

**LEGISLATIVE COUNCIL
PANEL ON PLANNING, LANDS AND WORKS**

Work of the Urban Renewal Authority

At the Panel meeting on 26 June 2007, Members requested the Administration and the URA to provide the following information concerning the work of the Urban Renewal Authority (URA) –

- (a) the financial results/status (profit/loss) of the individual completed/on-going projects launched by the URA;
- (b) the Government, Institution or Community facilities and the gross floor areas of these facilities for each project;
- (c) the plot ratio for each project;
- (d) explanation on whether non-profitable projects were launched by the Hong Kong Housing Society;
- (e) explanation on why the URA would not acquire affected properties before planning was completed;
- (f) the land premium waived under each project; and
- (g) the timetable for reviewing the Urban Renewal Strategy (URS).

2. The URA's response on items (a) to (e) of paragraph 1 above is set out at **Annex A**.

3. In order to support URA's urban renewal work, the Government has made a capital injection of \$10 billion to the URA. Besides, the Government has agreed that all urban renewal sites for new projects set out in the five-year Corporate Plans (CP) and annual Business Plans (BP) of the URA¹, approved by the Financial Secretary (FS) from time to time,

¹ In accordance with the Urban Renewal Authority Ordinance, the URA submits to the FS for approval each year a draft CP and a draft BP setting out the projects to be commenced over the relevant CP/BP period.

may in principle be granted to the URA at nominal premium, subject to satisfying FS of the need therefor.

4. Regarding item (f) of paragraph 1 above concerning the estimated amount of land premium waived for URA's redevelopment projects, the table at **Annex B** shows the rough estimations of land premium forgone in respect of projects of which land has been granted to the URA. The estimates were in general made at the time of inclusion of these projects under the relevant CP and BP. The estimated land premium forgone for individual projects is derived by assessing the difference between the land value before and after redevelopment based on a series of assumptions (see **Annex B**). The information only serves to present a broad brush indication of the difference in land value of these sites at the relevant point in time. We emphasize that these are simply ballpark indications based on broad brush assessments. The land value may vary according to the changing market condition. We would like to point out that land premium is not payable by the URA. In compensating for affected owners/tenants of its projects, the URA follows the decision of the Finance Committee of the Legislative Council made in March 2001 in respect of ex-gratia compensation payable to owners/tenants affected by land resumption.

5. As regards item (g) of paragraph 1 above concerning the review of the URS, we are alive to the community's increasing interest, aspirations and concerns about urban renewal. We are currently discussing with the URA regarding the timing for commencing the review. We welcome Members' views and suggestions and would keep the Panel updated on further developments on the subject.

Development Bureau
September 2007

Urban Renewal Authority

**Responses to Questions raised by
Legislative Council Panel on Planning, Lands & Works
on 26 June 2007**

(a) The financial results/status (profit/loss) of the individual completed/on-going projects launched by the Urban Renewal Authority

From its inception up to 31 July 2007, the Urban Renewal Authority (URA) has commenced 24 projects out of which nine have reached the construction stage. Of these nine, none have yet been completed although the first is scheduled for completion before the end of this year. A further eight have been commenced by the Hong Kong Housing Society (HKHS), our strategic partner, and acquisition and clearance for seven of them has yet to be completed. A table giving the status and details of each of these 32 projects is at **Appendix A** which has been updated for Members' reference.

The URA discloses its overall results in its annual report and accounts which are tabled before the Legislative Council each year. The relevant information relating to URA's financial position is contained in our Annual Reports and Audited Accounts which are tabled in the Legislative Council every year. Information relating to our position as at 31 March 2007 will be given in our Annual Report and Audited Accounts for 2006/07 which is planned to be tabled in the Legislative Council in October 2007. The Authority's overall results can therefore be examined by studying its annual reports in order to appraise its financial performance in any year. However, like its predecessor, the Land Development Corporation, the Authority considers it inappropriate to disclose financial information about individual projects because this is commercially sensitive for both the Authority and the joint venture developers and other commercial partners with which it works on individual projects. Nevertheless, Members may wish to note the overall picture of the profits/losses of the URA since its formation in May 2001 which are summarized in the table below -

Profit / (Loss) After Taxation
\$'000

As at 1 May 2001	(2,160,610)
2001/02 (11 months)	(558,329)
2002/03	(226,570)
2003/04	(80,443)
2004/05	3,002,087
2005/06	1,576,611
2006/07	758,711

Total :	2,311,457
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The improvement in URA's financial position in recent years is attributable to both URA's prudent financial management and the cycles of the property market. In particular, certain projects were acquired during 2003 when Hong Kong was suffering from SARS and were subsequently tendered for redevelopment during the 2005 peak in the property market. All profits earned on projects by URA are retained and then applied to finance further urban renewal projects and its 4Rs (i.e. Redevelopment, Rehabilitation, pReservation and Revitalization) efforts to improve the quality of the housing and built environments in dilapidated urban areas. The URA will need to draw on all of its available financial resources to fund the projects to which it is committed. Indeed, we expect to have to raise additional funds from the financial market once the Kwun Tong Town Centre project is fully under way.

(b) The Government, Institution or Community facilities and the gross floor areas of these facilities for each project

Please see the relevant figures in the table at Appendix B.

(c) The plot ratio for each project

Please see the relevant figures in the table at Appendix B.

(d) Explanation on whether non-profitable projects were launched by the HKHS

The eight projects launched by the HKHS were mutually agreed in the context of the "Memorandum of Understanding on Strategic

and Long Term Co-operation in the Implementation of Projects for Urban Renewal and Connected Purposes” signed between the URA and the HKHS in December 2002.

(e) Explanation on why the URA would not acquire affected properties before planning was completed

The URA acquires land under the Urban Renewal Authority Ordinance (URAO) for the purpose of undertaking development, and such development should be new development which has been properly planned. For instance, the URA can only be certain that it will be able to implement development schemes under the URAO if and when its proposed plans have been properly approved by the Town Planning Board and, thereafter, Chief Executive in Council. Until such approvals have been obtained, there are always the risks that the URA’s plans may have to be amended to include or exclude properties or, indeed, may not be approved at all.

Also, the URAO obliges the URA to exercise due care and diligence in the handling of its finances. Given the potential risks described above, it would not be financially prudent for the URA to acquire properties in advance of completion of the relevant statutory planning procedures and approvals.

Urban Renewal Authority
September 2007

Status and Details of Individual Projects up until 31 July 2007

(A) Projects launched by URA

	Project	Project Site	Planning Parameters	Status
1.	H16 Johnston Road, Wan Chai	Area: 1,970 m ² Households: 149 Population: 333	381 residential flats 2,600 m ² of retail space Preservation of five historical buildings	- Construction of superstructure in progress - Most flats sold - Leasing of shops in progress - Estimated completion in late 2007
2.	K3 Cherry Street, Tai Kok Tsui	Area: 4,510 m ² Households: 447 Population: 1,020	522 residential flats 4,945 m ² of retail space 1,804 m ² of G/IC community facilities	- Construction of superstructure in progress - Estimated completion in late 2008
3.	K26 Fuk Wing Street / Fuk Wa Street, Sham Shui Po	Area: 1,384 m ² Households: 111 Population: 246	155 residential flats 2,075 m ² of retail space 250 m ² of public open space	- Construction of superstructure in progress - Estimated completion in mid 2008
4.	K19 Po On Road / Shun Ning Road, Sham Shui Po	Area: 1,394 m ² Households: 153 Population: 327	166 residential flats 2,083 m ² of retail space 250 m ² of public open space	- Construction of superstructure in progress - Estimated completion in early 2008
5.	K27 Reclamation Street, Mong Kok	Area: 535 m ² Households: 62 Population: 121	85 residential flats 802 m ² of retail space	- Construction of superstructure in progress - Estimated completion in late 2007

	Project	Project Site	Planning Parameters	Status
6.	H20 First Street / Second Street, Sai Ying Pun	Area: 3,536 m ² Households: 282 Population: 777	458 residential flats 2,188 m ² of retail space 1,714 m ² of residential care home for the elderly 700 m ² of open space	<ul style="list-style-type: none"> - Construction of superstructure works about to commence - Estimated completion in late 2008
7.	H17 Queen's Road East, Wan Chai	Area: 378 m ² Households: 16 Population: 25	96 residential flats 165 m ² of retail space	<ul style="list-style-type: none"> - Joint venture development contract awarded - Site investigation completed - Estimated completion in mid 2010
8.	H19 Staunton Street / Wing Lee Street, Sheung Wan	Area: 3,623 m ² Households: 140 Population: 198	347 residential flats 2,389 m ² of commercial floor space 625 m ² of open space	<ul style="list-style-type: none"> - Development Scheme gazetted on 21 March 2003 - On 15 June 2007, TPB reheard objection raised and decided to amend the draft DSP boundary - Proposed boundary amendment gazetted on 22 June and no objections received - Now awaiting approval by CE in Council - Planning Brief being revised
9.	K30 Bedford Road / Larch Street, Tai Kok Tsui	Area: 1,229 m ² Households: 143 Population: 280	182 residential flats 1,113 m ² of retail space	<ul style="list-style-type: none"> - Construction of superstructure in progress - Estimated completion in early 2009
10.	K33 Baker Court, Hung Hom	Area: 250 m ² Households: 7 Population: 9	46 residential flats 234 m ² of commercial space	<ul style="list-style-type: none"> - Seeking court declaration of Right of Way

	Project	Project Site	Planning Parameters	Status
11.	H15 Lee Tung Street / McGregor Street, Wan Chai	Area: 8,900 m ² Households: 790 Population: 1,860	1,313 residential flats 11,749 m ² of commercial space, including 968 m ² for social enterprises 2,100 m ² of G/IC including residential care home for the elderly, refuse collection point and public toilet 3,000 m ² of open space	- Demolition in progress - MLP approved by TPB on 22 May 2007 - Provisional basic terms and road closure gazettal documents being processed
12.	K31 Larch Street / Fir Street, Tai Kok Tsui	Area: 2,176 m ² Households: 213 Population: 474	251 residential flats 3,264 m ² of commercial space including 1,000 m ² for social enterprises	- Joint venture development contract awarded - Demolition in progress - Estimated completion in late 2010
13.	K32 Pine Street / Anchor Street, Tai Kok Tsui	Area: 2,300 m ² Households: 267 Population: 474	314 residential flats 3,450 m ² of commercial space 450 m ² of open space	- Clearance in progress
14. & 15.	SSP/1/001 & 002 Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po (NB Integrates two nearby project sites into one scheme for better planning and implementation)	Area: 3,345 m ² Households: 361 Population: 656	379 residential flats 4,704 m ² of commercial space including 405 m ² for social enterprises 657 m ² of open space	- Clearance in progress - MLP under preparation

	Project	Project Site	Planning Parameters	Status
16.	WC/001 Mallory Street / Burrows Street, Wan Chai	Area: 783 m ² Households: 65 Population: 106	Retention and refurbishment of 2,140 m ² of existing space for cultural and creative industries 300 m ² of open space	- Clearance in progress
17.	SYP/1/001 Yu Lok Lane / Centre Street, Sai Ying Pun	Area: 2,156 m ² Households: 103 Population: 267	270 residential flats 245 m ² of commercial space including 76 m ² for community/ commercial use 1,100 m ² of open space	- Planning Brief approved in July 2007 - MLP under preparation
18.	TKT/2/001 Fuk Tsun Street / Pine Street, Tai Kok Tsui	Area: 536 m ² Households: 143 Population: 318	72 residential flats 804 m ² of commercial space	- Clearance in progress
19. 20. & 21.	SSP/1/003, 004 & 005 Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po (NB Integrates three nearby project sites into one scheme for better planning and implementation)	Area: 7,440 m ² Households: 804 Population: 1,678	880 residential flats 11,600 m ² of commercial space including 2,200 m ² of G/IC reserve 1,500 m ² of open space	- Development Scheme gazetted on 17 February 2006 - TPB gazetted draft DSP under section 5 of the Town Planning Ordinance (TPO) on 1 June 2007 for public inspection

	Project	Project Site	Planning Parameters	Status
22.	K9 MacPherson Stadium, Mong Kok	Area: 2,399 m ² Households: Nil Population: Nil	227 residential flats 2,376 m ² of commercial space 5,260 m ² of G/IC GFA for an indoor stadium and a youth centre	<ul style="list-style-type: none"> - Commenced in March 2006 through agreement executed with Hong Kong Playground Association, the land grantee - Land grant being processed - Detailed planning work underway prior to issue of invitations of expression of interest
23.	K7 Kwun Tong Town Centre, Kwun Tong	Area: 53,500 m ² Households: 1,788 Population: 4,763	2,000 residential flats 209,640 m ² of commercial space 16,300 m ² of G/IC GFA 15,700 m ² of PTI area 8,700 m ² of open space	<ul style="list-style-type: none"> - Draft Development Scheme gazetted on 30 March 2007. - On 17 May 2007, the Kwun Tong DC passed a unanimous motion supporting submission of the 2 draft DSPs to TPB. - Awaiting TPB consideration of the draft DSPs and gazettal under section 5 of TPO
24.	H18 Peel Street/Graham Street, Sheung Wan	Area: 5,320 m ² Households: 470 Population: 1,120	293 residential flats 45,000m ² of commercial space 1,260 m ² of GIC GFA 1,000m ² of public open space	<ul style="list-style-type: none"> - MLP approved by TPB on 4 May 2007 - Occupancy Survey conducted on 19-20 July 2007 - Preparations for issue of acquisition offers underway

(B) Projects launched by HKHS

	Project	Project Site	Planning Parameters	Status
1.	K25 Po On Road/ Wai Wai Road, Sham Shui Po	Area: 2,598m ² Households: 265 Population: 530	326 residential units 891 m ² of retail space 2,648m ² of G/IC GFA	- Site cleared - General Building Plans approved - Foundation works to be commenced shortly
2.	H21 Shau Kei Wan Road/ Nam On Street, Shau Kei Wan	Area: 1,890m ² Households: 155 Population: 430	296 residential units 1,701 m ² of retail space	- Clearance in progress
3.	K20 Castle Peak Road/ Cheung Wah Street, Sham Shui Po	Area: 990m ² Households: 83 Population: 160	149 residential units 1,485 m ² of retail space	- Clearance in progress
4.	K21 Castle Peak Road/ Un Chau Street, Sham Shui Po	Area: 2,609m ² Households: 298 Population: 450	356 residential units 3,914 m ² of retail space 150m ² of public open space	- Clearance in progress
5.	K22 Un Chau Street/ Fuk Wing Street, Sham Shui Po	Area: 2,222m ² Households: 221 Population: 380	333 residential units 1,133 m ² of retail space 2,200 m ² of G/IC GFA 150m ² of public open space	- Clearance in progress
6.	K23 Castle Peak Road/ Hing Wah Street, Sham Shui Po	Area: 1,382m ² Households: 171 Population: 350	180 residential units 2,073 m ² of retail space	- Clearance in progress

	Project	Project Site	Planning Parameters	Status
7.	H14 Sai Wan Ho Street, Shau Kei Wan	Area: 712m ² Households: 8 Population: 19	88 residential flats 631 m ² of retail space	- Acquisition in progress
8.	H05-026 Stone Nullah Lane/ Hing Wan Street, Wan Chai	Area: 930m ² Households: 34 Population: 66	Retention and refurbishment of 2,317m ² existing GFA for cultural, community and commercial use 220m ² of public open space	- Development Scheme gazetted on 31 March 2006 - DSP approved by TPB - Now awaiting approval by CE in Council

Appendix B to Annex A

Gross Floor Areas (GFA), Plot Ratios and GIC Facilities of Individual Projects

(A) Projects Launched by URA

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
1.	H16 Johnston Road, Wan Chai	CDA	1,970	7,640	20,567	10.4	-	-
2.	K3 Cherry Street, Tai Kok Tsui	CDA	4,510	14,416	43,165	9.6	1,804	• Residential Care Home for the Elderly (RCHE)
3.	K26 Fuk Wing Street/ Fuk Wa Street, Sham Shui Po	R(A)	1,384	5,129	12,662	9.1	-	-
4.	K19 Po On Road/ Shun Ning Road, Sham Shui Po	R(A)	1,394	4,898	12,534	9.0	-	-
5.	K27 Reclamation Street, Mong Kok	R(A)	535	2,411	4,921	9.2	-	-
6.	H20 First Street/ Second Street, Sai Ying Pun	CDA	3,536	15,690	36,621	10.5	1,714	• RCHE
7.	H17 Queen's Road East, Wan Chai	R(A)	378	1,806	3,900	10.3	-	-

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
8.	H19* Staunton Street/ Wing Lee Street, Sheung Wan	CDA	-	-	-	-	-	-
9.	K30 Bedford Road/ Larch Street, Tai Kok Tsui	R(A)	1,229	6,313	10,327	8.4	-	-
10.	K33 Baker Court, Hung Hom	R(A)	250	834	2,109	8.4	-	-
11.	H15 Lee Tung Street/ McGregor Street, Wan Chai	CDA	8,900	36,534	79,797	9.0	2,112	<ul style="list-style-type: none"> ● RCHE ● Day Care Unit ● Refuse Collection Point ● Public Toilet
12.	K31 Larch Street/ Fir Street, Tai Kok Tsui	R(A)	2,176	10,332	19,584	9.0	-	-
13.	K32 Pine Street/ Anchor Street, Tai Kok Tsui	R(A)	2,300	11,802	20,700	9.0	-	-
14. & 15.	SSP/1/001&002** Lai Chi Kok Road, Kweilin Street & Yee Kuk Street, Sham Shui Po	CDA	3,345	13,197	29,682	8.8	-	-

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
16.	WC/001** Mallory Street/ Burrows Street, Wan Chai	OU	780	2,687	2,140	2.7	-	-
17.	SYP/1/001** Yu Lok Lane/ Centre Street, Sai Ying Pun	CDA	2,156	4,140	16,464	7.6	-	-
18.	TKT/2/001 Fuk Tsun Street/ Pine Street, Tai Kok Tsui	R(A)	536	4,071	4,824	9.0	-	-
19. 20. & 21.	SSP/1/003, 004 & 005** Hai Tan Street/ Kweilin Street & Pei Ho Street, Sham Shui Po	R(A), Road	7,440	25,344	66,960	9.0	2,200	GIC Reserve
22.	K9 MacPherson Stadium, Mong Kok	G/IC	2,400	2,788	23,026	9.6	5,716	<ul style="list-style-type: none"> ● Indoor Stadium ● Youth Centre

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
23.	K7** Kwun Tong Town Centre, Kwun Tong	C, R(A), O, G/IC, Road	53,500	105,124	401,250	7.5	32,000	<ul style="list-style-type: none"> • Kwun Tong District Branch Office Building • Kwun Tong Jockey Club Health Centre • Hawker Bazaar • Refuse Collection Point • Multi-purpose Activities Venue • Public Transport Interchange
24.	H18 Peel Street/ Graham Street, Sheung Wan	CDA	5,320	20,219	68,620	12.9	1,260	<ul style="list-style-type: none"> • Multi-purpose Activities Hall
	Total (URA)***			295,375	879,511		46,338	

Notes:

* The development parameters for this project are subject to approval by the Town Planning Board of its revised Planning Brief.

** The development parameters for these projects are subject to approval by the Town Planning Board of the submitted Development Scheme Plan or Master Layout Plan.

*** Existing GIC GFA totaling 19,988 m² and proposed GIC GFA totaling 46,338 m²; existing open space totaling 2,985 m² and proposed open space totaling 17,909 m².

(B) Projects Launched by HKHS

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
1.	K25 Po On Road/ Wai Wai Road, Sham Shui Po	R(A)	2,598	9,923	23,382	9.0	2,648	• Residential Care Home for the Elderly (RCHE)
2.	H21 Shau Kei Wan Road/ Nam On Street, Shau Kei Wan	C/R	1,890	9,834	19,467	10.3	-	-
3.	K20 Castle Peak Road/ Cheung Wah Street, Sham Shui Po	R(A)	990	5,935	8,910	9.0	-	-
4.	K21 Castle Peak Road/ Un Chau Street, Sham Shui Po	R(A)	2,609	14,193	23,482	9.0	-	-
5.	K22 Un Chau Street/ Fuk Wing Street, Sham Shui Po	R(A)	2,222	10,114	19,998	9.0	2,200	• RCHE
6.	K23 Castle Peak Road/ Hing Wah Street, Sham Shui Po	R(A)	1,382	8,286	12,438	9.0	-	-
7.	H14 Sai Wan Ho Street, Shau Kei Wan	R(A)	712	3,796	5,791	8.1	-	-
8.	H05-026 [#] Stone Nullah Lane/ Hing Wan Street, Wan Chau	OU	930	1,697	2,317	2.8	-	-

	Project	OZP Zonings	Project Area (m²)	Total Existing GFA (m²)	Total Proposed GFA (m²)	Gross Plot Ratio	Total Proposed GIC GFA (m²)	GIC Facilities
	Total (HKHS)^{##}			63,778	115,785		4,848	
	Grand Total i.e. URA plus HKHS			359,153	995,296		51,186	

Notes:

The development parameters for this project are subject to approval by the Town Planning Board of the Master Layout Plan.

Nil existing GIC GFA and total proposed GIC GFA totaling 4,848 m²;
Nil existing open space and proposed open space totaling 520 m².

Annex B

Rough Estimates of Land Premium Forgone for Projects of which Land Has Been Granted to the URA

	Project No.	Location	Estimated Premium Forgone^{Note} HK\$ (about)
1.	H16	Johnston Road, Wan Chai	156,000,000
2.	K3	Cherry Street, Tai Kok Tsui	122,000,000
3.	K26	Fuk Wing Street/ Fuk Wa Street, Sham Shui Po	17,000,000
4.	K19	Po On Road/Shun Ning Road, Sham Shui Po	27,000,000
5.	K27	Reclamation Street, Mong Kok	0
6.	H20	First Street/ Second Street, Sai Ying Pun	0
7.	H17	Queen's Road East, Wan Chai	0
8.	K30	Bedford Road/Larch Street, Tai Kok Tsui	13,000,000
9.	K31	Larch Street/Fir Street, Tai Kok Tsui	12,000,000

Note:

The land premium was in general estimated at the time of inclusion of these projects under the relevant Corporate Plan and Business Plan of the URA. The land value may vary according to the changing market condition. These figures are only ballpark indications based on a series of assumptions, such as the relevant lease conditions are unrestricted; sites are assumed cleared of structures; maximum gross floor areas permissible under the Buildings Ordinance are achievable; and the value and costs of the Government, Institution and Community facilities have not been taken into account.