

Submission to the LegCo Panel on Development regarding the Review of the Urban Renewal Strategy

This is a preliminary response by the Professional Commons on the current review exercise related to the Urban Renewal Strategy. At this stage, we focus on the fundamental and structural problems that hindered the development of a healthy and sustainable urbanscape.

1. Flawed Strategy in Territorial Development

Although the Victoria Harbour focused Metro Plan promulgated in the late 1980s was a proper response to the weak confidence and investment before the re-unification with the Mainland, it no longer suits our present needs and even worse adversely affects the spatial development of Hong Kong. Not only most of the major development projects in the short and median term will be built along the shores of the Victoria Harbour, future supply of housing land, according to the “Hong Kong 2030 Report”, will be provided mostly in the urbanized areas, with the majority of them be created through urban renewal. Such a move will result in further intensification of overcrowdedness of the urban area. Against this background, development pressure of the Metro Core would only be resolved through major adjustment in the overall planning for Hong Kong.

2. Insistence on High Land Price and High Development Density Model

Many stakeholders as well as members of the public have casted doubt to the appropriateness of the high land price, high density and low quality approach undertaken by the Development Bureau, Town Planning Board, Lands Department and Planning Department in our town plan and in land management. According to “IMD World Competitiveness Yearbook 2008”, Hong Kong’s ranking was as low as 53 in “Apartment Rent” and 45 (out of 55 economies) in “Office Rent”. High land price leads to high development density, which damages the competitiveness of Hong Kong especially the competing edges of SMEs. It adversely affects our health as well. Our research in cities like Singapore and Shanghai shows that lower density redevelopment only exists if the Government is willing to accept lower land development return. On the contrary, there is no room for a lower development density if the Government insists to adopt a high land price policy. Continuous high land price policy and high density development will dampen the urbanscape rather

than improve it, if the Urban Renewal Authority (URA) and the Government maintain the present model of replacing short storey buildings by high rise, high density blocks of high development ratio. It is contrary to the fundamental principle of urban regeneration in view of public aspiration for better built and living environment. The situation could only be improved as if the Government abolished the high land price policy and the URA scraped its mentality of full utilization of the permitted plot ratio and restraints be imposed by the Government in granting high development/plot ratio in redevelopment projects.

3. Inadequacy of Community Input in the Strategic Planning Stage

There are many complaints against the “announce first, consult later” approach being adopted by the URA. Such an arrangement has led to numerous problems, ranging from negligence on residents’ acceptance towards redevelopment, controversies over profit sharing and compensation arising from the redevelopment projects, disputes on heritage preservation, and the disintegration of social network. It is obviously deviated from the “people-oriented” approach, the guiding principle of the URA in undertaking urban regeneration. Most of these problems might have a better solution if they could be addressed at the earliest stage, particularly when the strategic planning is still underway.

4. Disintegration of Community Network

The social fabrics, especially the network of the street level communities, are often not considered in the formulation of redevelopment projects or schemes. In most cases, the residents of the targeted development areas would be moved out and the local communities would disintegrate. Greater importance should be given not only to heritage conservation, but the preservation of the community networks as well.

5. Poor Professional Performance

Despite the fact that there are an ample number of trained and highly paid professionals in the URA as well as in relevant government departments, their performance is not professionally sound if we look at the outcome of our urban fabric, both in terms of the quantity and quality. Such a situation is attributed to a couple of reasons. For instance, Social Impact Assessments and Cultural and Heritage Impact Assessments are not statutorily required in the Ordinance, so that they do not have

significant roles in the administrative procedure of the redevelopment projects. Traffic Impact Assessment and other development studies are always manipulated by the consultants hired by developers in the planning process. The “Hong Kong Planning Standard and Guidelines” aiming at a better environment and urban design are often ignored by the majority of the professionals in planning (representing either the developers or the public sector) in the process. The Town Planning Board is more or less a rubber stamp of the administration (or even the developers) and usually fails to safeguard public interests.

6. Role Segregation between the Government and the URA

On one hand, the principle of self-financing has pushed the URA to act like a property developer. Recently, the URA has been required to pay greater efforts in heritage preservation, etc. On the other hand, government subsidies to several urban regeneration projects in the past couple of months appeared to be the outcome of arbitrary decisions. It is unrealistic to expect urban regeneration as a convenient task, and would involve minimal costs. The Government should help delineate the role of the URA through streamlining its responsibilities and reviewing its self-finance principle. It would be of equal importance for the Government to abandon the “arms length” approach and adopt an enabling role through the provision of a holistic urban regeneration policy and respective financial subsidies.

The Professional Commons is currently examining the details of the problems and consolidating alternative solutions that might help in shaping a new direction on future Urban Renewal Strategy. We will issue a comprehensive set of policy analysis and recommendations in due course.

The Professional Commons
2 April 2009