopment should not be neglected.

#### Compensation mechanism

15. Mr WONG Kwok-hing queried whether it was unfair to affected residents for URA, as a public body, to make acquisitions at a low price and then selling redeveloped properties at a high price in order to gain profits. Furthermore, it was empowered to make compulsory resumption and affected residents could only submit. Noting the discontent of some affected owners/residents regarding urban renewal work, he sought URA's views on the suggestion of flat-for-flat and shop-for-shop compensation.

16. In response, MD/URA pointed out that the phenomenon of making acquisitions offers when the market was low and selling redeveloped properties after the market had improved only occurred a few years ago, and the opposite could just happen by now and would also occur in future. The mechanism for assessing the acquisition price was based on the market value and it was open, fair, just, professional and closely followed the market trends. Among the 20-odd surveyors registered with URA to provide service, seven would be chosen through drawing lots by the Chairmen and Members of the District Councils concerned and the President of The Hong Kong Institute of Surveyors for the assessment of the 7-year Home Purchase Allowance (HPA) value. The highest and lowest valuations would be disregarded and the average of the remaining five would be adopted. By way of illustration of fluctuations in market trends, the 7-year HPA value for properties in Lee Tung Street was \$4,079 per square foot in January

2004, while that for properties in Mallory Street was \$6,351 per square foot in 2006. In 1997, the acquisition price for a redevelopment project in Tsuen Wan was over \$8,000 per square foot but when the project was tendered in 2002, the property price was only \$2,000-odd per square foot. When compared with that in 2003, the current Centa-City Index had risen by over 80%. As regards the suggestion of flat-for-flat and shop-for-shop compensation, URA had considered the suggestion in detail. In view of the practical problems involved such as preference of the affected parties on the location and configuration of the replacement units, and the difficulties involved in holding sufficient housing stock for yet to be affected residents, cash compensation was considered by most people affected to be the most flexible option in allowing affected parties to purchase a unit of their own choice. According to a recent survey, 72% of the residents previously living in Lee Tung Street had moved to another flat within the same district. He also emphasized that URA staff and social workers from the Social Service Teams would provide assistance to affected parties in locating suitable units.

17. In response to an enquiry from Prof Patrick LAU about the current price of the flats in the Tsuen Wan redevelopment project mentioned above, MD/URA said that the current average price for those flats was about \$5,000 per square foot. In reply to an enquiry from Mr CHAN Kam-lam, MD/URA said that some 40 cases in several redevelopment projects launched by the Hong Kong Housing Society in Sham Shui Po had not yet been cleared and negotiation was still in progress. The acquisition prices for voluntary sale and compulsory resumption might be different due to the time gap between the two acquisition offers.

18. Dr Fernando CHEUNG considered that URA's approach to urban renewal was not people-oriented and did not take into account the social ecology and network of the affected districts. Some residents did not want any compensation and just wanted to stay where they were. Compensation based on the value of a 7-year-old notional flat was insufficient for purchasing a comparable flat within the same district under most circumstances, and his survey showed that with URA's compensation, only flats aged above 10 years could be purchased on average. As property prices continued to rise, the situation would worsen in future. Unless there was a review of the URS, social disharmony might arise.

19. Making reference to a private redevelopment project in Tai Hang Road, Mr Albert HO pointed out that the listed company concerned offered residents with subsidies for renting accommodations during the construction period of the project and the residents were offered a flat in the redeveloped building with the same floor area as the original one. This redevelopment project showed that equity participation using the original flat as investment should be a workable option. Through passing on the profits to the community and offering a reasonable compensation to affected parties, residents would not be resistant to urban renewal. Rather, they would welcome it.

20. Miss CHOY So-yuk shared the view that flat-for-flat and shop-for-shop compensation was workable. If the approach for the Lai Sing Court redevelopment project in Tai Hang Road was adopted, all conflicts would be resolved. Under that project, flat-for-flat and shop-for-shop compensation was provided and owners could opt for a better housing unit by making a top-up payment. They could share the profits if the profit amount was above a certain level, but they did not have to bear any loss. They were also offered rental subsidies for three years. If a private developer could adopt such an approach, she wondered why URA could not do so.

21. In response, MD/URA said that URA's compensation was based on the 7-year-old notional flat compensation mechanism approved by the Finance Committee of the Legislative Council in 2001. He reiterated that the acquisition price was open, fair, professional and based on the prevailing market value. More than 90% of the affected flats were acquired through voluntary sale in the past and URA would continue to try to resolve the few remaining individual cases with solutions that would solve their respective individual problems under the framework of the existing compensation policy. The compensation arrangements could be refined in future based on the experience gained with consideration given to the possibility of offering further options to affected parties.

22. Prof Patrick LAU shared the view that consideration should be given to equity participation in redevelopment projects and asked whether there would be such an option for affected parties of the Sai Yee Street project. For redevelopment projects, while some owners were willing to accept compensation and move out, those unwilling to do so were simply forced to submit under the relevant legislation.

23. In response, MD/URA pointed out that the Sai Yee Street project involved shops selling different kinds of sporting goods, not only sports shoes. In the past, there were also many bookshops in that area. At present, there were 60-odd sporting goods shops in the whole district. Among the 38 shops within the redevelopment boundary, 19 were related to sporting goods and more than half of the affected sporting goods shop operators had other shops in the same district in addition to the ones within the redevelopment boundary. Only about three to four affected sporting goods operators were owners and the rest were tenants. URA was exploring possibilities for preserving the characters of the district under the existing policy. Equity participation was in principle a good idea. However, there were practical difficulties because URA's compensation was on an ex gratia basis. In adopting equity participation, URA would have to adopt a commercial approach in maximizing profits and accord priority to the interests of the participating owners at the expense of public interest. The provision of public space and communal facilities might then be compromised. Participating owners would also have to bear the risks of a volatile property market for an extended period of time.

24. Mr Frederick FUNG asked when URA would launch the outstanding projects of the former LDC, all of which should have been launched by 31 March

2007 according to URA's previous undertaking. Even if flat-for-flat, shop-for-shop and foot-for-foot compensation could not be implemented within a short period of time, it should be the long-term direction because such an arrangement could reduce conflicts to the greatest extent. In particular, affected shops could be accommodated at a nearby location and then moved back after completion of the redevelopment project. He urged URA to consider offering equity participation as an option for affected owners.

25. In response, MD/URA said that flat-for-flat and shop-for-shop compensation might only be feasible under certain special circumstances. URA had been considering how to provide more flexibility in offering compensation. Only two former LDC projects, namely Nga Tsin Wai Village project and Sai Yee Street project, remained to be launched after the five-year target period had elapsed. More time was needed for resolving issues regarding heritage conservation and preservation of local characters, and the projects would be launched within the current financial year. Pursuing equity participation for the two projects would complicate the redevelopment process and it would be more desirable to launch the projects as soon as possible through the prevailing relatively simple compensation mechanism.

26. Mr LEE Wing-tat commented that he would not consider URA's work as a complete failure. While he reckoned that affected parties who were satisfied with URA's compensation would not bring up any issues, he wondered why there was still so much dissatisfaction over URA's work in redevelopment projects. If the compensation offered by URA was reasonable, there should not have been so many arguments in nearly every project.

27. Miss CHAN Yuen-han cited the difficulties faced by affected shop operators, such as metalware shop operators in Tai Kok Tsui, in finding another shop with low rentals comparable to the rentals of their existing shops. The compensation offered by URA was insufficient for affected parties to purchase a unit within the same district.

28. Mr James TO considered that the present compensation arrangement of making acquisition offers based on the value of a comparable seven-year-old notional flat had already struck an appropriate balance and the policy should still be workable. He pointed out that many residents in old districts had solicited his assistance in requesting redevelopment of their districts, and he anticipated that requests for redevelopment would increase in future. He alerted the Administration and URA to prepare for this development and be mindful of the need for objective and fair treatment to residents in old districts. He expressed concern on how to resolve conflicts between residents and shop operators, and considered that flat-for-flat and shop-for-shop compensation and equity participation could resolve many conflicts.

29. Dr KWOK Ka-ki pointed out that the idea of flat-for-flat and shop-for-shop compensation was to provide an option for the affected parties

rather than forcing them to bear the risks. While some owners would like to receive cash compensation, some would like to have a flat in the redeveloped building, and some just wanted to retain their shops on the ground floor. Unless URA changed its compensation policy, conflicts could not be solved. He wondered whether URA was made by the Administration to adopt its present approach in urban renewal.

30. In response, PS/P&L clarified that the Administration had not imposed any restrictions on URA regarding flat-for-flat and shop-for-shop compensation. MD/URA added that more compensation options for affected parties were being considered and URA had on individual occasions assisted affected shop operators in finding another location to continue their operations. URA was exploring the possibility of providing further assistance to small shop operators who had established their businesses in the affected districts for a long time.

31. Mr Vincent FANG welcomed that URA would preserve the characters of Sai Yee Street and open-air bazaars in implementing its urban renewal projects. He commented that if flat-for-flat and shop-for-shop compensation was adopted, a new mechanism would be required to assess the value added in exchanging an old unit with a new unit, and the issue would be very complicated. Furthermore, although property prices were on the rise at present, owners might have to face the risks of a fall in property prices in future. He considered that the time required for acquisition should be shortened to reduce the risks of fluctuation in property prices and cautioned that speculators could purchase old flats or shops with a view to gaining profits from redevelopment.

32. In response, MD/URA agreed with Mr FANG that it would be very complicated to set up such a new mechanism. Cash compensation would be more flexible because some residents might prefer to move to another district or even the Mainland. URA would provide assistance to affected parties as far as practicable, taking into account individual circumstances. Many residents in old districts such as Sham Shui Po and Tai Kok Tsui hoped that redevelopment projects could be launched as soon as possible.

### Conservation

33. Mr CHAN Kam-lam declared interest that he was a member of the URA Board. He asked whether URA would reduce the number of redevelopment projects and implement more preservation and rehabilitation projects in future in response to the heightened awareness about conservation. Although URA had implemented such projects in the past, there was insufficient publicity on its preservation and rehabilitation efforts. Rehabilitation would enhance the quality of old buildings and raise their value. This would be beneficial for property owners of old buildings as the property market continued to flourish.

34. In response, MD/URA said that URA would further step up publicity on its work in various areas. URA had implemented a Materials Incentive Scheme

and offered Building Rehabilitation Loans, Hardship Grants and technical assistance to promote and facilitate building rehabilitation. It had arranged for third party liability insurance subsidy and preferential bank mortgage terms with 17 banks for rehabilitated buildings. In Tai Kok Tsui, the price of the flats of a building had risen by 40% after rehabilitation. PS/P&L added that URA had been making efforts in heritage conservation work in implementing its projects and the Development Bureau was formulating a new heritage conservation policy.

35. Miss CHOY So-yuk commented that in implementing redevelopment projects, URA should give due attention to preserving the characters of the affected districts. She also expressed concern on whether there were any non-graded buildings of public concern which were not included in URA's preservation plan, and asked whether URA would consider preserving an entire street or area instead of preserving particular buildings only.

36. In response, MD/URA said that URA would preserve the characters of Sai Yee Street in response to a relevant motion moved by Mr Vincent FANG and carried at an earlier meeting of the Legislative Council. URA had previously preserved historic buildings within the boundaries of its redevelopment projects. Non-graded buildings such as Woo Cheong Pawn Shop had also been preserved. In response to calls for conservation and with a view to boosting tourism, the facade of Wing Woo Grocery in Graham Street would be preserved and an "Old Shop Street" would be created. Part of the streetscape of Lee Tung Street would also be preserved. These were examples of URA's new initiatives in preservation of heritage. PS/P&L added that URA had been very responsive to changes in the concept of heritage conservation from building conservation to streetscape conservation. For the Yu Lok Lane/Centre Street project, the Town Planning Board (TPB) urged that more buildings should be preserved in addition to the two proposed by URA so as to preserve the characters of a lane.

37. Mr LEE Wing-tat pointed out that urban renewal was a complicated subject. Society should be aware that a price had to be paid for conservation. If supported by society, an option to better cater for conservation needs was additional Government injection into URA, but the issue would need further consultation.

#### Other issues

38. Miss CHAN Yuen-han was dissatisfied with URA's work over the years and criticized that URA had created conflicts in old districts and had not given due attention to the livelihood and property ownership of the affected parties. She queried whether URA's work was people-oriented, implemented on a cost-recovery basis, or aimed at making profits like developers. If URA was constrained by legislation in its work, the Administration had a responsibility to address the issue. She opined that in implementing urban renewal projects, views of the minority should not be neglected. For the Kwun Tong Town Centre project, URA had failed to make use of the opportunity to improve the connectivity of Kwun Tong with

neighbouring districts and enhance the development of those neighbouring districts, such as Ngau Tau Kok and Tsui Ping. Instead of being piecemeal, urban renewal should be an opportunity for enhancing the overall town planning and it should create a win-win situation for all. She also expressed concern on the proposed high-rise landmark building and the implementation of the project in three phases. She also queried why the controversial Nga Tsin Wai Village project did not require approval from TPB and sought clarification in this regard. She was disappointed that acquisition offers would not be made before completion of the statutory planning procedures. She was extremely dissatisfied that the project was inclined towards the private developer concerned and considered URA's proposed design far from satisfactory.

39. Mr Albert CHAN said that he was very disappointed at URA's work over the past years. After receiving the \$10 billion injection, URA should not be so mean and disregard the rights of the property owners. There was collusion between URA and developers in implementing large-scale projects and residents' needs were being neglected. Its measures were contemptible and should be condemned. In urban renewal, redevelopment was not the only option. Rehabilitation and renovation were also possibilities. However, URA often preferred redevelopment by demolishing districts with characters. URA had stirred up conflicts between residents and shop owners, which could in fact be avoided by acquiring affected residential flats first before proceeding with detailed planning work. URA had not taken on board views expressed by affected parties and Members, and had refused Members' participation in meetings with affected parties.

40. Making reference to the Opera House in Sydney, Mr Albert CHAN pointed out that height was not a prerequisite for a landmark building. Although there were efforts to seek a balance, the Kwun Tong Town Centre project was still inclined towards the interests of developers. This inclination was even more obvious for the Nga Tsin Wai Village project. The reduction in the planned population of Kai Tak from 300 000 to 80 000 demonstrated that the strategy adopted was of utmost importance in urban renewal. There should be measures to mitigate escalating conflicts arising from URA's high-handed approach in executing urban renewal projects. He urged the Development Bureau to critically review the issues.

41. Prof Patrick LAU pointed out that URA's redevelopment projects were planned without a comprehensive town planning perspective in mind. Enlarging the project boundaries might facilitate the implementation of redevelopment projects because there would be greater flexibility in planning for developments with a lower intensity. The Administration should adopt a far-sighted approach in town planning and allow greater flexibility in urban renewal. The Kwun Tong Town Centre project should be considered in conjunction with the low intensity development in Kai Tak.

42. In response, PS/P&L said that views on URA's work and performance should be fair and the criticism that URA had never achieved anything commendable was biased. As regards the Kwun Tong Town Centre project, approval from TPB for the Development Scheme Plans had been obtained and it was ready for launching the statutory planning process under the Town Planning Ordinance. Although individual residents might still have some requests which could not be fully entertained, many residents wanted early implementation of the project. He could not see why such urban renewal work was considered to be a demerit. Many residents supported a tall landmark building, but in view of concerns about height of the building, TPB had already requested URA to consider reducing the height of the building on the basis that the gross floor area of the redevelopment project would not be reduced. Landscape design and air ventilation would be taken into account in the design and there would not be any wall effect. As regards connectivity with neighbouring districts, the Kwun Tong Town Centre project was the largest urban renewal project to be launched by URA and it would be impossible to satisfy every request of the many parties concerned. For the Nga Tsin Wai Village project, although no approval from TPB was required in accordance with the legislation, URA had been listening to the views of Members and the community. As regards the suggestion of making acquisition offers before completing the statutory planning procedures, while sharing URA's stance that prudence in financial management and legal matters would have to be considered, the Administration would maintain an open mind on the issue. The suggestions of enhancing the comprehensiveness and flexibility in town planning when implementing urban renewal projects would be addressed when the URS was reviewed.

43. MD/URA added that four consultation exercises had been conducted in the past two years and nine months for the Kwun Tong Town Centre project. There was support for a tall landmark building in general during those consultation exercises. Some residents proposed a tall landmark building of 300 metres in height because they considered that this would bring about auspiciousness. The height was 280 metres in the current proposal and the building would not be bulky. Citing the concept of "tall but not dense", he said that taller buildings would provide more open and greening space. The design would keep up with the current trend, with a lot of open space between buildings. Air ventilation would be conducted and there would not be any wall effect. Excluding government, institution and community facilities, the plot ratio had been reduced from 9.0 to 6.9. Nonetheless, URA would consider how to address TPB's comments on the height of the proposed landmark building. He clarified that it was the residents who wanted a tall landmark building, not URA. URA would be fair and people-oriented. As regards the Nga Tsin Wai Village project, the height of the development would be over 100mPD and comparable to the nearby buildings, and the ridgeline of the Lion Rock would not be blocked. The practical issue that a developer had acquired about 70% of the properties there should not be neglected.

44. MD/URA also clarified that rehabilitation was one of URA's missions and there were on-going rehabilitation projects. URA attached great importance to the

views of the community and meetings with Members had been held to discuss various issues. For instance, URA had been working closely with the relevant District Council for the Kwun Tong Town Centre project. The majority of the residents had knowledge about the project and the attendance of the relevant road shows was some 90 000. URA had conducted comprehensive consultation and 12 key suggestions received during the 4<sup>th</sup> round of public consultation had been accepted and incorporated into the proposal submitted to TPB. Views on URA's performance and the work of its staff should be fair.

45. Dr Fernando CHEUNG, Dr KWOK Ka-ki, Mr Albert CHAN, Mr LEE Wing-tat, Prof Patrick LAU and Mr WONG Kwok-hing shared the view that there should be a review of the URS. Mr WONG Kwok-hing pointed out that a review of the URS was necessary in order to improve urban renewal work, clarify misunderstandings and resolve the many problems that had arisen since its implementation. He enquired about the timeframe of the review.

46. In response, PS/P&L said that the Administration had agreed and pledged that there would be a review of the URS, the exact timing of which would depend on the priority of the various work plans of the Development Bureau. As substantial human and financial resources would be required for the review, the Administration was consulting URA on the matter and would inform Members of the timeframe as soon as possible.

## **II Any other business**

47. There being no other business, the meeting ended at 4:35 pm.