

How to tackle land shortage?



Land for Hong Kong: Our Home, Our Say!

Public Engagement

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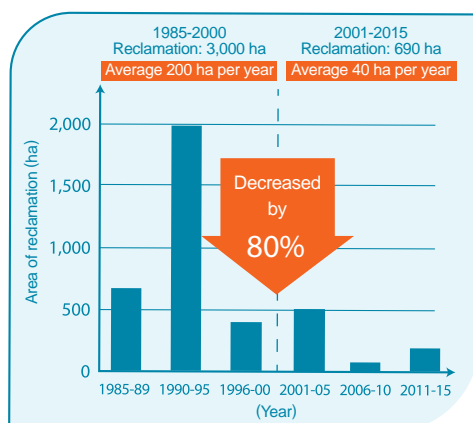
Task Force on Land Supply
April 2018

How to Tackle Land Shortage?

Land shortage has been plaguing Hong Kong in recent years. Of the total land area of 1,111 km², only 24.3% (270 km²) is built-up area, including the land for housing (6.9%), with the remaining 75.7% being not-for-development or non-built-up areas. According to “Hong Kong 2030+” study¹, Hong Kong will face a land shortfall of at least 1,200 ha in the long run. This is equivalent to the area of more than 60 Victoria Parks. Land supply is inadequate for the provision of housing, various types of community facilities, transport infrastructure, as well as for supporting commercial and industrial development.

If there is any delay or reduction in scale of development for projects in progress or planned projects (including rezoning and New Development Areas (NDAs)), the problem of land shortage will aggravate. In addition, we need to build up a land reserve to provide room and flexibility to meet various development needs of the society, including improving the average living space per person and enhancing the provision of community facilities. Therefore, **the Task Force on Land Supply (the Task Force) is of the view that land shortfall in the long run is not just about 1,200 ha; in fact, the actual shortfall should be much higher.**

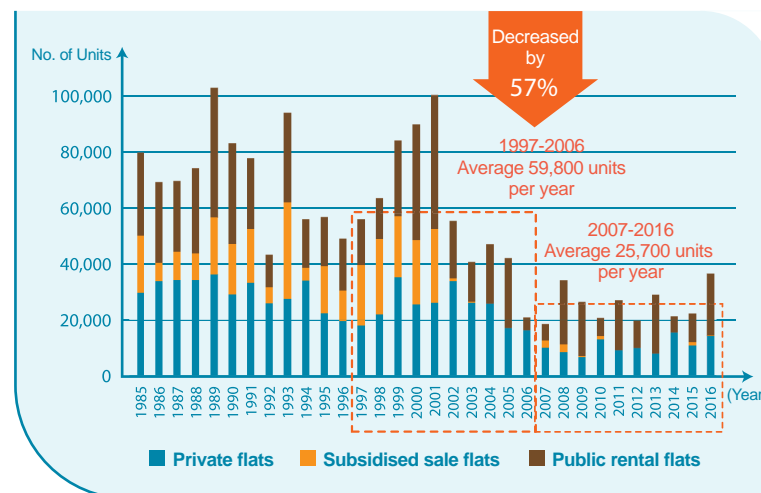
Land shortage is imminent. The crux is that the pace of land development (including reclamation) has significantly slowed down after the turn of the millennium, lagging behind the continued growth in population and households. Neither was land development keeping pace with economic development.



No more new town completion from 2000 onwards



The shortage of land supply leads to many livelihood issues that directly affect the daily life of the people. Many face with “pricy”, “tiny” and “cramped” living conditions. Soaring rents have also suffocated many businesses. **Land shortage in the short to medium term, including housing land, is particularly acute.** Between 2007 and 2016, the average annual housing completions amounted to merely 25,700 units, down by over 50% from the corresponding figure for the preceding decade. In the next 10 years, only 237,000 units of public housing are expected, lower than the supply target of 280,000 units. The average waiting time for public rental housing is 4.7 years. Some 210,000 people, including more than 30,000 children aged below 15, are living in unsatisfactory environment such as sub-divided units.



To draw on the collective wisdom about increasing land supply, the Task Force was established in September 2017. The Task Force aims to build community consensus through the public engagement exercise and make recommendations on the overall land supply strategy to the Government.

The Task Force cordially asks members of the public to provide your opinions with regard to the following questions, with a view to resolving, with joined-up efforts, this difficult issue of land supply that has been plaguing Hong Kong for a long time:

1. All options to increase land supply bring different level of impacts to different stakeholders. In your opinion, how should the community take a holistic view to balance sustainable development and other needs, so as to identify a land supply model that can meet society's best interests?
2. According to estimates till 2046, there is a shortfall of at least 1,200 ha of land (equivalent to the total area of more than 60 Victoria Parks), while there is no single land supply option that can solve the land shortage problem. In your opinion, what kind of multi-pronged strategy should Hong Kong adopt?
3. The short-to-medium term land supply situation is the most acute. After striking a balance between factors such as development benefits and costs, and the time required to provide land, how should we prioritise and make trade-offs between practicable options?
4. Some suggest that Hong Kong needs additional land to build a land reserve to meet various unforeseeable demands and continuously improve our living environment. Do you agree that we should kick start the study for building a land reserve, to prepare for the rainy days?
5. Some of the land supply options may still be conceptual at this stage with considerable technical constraints and uncertainties. It takes time to revolve those issues. In your opinion, how should the Government prioritise these options?
6. Apart from the opinions in response to the options listed, do you have other suggestions to increase land supply?

Note: 1. “Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030” Study conducted by the Planning Department.

Land Supply Options

The Task Force considers that **there are 18 options which can potentially provide additional land²** and they are grouped into three categories:

- **Short-to-medium term options**
(with potential to provide additional land in around 10 years' time);
- **Medium-to-long term options**
(with potential to provide additional land in around 10 to 30 years' time); and
- **Conceptual options**
(unable to confirm when and how much additional land can be provided for the time being)

Short-to-Medium Term Options

1. Developing Brownfield Sites

- There are about 1,300 ha of brownfield sites in the New Territories (NT). Around 540 ha have been covered by the Government's NDA projects which are being planned or implemented (including 200 ha in the New Territories North (NTN) development). The Planning Department (PlanD) is conducting studies on the remaining 760 ha of brownfield sites.
- Brownfield sites are not idle and most of them are used for industrial operations essential to our city and yet can hardly find suitable space in urban areas. There is a need to consider how to accommodate those operators who want to continue their business if their sites are being resumed.
- Whether the remaining 760 ha of brownfield sites are suitable for housing development is not just about the size of the land. A number of other factors have to be considered, namely the capacity of transport and other infrastructural facilities, the compatibility of housing development and the surrounding environment, whether the site can accommodate other community facilities to support the daily needs of residents and how to relocate existing brownfield operators. The Government would consider the potential for development of those sites based on PlanD's findings of the brownfield study.

2. Tapping into Private Agricultural Land Reserve in the New Territories

- According to rough estimates and information available in the public domain, major developers are believed to be holding no less than 1,000 ha of agricultural land in the NT. At present, in order to change the use of their agricultural land to residential use or other uses, the developers need to submit planning applications and lease modifications or land exchange applications. The development scale is often limited by the capacity of transport infrastructure. It is believed that if the use of such private land can be optimised, it can bring a positive impact to Hong Kong's housing supply.
- The community can explore whether a Private-Public Partnership (PPP) approach should be adopted and how it can make better use of private land, in particular agricultural land in the NT, so as to bring greater social benefits. For example, whether the Government should provide infrastructural facilities on the periphery of private land, to promote higher-density development in the whole area (including private land); and whether the Government should request private developers to provide affordable housing, in addition to private flats, to meet the housing needs of the public.
- The discussion has to be built on a fair, open and transparent mechanism for the PPP approach established by the Government, to assess each application objectively based on the set criteria for selecting appropriate projects that meet public interests.



Note: 2. Additional land refers to the land which has not been included in the 3,600 ha of land supply in the forecast of the "Hong Kong 2030+" study.

3. Alternative Uses of Sites under Private Recreational Leases (PRL)

- At present, there are a total of 66 PRL sites in Hong Kong. Of these, 27 sites occupying about 341 ha are held by private sports clubs. The Task Force believes that the society can explore whether individual sites can be released for other purposes while striking a balance between the contributions of individual sites to sports development and increasing land supply.
- The society can deliberate on the issue from different angles, including the contributions of individual clubs to sports development; whether the site has been put in optimal use; whether there is limit to the development potential of the land; whether the surrounding infrastructure can cope with demand; and the views of different stakeholders.
- Fanling Golf Course (FGC), a 172-ha site, is an example of PRL sites. Government-appointed consultants have conducted a broad assessment on the development potential of the FGC site from a technical perspective under the Preliminary Feasibility Study on Developing New Territories North. The study has proposed two preliminary development options: (i) Partial Development Option, which would involve developing 32 ha of land; and (ii) Full Development Option, which would involve developing the entire site of 172 ha. Besides, there are views in society that the entire FGC should be retained, or part of it can be used for other sports or recreational facilities which are open to the public.



4. Relocation or Consolidation of Land-Extensive Recreational Facilities

- There are a total of 95 land-extensive sports and recreational venues that are managed by the Leisure and Cultural Services Department. They include sports grounds, stadiums, parks, holiday camps, picnic areas and water sports centres, outdoor swimming pools as well as recreational and sports centres. These sports and recreational venues are generally well utilised by the general public. Relocating these facilities would affect local residents. Nevertheless, if the relocation of individual facility is not completely unacceptable from the public's point of view, the possibility of relocating or consolidating individual facility should not be totally ruled out, so as to achieve more optimal site utilisation.



● Medium-to-Long Term Options



1. Near-shore Reclamation outside Victoria Harbour

- The reclamation of land from the sea has long been an important source of land supply. Reclamation can generate a large piece of land for comprehensive planning of a new community. The new land can also provide space for relocating special industrial or “Not-in-My-Backyard” facilities away from the urban areas. As reclamation usually does not require private land resumption and household resettlement, the timing of supply can be in better control. In addition, latest reclamation technology can reduce the impact on water quality and ecology.
- To carry out a reclamation project, it is necessary to conduct feasibility and planning studies, as well as going through other statutory procedures. The entire process would take a decade or more to complete. The studies should also take into consideration the impact on the marine ecosystem so that suitable measures can be taken to meet the requirements of relevant statutory procedures.
- Studies conducted by the Government earlier on have identified five potential near-shore reclamation locations outside Victoria Harbour for further study, namely Lung Kwu Tan in Tuen Mun, Siu Ho Wan and Sunny Bay in North Lantau, Ma Liu Shui in Sha Tin, and Tsing Yi Southwest. These sites can provide some 450 ha of land in total.

2. Developing the East Lantau Metropolis (ELM)

- ELM is one of the two Strategic Growth Areas beyond 2030 proposed in the “Hong Kong 2030+” study. It involves the construction of artificial islands in the Central Waters between Lantau and Hong Kong Island that can provide 1,000 ha of land. ELM can be developed into the third core business area and a smart new town with strategic transport infrastructural facility connecting urban areas, Lantau and the western NT. ELM is also expected to improve the spatial distribution of homes and jobs in Hong Kong.



3. Developing Caverns and Underground Space

- In view of the shortage of developable land, rock caverns and underground space may offer room for accommodating suitable public or infrastructural facilities, and for supporting the relocation of some above-ground facilities and reducing the amount of land occupied by them. This will in turn release surface land for housing or other beneficial uses, indirectly increasing above-ground developable space in the long-term.
- The Government has launched a number of strategic studies and pilot projects and has identified some existing sewage treatment works and service reservoirs in Tsuen Wan, Sha Tin and Kowloon to study the feasibility of relocating them to caverns nearby. The relocations may release around 40 ha of land in total.
- Development of caverns and underground space involves costly and lengthy processes. The space so created is generally not suitable for residential use and may not be a suitable source of land supply for high-density development.



4. More New Development Areas (NDAs) in the New Territories

- Since the 1970s, nine new towns have been developed, providing a large amount of land for comprehensive development. At present, there are a number of NDA projects in NT which are in the pipeline, including Tung Chung, Kwu Tung North / Fanling North, Hung Shui Kiu and Yuen Long South. These NDA projects ensure a steady and sizeable supply of land in the medium to long term.
- NDA projects that involve the conversion of existing land for higher-density development can optimise the use of land resources and rationalise land use incompatibility in the rural NT (including brownfield sites), with a view to improving the rural environment. Taking NTN as an example, it is one of the two Strategic Growth Areas beyond 2030 as proposed in the “Hong Kong 2030+” study. The developable area of NTN amounts to around 720 ha, of which 200 ha are brownfield sites.



- Unlike reclamation, NDA projects that involve developing existing land will require land resumption, compensation and reprovisioning arrangements. The entire planning and development process of NDA projects usually takes at least 15 years for the first population intake.



5. Developing the River Trade Terminal (RTT) Site

- RTT in Tuen Mun West, occupying an area of 65 ha, is a privately-run terminal with 49 berths. In recent years, the RTT's cargo handling volume has been dwindling. There is a suggestion for alternative use of the RTT site to better meet the prevailing needs of the community.
- Tuen Mun West where the RTT site is located is predominantly industrial in character. Taking into account the compatibility with the adjoining land uses, there is suggestion to accommodate industrial and brownfield-related operations on the RTT site, so as to release the brownfield sites in the NT for other development uses.

6. Developing Two Pilot Areas on the Periphery of Country Parks

- There have been suggestions to consider developing the periphery of country parks with relatively low ecological and public enjoyment value for public housing and other purposes such as non-profit-making elderly homes.
- Whether the suggestion is workable will hinge on a number of detailed studies and assessments on ecology, environment and development potential. The community should strike a balance between the needs of development and conservation. Relevant statutory requirements must be fully complied with, including relevant legislations concerning country parks, town planning, environmental impact and infrastructure provisions. The Government will also need to consult relevant committees and other stakeholders.
- The Hong Kong Housing Society (HKHS) is conducting ecological and technical studies on developing two pilot areas on the periphery of country parks for public housing and other non-profit-making facilities. The two pilot areas cover Tai Lam and Shui Chuen O, with a total area of about 40 ha.

Conceptual Options

1. Developing the River Trade Terminal (RTT) Site and its Surroundings in the Long Term

- The area adjacent to RTT is predominately industrial in nature. The proposed Lung Kwu Tan reclamation³ can provide an opportunity to comprehensively plan and rationalise the industrial land along the entire western coastal area of Tuen Mun, so that the feasibility to use the RTT site and adjoining land for housing development can be explored in a more holistic manner.



2. Developing More Areas on the Periphery of Country Parks

- There are currently a total of 24 country parks in Hong Kong, covering about 40% of Hong Kong's total area. Apart from the two pilot areas on the periphery of country parks covered by HKHS's studies, there have been suggestions that the community should also discuss whether developing more areas on the periphery of country parks to increase land supply is worth exploring.



3. Increasing Development Intensity of "Village Type Development" Zones

- "Village Type Development" ("V") zones cover a total area of around 3,380 ha, which are mainly in 642 recognised villages. "V" zones are primarily intended for development of small houses (restricted to three storeys with a maximum height of 8.23 metres) by indigenous villagers. The development intensity of "V" zones is relatively low to reflect the rural setting of indigenous villages.



- At present, amongst the unleased and unallocated Government land within "V" zones, a considerable portion of the land involves gaps or passageways between existing small houses, slopes and other fragmented or irregular land parcels, rendering them unsuitable for large-scale development. To redevelop the land within "V" zones and rezone for higher-density development, it will inevitably involve land resumption, compensation and reprovisioning, as well as provision of infrastructural facilities.

- There have been suggestions that small houses should be allowed to appropriately increase their development intensity for higher-rise development for better use of same amount of land.

Note: 3. It is one of the five near-shore reclamation locations outside Victoria Harbour mentioned before.

4. Topside Development of Existing Transport Infrastructure

- There have been suggestions that the feasibility of topside development over transport infrastructure facilities, such as roads, railways and railway maintenance depots, can be considered.
- The normal practice for topside housing development over transport infrastructure is to plan, design and construct the infrastructure and topside facilities in parallel. Undertaking topside development over a completed facility may pose considerable limitations and challenges on the topside development.
- Various factors have to be examined in detail when having topside development over existing transport infrastructure, including the viability of constructing an elevated platform and its supporting structure, the compatibility of topside housing development with its surroundings, and its impact on transport, environment and landscape. Relevant statutory procedures should also be complied with.

5. Utilising the Development Potential of Public Utilities Sites

- Generally speaking, the Government will review whether there is a need to retain the public utilities sites for their original use in accordance with the existing mechanism before the expiry of the land leases.
- There have been suggestions that, for more sizeable or well-located public utilities sites such as telephone exchanges, the Government can review their development potential (including releasing the concerned sites for other uses or topside development) if it is not necessary to retain them for their original use.

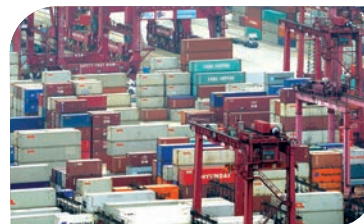
6. Relocation of Kwai Tsing Container Terminals (KTCTs)

- KTCTs and the port back-up area in the immediate vicinity together occupy about 380 ha of land. There have been suggestions that the terminals can be relocated to other parts of the city to free up the land at the existing terminals for other purposes.
- Container terminal operations are an important part of Hong Kong's economic development. The port sector employs 2.2% of Hong Kong's working population and underpins the trading and logistics sector. The key to the relocation proposal is whether a suitable replacement site can be identified. It would also be of paramount importance to ensure a seamless transition in the port relocation process. Due consideration to the impact on terminal operations and Hong Kong's economy would have to be given when considering any suggestion to change the land use of container terminals to increase land supply.



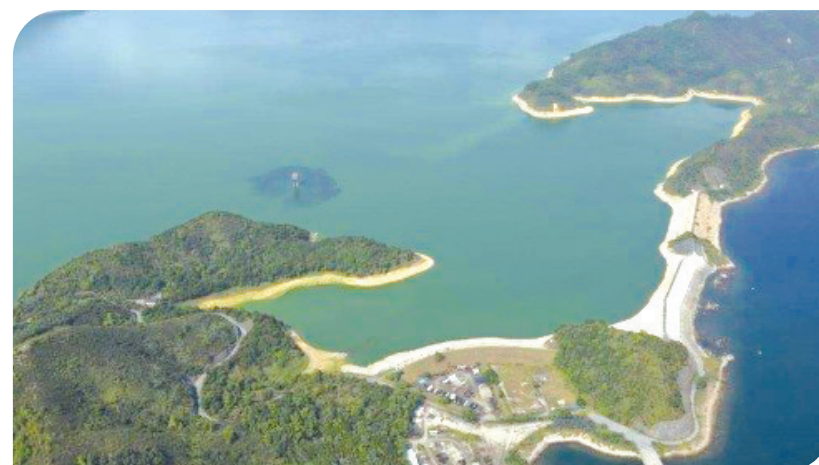
7. Topside Development of Kwai Tsing Container Terminals (KTCTs)

- KTCTs take up around 280 ha of land. It has been suggested that housing units can be built above the terminals by constructing elevated platforms, such that existing port operations can be maintained while the land they occupy can be utilised more optimally.
- The proposal to construct an elevated platform for topside development above KTCTs can only be taken forward on the condition that terminal operations will not be affected. A number of issues will also need to be examined, including the development rights of the existing privately owned land, technical issues, the impact on the environment (including air, noise and glare) and compatibility of topside development with the surrounding environment.



8. Reclaiming Part of Plover Cove Reservoir (PCR) for New Town Development

- PCR is Hong Kong's second largest reservoir in terms of storage capacity with an area of about 1,200 ha. There has been a suggestion to reclaim part of the PCR for development of a "Plover Cove New Town". The suggestion involves reclaiming around 600 ha of land for housing development, with the rest of PCR to be retained for open space and water storage purposes.
- Reservoirs play an important strategic role in the water supply of Hong Kong. The proposal to reclaim PCR will have a far-reaching impact on the stability of water supply and the optimisation of water resources in the long run. When considering the proposal, corresponding mitigation measures should be assessed and considered in a prudent manner.
- As PCR falls within the country park area, the considerations in connection with developing the periphery of country parks are also relevant to the suggestion of reclaiming part of PCR.



Land for Hong Kong: Our Home, Our Say!



The Task Force on Land Supply is conducting a five-month public engagement exercise. You are invited to consider the land supply options and provide your views on the options and relevant issues through the channels listed below during the public engagement period on or before 26th September 2018.

Website	www.landforhongkong.hk
Post	The Secretariat, Task Force on Land Supply 17/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong
Fax	2868 4530
Email	tfls@devb.gov.hk
Telephone	3509 7737

A range of activities will be held during the public engagement, including public forums, roving exhibitions, workshops, community outreach, youth sharing and corporate outreach. Please visit the above website for more details.

The booklet and other materials in relation to this public engagement exercise can also be downloaded from the above website.

Your participation and your choice will have an impact on land supply and the long-term development of Hong Kong. Please let us know your views on the land supply options.

Disclaimer: Individuals or organisations who have provided views and suggestions to the Task Force on Land Supply during the public engagement exercise will be seen as consenting to allow the Task Force to publicise some or all of the content of their views (including names of individuals and organisations). If you do not agree with such arrangement, please indicate when providing your views and suggestions.

