

**Estimated Income and Expenditure¹
for the 20-year Urban Renewal Programme²**

Mode of Operation	(a) Gross Development Value ⁶ (\$ billion)	(b) Development Cost ⁷ (\$ billion)	(c) Profit/Loss [(a)-(b)=(c)] (\$ billion)	(d) Return on cost [(c)/(b)X100%=(d)]
LDC Mode ³	172.5	231.8	-59.3	-25.6%
URA Mode 1 ⁴	179.0	195.5	-16.5	-8.4%
URA Mode 2 ⁵	217.9	207.2	10.7	5.1%

Notes

1. The estimated income and expenditure are based on today's value. The figures reflect the total revenue received and costs incurred if all the projects are to be carried out and completed today. A 10% interest rate is assumed.
2. The 20-year urban renewal programme of the Urban Renewal Authority (URA) includes 200 projects identified for priority redevelopment in an urban renewal strategy study completed recently by the Planning Department.
3. The LDC Mode is based on: full land premia and the land resumption procedures under the current provisions of the Land Development Corporation Ordinance (Cap. 15).

4. The URA Mode 1 is based on: waiver of land premia, exemption of Government/institution/community facilities from the calculation of gross floor area and streamlined land resumption procedures.
5. The URA Mode 2 is based on: waiver of land premia, exemption of Government/institution/community facilities from the calculation of gross floor area, streamlined land resumption procedures and increase in plot ratio to current Buildings Ordinance (Cap. 123) maximum permitted level.
6. The financial impact of the proposed non-financial measures on Gross Development Value in respect of URA Mode 1 and URA Mode 2 is as follows:

<u>Mode of Operation</u>	Gross Development Value (\$billion)	<u>Increase in revenue</u>	
		Exemption of GIC facilities from GFA calculations (\$billion)	Increase in plot ratio to current Buildings Ordinance Maximum permitted level (\$billion)
LDC Mode (base case)	172.5	not applicable	not applicable
URA Mode 1	179.0	+6.5	not applicable
URA Mode 2	217.9	+6.5	+38.9

7. The financial impact of the proposed financial and non-financial measures on Development Cost in respect of URA Mode 1 and URA Mode 2 is as follows:

Reduction in development cost

<u>Mode of Operation</u>	<u>Development Cost</u> ((\$billion)	Waiver of Land premia for redevelopment <u>sites</u> (\$billion)	Waiver of Land premia for rehousing <u>sites</u> (\$billion)	<u>Reduction in interest payments (a)</u> ((\$billion)
LDC Mode (base case)	231.8	not applicable	not applicable	not applicable
URA Mode 1	195.5	-21.5	-2.2	-16.4
URA Mode 2	207.2	-35.4	-2.2	-14.1

Note (a) - Reduction in interest payments due to streamlined land resumption procedures and reduction in development costs.