

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

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29 November 2017

Ms Doris Lo
Clerk to Panel on Development
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong.

Dear Ms Lo,

**Legislative Council Panel on Development
Work of the Urban Renewal Authority**

Thank you for your e-mail of 3 November 2017, inviting us to provide information relating to matters raised by Members of the Legislative Council Panel on Development during the discussion of the work of the Urban Renewal Authority at the meeting held on 31 October 2017. Having consulted the Urban Renewal Authority (“URA”), our response to the issues raised by Members is set out below in seriatim –

- (a) **whether the Government and URA would consider reviewing URA’s role, so that URA would make use of the land resumed to develop subsidised sale flats (“SSF”) or private housing affordable to the general public**

URA strives to improve the living conditions of residents in old districts. In taking forward redevelopment projects, URA will also improve the built environment and infrastructure of the old districts through comprehensive planning and bring greater benefits to the community. URA also aims at providing quality units which meet the current living standards in its redevelopment projects, so as to improve the living conditions of residents.

Although URA converted 338 units in its Kai Tak Development originally earmarked for the “Flat-for-Flat” Scheme into SSF as a one-off measure in 2015, URA, as a statutory body with the statutory function of promoting urban renewal, has all along maintained an appropriate division of labour with the Hong Kong Housing Authority / Hong Kong Housing Society in terms of roles and ambits in that the latter is responsible for providing SSF and public rental housing.

The redevelopment projects undertaken by URA since its establishment mainly focus on the redevelopment of private properties. To replenish the number of residential units in the private property market after redevelopment and to maintain the balance in the supply of public and private housing, the units to be provided after project completion are also private residential units. In addition, the modus operandi of URA has all along been generating revenue through the sale of units constructed after redevelopment, so as to achieve the long-term objective of a self-financing urban renewal programme. The surplus accumulated by URA over the years are used to finance the acquisition, compensation and rehousing for redevelopment projects, and other works of URA which would bring benefits to the public but would not generate any income, e.g. building rehabilitation, preservation and revitalisation. If the redevelopment projects of URA are used to develop public housing, the Government and URA have to carefully consider the impact of this fundamental change on the supply of public and private housing and the self-financing mode of operation of URA. On this premise, we would make reference to the outcome of the Yau Mong District Planning Study and explore with URA whether or not there is room to pursue different types of housing in suitable redevelopment projects.

(b) the key tasks of the district planning study for Yau Ma Tei and Mong Kok Districts

URA commenced in May 2017 a two-year district planning study on a pilot basis for the Yau Ma Tei and Mong Kok districts to carry out an in-depth and holistic study and urban renewal planning for the two districts. The study will explore ways of enhancing the efficiency of existing land use and modes in building rehabilitation in Yau Ma Tei and Mong Kok

which are two typical old urban districts so as to meet the development needs of the community through better utilisation of land. It will also identify more effective and efficient ways for urban renewal. URA will formulate a “Master Renewal Concept Plan” for the two districts to plan for more efficient road networks and community facilities, and will incorporate the elements of “Smart City” in the future planning of these districts and further promote the “Place Making” concept to bring about wider benefits for the local community. The Yau Mong District Planning Study will serve as an important basis for URA to extend practicable ideas and modus operandi to other districts and the work strategy of urban renewal in future.

- (c) **whether the owners of the industrial building in the Yu Chau West Street Project (IB-2) had undertaken building maintenance works after URA had acquired part of the building's property interests, and whether URA had paid for the relevant works**

The Owners' Corporation of the industrial building in the Yu Chau West Street Project (IB-2) passed a resolution in March 2014 to carry out comprehensive repair works for the building, including refurbishment of external wall and the entrance lobby, replacement of lifts, and replacement of pipes. The repair works have completed and URA has taken up the costs according to its share of property interests.

- (d) **whether URA would extend the scope of the “Smart Tender” Building Rehabilitation Facilitating Services Scheme (“Smart Tender Scheme”) to assist owners' corporations of private buildings in the procurement of consultancy services for carrying out building rehabilitation works, including arranging an independent adviser to offer professional and technical advice and to give an assessment on the market price of the tender**

At present, the Smart Tender Scheme will provide eligible owners' organisations with a DIY tool-kit with guidance in arranging building rehabilitation (including various guidelines and standard documents to assist them in engaging consultants); arrange independent professionals to provide technical advice and a market estimate on the cost of works, and an electronic tendering platform to engage contractors, so as to facilitate

owners in making appropriate decisions in arranging building rehabilitation works and thereby reducing the risk of bid-rigging. URA will consider the feasibility of extending the scope of the electronic tendering platform of the Smart Tender Scheme to assist owners' corporations in engaging consultants. URA will also make reference to its experience in providing support service in building rehabilitation and explore ways to assist owners in analysing the reasonableness of the tenders received from consultants.

(e) apart from the Smart Tender Scheme, how URA could step up the efforts in combating bid-rigging in building maintenance works

Apart from the Smart Tender Scheme, URA is currently operating the "Building Rehab INFO-Net" website to provide relevant information and technical support to owners. The website provides information on generalised workflow and relevant practical information, introduction of various subsidy schemes with application forms, frequently asked building-related questions, tender notices, case sharing and total cost of works for reference, relevant information from other Government Departments or organisations, etc..

With the experience gained through assisting owners in undertaking building rehabilitation, URA will set up a new Building Rehabilitation Platform ("BRP") as an all-in-one centre to replace the "Building Rehab INFO-Net" website. Representatives from building rehabilitation-related professional bodies, societies, government departments and law enforcement agencies will join forces to provide one-stop information and support service to owners, including practical guidance and code of practice for consultants and contractors, standard documents for tender and engaging consultants and contractors, references on cost of works, and lists of service providers etc., for reference by owners and owners' corporations in order to further assist owners in resolving problems and difficulties associated with building repair. The BRP is expected to come into operation by mid-2018.

Grateful if you would kindly pass the aforementioned information to Panel Members for their reference. Thank you.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'R' followed by a 'S' and a 'Y'.

(Raymond Sy)
for Secretary for Development