

For Discussion
24 June 2008

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Progress of Work of the Urban Renewal Authority

Purpose

This paper reports on the progress of the work of the Urban Renewal Authority (URA) and its work plans.

Background

2. URA was established in May 2001 to undertake urban renewal in accordance with the URA Ordinance and the Urban Renewal Strategy (URS). URA adopts a holistic “4R” strategy to regenerate our older urban areas and improve the living environment of the residents therein, i.e. redevelopment of dilapidated buildings, rehabilitation of poorly maintained buildings, revitalisation of socio-economic and environmental fabric of older districts and preservation of buildings with historical and architectural significance.

Progress of URA’s Work

3. As at end 2007/08, URA has commenced 35 redevelopment projects and two preservation projects; assisted over 450 buildings (about 36,000 units) under its building rehabilitation programme; carried out revitalization initiatives in various districts; and preserved some 25 historical buildings located within its project areas. A detailed account of URA’s work is given in Part III of URA’s paper at the **Annex**. Some major events in 2007/08 are highlighted below.

Major Events

4. With the commencement of the last three redevelopment projects inherited from the former Land Development Corporation (ex-LDC) in 2007/08, the URA has commenced all the 25 ex-LDC projects, an important milestone in URA’s redevelopment mission.

5. 2007/08 also marked a major step forward in the area of revitalisation. Following the Chief Executive’s initiative in his 2007-08 Policy Address, the URA has supported the Development Bureau to adopt district-based approach to revitalise the older parts of Wan Chai. Following consultation with the Wan Chai District Council (WCDC) in

January 2008, an Old Wan Chai Revitalisation Special Committee chaired by the Deputy Chairman of the WCDC has been set up to map out the overall plan for revitalising old Wan Chai. The Special Committee comprises members of WCDC, representatives of the Development Bureau and the URA, and people from various academic, arts and cultural fields. Initiatives considered by the Special Committee include beautification of the open-air bazaars at Tai Yuen Street/Cross Street and Gresson Street and a heritage trail. The Special Committee has decided to set up a webpage on the Committee work to enhance its transparency and to invite views on the beautification of the two open-air bazaars in old Wan Chai.

6. On the preservation front, the URA has made considerable efforts to meet rising community aspirations. A case in point is the effort of the Development Bureau, the URA and the relevant private developer to preserve the core elements of the Wan Chai Market, a grade III historical building. Working within the legal and contractual obligations, the URA has sought the private developer's agreement to preserve the major character defining elements of the Market building which would have been demolished under the original plan. Another example is the Nga Tsin Wai Village project. The URA has decided to extend its conservation plan for the Nga Tsin Wai Village project beyond the three relics proposed earlier by the villagers and the Wong Tai Sin District Council. The central axis of the Village with eight authentic village houses in its path, as well as the overall pattern of pedestrian lanes will now be preserved as the core of the Village. The above efforts are generally supported by the relevant District Councils and the Antiquities Advisory Board.

7. Further, in response to the Chief Executive's 2007-08 Policy Address, the URA is working on a strategy to preserve up to 48 pre-war shophouses of Cantonese verandah-type through various means, including compulsory purchase, voluntary acquisition and other types of assistance.

URA's Work Plans

8. The Financial Secretary approved the URA's Corporate Plan (CP) for 2008/09 – 2012/13 and 2008/09 Business Plan (BP) in February 2008. The five-year CP comprises 23 new redevelopment projects and 1 new preservation project; a rehabilitation programme covering about 1,000 old buildings; and revitalization initiatives within URA's Action Areas which are integrated with the redevelopment projects and rehabilitation programme. Besides, the URA will continue to take forward on-going redevelopment projects.

9. In 2008/09 BP, the URA plans to commence three redevelopment projects and one preservation project; carry out rehabilitation efforts covering around 200 buildings; and revitalization initiatives in Action Areas to create a synergy effect with on-going or planned redevelopment projects.

10. Details of URA's work plans are set out in Part IV of URA's paper at the **Annex**.

11. We consider it appropriate for the URA to commence a relatively small number of projects in 2008/09 given that it is a year of consolidation for the URA after the commencement of all ex-LDC projects. Some of the on-going projects are very complex, including the massive Kwun Tong Town Centre project, which URA has targeted to make acquisition offers by end 2008 to meet affected residents' aspirations. The URA will also press ahead with new district-based revitalization and preservation initiatives, and devote a lot of attention and resources to the URS review which we intend to launch in July 2008. Details of the URS review are covered in a separate LegCo Panel paper.

Financial Position

12. The URA's net assets stood at \$14.4 billion as at 31 March 2008. Notwithstanding the present healthy financial situation, the URA has indicated that it will be increasingly difficult to balance its books due to the increased commitments in preservation, revitalisation and rehabilitation, which are generally non-profit making. The financial risks associated with redevelopment is also greater than before in the light of increasing acquisition costs and the exceedingly large outlay required for the implementation of the Kwun Tong Town Centre project. URA's report on the financial position is given in Part V of its paper at the **Annex**. The Government will continue to closely monitor URA's financial position.

Development Bureau
June 2008

Work of the Urban Renewal Authority in 2007/08
And Business Plan for 2008/09

I. **INTRODUCTION**

This paper is a report on the work of the Urban Renewal Authority (URA) for the year ended 31 March 2008 and its business plan for 2008/09.

II. **BACKGROUND**

2. In 2007/08 which was its sixth full year of operation, the URA continued to work within the parameters prescribed in Government's current Urban Renewal Strategy (URS). The URA has further developed its 4Rs strategy, which encompasses redevelopment, preservation, rehabilitation and revitalization, and has pressed ahead with planning the implementation of new preservation and revitalization initiatives in response to the Chief Executive's 2007/08 Policy Address. The strategic partnership between the URA and Hong Kong Housing Society (HKHS) has continued to bear fruit.

III. **WORK OF THE URA IN 2007/08**

Redevelopment Projects

1 April 2007 to 31 March 2008

3. The URA commenced implementation of six new redevelopment projects in Central, Wong Tai Sin, Mong Kok, Ma Tau Kok, To Kwa Wan, and Tai Kok Tsui in 2007/08. Of these, the first three were the remaining three uncommenced projects out of the 25 such projects inherited from the Land Development Corporation, while the second three comprise two new development projects and one new development scheme, all of which are being processed under the Urban Renewal Authority Ordinance (URAO). These projects are at various stages of planning. Overall, it is estimated that about 760 property interests are involved and about 940 households, comprising some 2,250 people, are affected by them.

4. During the past year, the URA has continued with the work of property acquisition, clearance and re-housing for eight of the redevelopment projects launched in its first five years from 2001/02 to 2007/08. A further three commenced redevelopment projects are currently at the planning stage. Resumptions were approved for four projects during 2007/08. Clearance of one site was completed. Over 70 households have accepted re-housing in estates of the Hong Kong Housing Authority (HKHA) and HKHS. In addition, over 170 households accepted cash compensation. Work on re-housing or compensating the remaining households affected by URA's projects is continuing.

5. The URA conducted tender exercises and an appointed joint venture partner for the site at Pine Street/Anchor Street in Tai Kok Tsui during 2007/08. In May 2008, the URA awarded the joint venture development tender for Baker Court in Hung Hom. Having entered into a joint venture agreement with the Hong Kong Playground Association for the redevelopment of the Macpherson Indoor Stadium in Mong Kok in March 2006, the URA and HKPA awarded the joint venture development contract for this project in June 2008. The URA may invite further expressions of interest and call for further tenders for other projects as the year progresses.

May 2001 to 31 March 2008

Projects Launched Directly by URA

6. The tentative timings of the completions of the development stages of the 29 projects launched directly by URA from its establishment up until 31 March 2008, including the six launched in 2007/08, varies between 2008 and 2020. Based on current plans, they are expected to provide an estimated total of almost 9,400 new domestic units and 332,300m² of commercial space upon completion. For the benefit of residents and local communities, these projects are also expected to provide about 30,000m² of Government/Institution/Community (GIC) facilities, 17,800m² for other uses such as transport facilities and space for cultural and creative industries and 19,800m² of open space.

Projects Launched in Cooperation with Hong Kong Housing Society

7. The URA and HKHS entered into a Memorandum of Understanding on Strategic Cooperation in December 2002. Under the MOU, the HS has to date commenced seven redevelopment projects

announced but not commenced by the former LDC, and HKHS is bearing all of the costs of these projects and any profits or losses. Five of these projects are in Sham Shui Po and two are in Shau Kei Wan. The projects affect about 750 property interests and 1,240 households comprising 2,370 people. Under the agreed arrangement, the HKHS is undertaking acquisition and clearance for the projects. The HKHS is also responsible for redevelopment of the sites after clearance. When developed, the projects are expected to provide about 1,700 new flats, 13,300m² of commercial space, 4,850m² of space for GIC use and 300m² of open space. In addition to these seven projects, the HKHS and URA commenced implementation, in 2006, under the MOU of a preservation project in Wan Chai, affecting nine tenement blocks and 34 households. It is planned that upon completion of the acquisition of all property interests in it, the properties will be handed over to the Government for implementation according to the spirit and terms of the Government's Revitalising Historic Buildings Through Partnership Scheme. The URA and HKHS are looking ahead and exploring the scope for cooperation in bringing further urban renewal projects to fruition for the benefit of the community as a whole.

Ongoing Projects Taken Over From LDC

8. On its establishment, the URA took over the implementation of 10 projects commenced by the former Land Development Corporation (LDC). Two projects at Argyle Street/Shanghai Street and Kwong Yung Street in Mong Kok were completed in earlier years. During 2007/08, URA continued with the implementation of the eight other projects, completing four of them. The remaining four projects are at various stages of construction. Altogether, the 10 projects taken over from the LDC are expected to produce about 6,240 new flats, 238,900m² of commercial space, 1,070 hotel rooms, 21,200m² of GIC facilities and 11,200m² of open space.

9. In sum, the URA has carried out / continued to implement a total of 45 redevelopment projects and 2 preservation cum revitalization projects since its establishment in 2001, providing about 17,000 new flats, 585,000m² of commercial space, 56,000 m² of GIC facilities and 32,000m² of open space.

Details and Progress of Individual Projects

10. **Appendix** shows the details and current progress for -
- a) the 29 projects launched up to 31 March 2008 by the URA;
 - b) the eight projects launched up to 31 March 2008 by the HKHS; and
 - c) the 10 ongoing projects taken over from the LDC.

Property Acquisition Policies

11. Both the URA and HKHS adopt similar policies for acquisition of property interests to the Government's compensation policy on land resumption but add a certain amount of incentive for property owners. Domestic owner-occupiers are offered a home purchase allowance (HPA) equivalent to the difference between the open market valuation of the owner's premises and that of a notional seven-year-old replacement flat in the same general locality. The average acceptance rate of about 81% in commenced projects, for which acquisition has commenced so far is considered reasonable in view of the rising property market over the last four years and given that of the balance of 19% includes the properties interests which cannot be acquired due to problems such as unclear legal titles or untraceable owners.

12. Nevertheless, the URA continues to look for and introduce enhancements where appropriate to ensure that its policies and procedures strike the right balance between being sufficiently responsive to the needs of people affected and sufficiently cost-effective to sustain a viable urban renewal programme. Thus, during 2007/08, the URA introduced a number of enhancements, namely -

- (a) expression of interest in purchasing arrangement for residential units;
- (b) designation of space exclusively for the purpose of social enterprise for commenced projects;
- (c) additional ex-gratia business allowance for business operators; and
- (d) special local sports shop arrangement for the Sai Yee Street project.

The Legislative Council Panel on Development was briefed in detail about these on 27 November 2007 via Paper No. CB(1)297/07-08(04).

Preservation

13. The URA currently operates Western Market, which is a preservation project. Five current projects, all in Wan Chai, contain significant preservation elements, in particular the preservation of five pre-war buildings in the redevelopment project at Johnston Road, and three pre-war shophouses as part of the Lee Tung Street redevelopment project, preservation of the core elements of the Wan Chai Market building, a preservation-cum-revitalization project at Mallory Street/Burrows Street, and a similar project jointly undertaken with HKHS at Stone Nullah Lane/Hing Wan Street, resulting in a total of 22 buildings being preserved in Wan Chai. Other ongoing projects involving the preservation of heritage include Peel Street/Graham Street and Staunton Street/Wing Lee Street in Central and Western and Nga Tsin Wai Village in Wong Tai Sin, where a number of pre-war shophouses, tenement buildings, shops, village houses and other items of historic interest are being preserved and themed open spaces are being provided. The URA is keen to pursue further preservation projects as part of its coordinated 4Rs approach. In response to the Chief Executive's 2007-08 Policy Address, commencement of the planning processes for a number of potential projects with preservation elements, as well as provisions for the preservation of pre-war shophouses, are included in the Corporate Plan (CP). However, the costs of preservation are often high. In considering new preservation projects, the URA must keep in view the need to balance priorities in resource allocation and the potential, following their preservation, of buildings to generate revenue through adaptive re-use to pay for their long term maintenance.

Rehabilitation

14. Initiatives to encourage better care of domestic premises in multiple ownership by the owners continue to be a major area of work for the URA. The purposes of building rehabilitation are to improve the environment and living conditions in residential buildings, and to extend the useful life of buildings. Three initiatives have been undertaken.

Materials Incentive Scheme

15. URA has continued to operate a Materials Incentive Scheme, which was formerly known as the Extended Trial Scheme. This scheme targets buildings with Owners Corporations (OCs) with a view to encouraging owners to form OCs and promoting sustained maintenance and management after rehabilitation. OCs of domestic or composite buildings in multiple ownership and subject to statutory repair orders are invited to participate.

16. The value of renovation materials, excluding technical advice, provided by URA does not exceed whichever is lower out of \$3,000 per domestic unit or 20% of the total cost of the rehabilitation works on the common areas of the building.

Building Rehabilitation Loan Scheme

17. The URA also continued to operate the interest-free Building Rehabilitation Loan Scheme to cover buildings which meet similar criteria to those for the Materials Incentive Scheme and are not subject to statutory orders, in order to encourage owners to undertake voluntary rehabilitation early. Loans are arranged through OCs but made to individual domestic property owners for up to \$100,000 per domestic unit for a term of up to five years, depending on the amount. Generally speaking, the scope of works covered is:

- Repair or preventive maintenance works to common areas and external envelope;
- Repairs, maintenance or up-grading of building services; and
- Repair and maintenance works inside domestic units which are carried out in association with the works to the whole building.

Hardship Grants

18. In some cases, the presence of owners, such as elderly people on low incomes, who are unable to contribute to the overall rehabilitation costs, may discourage or prevent other owners from going ahead. The URA has therefore introduced a limited Hardship Grant Scheme to assist such owners. The Scheme covers the same class of buildings as the Materials Incentive Scheme and Loan Scheme. Hardship Grants may be up to \$10,000 per domestic unit or 100% of the

share of cost of the works for the whole building attributable to that unit, whichever is lower.

19. Around \$350 million has been allowed in the CP for the five years from 2008/09 to 2012/13 for funding the building rehabilitation programme. This can potentially cover up to 1,000 buildings, comprising about 66,000 domestic units, within the five-year period covered by the CP. Additional resources may be allocated for this use if required in future.

20. Various rehabilitation assistance schemes will help address problems of building dilapidation and improve living conditions and the built environment in these areas. So far assistance has been or is being given to owners of about 36,000 units in over 450 buildings. Expenditure incurred under all schemes up to June 2008 is around \$195 million.

21. As a further measure to encourage better care of buildings in private ownership, the URA has obtained support from 17 local banks to offer mortgages on enhanced terms in respect of older domestic flats in buildings, which have benefited from URA's rehabilitation programmes. This market-led mechanism for reflecting the enhanced value of properly maintained buildings has been widely welcomed by owners, the property industry and the community at large.

Revitalization

22. In the past year, the URA has both built and continued with the design of several revitalisation initiatives at the same time as starting various new revitalisation studies and programmes which will widen and enhance the community benefits of redevelopment, rehabilitation and preservation. The success of this revitalisation programme is in no small way due to the support of the community which the URA has sought and been given through the District Councils combined with the close co-operation of key Government Departments such as Highways Department, Transport Department and the Leisure and Cultural Services Department.

23. During the year, street revitalization works in the vicinities of URA's redevelopment and rehabilitation activities were completed in Tai Tsun Street and Ivy Street, Tai Kok Tsui; Hanoi Road, Bristol Avenue and Minden Row, Tsim Sha Tsui; and Ho Pui Road, Tsuen Wan. Meanwhile improvement works began in Tung Street, Sheung Wan and

detailed designs were produced for improvements in Nelson Street, Mong Kok.

24. In response to the Chief Executive's 2007/08 Policy Address, we are working closely with the Development Bureau, the Wan Chai District Council and the Old Wan Chai Revitalisation Special Committee in preparing a district-based approach to the development and revitalisation of Wan Chai. This new programme will build upon the work started in previous years in the URA's Wan Chai Master Thinking and Plan. Meanwhile, in Sheung Wan, which is home to several URA projects, the URA has itself commenced an area improvement plan with an emphasis on strengthening linkages, including designing and laying out a new heritage trail to highlight the many historical features of the district.

Community Relations

25. Intensive community development efforts continue to be made with a view to ensuring that the sentiments and concerns of stakeholders in individual projects are taken into consideration during the planning and acquisition stages of such projects. The Authority reaches out to all residents' groups, concern groups, local consultative bodies, professional bodies, politicians, and the mass media to cultivate and foster better mutual understanding with all stakeholders, to address their legitimate concerns as far as practicable and to enlist both local and general public support.

26. The URA appreciates that some owners and tenants, especially the elderly, might face difficulties in vacating their premises and setting up new homes elsewhere. Front-line staff are trained to provide personal care and assistance to every family genuinely in need of help. Practical assistance includes providing a special 30% down payment instead of the standard market practice of 10% based on the needs of individual families, helping to arrange a bridging bank loan, gathering market information on home-buying and mortgage, helping out with house moving and providing temporary storage for large household items. In addition, the URA and the HKHS have appointed, through open tender, six district-based social service teams (SST) to provide affected residents, who need special help, with counselling and advice services on various issues. The SSTs have provided assistance to about 190 cases in 2007/08 and a total of about 1,700 since 2002/03.

27. The Authority is fully aware of the importance and benefits of effective community relations and reaches out to the communities in

the Authority's action areas as an integral part of our people-oriented community participation strategy. To ensure that urban renewal projects are planned and designed in ways which take account of the aspirations of the stakeholders concerned where practicable, URA has established six District Advisory Committees (DAC) in our major action areas, namely, Sham Shui Po, Wanchai, Central and Western, Yau Tsim Mong, Kwun Tong and Kowloon City. Membership of these DACs includes legislators, district councillors, government representatives, academics, social workers, landlords, tenants and trade representatives as well as professionals, so that URA may be suitably and directly advised on all relevant aspects and concerns when planning our renewal projects. During the year 2007-08, a total of 11 DAC meetings were held, not including numerous informal discussion sessions with individual members. In addition, the URA's Board Chairman, Managing Director and other senior representatives of the Authority, participated in various community engagement activities including workshops, goodwill visits and residents' meetings.

IV. **FUTURE PLANS**

28. A number of events have shaped the URA's seventh annual Business Plan (BP) in 2008/09 and five-year CP in 2008/09 – 2012/13.

29. In October 2007, the Chief Executive's Policy Address announced new initiatives whereby URA was tasked with the preservation of more pre-war buildings, with assisting the Development Bureau with the revitalization of old Wan Chai using district-based approach, including, among other things, the revitalization of the Tai Yuen Street/Cross Street open-air market.

30. Subsequently, in December 2007, the URA launched the last of the 25 announced uncommenced ex-LDC projects to which URA was tasked with giving priority under the current Urban Renewal Strategy (URS). This marked a significant achievement and milestone for the URA in fulfilling that stage of its urban renewal mission.

31. In February 2008, the FS announced in his Budget Speech that a review of the current URS would be conducted in the following few months. Among other things, this review would consider the future role of redevelopment in urban renewal, given the increasing importance now being attached by the community to heritage, social networks and building rehabilitation. The FS added that, pending any revision of the

current URS, the URA should push ahead with the redevelopment projects now in progress.

32. The Financial Secretary approved the URA's seventh CP and BP in February 2008 in accordance with sections 21 and 22 of the URAO. URA's approved work programme for 2008/09 includes a new strategy for preserving up to 48 pre-war shophouses by various means, as well as plans for working under the coordination of the Development Bureau on revitalization of Wan Chai using a district-based approach and other initiatives for revitalizing Sheung Wan in Central and Western District. The URA is also prepared to explore together with the Government and the HKHS areas for synergy and further cooperation among various rehabilitation initiatives.

33. Rolling forward from the previous CPs, the seventh CP consists of 65 redevelopment projects, including 4 still on-going projects taken over from the LDC, the 35 redevelopment projects and two preservation-cum-revitalization projects commenced so far by URA, including those undertaken in association with the HKHS, and 24 new redevelopment and preservation projects. In 2008/09, priority continues to be given to taking forward the implementation of the 25 projects announced but not commenced by the former LDC. All of these have now commenced, with the last three namely, Nga Tsin Wai Village, Sai Yee Street and Peel Street/Graham Street having commenced in appropriate forms during 2007/08, while some others are nearing completion. In addition, some new projects are also being commenced where justified on planning and other grounds. In total, the URA currently plans to undertake three redevelopment projects and one preservation project in 2008/09.

34. URA's work programme also includes the important role of supporting proactively the Development Bureau in the latter's conducting of the review of the URS. In this regard, the URA has, on behalf of the Development Bureau, already been undertaking preparatory work for the review, which is the subject of a separate paper being put to the Panel.

V. FINANCIAL MATTERS

35. The Authority's net assets value as at 31 March 2008 was \$14.4 billion. This comprised a capital injection totalling \$10 billion from the Government and an accumulated surplus from operations of \$4.4 billion. In 2007/08, URA recorded a net operating surplus of \$2.1

billion. The operating surplus/(deficits) of the URA since its formation in May 2001 are summarized as follow –

	<u>\$'000</u>
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
2007/08	2,077,601

Total :	4,389,058
	=====

36. The operating surplus for 2007/08 was mainly contributed by revenue realized from projects as a result of the upturn of the property market. As at 31 March 2008, the URA's cash and bank balances totalled \$10.9 billion and the estimated outstanding commitments in respect of projects under acquisition stood at \$7.2 billion. URA had no borrowings in the 2007/08 financial year.

37. 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, many property interests were acquired during 2003 when Hong Kong was suffering from SARS and the assembled sites 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 efforts to improve the quality of the housing and built environments in dilapidated urban areas.

38. Detailed financial information relating to our position as at 31 March 2008 will be given in our Annual Report and Audited Accounts for 2007/08 which is planned to be tabled in the Legislative Council in October 2008. The status of all of URA's projects are given in **Appendix** from which Members will note that although six out of the 10 commenced projects inherited from the LDC have now been completed with all residential and commercial accommodation having sold, leased or distributed, none of the projects commenced by URA or its strategic partner the HKHS, have yet reached that stage.

39. Although the six completed projects as a whole have generated a surplus of about \$890 million for the URA itself, excluding any surpluses or deficits already accounted for by the LDC in respect of these projects, it remains a fact that the URA is heavily exposed to risks arising from property market fluctuations when implementing its urban renewal programme in the coming years, with respect to both the properties it has acquired and the costs of future acquisitions. Recently, acquisition costs have increased significantly, as demonstrated by the compensation cost for acquisition of the owner occupied domestic properties in a recent project amounting to over \$9,900 per sq. ft. of net floor area, bringing with them significant increase in development risks for the URA. We estimate that a total expenditure of about \$30 billion, excluding operational overheads, will be required by the URA to meet the costs of all projects contained in its 2008 to 2013 Corporate Plan. This expenditure covers the full range of URA's 4Rs work in redevelopment, preservation, rehabilitation and revitalisation. Among the redevelopment projects are several major ex-LDC projects, including the Kwun Tong Town Centre project, which is the largest project ever undertaken by the URA. We anticipate that the Kwun Tong Town Centre project alone would require a provision for loss currently estimated to be \$2 billion.

40. In addition, URA has recently launched an extensive new programme of preservation of pre-war shophouses, which, while being a worthwhile investment in preserving Hong Kong's heritage for the community, will be unlikely to be able to generate revenue sufficient to cover its upfront capital costs. URA is also expanding its revitalisation programme and is looking to do more in the area of building rehabilitation and maintenance. Therefore, URA envisages in its Corporate Plan that URA will have to seek external financing, such as bank borrowings, in order to implement its 4Rs Plans over the next five years.

41. To ensure that its urban renewal programme is sustainable in the long term, the URA will continue to maintain a very prudent financial position and exercise due care and diligence in handling its finances.

VI. CONCLUSION

42. The work of the URA continued to make substantial progress in 2007/08. Highlights were the launches of the last three of the 25 ex-LDC projects plus three URAO projects; the preparation of the strategy for the preservation of 48 pre-war shophouses; the commencement of planning on the revitalization of Wan Chai using a

district based approach; the rehabilitation of 115 buildings containing 7,160 units; and the commencement of preparation for the review of the Urban Renewal Strategy. Co-operation with the HKHS has continued to prove beneficial in bringing extra resources to the urban renewal effort and the two bodies will build on this.

43. Overall, the URA is continuing to strive to implement its vision of creating a quality and vibrant urban living environment in Hong Kong to provide better homes in this world class city by delivering an affordable, financially self-sustaining, integrated and well balanced urban renewal programme that meets the needs and expectations of the community in changing economic and market conditions.

Urban Renewal Authority
June 2008

Details and Progress of Individual URA Projects

Project Name	Development Name	Project Site Information				Project Development Information						Remarks	Status
		Area m ²	Existing GFA m ²	Buildings	Population	Total GFA m ²	Residential Flats	Commercial Space m ²	Other Uses m ²	G/IC GFA m ²	Open Space m ²		
(a) URA projects launched up to 31 March 2008 by URA													
1	Anchor Street/Fuk Tsun Street, Tai Kok Tsui	726	5226	6	257	6534	0	6534				Commercial space is for 200 room hotel	Project commencement gazetted on 07/03/08 Draft DSP considered by TPB on 13/06/08
2	Chi Kiang Street/Ha Heung Road, To Kwa Wan	928	3772	5	270	8352	116	1392					Submitted to DEVB for authorization
3	Pak Tai Street/Mok Cheong Street, Ma Tau Kok	776	3348	5	253	6984	92	1164					Submitted to DEVB for authorization
4	Sai Yee Street, Mong Kok	2465	14434	14	498	22185	196	8241					Project commencement announced on 21/12/07 Property acquisition in progress
5	Nga Tsin Wai Village, Wong Tai Sin	4637	2051	36	154	37097	580	2319			1400		Project commencement announced on 02/10/07 Property acquisition in progress
6	Peel Street/Graham Street, Central & Western	5320	20219	37	823	68620	293	46260			1000	Commercial space includes 1,260m ² for multi-purpose activity hall and 8,950m ² for 182-room hotel	MLP approved by TPB in 05/07 Property acquisition in progress
7	Kwun Tong Town Centre, Kwun Tong	53500	105124	24	4763	401250	2000	209640	15700	16300	8700	Other use is 15,700m ² for Public Transport Interchange Area	Project commencement gazetted on 30/03/07 2 draft DSPs gazetted on 05/10/07 Representations cleared at TPB hearing on 14/03/08 Property acquisition scheduled to start in 12/08
8	MacPherson Stadium, Mong Kok	2399	2788	1	0	24768	254	2443		5620		G/IC is for Indoor Stadium and Youth Centre	Development agreement executed with HKPA Joint venture development contract awarded
9-11	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	7440	25344	37	1233	66960	784	9930		2200	1500	Three projects taken forward as one G/IC is for unspecified reserve	DSP approved by CE in Council on 03/06/08
12	Fuk Tsun Street / Pine Street, Tai Kok Tsui	536	4071	3	272	4824	72	804					Clearance in progress
13	Yu Lok Lane / Centre Street, Sai Ying Pun	2156	4140	14	270	17320	270	245			1100	Commercial space includes 76m ² for community use	MLP approved by TPB in 09/07 Property acquisition in progress
14	Mallory Street / Burrows Street, Wan Chai	780	2687	5	122	2140		2140			300	Other use is 2,140m ² for cultural and creative industries	Resumption in progress
15-16	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	3345	13197	17	540	30106	384	4923			580	Two projects taken forward as one Commercial space includes 390m ² for social enterprises	Resumption in progress MLP approved by TPB in 01/08
17	Pine Street / Anchor Street, Tai Kok Tsui	2328	11802	12	520	20952	304	3492			450		Joint venture development contract awarded
18	Larch Street / Fir Street, Tai Kok Tsui	2195	10332	12	594	19753	368	3292				Commercial space includes 1,000m ² for social enterprises	Estimated completion of construction in late 2011
19	Lee Tung Street / McGregor Street, Wan Chai	8220	36534	52	1611	84955	1313	11749		2100	3000	Commercial space includes 968m ² for social enterprise G/IC includes Residential Care Home for Elderly/Community Service Support Centre, Refuse Collection Point and public toilet	MLP approved by TPB on 22/05/07 Demolition completed Road closure gazetted on 25/04/08
20	Baker Court, Hung Hom	277	834	2	9	2164	24	246					Joint venture development tender awarded
21	Bedford Road/ Larch Street, Tai Kok Tsui	1229	6313	7	280	10370	187	1154					Estimated completion of construction in early 2009
22	Staunton Street/ Wing Lee Street, Central & Western	3563		24	288	21608	216	3809			625		MLP submitted to TPB on 25/03/08 Property acquisition in progress
23	Queen's Road East, Wan Chai	378	1806	5	25	3985	96	445					Estimated completion of construction in mid 2010
24	First Street / Second Street, Western	3536	15690	30	777	38030	496	1717		2199	700	G/IC is for Residential Home for Elderly	Estimated completion of construction in late 2009
25	Po On Road / Shun Ning Road, Sham Shui Po	1394	4898	8	327	12534	166	2083			250		Construction completed in April 2008
26	Reclamation Street, Mong Kok	535	2411	4	122	4921	85	802					Sales of flats under way
27	Cherry Street, Tai Kok Tsui	4510	14416	33	1020	43231	522	4916		1849		G/IC is for Residential Home for Elderly	Estimated completion of construction in late 2008
28	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	1384	5129	8	246	12453	173	2075			255		Estimated completion of construction in late 2008
29	Johnston Road, Wan Chai	1970	7640	21	333	20567	381	2600					Sales and leasing nearing completion
Sub-Total (A)		116527	324206	422	15607	992663	9372	332275	17840	30268	19860		
(b) Projects launched up to 31 March 2008 by HKHS													
30	Stone Nullah Lane/Hing Wan Street, Wan Chai	930	1796	9	57	1796		1796			230	Implementation according to the spirit and terms of Revitalising Historic Buildings Through Partnership Scheme	Property acquisition in progress
31	Sai Wan Ho Street, Shau Kei Wan	712	3796	2	21	5791	88	631					Property acquisition in progress
32	Shau Kei Wan Road, Shau Kei Wan	1870	9834	17	400	19756	291	3168					Demolition in progress
33	Po On Street/Wai Wai Road, Sham Shui Po	2592	9923	19	528	21219	326	891		2648		G/IC is for Residential Home for Elderly	Construction in progress
34	Castle Peak Road/Cheung Wah Street, Sham Shui Po	1000	5935	10	158	9000	149	1500					Clearance and phased demolition in progress
35	Castle Peak Road/Un Chau Street, Sham Shui Po	2609	14193	22	496	23482	356	3914			150		Clearance and phased demolition in progress
36	Un Chau Street/Fuk Wing Street, Sham Shui Po	2222	10114	22	362	19998	312	1133		2200	150	G/IC is for Residential Home for Elderly	Clearance and phased demolition in progress
37	Castle Peak Road/Hing Wah Street, Sham Shui Po	1382	8286	11	344	12438	180	2073					Application for demolition in progress
Sub-Total (B)		13317	63877	112	2366	113480	1702	13310	1796	4848	530		
(c) Ongoing projects taken over from ex-LDC													
38	Yeung Uk Road, Tsuen Wan	7230	NA	0	0	43854	256	17373					Estimated completion of construction in early 2009
39	Hanoi Road, Tsim Sha Tsui	8299	27309	20	220	102626	345	31209	25764		1219	Other use is for 384-room hotel	Estimated completion of construction in late 2008
40	Tsuen Wan Town Centre, Tsuen Wan	20300	56851	22	7119	130199	1466	23221		3080	3700	G/IC is for transport and community facilities	Sales of remaining unsold flats and leasing of commercial premises underway
41	Wan Chai Road/Tai Yuen Street, Wan Chai	6781	12555	31	975	62310	904	3441		6330		G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Redevelopment of Sites A and B completed Revised MLP for Site C submitted to TPB in April 2008 Construction at Site C to commence in late 2008 for completion in late 2012
42	Ka Wai Man Road, Central & Western	728	NA	0	0	7280	89						Project completed in 2007/08 *
43	Queen Street, Sheung Wan	7964	25792	50	648	66271	1148	400		5254	1200	G/IC includes Single-person Hostel, Care & Attention Home, Day Nursery, Social Centre for the Elderly, Hostel for Moderately Mentally Handicapped and Cooked Food Centre	Project completed in 2007/08 *
44	Kennedy Town New Praya, Kennedy Town	6075	24808	15	1683	62904	1182				2300		Project completed in 2007/08 *
45	Waterloo Road/Yunnan Lane, Yau Ma Tei	3869	6610	19	444	35007	576				1650		Project completed in 2007/08 *
46	Argyle Street/Shanghai Street, Mong Kok	11976	40810	58	2603	167419	0	160870		6548	1100	Commercial space includes 41,467m ² for 686-room hotel, 65,542m ² for offices and 53,861m ² for retail G/IC includes Cooked Food Centre and transport and community facilities	Project completed in 2005/06 *
47	Kwong Yung Street, Mong Kok	1607	4190	10	272	15160	272	2414					Project completed in 2005/06 *
Sub-Total (C)		74829	198925	225	13964	693030	6238	238928	25764	21212	11169		
Grand Total (A) + (B) + (C)		204673	587008	759	31937	1799173	17312	584513	45400	56328	31559		

Note *: In this table, a project is deemed to be completed once all accommodation has been sold, leased out or distributed between joint venture partners