

**For Discussion  
on 28 June 2011**

## **LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT**

### **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 plan for the coming year.

#### **Background**

2. The URA was established in May 2001 to undertake urban renewal in accordance with the URA Ordinance. The Urban Renewal Strategy (URS) was first published after public consultation in 2001 to provide broad policy guidance to the work of the URA.

3. Between July 2008 and July 2010, the Development Bureau engaged the public in an extensive 2-year, 3-stage (Envisioning, Public Engagement and Consensus Building) public consultation to review the URS with the objective to address the changing public aspirations for urban renewal. By end-2010, a broad consensus was reached on most issues.

4. In his 2010-11 Policy Address, the Chief Executive announced that the Government had revised the text of the URS for public consultation and highlighted that a number of new initiatives would be launched under the new URS. The consultation was completed by the end of 2010, and the new URS was promulgated on 24 February 2011. Under the new URS, the URA is tasked to adopt “Redevelopment” and “Rehabilitation” as its core businesses.

#### **Progress of the URA’s Work**

5. As at the end of the 2010-11 financial year, the URA had directly, or through collaboration with the Hong Kong Housing Society (HKHS), commenced 40 redevelopment projects (seven of which contain preservation elements) and four preservation-cum-revitalisation projects and took over the implementation of 10 ongoing projects of the ex-Land

Development Corporation. The URA is now preserving over 60 historical buildings located within its project areas. The URA had also assisted over 520 buildings (comprising about 40 000 units) under its building rehabilitation programmes (excluding those 350 buildings as at end March 2011 having been assisted under Operation Building Bright (OBB)) and carried out area revitalisation initiatives in various districts.

6. A detailed account of the URA's work in 2010-11 is given in Part III of the URA's paper at **Annex**. The major activities of the URA in 2010-11 are highlighted in paragraphs 7 to 13 below.

### *Highlights*

#### Rehabilitation

7. In 2010-11, the URA continued to collaborate with the Government and the HKHS to implement the OBB. The OBB started out as a special operation to create employment opportunities through the promotion of building rehabilitation. The Government launched the \$2.5<sup>1</sup> billion OBB to provide subsidies and one-stop technical assistance to help owners of old and dilapidated buildings to carry out repair and maintenance work. The Finance Committee approved a total funding allocation of \$2.2 billion between 2009 and 2010 for OBB, with the remaining \$300 million contributed by the URA and the HKHS on an equal share basis. Up till end March 2011, the URA has been providing support to owners of some 980 buildings under the OBB, with rehabilitation of 350 buildings already completed and another 630 buildings being assisted.

8. The Buildings Department (BD), the URA and the HKHS had been operating various financial assistance schemes, in the form of grants and loans, to help building owners in need to maintain and repair their buildings. To further facilitate rehabilitation by building owners of their own properties, a review was conducted with a view to streamlining and consolidating the arrangements and at the same time exploring room for enhancing the terms and conditions of the various schemes for the benefit and convenience of building owners. Starting from 1 April 2011, the existing five financial assistance schemes of the URA and HKHS have been amalgamated into a single scheme called the "Integrated Building Maintenance Assistance Scheme", adopting a set of unified application criteria and terms and conditions for all buildings in Hong Kong, and co-managed by the URA and the HKHS. Through completion of one set

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<sup>1</sup> In order to assist the eligible target buildings in the second round of the OBB to carry repair works, the Financial Secretary proposed in his 2011-12 Budget Speech the allocation of a further of \$1 billion for the purpose.

of application forms, building owners are now able to obtain a wide range of assistance through a single interface.

### Redevelopment

9. Following the building collapse incident at Ma Tau Wai Road in January 2010, the URA took immediate action to commence a redevelopment project covering the collapsed building site and its adjacent buildings on Ma Tau Wai Road and Chun Tin Street to address the problem of building decay and to provide relief to the affected residents. The URA issued acquisition offers to affected owners on 30 May 2011 after the Appeal Board (Urban Renewal Authority Ordinance) dismissed the two unwithdrawn appeals and upheld the decision of SDEV in authorising the project.

10. On 25 March 2011, the URA also commenced two redevelopment projects at Fuk Wing Street, Sham Shui Po and Pak Tai Street/San Shan Road, Kowloon City. As these two projects were commenced after the promulgation of the new URS on 24 February 2011, eligible owners of both projects will have a choice to join the “flat-for-flat” scheme.

### Preservation

11. On the preservation front, the URA tendered the preservation-cum-revitalisation project at Mallory Street/Burrows Street in December 2010 and awarded the operating project to the Hong Kong Arts Centre in April 2011. The URA also assisted the Government in handling the compensation arrangement for residents who opted to move out from the Blue House cluster at Stone Nullah Lane/Hing Wan Street project.

### Revitalisation

12. The URA carried on its revitalisation programme for Central Market. The Central Oasis Community Advisory Committee (COCAC), the advisory committee set up by the URA to help advise on the future use of the Central Oasis, oversaw a comprehensive structural survey and a territory-wide public engagement on community preferences for the future use of the market building.

13. To encourage continued public participation in the design process of this revitalisation initiative, the URA commissioned four architectural consultants to create tangible three-dimensional conceptual designs, based on the findings from earlier public engagement, for revitalising the building and then sought feedback on these designs via a month-long roving exhibition.

## **Initiatives under the New Urban Renewal Strategy**

14. We are pleased to report that the URA has made speedy response to those initiatives under the new URS. The progress with the implementation of major initiatives is as follows –

(i) Flat-for-flat Scheme

The URA announced the implementation details of the “flat-for-flat” scheme on 21 March 2011. Affected owners of redevelopment projects commenced by the URA after the promulgation of the new URS will now enjoy the option of participating in the “flat-for-flat” scheme. The URA would kick-start the scheme at a site at Kai Tak earmarked for the purpose to provide up to 1,000 small to medium-sized flats upon full completion. The URA plans to take over part of the site in 2012.

(ii) Facilitator Role in Redevelopment

The URA announced the framework of its new “facilitator role” in redevelopment on 18 April 2011. The role of the URA is strictly confined to one of a co-ordinator so as to maintain its credibility and impartiality throughout the process. The URA proposes to invite applications for such redevelopment in July 2011.

(iii) Demand-led Redevelopment

The URA announced the framework of the demand-led model on 31 May 2011 under which the URA might respond to a joint approach from specified percentages of building owners to initiate joint sale of their lot for redevelopment. The URA proposes to invite the first applications between July and October 2011.

(iv) District Urban Renewal Forum (DURF)

The URA is represented on the first pilot DURF in Kowloon City set up in early June 2011 to support it in its endeavour to advise on a district urban renewal blueprint for Kowloon City. The Kowloon City DURF held its first meeting on 13 June 2011.

(v) Urban Renewal Trust Fund (URTF)

To provide a steady and independent source of funding for various initiatives envisaged under the new URS including the appointment of Social Service Teams, the URA will inject \$500 million into the URTF. Specifically, the URTF will provide funding support for the public engagement activities, social impact assessments and planning and related studies to be conducted by DURF, the operation of the social service teams who will be providing assistance and advice to residents affected by URA-implemented redevelopment projects in future, and also supporting applications from non-government organisations and other stakeholders involved in heritage preservation and district revitalisation initiatives in the overall urban renewal context to be considered on a case-by-case basis. The URTF and an independent company limited by guarantee to operate the URTF are being set up.

### **URA's Future Work Plan**

15. The Financial Secretary approved the URA's Corporate Plan (CP) for 2011-12 to 2015-16 and Business Plan (BP) for 2011-12 in February 2011. Unlike the previous two CPs at which time the URS Review was still being carried out and the URA was undergoing a period of consolidation, the URA will, in the coming year, adopt a more pro-active and diversified approach in its work, particularly in Redevelopment and Rehabilitation, to better contribute to the Government's urban renewal policy under the new URS.

16. In the coming year, subject to the responses of owners of dilapidated buildings, the URA aims to take up one or two demand-led redevelopment projects and one or two facilitated redevelopment projects in addition to continuing to initiate redevelopment projects itself.

17. On the rehabilitation front, the URA will be expanding its rehabilitation work to tie in with the new URS by setting up Urban Renewal Resources Centres (URRCs) in urban areas. The first URRC, located at Tai Kok Tsui, is scheduled for opening by end 2011. The URRC will be a resource centre for both urban redevelopment and building rehabilitation. To facilitate rehabilitation work, the URA has allocated over \$1.3 billion in the five-year CP for funding the expansion of its rehabilitation programme. The URA plans to geographically

expand its rehabilitation work in two phases, starting with an expansion to cover the whole of Kowloon in 2013-14 and to cover the whole territory in 2015-16.

18. Details of the URA's coming year work plan are set out in Part IV of the URA's paper at **Annex**.

### **Financial Position and Disclosure**

19. The URA's net assets stood at \$ 19.2 billion as at 31 March 2011. A net operating surplus of \$2.2 billion was recorded in 2010-11. The surplus was mainly due to the upfront payments for two projects tendered out for redevelopment during the year under favourable property market conditions, namely, Fuk Tsun Street / Pine Street in Tai Kok Tsui and Third Street / Yu Lok Lane / Centre Street in Sai Ying Pun. Compared to the \$7 billion net operating surplus for 2009-10, this represents a decrease of \$4.8 billion.

20. The URA has estimated that a total expenditure of about \$20 billion, excluding operational overheads, will be required to meet the costs of all projects contained in its 2011-12 to 2015-16 CP. To ensure that it has sufficient funding in place to meet the needs of its work programme, the URA put in place a Medium Term Note (MTN) Programme and made a \$1.5 billion bond issue in July 2009. The Government will continue to closely monitor the URA's financial position.

21. In response to Members' request and in the interest of transparency and accountability, the URA agreed to disclose financial information on its completed individual projects and for the first time, made public financial information on eight completed projects in June 2010. For 2011, the financial information on five completed individual projects is given at Appendix II of the URA's paper at **Annex**.

**Development Bureau**  
**June 2011**

**Work of the Urban Renewal Authority in 2010-11**  
**And Business Plan for 2011-12**

**I. INTRODUCTION**

This paper is a report on the work of the Urban Renewal Authority (URA) for the year ended 31 March 2011 and its business plan for 2011-12.

**II. BACKGROUND**

2. In 2010-11, which was its ninth full year of operation, the URA continued to work within the parameters of the mandate which had been prescribed in the previous Urban Renewal Strategy (URS) issued by the Government in November 2001, while also preparing to make the adjustments required by the new mandate set out in the new URS issued by the Government in February 2011, following the completion of its two year URS Review.

3. As the year progressed, the URA adjusted its holistic 4R (Redevelopment, Rehabilitation, pReservation, Revitalisation) strategy by placing more emphasis on its redevelopment and rehabilitation programmes, which have been designated as URA's two core businesses under the new URS. URA did this by significantly increasing the number of buildings rehabilitated and improving coordination of and access to the rehabilitation schemes provided in partnership with the Development Bureau (DEVB), Buildings Department (BD) and the Hong Kong Housing Society (HKHS), while continuing implementation of its already ongoing revitalisation and preservation work.

4. In addition to carrying on its ongoing work and adjusting its strategy, the URA also continued to provide proactive support to the DEVB in both the conduct of the two-year review by the Government of the 2001 URS, which began in July 2008 and was completed by the end of 2010, and the preparations for the implementation of the new URS.

### **III. WORK OF THE URA IN 2010-11**

#### **Redevelopment**

##### **1 April 2010 to 31 March 2011**

5. Two new redevelopment projects were launched in 2010-11; planning work continued on one commenced redevelopment project for which acquisition offers had yet to be made; and property acquisition, clearance and rehousing continued for 13 of the redevelopment and preservation projects launched in previous years. Resumptions were approved for five of these projects during 2010-11 and clearance of one other project site was completed. Of those affected by the projects under acquisition, during the year, over 185 tenant households accepted rehousing in the estates of the Hong Kong Housing Authority (HKHA) and HKHS and 497 other tenant households and tenant business operators accepted cash compensation. In addition, some 214 domestic and non-domestic owners accepted cash compensation. Work on rehousing or compensating the remaining domestic and non-domestic owners and tenants affected by the URA's projects continued.

6. The URA awarded the joint venture development tenders for two projects, i.e. Fuk Tsun Street / Pine Street in Tai Kok Tsui and Third Street / Yu Lok Lane / Centre Street in Sai Ying Pun, during the year. When doing so, the URA specified in their respective joint venture agreements that significant numbers of the flats in these two developments should be of small sizes, i.e. no more than 500 square feet.

##### **May 2001 to 31 March 2011**

#### ***Ongoing Projects Taken Over From the Former Land Development Corporation***

7. On its establishment, the URA took over the implementation of 10 ongoing projects commenced by the former Land Development Corporation (LDC). Six of these projects were fully completed with all flats and commercial space sold or leased out in earlier years. Two more of these, namely, Vision City and Dynasty in Tsuen Wan, were fully completed in 2010-11, with all of their flats sold and commercial space leased out, leaving two still under way. The sales of flats under the Owners' Participation Scheme for one of these two remaining ongoing projects, namely, the Masterpiece in Hanoi Road in Tsim Sha Tsui, were under way, while the commercial space and hotel had been



leased out and were in operation. The URA was working with the participating owners to deal with the distribution of the unsold units in this project. The final phase of the Zenith project, incorporating conservation of the façade of Wan Chai Market, was under construction. All together, the 10 projects taken over from the LDC are expected to produce over 6,200 new flats, about 238,900m<sup>2</sup> of commercial space, about 1,100 hotel rooms, over 21,300m<sup>2</sup> of GIC facilities and almost 11,200m<sup>2</sup> of open space.

### ***Projects Launched by the URA***

8. The tentative timings of the completion of the development stages of the 32 still ongoing redevelopment and preservation projects out of the 37 projects launched directly by the URA since its establishment up until 31 March 2011, including the 25 projects announced by the then LDC in 1998 plus 10 Urban Renewal Authority Ordinance (URAO) projects launched up to 31 March 2010 and two URAO redevelopment projects launched in 2010-11, vary between 2011 and 2023. The five already completed projects provided a total of almost 1,000 new domestic units and over 8,700 m<sup>2</sup> of commercial space. Based on current plans, the 32 still ongoing projects are expected to provide an estimated total of over 9,700 new domestic units and almost 228,000m<sup>2</sup> of commercial space upon completion. For the benefit of residents and local communities, the 37 projects launched by URA to date are also expected to provide almost 48,000m<sup>2</sup> of Government/Institution or Community (GIC) facilities, over 100,000m<sup>2</sup> for other uses such as space for cultural and creative industries, offices and hotels and almost 26,000m<sup>2</sup> of open space.

### ***Projects Launched in Cooperation with the Hong Kong Housing Society (HKHS)***

9. The URA and the HKHS entered into a Memorandum of Understanding (MOU) on Strategic Cooperation in December 2002. Under the MOU, the HKHS commenced seven redevelopment projects, five of which are in Sham Shui Po and two of which are in Shau Kei Wan. Under the agreed arrangement, the HKHS has already acquired and cleared six of these seven project sites. The HKHS is also responsible for redevelopment of the sites after clearance and has, to date, started construction on two of them. When developed, these seven projects are expected to provide over 1,600 new flats, over 13,300m<sup>2</sup> of commercial space, almost 4,800m<sup>2</sup> of space for GIC use and 300m<sup>2</sup> of open space.

### *Details and Progress of Individual Projects*

10. In sum, the URA has carried out or continued to implement a total of 50 redevelopment projects and four preservation projects from its establishment in 2001 up until 31 March 2011 and, by the same date, had completed 13 of them. These 54 projects are providing almost 19,000 new flats, about 490,000m<sup>2</sup> of commercial space, about 74,000 m<sup>2</sup> of GIC facilities, over 126,000m<sup>2</sup> for other uses, including offices and hotels, and over 37,000m<sup>2</sup> of open space. At the same time, URA has been able to improve the living conditions of almost 34,000 people previously living in substandard housing by offering them rehousing or compensation to enable them to purchase or rent newer accommodation of better quality and standards if they so wish.

11. **Appendix I** shows the details and current progress for –

- (a) the 37 redevelopment and preservation projects launched up to 31 March 2011 by the URA;
- (b) the 7 redevelopment projects being implemented by the HKHS on behalf of the URA; and
- (c) the 10 redevelopment projects taken over from the LDC.

### *Property Acquisition Policies*

12. Both the URA and HKHS adopt policies for acquisition of property interests similar 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 87% for projects, which have reached the resumption and clearance stages to date, is considered reasonable, given that the balance of 13% includes property interests which cannot be acquired due to problems such as unclear legal titles or untraceable owners.

13. 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, including those with special

circumstances, and sufficiently cost-effective to sustain a viable urban renewal programme. Thus, during 2010-11, the URA worked out policy enhancements to help evicted tenants and elderly domestic owner-landlords in hardship respectively. In addition, URA launched the Flat-for-Flat (FFF) Scheme to provide domestic owner-occupiers with an alternative option to cash compensation. As it is not intended to enhance the level of compensation, domestic owner-occupiers who wish to opt for FFF must first accept the cash compensation calculated on a seven-year-old flat formula in the first round of acquisition offered by the URA. They then could have a choice of 'in-situ' flats on the lowest five to eight floors in the new development or flats in an FFF Scheme to be developed by URA on a site at Kai Tak, which will provide 1,000 small to medium sized flats. Owners will be given preliminary floor plans and the fixed unit prices which will be based on the prevailing market prices of flats in the same area for reference. On taking the FFF option, owners will either be required to pay the shortfalls between their cash compensation and the prices of their selected FFF flats, or will receive the remaining unspent balances, depending on whether the prices of their respective choices of FFF flats are greater or less than the amounts of their respective cash compensation. All these three policy enhancements are applicable to those affected by new projects commenced after the promulgation of new URS on 24 February 2011, starting with the two projects launched by the URA in March 2011.

14. Where appropriate, URA also takes special measures to address special situations. For example, following the tragic building collapse in Ma Tau Wai in January 2010, URA quickly commenced the Ma Tau Wai Road/Chun Tin Street project in February 2010 to redevelop two rows of old buildings in the vicinity and devised special measures to quickly compensate worried owner-occupiers and rehouse anxious tenants to alleviate these residents' sub-standard living conditions and psychological burden resulting from this accident. These measures included the emergency rehousing of 46 of those directly affected domestic tenants to permanent public rehousing elsewhere and giving ex-gratia payments to 95 other such tenants. Our prompt action and special measures were welcomed by those affected and well received by the public. The concerted efforts by front line staff to help the affected residents were recognized by an Ombudsman's Award in November 2010. URA has also made arrangements to allow affected shop operators to return following redevelopment. URA issued acquisition offers to property owners in this project on 30 May 2011, after the Appeal Board upheld the authorization by SDEV of this project, dismissing the two appeals which had been lodged.

15. Elsewhere, after the URA's proposed excision of Site A from the Staunton Street/Wing Lee Street project met with public support, special arrangements were worked out for tenants registered in the freezing survey in March 2003. These included providing either rehousing in URA's rehousing block at Shun Sing Mansion, 466 Des Voeux Road West, or some assistance with renovation to some of the tenants, who were in hardship and needed help to improve their living conditions but whose landlords do not want to sell their properties to the URA. URA is also rehabilitating those buildings in Wing Lee Street which URA has acquired and is assisting those wishing to retain ownership to upkeep their buildings.

### **Rehabilitation**

16. Initiatives to encourage and promote better care by the owners of domestic premises in multiple ownership continued 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. Therefore, URA welcomes the designation of building rehabilitation, under the new URS, as one of URA's two core businesses along with building redevelopment. Currently, URA focuses its rehabilitation work in a number of Rehabilitation Scheme Areas covering parts of Kowloon and Hong Kong Island, while HKHS covers other areas throughout Hong Kong.

### ***Materials Incentive and Loan Schemes***

17. Since 2003, the URA has provided various building rehabilitation assistance schemes in its Rehabilitation Scheme Areas to help address the problem of building dilapidation and, thereby, improve not only the built environment but also the living conditions of the residents in these areas. Up to 31 March 2011, URA had assisted owners in its Areas, under its Materials Incentive and Loan Schemes, to rehabilitate over 520 buildings, comprising almost 40,000 units, including the 19 buildings, comprising almost 3,700 units rehabilitated in 2010-11.

### ***Operation Building Bright***

18. URA is assisting an unprecedentedly high number of building owners by playing its part in the Government's Operation Building Bright (OBB). URA had, up until the end of March 2011, been

providing financial and technical assistance to owners of over 980 buildings, comprising over 40,000 units, to facilitate the rehabilitation of their buildings. Rehabilitation of about 50 of these buildings was completed in 2009-10, with a further 300 completed in 2010-11 and about 630 still being assisted. The OBB, with the URA as one of its implementation agents, has helped to bring about heightened awareness amongst owners of the need for building rehabilitation, as well as to generate numerous employment opportunities. URA, HKHS, BD and ICAC have been working closely to devise and implement continual improvement measures. These measures, which include guidelines and briefing sessions on proper tendering procedures, are conducive to good management and maintenance practices. Their implementation has resulted in a much healthier environment which is benefitting all stakeholders and especially the building owners.

### ***Integration of Rehabilitation Schemes***

19. 2010-11 saw the launch of the one-stop building rehabilitation hotline, jointly operated by the URA and HKHS for the convenience of building owners and to provide easier access by the public to all the rehabilitation schemes currently offered by not only URA but also BD and the HKHS.

20. To take this idea further, the Government, the URA and the HKHS explored the consolidation of the five financial assistance schemes provided by the URA and the HKHS. After completion of this review, the URA and the HKHS have modified, simplified and re-aligned the five current rehabilitation assistance schemes provided by these two organizations into one consolidated scheme with a single set of application forms, which also covers the two Government funded grant and loan schemes.

### ***Mandatory Building and Window Inspection Schemes***

21. In February 2010, the Building (Amendment) Bill 2010, which provides for the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS), was introduced into the Legislative Council. The URA welcomes this legislation and is collaborating with DEVB, BD and HKHS in drawing up the details of these schemes and the framework of subsidies and assistance and participating in the current discussions of the legislation by the relevant Bills Committee to facilitate its implementation under the established tripartite building rehabilitation partnership model, comprising the BD,

URA and HKHS. Once the legislation is passed and comes into force, the URA will provide financial assistance and technical advice to building owners in its Scheme Areas to help them comply with the statutory requirements and establish OCs.

### ***Expansion of Rehabilitation Role***

22. During 2010-11, URA made a quantum leap by rehabilitating almost 320 buildings, comprising 19 buildings under URA's own two incentive schemes plus 300 more under OBB, thereby helping to improve the living conditions of many thousands of residents. This represents an increase of 230 buildings or 250% above the 90 buildings rehabilitated by URA in 2009-10.

23. Looking ahead, in line with the new URS, a plan is being prepared for URA to expand its rehabilitation role and progressively take over all rehabilitation work throughout Hong Kong.

### ***Building Colour Design***

24. In addition to all of its work to encourage proper building maintenance, URA also provides colour designs to buildings and groups of buildings to enhance the visual appearances of such buildings and neighbourhoods.

### **Preservation**

25. The URA is now implementing four preservation projects, of which two are in Mong Kok and two are in Wan Chai.

26. In Mong Kok, URA continued acquisition of the property interests in the two shophouse preservation projects, at Prince Edward Road West and Shanghai Street each of which contains a cluster of 10 shophouse buildings.

27. In Wan Chai, the URA is implementing a preservation-cum-revitalisation project at Mallory Street/Burrows Street. Strengthening of its structures and foundations are underway and restoration and adaption for re-use will follow. On 15 April 2011, URA awarded the contract for the Main Operator of the arts community to be established there on completion of the renovation work. Elsewhere in Wan Chai, at Stone Nullah Lane/Hing Wan Street, the URA assisted the Government in handling the compensation arrangement for residents who

opted to move out of the Blue House cluster, which comprises a cluster of Grade 1 and Grade 2 historic buildings, pending handover to the non-government organization selected by the Government to put it to adaptive re-use under its “Revitalising Historic Buildings Through Partnership Scheme”. The Blue House cluster is currently managed by the Lands Department. Three redevelopment projects in Wan Chai also contain significant preservation elements, namely, the preservation of five pre-war buildings in the completed redevelopment project at Johnston Road, the preservation of the core elements of the Wan Chai Market building in the ongoing Tai Yuen Street project and the preservation of three pre-war shophouses as part of the ongoing Lee Tung Street redevelopment project.

28. In Central and Western, the URA currently operates the preserved Western Market and is undertaking two redevelopment projects involving the preservation of heritage elements and features, including three shophouses and the façade of the Wing Woo grocery in the Peel Street/Graham Street project and four tenement buildings in the Yu Lok Lane/Centre Street project respectively.

29. At Nga Tsin Wai Village, Wong Tai Sin, the URA is preserving the village gatehouse and stone plaque, the temple and structures of a number of village houses within a themed conservation park.

30. Altogether, the URA is preserving a total of over 60 buildings and structures as well as various historic features in six redevelopment and four preservation projects plus Western Market.

### **Revitalisation**

31. URA’s revitalization work made good progress during the year.

32. In Mong Kok, URA completed an extensive public opinion survey to gauge views of stakeholders, obtained in-principle agreement of District Councillors and Government Departments for the designs of the streetscape improvements to five themed streets and is scheduled to begin construction of the first phase covering Flower Street and Goldfish Street before the end of August 2011.

33. In Tai Kok Tsui, URA substantially completed works at Beech Street and began construction of a large open space at Tai Kok

Tsui roundabout, which is now in full swing. Preliminary designs of improvements to the streetscapes in other areas of Tai Kok Tsui were also substantially completed and submitted to the relevant government departments for comments.

34. In Central and Western, URA decided to implement the Peel Street/Graham Street project in phases in order to maintain the vibrancy of the street market surrounding it. URA then relocated the wet trade operators from Site B to Sites A and C to enable Site B to be redeveloped in the first phase. URA also organized a lucky draw which succeeded in increasing patronage of the street market by some 10%. These two new innovations, which had not been tried out in other projects, were well received by the shop operators and hawkers concerned as well as their respective customers. URA also received positive feedback for both its public consultation on the future use as well as the design process for the Central Market building which will be turned into a Central Oasis. Elsewhere, revitalisation of Pak Tsz Lane is progressing smoothly with completion of the first phase expected by the end of the year to mark the centenary year of the 1911 Revolution.

35. In Wan Chai, URA continued to provide support to DEVB in the implementation of the Old Wan Chai Revitalisation Initiative by providing safe electricity supply to the Tai Yuen Street/Cross Street on-street bazaar and lighting effects to 2 temples.

### **Community Engagement**

36. The URA is fully aware of the importance and benefits of effective community relations and has been reaching out to local communities as an integral part of its people-oriented community engagement strategy. Intensive effort continues throughout the year to engage all relevant stakeholders 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 URA reaches out to resident groups, business operators, concern groups, local consultative bodies, educational institutions, 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.

37. To facilitate this process, the URA has established seven District Advisory Committees (DAC) in Tsuen Wan, Sham Shui Po, Wan



Chai, Central and Western, Yau Tsim Mong, Kwun Tong and Kowloon City. Membership of these DACs includes district councillors, government representatives, academics, social workers, landlords, tenants and trade representatives as well as professionals, so that the URA may be suitably and directly advised on all relevant aspects and concerns when it is planning renewal projects. During the year 2010-11, a total of 15 DAC meetings were held, excluding numerous informal discussion sessions with individual members. URA has also established the Central Oasis Community Advisory Committee to advise URA mainly on engaging the public for its views on the future use of the old Central Market building and the revitalisation work required to turn it into a Central Oasis. In addition, the URA had attended no less than 56 full District Council and sub-committee meetings to ensure that all relevant District Councils were kept informed of the progress of the URA projects in their districts and that, where practicable, their suggestions were incorporated into the project plans.

38. In 2010-11, the URA Board Chairman, Managing Director and other representatives also participated in various community engagement activities including workshops, goodwill visits and meetings with residents.

39. The URA appreciates that some owners and tenants, especially the elderly, might face difficulties in vacating their premises and setting up new homes elsewhere. Trained front-line staff provides personal care and assistance to every family genuinely in need of help. Practical forms of assistance include, based on the respective needs of individual families, providing a special 30% down payment upon execution of sale and purchase agreements instead of the standard market practice of 10%, helping to arrange bridging bank loans, gathering market information on home-buying and mortgages, helping out with house moving and providing temporary storage for 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 of the URA/HKHS projects, who need special help, with counselling and advice on various issues. The SSTs have provided assistance to about 161 cases in 2010-11 and a total of about 2,731 cases since 2002-03.

### ***Urban Renewal Exploration Centre***

40. In addition to the above activities, the URA has, since August 2009, operated an Exploration Centre to create an educational platform to enable students and the general public to visit, learn about and

better understand the characteristics, challenges and achievements of urban renewal in Hong Kong. During 2010-11, over 7,000 people visited the Centre.

### **URS Review**

41. During 2010-11, the URA continued to provide proactive financial and technical support to the DEVB in the conduct and completion of the two-year review by the Government of the URS culminating in the issue of the new URS on 24 February 2011. Such support mainly comprised –

- (a) employing and providing information to consultants conducting research and surveys, including a building conditions survey, as part of the Review of the URS;
- (b) meeting the costs of the public consultation programmes, including the URS Review website, publications, the operation of the Idea Shop, various public engagement activities and the related consultancy fees;
- (c) meeting the costs of the partnering organisation(s) programmes; and
- (d) providing technical support as and when required by DEVB to facilitate studies of the pros and cons, practicality and feasibility of various policy options considered during the Review.

## **IV. FUTURE PLANS**

42. A number of events have shaped the URA's tenth annual Business Plan (BP) for 2011-12 and five-year Corporate Plan (CP) for 2011-12 to 2015-16.

43. The local property market continued its upward trend throughout the year, although its pace slowed following the announcements by the Financial Secretary of various measures and the more recent increases in interest rates.

44. In October 2010, the Chief Executive announced, in his 2010-11 Policy Address, many new initiatives concerning livelihood issues and, within that framework, certain aspects of the Government's overall housing policy, including its overall urban regeneration strategy of which the URS forms part, sustainable development, flat sales, flat sizes and building safety, which are relevant to URA's work.

45. On 23 February 2011, the Financial Secretary announced a further expansion by the Government of the OBB campaign with the addition of \$1.0 billion to the \$2.5 billion already allocated for the purpose.

46. On 24 February 2011, the new URS was promulgated. The new URS has designated redevelopment and rehabilitation as URA's two core businesses out of the 4Rs, which also include heritage preservation and revitalization. The new URS also contains a number of new initiatives, including the introduction of the facilitated and demand-led redevelopment modes to be initiated by owners to complement the current URA initiated redevelopment mode, as well as the setting up of District Urban Renewal Forums (DURF) and the establishment of the Urban Renewal Trust Fund (URTF).

47. In March 2011, the Financial Secretary approved the URA's tenth CP for 2011 to 2016 and its BP for 2011-12, both of which are aligned with the new URS.

#### April 2011 to March 2012

48. The tenth CP is built upon the progress made under the previous CPs and has taken account of events occurring in 2010-11, including in particular, the Chief Executive's 2010-11 Policy Address, the Financial Secretary's 2011 Budget Speech and the new initiatives contained in the new URS published in February 2011.

49. Accordingly, priority is being given to implementing both ongoing work and the new initiatives under the new URS. This designates redevelopment and rehabilitation as URA's core businesses.

50. The tenth CP comprises 51 redevelopment and preservation projects –

Redevelopment Projects Commenced by URA and Still Underway	28
Preservation Projects Commenced by URA and Still Underway	4
Redevelopment Projects Commenced by HKHS and Still Underway	7
Redevelopment Projects to be Commenced by URA in 2011 to 2016	<u>10</u>
Total	51

51. In addition to this programme of 51 initiated redevelopment projects, URA is prepared to add one or two demand led redevelopment plus one or two facilitated redevelopment projects per year, in the events that it receives from building owners suitable applications which meet the relevant criteria and that URA has the capacity to do so.

52. Under the tenth CP, URA is also planning to expand significantly its role, responsibilities and geographic coverage in respect of building rehabilitation. Now that rehabilitation has been designated as one of URA's two core businesses under the new URS, URA has, therefore, allocated over \$1.3 billion in the tenth CP for the five years from 2011-12 to 2015-16 for funding the further expansion of its various building rehabilitation programmes, which aim to cover almost 2,660 buildings, comprising about 89,000 property units within the URA's Rehabilitation Scheme Areas. Moreover, the URA will consider allocating additional resources for these programmes if required in future. In addition, another some 930 buildings or 45,200 property units, including 630 buildings already being assisted plus 300 further buildings, are expected to be rehabilitated in the URA's Rehabilitation Scheme Areas under the OBB in this same five year period.

53. Meanwhile, URA is continuing to implement various ongoing preservation projects and revitalization works.

54. On 1 April 2011, URA launched the Integrated Building Maintenance Assistance Scheme (IBMAS), together with HKHS and BD. This integrated scheme provides much more user-friendly advice and assistance to needy home owners and enables all owners throughout Hong Kong, who meet the same set of eligibility criteria, to receive the same assistance as each other.

55. On 1 April 2011, URA launched the Central Oasis roadshow to consult the public on four alternative designs.

56. On 15 April 2011, URA awarded the tender to become the main operator of the Mallory Street Arts Community in Wan Chai for a period of five years to the Hong Kong Arts Centre.

57. On 18 April 2011, URA announced details of the assistance that its newly set up subsidiary, the Urban Redevelopment Facilitating Services Limited, is prepared to provide as a facilitator, acting in the role of a coordinator to owners who approach URA for help in monitoring the work of the consultants appointed by the owners to assist in the future joint sale, and to coordinate title assembly for the purpose of joint sale in the market for redevelopment. The criteria for the selection of projects under the facilitation mode include the assembly of a minimum threshold of ownership of not less than 50% of the undivided shares of the respective lots in the application site, poor building conditions within the site, the site being located within the redevelopment zones identified by the relevant DURF, etc. URA will neither acquire any interest nor compensate/rehouse any tenant within the application site. Owners will have to contribute a certain amount to the work expenses to be incurred in the process while the URA will fund the balance. URA envisages inviting applications in July 2011.

58. On 29 April 2011, the Appeal Board appointed under the URAO to consider two appeals against SDEV's authorisation of the Ma Tau Wai Road/Chun Tin Street redevelopment project, gazetted its decision to uphold the decision of SDEV.

59. On 11 May 2011, DEVB/URA attended LegCo Building Safety and Related Issues Sub-committee Meeting to discuss IBMAS and other matters, including the findings of URA's Building Conditions Survey.

60. On 18 May 2011, the site of the Sai Yee Street project reverted to the Government.

61. On 30 May 2011, the URA issued acquisition offers to owners of property interest in the Ma Tau Wai Road/Chun Tin Street redevelopment project, following the announcement of the Appeal Board's decision with respect to this project.

62. On 31 May 2011, URA announced details of how it would respond to requests by building owners for URA to initiate and implement redevelopment of their buildings/lots under a demand-led

approach. Under this approach, the criteria for selection of a project include a joint application by owners meeting a minimum threshold of ownership of not less than 67% of the undivided shares of the respective lots in the application site, poor building conditions within the site, the site being located within the redevelopment zones identified by the relevant DURF, the site having an area larger than 400 square metres, etc. The approval of the Financial Secretary will need to be sought for inclusion of any demand-led project into the URA's BP prior to project commencement. Once approved, URA will commence the project by conducting the usual freezing survey and undertaking the planning process. Conditional offers will be made to the owners before authorization of the development project by SDEV. If owners of not less than 80% of the undivided shares in the respective lots accept their offers and SDEV's authorization is obtained and all appeals against such authorization are cleared, the sale and purchase of properties will be completed. Otherwise, the project will be aborted. Under this demand-led approach, URA would apply its prevailing policies for acquisition of ownership and compensation or rehousing of tenants. This approach complements URA's traditional mode of initiating redevelopment projects itself. The URA plans to invite applications, starting in July 2011 and ending in October 2011, with a view to including such projects as are selected by URA as being suitable for implementation under this demand-led mode in the 2012/13 BP.

63. On 13 June 2011, the inaugural meeting of the Kowloon City DURF, the first such forum to be established under the new URS, was held. URA will work closely with this and other DURFs when they are established.

64. The URA is in the process of establishing the URTF company, an independent company limited by guarantee, to hold the URTF, and has committed to injecting \$500 million into the fund upon the establishment of the company. The first meeting of the URTF company board will be held after the nominations/appointments of its board members by SDEV.

65. In addition to continuing all of its other ongoing work in 2011-12, URA intends to –

- a) obtain a land grant for the site at Kai Tak earmarked for the FFF Scheme and to take over the site in 2012;

- b) obtain approval for resumption of the Nga Tsin Wai Village project site;
- c) obtain approval for resumption of the Anchor Street/Fuk Tsun Street project site;
- d) obtain approval for resumption of Development Areas 2, 3 and 4 in the Main Site of the Kwun Tong Town Centre project;
- e) conduct a structural survey of Western Market and consider the constraints and opportunities for its future use upon securing an extension of its lease beyond February 2012; and
- f) take up one to two demand-led redevelopment projects and one to two facilitated redevelopment projects, subject to receiving suitable applications from owners of dilapidated residential buildings.

66. Looking ahead, URA is planning to establish a few Urban Renewal Resource Centres (URRC), with the first scheduled to be opened at the ground floor of the Larch Street/Fir Street project in 2011-12, to help promote 4Rs urban renewal in the community.

67. To date, URA has implemented its redevelopment projects via joint venture partnerships (JVP) with developers awarded by tenders under each of which the URA has specified both what should be built and the relevant standards. Given the exceptional circumstances and sensitivities surrounding the Ma Tau Wai Road/Chun Tin Street project, the URA has decided to redevelop this project directly on its own without tendering out to JVPs. URA will also develop the FFF Scheme on the site at Kai Tak directly by itself.

68. In the coming years, URA plans to geographically expand its rehabilitation work in two phases, starting with expansion to cover the whole of Kowloon in 2013/14 and extending to cover the whole territory in 2015-16.

69. With redevelopment and rehabilitation being designated as URA's two core businesses under the new URS, the URA will, from now on only undertake self-standing heritage preservation projects which are

outside its redevelopment project boundaries if there is policy support or a request from the Government.

70. As regards revitalisation, URA will, as a member of DURF, contribute ideas on revitalisation and will help support revitalisation initiatives recommended by DURFs in cases where URA considers these recommendations appropriate and subject to URA's financial and other capacities. URA will also undertake revitalisation when requested to do so by the Government.

## V. FINANCIAL MATTERS

### Overall Financial Position

71. The Authority's net asset value, which can vary widely from year to year, was \$19.2 billion as at 31 March 2011. This comprised a capital injection totalling \$10 billion from the Government and an accumulated surplus from operations of \$9.2 billion. For the year ended 31 March 2011, the URA recorded a net operating surplus of \$2.2 billion. Compared to the \$7.0 billion net operating surplus for the year ended 31 March 2010, this represents a decrease of \$4.8 billion.

72. The annual operating surpluses/(deficits) of the URA since its formation in May 2001 and the total accumulated surplus from that time up until 31 March 2011 are summarized as follows –

<u>Financial Year</u>	<u>Annual Surplus/(Deficit)</u> <u>\$'000</u>
Deficit on formation on 1 May 2001	(2,160,610)
2001-02 (11 months)	*(558,223)
2002-03	*(226,454)
2003-04	*(80,320)
2004-05	*3,003,560
2005-06	*1,579,074
2006-07	*766,533
2007-08	*2,094,652
2008-09	*(4,458,994)
2009-10	*7,018,311
2010-11	2,208,787
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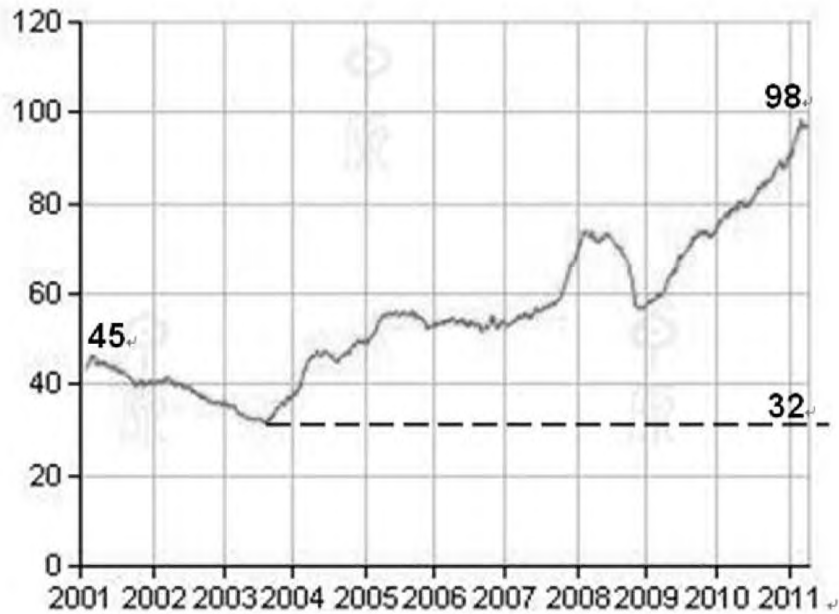
Total Accumulated Surplus as at 31 March 2011	9,186,316
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Note : \* The annual surplus/(deficit) figures have been revised with prior year adjustments made to follow the amendment to Hong Kong Accounting Standard 17 “Leases” issued by the Hong Kong Institute of Certified Public Accountants.

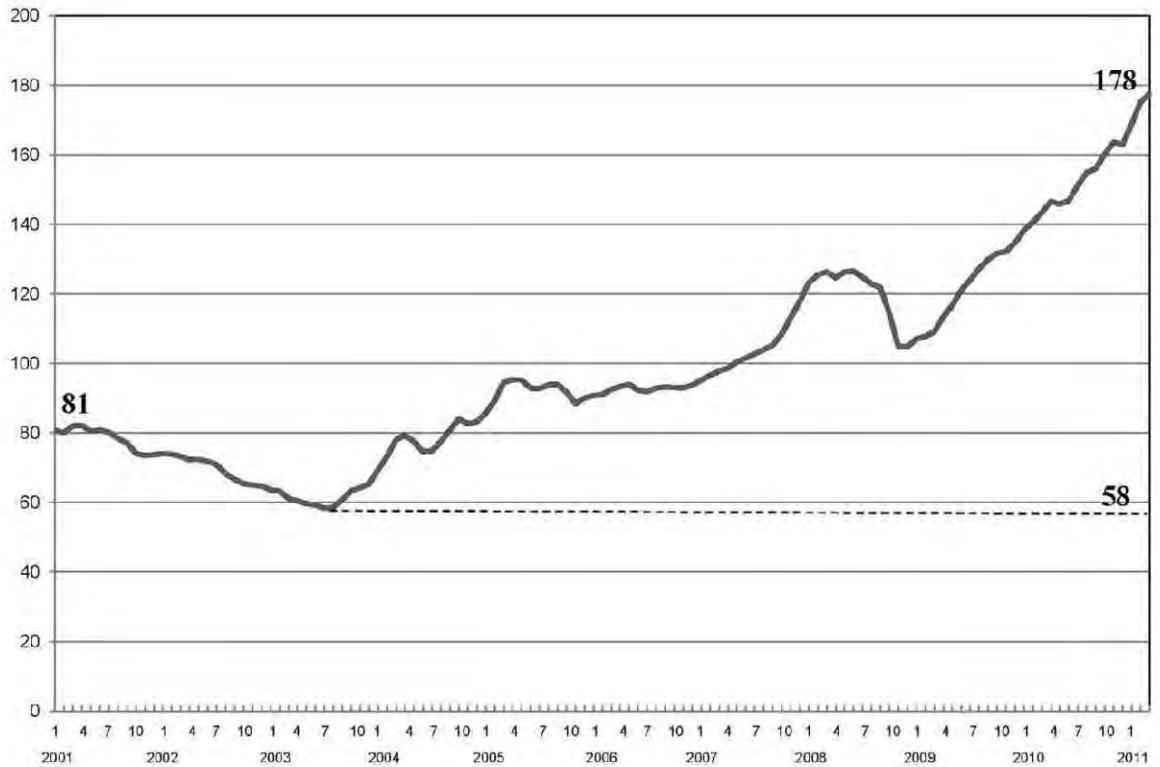
73. As has been the case since its establishment in 2001, the URA’s redevelopment activities mean that it has substantial exposure to the residential and commercial sectors of the Hong Kong property market as both a purchaser and a seller. This exposure is spread across a substantial portfolio of redevelopment projects, which are typically at different stages of development. As a consequence, the URA may be simultaneously seeking to purchase properties affected by urban renewal schemes and projects and seeking to tender cleared sites and/or sell property units in projects under development for urban renewal purposes. A general decline in value in the property market may negatively impact on the URA as a seller of certain projects but may at the same time bring benefits in its acquisition of other properties, and vice versa, an increase in value in the property market may benefit the URA as a seller of certain projects but may negatively impact on its financial commitment to purchase properties in redevelopment sites. Due to the lengthy development process, however, a good balance between the URA’s positions as buyer and seller may not be always achievable and some mismatching between its positions is often unavoidable. In general, the URA has long lead times for the acquisition of properties for redevelopment projects. As at 31 March 2011, the acquisition cost, before impairment provision, of units pending redevelopment stood at \$15.9 billion. Sites are tendered and awarded to developers for joint venture development shortly after their clearances. Depending on the market conditions, property units in its development projects are sold prior to and/or after their completions.

74. The volatility of the Hong Kong property market over the ten years since the URA has been established can be seen from the fluctuation of the Centa City and the Rating and Valuation Department indices in this period which are shown in the two graphs below.

**Centa City Leading Index  
Highlighting Changes from Establishment of URA in 2001 to 2011**



**Rating and Valuation Department Domestic Index  
Highlighting Changes from Establishment of URA in 2001 to 2011**



75. Following commencement of its projects, in accordance with its approved BPs, the URA has little control over either when the various plans for their development will eventually be approved by all of the relevant authorities or when the sites will be cleared and ready for demolition and tendering out for development. Moreover, the URA has no control over what the property market conditions will be at the times acquisition or tendering or what acquisition prices for existing units or tender prices following clearance can be achieved for any project site or when.

76. It is for these reasons, as well as the facts that the numbers of projects tendered each year as well as their respective sizes and locations vary each year, that the URA's annual financial results fluctuate so much from one year to the next. Thus the annual operating surplus of just under \$2.2 billion achieved during 2010-11 is \$4.8 billion lower than the operating surplus of \$7.0 billion in 2009-10 but higher than the annual operating deficit of \$4.5 billion in 2008-09.

77. Any surpluses earned by URA from redevelopment projects are retained and then applied to finance both further redevelopment projects and URA's rehabilitation, revitalization and preservation efforts. While all of the latter three urban renewal programmes improve the quality of the housing and the built environments in dilapidated urban areas, none generate enough revenue to sustain themselves. Hence all three are funded from surpluses generated by the redevelopment programme. The injection by URA of \$500 million for the URTF in 2011-12 will also be funded from such surpluses.

78. The operating surplus for 2010-11 of \$2.2 billion was mainly attributable to the upfront payments received for the Fuk Tsun Street/Pine Street and Third Street/Yu Lok Lane/Centre Street projects, with a total combined developable area of some 238,000 square feet, which were tendered out for redevelopment during the year and principally because of the favourable property market conditions at the time of tendering.

79. The net cash, excluding the fair value of the funds managed by the investment manager, less borrowing, held by URA as at 31 March 2011, was \$4.3 billion.

80. As at 31 March 2011, the URA's cash and bank balances together with the fair value of the funds managed by the investment manager totalled \$7.1 billion, while the URA's accruals and estimated

outstanding commitments in respect of projects under acquisition and resumption stood at \$12.8 billion.

81. The URA has progressively put in place suitable external financing arrangements to ensure that it has funding in place to meet the needs of its extensive work programme over the next few years. These arrangements are kept under constant review.

82. Having obtained a public AA+ credit rating from Standard and Poor's Rating Services (S & P) in December 2008, URA's rating was upgraded by S & P in December 2010 to AAA, in conjunction with the upgrading of the HKSAR's rating. The ratings were reassessed and reaffirmed in February 2011, with URA's standalone credit rating reconfirmed at AA+. The URA put in place in 2009-10 the Medium Term Note (MTN) programme and followed by bond issues totaling \$1.5 billion. As at 31 March 2011, the URA is also maintaining a total of \$2.0 billion in committed bank facilities as part of its planned funding programme. The MTN programme was updated in 2010-11, while the terms of the committed bank facilities were further restructured in 2010 with an expanded group of five banks and improved financing terms. No increases in borrowing are anticipated in the short to medium term but private placement(s) of small tranches, including a placement of \$200 million made in May 2011, may be arranged from time to time when opportunities arise.

83. Detailed financial information relating to the URA's overall position as at 31 March 2011 will be given in its Audited Accounts which will be included in the URA's 2010-11 Annual Report. The Annual Report is expected to be tabled by the Financial Secretary in the Legislative Council in October 2011.

84. The status of all the URA's 54 projects launched up until 31 March 2011, including the 13 completed ones, is given in the attached **Appendix I**. From this, Members will note that, although eight out of the 10 commenced projects inherited from the LDC have now been completed with all residential and commercial accommodation, other than car and motor cycle parking spaces, having been sold, leased or distributed, only five out of the 44 projects commenced subsequently by the URA or its strategic partner, the HKHS, have reached that stage.

## Financial Results of Completed Projects

85. The financial results of each of the five projects completed in 2010-11 are attached at **Appendix II** for Members' information. This is the second time that such detailed information about completed individual projects has been disclosed to the Legislative Council. Such disclosure goes well beyond the requirements of the URAO and beyond the practices adopted by all other statutory bodies, as well as beyond even the requirements on listed companies. This year's disclosure follows the unprecedented step taken by the URA in June 2010 in order to increase the transparency of its redevelopment work by disclosing the financial results of the eight individual projects completed up to 31 March 2010. It should be noted that commercial spaces in three out of the five projects completed in 2010-11 and one out of the eight projects completed by 31 March 2010 are still being held for the purpose of letting pending future sales in accordance with the joint venture agreements of each project. The estimated total value of URA's shares in these four commercial spaces was approximately \$2,809 million as at 31 March 2011.

86. The financial results of all 13 projects completed to date, which have been included in the overall financial results of both the LDC and the URA at the appropriate times, have been prepared according to generally accepted accounting principles and are presented in similar formats to each other. Nevertheless, it is difficult to draw comparisons between projects because –

- (a) the LDC and the URA operate under different ordinances at different times with different mandates;
- (b) the LDC and the URA structure their deals with joint venture development partners (JVP) differently;
- (c) the LDC and the URA have different risk profiles;
- (d) the LDC and the URA handled the five completed projects during different parts of property cycles and different conditions; and
- (e) the LDC had to pay full land premium while the URA does not because the Government grants land to the URA at nominal premium as part of the financial support of the Government to the URA.

87. In particular, under most of the LDC's deals, the LDC tendered out their projects prior to acquisition, clearance and planning approval and the JVPs were generally responsible for the acquisition costs, development costs, bank interest payments and land premia. In exchange, the LDC did the acquisition work, obtained planning approval and generally received an upfront payment and/or a guaranteed payment plus a share of the development profit. The URA operates differently. The URA is responsible for acquisition, clearance, site assembly, demolition and obtaining planning approval prior to tendering. Only following completion of all of these tasks does the URA tender out its projects for development. Moreover, only on award of tender is the URA able to endeavour to recoup its acquisition and other costs in the form of upfront payments, supplemented by some upside potential in the event that sales of the completed properties in the projects concerned exceed certain threshold levels.

88. As mentioned earlier, of the five completed projects, the financial results of which are now being disclosed, two, namely, Tsuen Wan Town Centre, Tsuen Wan and Yeung Uk Road, Tsuen Wan, were commenced by the URA's predecessor, the LDC. These two projects were handed over to the URA, as part of a batch of ten then ongoing projects, which were already well under way at that time under their respective project agreements which had already been executed between the LDC and the respective developer of each of the ten projects concerned. The URA, therefore, needs to respect these ten individual project agreements, the terms of which were concluded by the LDC at various times. The completions of two of these projects in 2010-11 brings to eight the total number of such LDC projects completed to date, while the remaining two projects are still ongoing.

89. The remaining three out of the five projects completed by URA in 2010-11, namely, Po On Road/Shun Ning Road, Sham Shui Po, Fuk Wing Street/Fuk Wa Street, Sham Shui Po and Bedford Road/Larch Street, Tai Kok Tsui, were commenced by the URA itself under its own form of arrangements and project agreements, which are different to those of the LDC. The same is true of the other projects commenced by the URA since its formation.

#### Land Premium Foregone by the Government

90. But for the fact that, unlike the LDC, the URA is exempt by the Government from the need to pay land premium, its net deficit of \$50.3 million from the five projects completed in 2010-11 would have

been increased by \$163.0 million to a net deficit of \$213.3 million, being the total amount of land premium foregone by the Government in making land grants to the URA for the Po On Road/Shun Ning Road, Fuk Wing Street/Fuk Wa Street and Bedford Road/Larch Street projects.

91. Similarly, but for this same fact, the URA's total accumulated surplus since its establishment of \$9.2 billion would have been reduced by \$5.4 billion, being the total amount of land premium assessed by the Lands Department to have been foregone by the Government in making land grants to the URA for 16 projects up until 31 March 2011, with \$4.5 billion having been foregone for the 14 project sites granted up to 31 March 2010 and further amounts of \$0.03 billion plus \$0.89 billion foregone for the two sites granted in 2010-11 for Fuk Tsun Street and Third Street/Yu Lok Lane/Centre Street respectively, giving a net total accumulated surplus of \$3.8 billion.

#### Estimated Expenditure

92. We estimate that, in the five years from 1 April 2011 to 31 March 2016, a total expenditure of about \$20 billion, excluding operational overheads, will be required by the URA to meet the costs of all projects contained in its 2011 to 2016 CP. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. However, it should be noted, while the CP has been drawn up, taking full amount of the new URS, it may nevertheless vary subject to the levels of interest shown in the new initiatives included in the new URS, including in particular demand-led redevelopment, the Flat-for-Flat option, the expanded programme of building rehabilitation and whether the Government requests URA to take on any further self-standing heritage preservation projects.

93. 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**

94. 2010-11 has been an important year, both in terms of the progress made with ongoing work and the revision of its mandate, priorities and modus operandi under the new URS published in February 2011.

95. 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 a financially self-sustaining, integrated, environmentally sustainable, adaptable and well balanced urban renewal programme that generally meets the needs and expectations of the community and has due regard for the changes in the social, economic and market conditions in which the URA operates.

96. During 2011-12, URA aims to finalise all of the details and begin implementation of all of the new initiatives under the new URS, in accordance with its five year CP for 2011 to 2016 and its 2011-12 BP which are both aligned with the new URS.

Urban Renewal Authority  
June 2011



Project Name	Development Name	Project Site Information				Project Development Information						Remarks	Status
		Area m <sup>2</sup>	Existing GFA m <sup>2</sup>	Buildings	Population	Total GFA m <sup>2</sup>	Residential Flats	Commercial Space m <sup>2</sup>	Other Uses m <sup>2</sup>	G/IC GFA m <sup>2</sup>	Public Open Space (1) m <sup>2</sup>		
<b>1-32 - 32 ongoing projects commenced up to 31 March 2011 by URA</b>													
1	Fuk Wing Street, Sham Shui Po	649	2456	6	135	5038	72	560	0	0	0	Small sized flats of 40 to 60 square metres Eligible domestic owners-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11
2	Pak Tai Street/San Shan Road, Ma Tau Kok	1277	6389	12	380	9782	138	1630	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owners-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11
3 (2)	Ma Tau Wai Road/Chun Tin Street, Ma Tau Kok	3377	10393	17	1080	22640	420	1900	0	1000	500	The URA has taken the initiative to propose redevelopment of the site occupied by the collapsed building and its adjacent buildings on Ma Tau Wai Road and Chun Tin Street.	Project commencement gazetted on 24/02/10 SDEV authorized URA to proceed on 10/12/10 Decision of Appeal Board to uphold authorization gazetted on 29/04/11 Initial acquisition offers issued on 30/05/11
4 (2)	Shun Ning Road, Sham Shui Po	827	3820	5	159	6977	110	775	0	0	0		SDEV authorized URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption application submitted on 25/01/11
5 (2)	San Shan Road/Pau Chung St, Ma Tau Kok	1170	6046	7	344	10530	144	1755	0	0	0		SDEV authorized URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption application submitted on 25/01/11
6 (2,3)	Shanghai Street/Argyle Street, Mong Kok	1128	3944	14	170	3944	0	3944	0	0	0	Zoned 'Other specified uses: shophouses for commercial and/or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11
7 (2,3)	Prince Edward Road West/Yuen Ngai Street, Mong Kok	1440	4334	10	31	6126	0	6126	0	0	0	Zoned 'Other specified uses: shophouses for commercial and/or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11
8 (2)	Anchor Street/Fuk Tsun Street, Tai Kok Tsui	726	3348	6	257	6534	0	6534	0	0	0	Commercial space is for hotel with about 184 rooms	Property acquisition in progress Resumption application submitted on 28/06/10
9 (2)	Chi Kiang Street/Ha Heung Road, Ma Tau Kok	931	5226	5	298	8379	116	1396	0	0	0		Clearance in progress Provisional basic terms offer of land grant issued by LandsD on 14/09/10
10 (2)	Pak Tai Street/Mok Cheong Street, Ma Tau Kok	771	3772	5	239	6939	92	1157	0	0	0		Clearance in progress Provisional basic terms offer of land grant issued by LandsD on 14/09/10
11 (2)	Sai Yee Street, Mong Kok	2465	14434	14	498	22185	290	4930	0	0	0		Resumption gazetted on 18/02/11 Site reverted to Government on 18/05/11 Clearance in progress Demolition of vacant buildings underway
12 (2,3)	Nga Tsin Wai Village, Wong Tai Sin	4637	2051	36	109	37097	750	2319	0	0	0	At-grade conservation park accessible to public will be provided. Commercial space includes preserved buildings/ elements, temple office, village committee's office, reprovisioning of public toilet and other covered areas but actual area still subject to detailed design.	Property acquisition in progress Resumption application submitted on 08/10/09
13 (2,3)	Peel Street/Graham Street, Sheung Wan	5320	20219	37	823	68300	293	44650	0	1290	2060	G/IC is a 1,290m <sup>2</sup> multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, some space for social enterprises and 8,950m <sup>2</sup> for 182 room hotel	Property acquisition in progress Resumption of Site B gazetted on 10/12/10 Site B reverted to Government on 10/03/11 Demolition of Site B underway
14 (2)	Kwun Tong Town Centre, Kwun Tong	53500	96104	24	4440	401250	1980	111780	97860	31000	13400	Other uses include 65,860m <sup>2</sup> for offices and 32,000m <sup>2</sup> for hotel G/IC includes 6,200m <sup>2</sup> for Kwun Tong Jockey Club Health Centre in Yuet Wah Street Site and 8,100m <sup>2</sup> for Government uses in Main Site and 16,700m <sup>2</sup> for Public Transport Interchange in Main Site Commercial Space includes some space for social enterprises	Resumption and phased reversion application for Main Site submitted on 13/07/09 LandsD consulted Kwun Tong District Council about resumption of DAs 2, 3 and 4 on 03/05/11
												Actual residential flat production is 1,980 units, but the approved MLP stated not more than 2,000 units Public space includes min 8,700m <sup>2</sup> at-grade public open space and min 4,700m <sup>2</sup> public streetscape area/ pedestrian deck	Class B amendment to YWS MLP approved on 09/03/11 Construction on YWS site in progress GBP approved on 23/03/11
15 (2,3)	Stone Nullah Lane/Hing Wan Street, Wan Chai	906	1765	9	70	-	0	0	-	0	0	Part of revitalising historic buildings through partnership scheme Other uses include education, recreation, welfare or visitor uses	Project returned by HKHS to URA with effect from 01/02/10 Being held by URA pending handover to NGO appointed by DEVB

Project Name	Development Name	Project Site Information				Project Development Information						Remarks	Status	
		Area m <sup>2</sup>	Existing GFA m <sup>2</sup>	Buildings	Population	Total GFA m <sup>2</sup>	Residential Flats	Commercial Space m <sup>2</sup>	Other Uses m <sup>2</sup>	G/IC GFA m <sup>2</sup>	Public Open Space (1) m <sup>2</sup>			
16	MacPherson Stadium, Mong Kok	2400	2788	1	0	24767	297	2443	0	5619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Construction in progress Estimated completion of construction in mid 2012	
17 (2) 18 (2) 19 (2)	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	7440	25344	37	1277	56840	845	4990	0	2200	1500	Three projects taken forward as one G/IC includes 1,940m <sup>2</sup> for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 260m <sup>2</sup> for either social enterprise or non-domestic use	Resumption gazetted on 19/11/10 Site reverted to Government on 19/02/11 Clearance in progress	
20 (2)	Fuk Tsun Street / Pine Street, Tai Kok Tsui	560	4071	3	273	4947	109	840	0	0	0		Clearance completed in 07/10 Joint-venture development tender awarded on 22/11/10 Land grant executed on 25/01/11 Demolition completed	
21 (2,3)	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2150	4140	14	213	16395	255	85	0	0	1320	Commercial space includes 76m <sup>2</sup> for commercial / community use	Joint-venture development tender awarded on 27/09/10 Land grant executed on 07/01/11 GBP approved on 22/03/11 Site preparation works in progress	
22 (2,3)	Mallory Street / Burrows Street, Wan Chai	780	2687	5	122	2402	0	0	2402	0	309	Zoned 'Other specified uses: open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Provisional basic terms offer of land grant accepted by URA on 28/06/10 Structural / foundation strengthening work in progress Tender for Main Operator awarded on 15/04/11	
23 24	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	3339	13197	17	551	29960	402	5411	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Joint-venture development tender awarded on 22/01/10 Land grant executed on 16/03/10 Site investigation works completed Construction in progress	
25	Pine Street / Anchor Street, Tai Kok Tsui	2328	11802	12	518	20952	464	3492	0	0	450		Construction in progress Estimated completion of construction in early 2012	
26	Larch Street / Fir Street, Tai Kok Tsui	Lime Stardom	2195	10332	12	594	19735	377	3310	0	0	0	Commercial space includes some space for non-income generating activities	Estimated completion of construction in late 2011 Sales of remaining flats in progress
27 (3)	Lee Tung Street / McGregor Street, Wan Chai	8236	36534	52	1613	79825	1299	9251	0	2690	3967	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly/Community Service Support Centre, Refuse Collection Point and Public Toilet	Land grant executed on 25/02/10 Piling works and utility diversion works in progress Provisional basic terms offer of lease modification for additional commercial GFA on Site A accepted by URA on 12/01/11	
28	Baker Court, Hung Hom	277	834	2	9	2338	68	261	0	0	0		Construction in progress	
29 (2,3)	Staunton Street/ Wing Lee Street, Sheung Wan	2175	3049	16	98	6117	92	870	0	0	474	Updated development parameters assume that Site A is excised from DSP	Resumption application submitted on 30/09/08 Revised MLP rejected by TPB on 19/03/10 URA announced special measures on 27/09/10 to assist Site A owners and tenants Approved DSP referred back to TPB by CE in C on 10/06/11 TPB considered the excision and proposed zoning of Site A on 17/06/11 Property acquisition in progress	
30	Queen's Road East, Wan Chai	Queen's Cube	378	1806	5	25	3984	96	441	0	0	0		Occupation Permit obtained in 04/10 Certificate of Compliance obtained in 07/10 Distribution of unsold flats under Development Agreement in progress
31	First Street / Second Street, Sai Ying Pun	Island Crest	3536	15690	30	777	38178	488	1722	0	2197	700	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Certificate of Compliance obtained in 06/10 Sales of remaining flats in progress
32	Cherry Street, Tai Kok Tsui	Florient Rise	4510	14416	33	1020	43231	522	4916	0	1849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Sales of remaining flats in progress
<b>1-32 Commenced Sub-Total (A)</b>			<b>119428</b>	<b>330991</b>	<b>446</b>	<b>16123</b>	<b>965392</b>	<b>9719</b>	<b>227488</b>	<b>100262</b>	<b>47845</b>	<b>25260</b>		

Project Name	Development Name	Project Site Information				Project Development Information						Remarks	Status	
		Area m <sup>2</sup>	Existing GFA m <sup>2</sup>	Buildings	Population	Total GFA m <sup>2</sup>	Residential Flats	Commercial Space m <sup>2</sup>	Other Uses m <sup>2</sup>	G/IC GFA m <sup>2</sup>	Public Open Space (1) m <sup>2</sup>			
<b>33-39 - 7 Ongoing projects commenced up to 31 March 2011 by HKHS</b>														
33 (2)	Sai Wan Ho Street, Shau Kei Wan	712	3796	2	21	5791	88	631	0	0	0		Acquisition, clearance and demolition of residential building completed Acquisition approach for industrial building under review	
34 (2)	Castle Peak Road/Cheung Wah Street, Sham Shui Po	1003	5935	10	158	9030	130	1505	0	0	0		Demolition completed Land grant executed on 8/03/11	
35 (2)	Castle Peak Road/Un Chau Street, Sham Shui Po	2610	14193	24	496	23490	350	3915	0	0	150		Demolition completed Binding Basic Terms Offer accepted on 31/03/11	
36 (2)	Un Chau Street/Fuk Wing Street, Sham Shui Po	2134	10114	22	362	19206	275	1001	0	2200	150	G/IC is for Residential Care Home for the Elderly	Demolition completed Binding Basic Terms Offer accepted on 31/03/11	
37 (2)	Castle Peak Road/Hing Wah Street, Sham Shui Po	1398	8286	11	344	12586	168	2098	0	0	0		Demolition completed Land grant in progress	
38	Shau Kei Wan Road, Shau Kei Wan	1872	9834	17	400	19555	274	3217	0	0	0		Construction in progress	
39	Po On Road/Wai Wai Road, Sham Shui Po	2592	9923	19	528	21183	327	956	0	2582	0	G/IC is for Residential Care Home for the Elderly	Construction in progress	
<b>33-39 Commenced Sub-Total (B)</b>		<b>12321</b>	<b>62081</b>	<b>105</b>	<b>2309</b>	<b>110841</b>	<b>1612</b>	<b>13323</b>	<b>0</b>	<b>4782</b>	<b>300</b>			
<b>40-41 - 2 Ongoing projects taken over from ex-LDC</b>														
40	Hanoi Road, Tsim Sha Tsui	The Masterpiece	8299	27309	20	220	102625	345	31209	25816	0	1219	Other use is for 381 room hotel	Leasing of commercial space in progress Hotel in operation
41 (3)	Tai Yuen Street/Wan Chai Road, Wan Chai	The Zenith	6793	12555	31	975	62310	889	3453	0	6318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Sales and leasing of Sites A and B completed Partial demolition of Old Wan Chai Market at Site C completed Construction at Site C in progress for completion in early 2013
<b>40-41 Commenced Sub-Total (C)</b>		<b>15092</b>	<b>39864</b>	<b>51</b>	<b>1195</b>	<b>164935</b>	<b>1234</b>	<b>34662</b>	<b>25816</b>	<b>6318</b>	<b>1219</b>			
<b>Commenced Total (A) + (B) + (C)</b>		<b>146841</b>	<b>432936</b>	<b>602</b>	<b>19627</b>	<b>1241168</b>	<b>12565</b>	<b>275473</b>	<b>126078</b>	<b>58945</b>	<b>26779</b>			
<b>42-46 - 5 Completed projects commenced by URA (4)</b>														
42	Po On Road / Shun Ning Road, Sham Shui Po	Beacon Lodge	1394	4898	8	327	12534	166	2083	0	0	251		Project completed in 2010-11
43	Bedford Road/ Larch Street, Tai Kok Tsui	i-home	1229	6313	7	280	10363	182	1148	0	0	0		Project completed in 2010-11 Leasing of shops in progress Sales of parking spaces in progress
44	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	Vista	1384	5129	8	246	12453	173	2075	0	0	255		Project completed in 2010-11 Leasing of shops in progress
45	Reclamation Street, Mong Kok	MOD 595	535	2411	4	122	4921	85	802	0	0	0		Project completed in 2009-10 Sales of remaining parking spaces in progress
46 (3)	Johnston Road, Wan Chai	J Residence	1970	7640	21	333	20567	381	2600	0	0	0		Project completed in 2008-09
<b>42-46 Completed Sub-Total (4) (D)</b>		<b>6512</b>	<b>26391</b>	<b>48</b>	<b>1308</b>	<b>60838</b>	<b>987</b>	<b>8708</b>	<b>0</b>	<b>0</b>	<b>506</b>			

Project Name	Development Name	Project Site Information				Project Development Information						Remarks	Status	
		Area m <sup>2</sup>	Existing GFA m <sup>2</sup>	Buildings	Population	Total GFA m <sup>2</sup>	Residential Flats	Commercial Space m <sup>2</sup>	Other Uses m <sup>2</sup>	G/IC GFA m <sup>2</sup>	Public Open Space (1) m <sup>2</sup>			
<b>0 Completed projects commenced by HKHS (4)</b>														
<b>Nil Completed Sub-Total (4) (E)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>47-54 - 8 Completed projects commenced by ex-LDC (4)</b>														
47	Yeung Uk Road, Tsuen Wan	The Dynasty	7230	NA	0	0	0	0	0	0	0	0		Project completed in 2010-11
48	Tsuen Wan Town Centre, Tsuen Wan	Vision City	20300	56851	22	7119	134185	1466	23221	0	3080	3700	G/IC is for transport and community facilities	Project completed in 2010-11
49	Kennedy Town New Praya, Kennedy Town	The Merton	6075	24808	15	1683	62904	1182	0	0	110	2300	G/IC is for public toilet	Project completed in 2007-08
50	Ka Wai Man Road, Kennedy Town	Mount Davis 33	728	4000	1	0	7280	89	0	0	0	0		Project completed in 2007-08
51	Waterloo Road/Yunnan Lane, Yau Ma Tei	8 Waterloo Road	3869	6610	19	444	32012	576	0	0	0	1650		Project completed in 2007-08
52	Queen Street, Sheung Wan	Queen's Terrace	7964	25792	50	648	66233	1148	400	0	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
53	Argyle Street/Shanghai Street, Mong Kok	Langham Place	11976	40810	58	2603	167414	0	160866	0	6548	1100	Commercial space includes 41,933m <sup>2</sup> for 686 room hotel, 65,793m <sup>2</sup> for offices and 53,140m <sup>2</sup> for retail G/IC includes Cooked Food Centre and transport and community facilities	Project completed in 2005-06
54	Kwong Yung Street, Mong Kok	Paradise Square	1607	4190	10	178	15160	272	2414	0	0	0		Project completed in 2005-06
<b>47-54 Completed Sub-Total (4) (F)</b>			<b>59749</b>	<b>163061</b>	<b>175</b>	<b>12675</b>	<b>529592</b>	<b>4989</b>	<b>204274</b>	<b>0</b>	<b>14992</b>	<b>9950</b>		
<b>Completed Total (4) (D) + (E) + (F)</b>			<b>66261</b>	<b>189452</b>	<b>223</b>	<b>13983</b>	<b>590430</b>	<b>5976</b>	<b>212982</b>	<b>0</b>	<b>14992</b>	<b>10456</b>		
<b>Commenced + Completed</b>			<b>213102</b>	<b>622388</b>	<b>825</b>	<b>33610</b>	<b>1831598</b>	<b>18541</b>	<b>488455</b>	<b>126078</b>	<b>73937</b>	<b>37235</b>		

Note (1) This table includes only Public Open Space and not any private open space.

(2) The details of projects 1 to 15, 17 to 19 and 33 to 37 have yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes.

(3) Projects 6, 7, 15 and 22 are purely preservation projects. All other 54 projects are redevelopment projects, with redevelopment projects 12, 13, 21, 27, 29, 41 and 46 containing some preservation elements.

(4) In this table, a project is deemed to be completed once all residential units have been sold and all commercial and other accommodation, other than car and motor cycle parking spaces, have been sold or substantially leased out.

**Project Numbers Reconciliation**

+32 projects commenced by URA  
 + 7 projects commenced by HKHS  
 + 2 projects commenced by ex-LDC  
 + 5 completed URA projects  
 + 0 completed HKHS projects  
 + 8 completed ex-LDC projects  
**54 projects in total**

**Glossary of Terms**

CE in C = Chief Executive in Council  
 C/R = Commercial / Residential  
 DA = Development Area  
 DSP = Development Scheme Plan  
 GBP = General Building Plan  
 GFA = Gross Floor Area  
 G/IC = Government / Institution and Community  
 HKHS = Hong Kong Housing Society  
 LandsD = Lands Department  
 LDC = Land Development Corporation  
 MLP = Master Layout Plan  
 OU = Other Specified Use  
 OZP = Outline Zoning Plan  
 SDEV = Secretary for Development  
 TPB = Town Planning Board  
 URA = Urban Renewal Authority  
 YWS = Yuet Wah Street

Planning & Approval
Acquisition & Clearance
Demolition & Tendering
Construction
Sales & Leasing
Completion

**URBAN RENEWAL AUTHORITY**  
**CUMULATIVE FINANCIAL RESULTS OF ALL COMPLETED PROJECTS**  
**(to be read in conjunction with Attachment 7 to Appendix II)**

**Number of Projects Completed**

Projects Completed from 2001 to 2009-10	8
<u>Projects Completed in 2010-11</u>	<u>5</u>
Total Number of Projects Completed	13

**Reference Dates**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Price Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Formation of URA	May 2001	44.4	100.0%	80.5	100.0%
Commencement of First Project by URA	January 2002	40.3	90.8%	74.1	92.0%
Year of Project Completion of Last Project	2010/11	97.4	219.4%	177.6	220.6%

**Cumulative Financial Results for Completed Projects**

	Total for 8 Projects Completed by 31 March 2010 A	Total for 5 Projects Completed in 2010-11 B (\$ million)	Total for All Projects Completed by 31 March 2011 A + B
<b>Total Revenue</b>	3,321.4	7,235.4	10,556.8
<b>Total Direct Cost</b>	(1,132.3)	(7,285.7)	(8,418.0)
<b>Surplus /(Deficit)</b>	<u>2,189.1</u>	<u>(50.3)</u>	<u>2,138.8</u>
<b>Land Premium Foregone by Government</b>	(217.0)	(163.0)	(380.0)
<b>Net Surplus /(Deficit) after Land Premium Foregone</b>	<u>1,972.1</u>	<u>(213.3)</u>	<u>1,758.8</u>

**Remarks**

Developers and URA now holding commercial spaces in one out of eight projects completed by 31 March 2010 and three out of five projects completed in 2010-11 for letting pending future sales in accordance with the joint venture agreements of each project.  
Estimated total value of URA's shares in these four commercial spaces was approximately \$2,809 million as at 31 March 2011.

**URBAN RENEWAL AUTHORITY  
PROJECT INFORMATION SHEET**

**(to be read in conjunction with Attachment 7 to Appendix II)**

**Project Address, Name and References**

Address: Tsuen Wan Town Centre, Tsuen Wan  
Name: Vision City and Citywalk  
References: No. 48 in Project Highlights

**Project Site Information**

Area m<sup>2</sup> 20,300  
Original GFA m<sup>2</sup> 56,851  
Buildings 22

**Project Development Information**

Total GFA m<sup>2</sup> 134,185  
Residential Flats 1,466  
Commercial Space m<sup>2</sup> 23,221  
Other Uses m<sup>2</sup> 0  
G/IC GFA m<sup>2</sup> 3,080  
Open Space m<sup>2</sup> 3,700  
Project Duration 13 Years

**Milestones**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by LDC	April 1997	90.1		157.0	
Issue of Acquisition Offers	July 1997	97.9	100.0%	167.2	100.0%
Project Agreement	September 2002	37.5	38.3%	66.7	39.9%
Land Grant	December 2002	36.0	36.8%	64.8	38.8%
Launch of Sales	April 2006	54.3	55.5%	93.4	55.9%
Year of Project Completion	2010-11	97.4	99.5%	177.6	106.2%

**Financial Results**

	\$ million
<b>Total Revenue</b>	4,148.4
<b>Total Direct Cost</b>	(6,072.5)
<b>Surplus /(Deficit)</b>	<u>(1,924.1)</u>
<b>Land Premium Foregone by Government</b>	Nil as land premium paid by LDC as direct cost
<b>Net Surplus /(Deficit) after Land Premium Forgone by Government</b>	<u>(1,924.1)</u>

**Remarks**

URA responsible for acquisition and demolition prior to land grant by Government at full land premium.  
Developer paid all development costs.  
URA received upfront payment and share of surplus sales proceeds above certain threshold.  
Developer and URA now holding commercial space for letting pending future sale.  
Estimated value of URA's share of commercial space was approximately \$2,065 million as at 31 March 2011.

**URBAN RENEWAL AUTHORITY  
PROJECT INFORMATION SHEET**

**(to be read in conjunction with Attachment 7 to Appendix II)**

**Project Address, Name and References**

Address: Yeung Uk Road, Tsuen Wan  
Name: The Dynasty and Citywalk 2  
References: No. 47 in Project Highlights

**Project Site Information**

Area m<sup>2</sup> 7,230  
Original GFA m<sup>2</sup> N/A  
Buildings 0

**Project Development Information**

Total GFA m<sup>2</sup> 44,404  
Residential Flats 256  
Commercial Space m<sup>2</sup> 17,373  
Other Uses m<sup>2</sup> 0  
G/IC GFA m<sup>2</sup> 0  
Open Space m<sup>2</sup> 0  
Project Duration 14 Years

**Milestones**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Project Agreement	Index	% Variation Since Project Agreement
Commencement by LDC	1996/97	95.8		162.2	
Issue of Acquisition Offers	PTG–no offers issued				
Project Agreement	May 2004	46.7	100.0%	77.5	100.0%
Land Grant	July 2004	46.6	99.8%	74.9	96.6%
Launch of Sales	October 2008	65.5	140.3%	114.3	147.5%
Year of Project Completion	2010-11	97.4	208.6%	177.6	229.2%

**Financial Results**

	\$ million
<b>Total Revenue</b>	1,702.9
<b>Total Direct Cost</b>	(705.4)
<b>Surplus /(Deficit)</b>	<u>997.5</u>
<b>Land Premium Foregone by Government</b>	Nil as land premium paid by LDC as direct cost
<b>Net Surplus /(Deficit) after Land Premium Foregone by Government</b>	<u>997.5</u>

**Remarks**

Developer paid all development costs.  
URA received upfront payment and share of surplus sales proceeds above certain threshold.  
Developer and URA now holding commercial space for letting pending future sale.  
Estimated value of URA's share of commercial space was approximately \$436 million as at 31 March 2011.

**URBAN RENEWAL AUTHORITY**  
**PROJECT INFORMATION SHEET**  
**(to be read in conjunction with Attachment 7 to Appendix II)**

**Project Address, Name and References**

Address: Po On Road / Shun Ning Road, Sham Shui Po  
Name: Beacon Lodge  
References: No. 42 in Project Highlights

**Project Site Information**

Area m<sup>2</sup> 1,394  
Original GFA m<sup>2</sup> 4,898  
Buildings 8

**Project Development Information**

Total GFA m<sup>2</sup> 12,534  
Residential Flats 166  
Commercial Space m<sup>2</sup> 2,083  
Other Uses m<sup>2</sup> 0  
G/IC GFA m<sup>2</sup> 0  
Open Space m<sup>2</sup> 251  
Project Duration 8 Years

**Milestones**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by URA	July 2002	39.3		70.9	
Issue of Acquisition Offers	October 2002	36.8	100.0%	65.4	100.0%
Project Agreement	October 2004	47.2	128.3%	84.1	128.6%
Land Grant	December 2004	49.5	134.5%	83.3	127.4%
Launch of Sales	June 2008	72.9	198.1%	126.6	193.6%
Year of Project Completion	2010-11	97.4	264.7%	177.6	271.6%

**Financial Results**

	\$ million
Total Revenue	521.4
Total Direct Cost	(178.9)
Surplus /(Deficit)	<u>342.5</u>
Land Premium Foregone by Government	(45.0)
Net Surplus /(Deficit) after Land Premium Foregone by Government	<u>297.5</u>

**Remarks**

URA responsible for acquisition and demolition.  
Developer paid all development costs.  
URA received upfront payment and share of surplus sales proceeds above certain threshold.



**URBAN RENEWAL AUTHORITY**  
**PROJECT INFORMATION SHEET**  
**(to be read in conjunction with Attachment 7 to Appendix II)**

**Project Address, Name and References**

Address: Fuk Wing Street / Fuk Wa Street, Sham Shui Po  
Name: Vista  
References: No. 44 in Project Highlights

**Project Site Information**

Area m<sup>2</sup> 1,384  
Original GFA m<sup>2</sup> 5,129  
Buildings 8

**Project Development Information**

Total GFA m<sup>2</sup> 12,453  
Residential Flats 173  
Commercial Space m<sup>2</sup> 2,075  
Other Uses m<sup>2</sup> 0  
G/IC GFA m<sup>2</sup> 0  
Open Space m<sup>2</sup> 255  
Project Duration 9 Years

**Milestones**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by URA	January 2002	40.3		74.1	
Issue of Acquisition Offers	March 2002	41.1	100.0%	73.3	100.0%
Project Agreement	October 2004	47.2	114.8%	84.1	114.7%
Land Grant	November 2004	48.9	119.0%	82.7	112.8%
Launch of Sales	January 2009	57.9	140.9%	107.1	146.1%
Year of Project Completion	2010-11	97.4	237.0%	177.6	242.3%

**Financial Results**

	\$ million
<b>Total Revenue</b>	438.7
<b>Total Direct Cost</b>	(164.7)
<b>Surplus /(Deficit)</b>	<u>274.0</u>
<b>Land Premium Foregone by Government</b>	(40.0)
<b>Net Surplus /(Deficit) after Land Premium Foregone by Government</b>	<u>234.0</u>

**Remarks**

URA responsible for acquisition and demolition.  
Developer paid all development costs.  
URA received upfront payment and share of surplus sales proceeds above certain threshold.  
Developer and URA now holding commercial space for letting pending future sale.  
Estimated value of URA's share of commercial space was approximately \$43 million as at 31 March 2011.

**URBAN RENEWAL AUTHORITY  
PROJECT INFORMATION SHEET**

**(to be read in conjunction with Attachment 7 to Appendix II)**

**Project Address, Name and References**

Address: Bedford Road/ Larch Street, Tai Kok Tsui  
Name: i-home  
References: No. 43 in Project Highlights

**Project Site Information**

Area m<sup>2</sup> 1,229  
Original GFA m<sup>2</sup> 6,313  
Buildings 7

**Project Development Information**

Total GFA m<sup>2</sup> 10,363  
Residential Flats 182  
Commercial Space m<sup>2</sup> 1,148  
Other Uses m<sup>2</sup> 0  
G/IC GFA m<sup>2</sup> 0  
Open Space m<sup>2</sup> 0  
Project Duration 7 Years

**Milestones**

	Date	Centa City Leading Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by URA	July 2003	32.4		58.4	
Issue of Acquisition Offers	August 2003	31.9	100.0%	58.6	100.0%
Project Agreement	September 2005	55.8	174.9%	94.0	160.4%
Land Grant	November 2005	54.0	169.3%	88.5	151.0%
Launch of Sales	March 2009	59.7	187.1%	109.2	186.3%
Year of Project Completion	2010-11	97.4	305.3%	177.6	303.1%

**Financial Results**

	\$ million
Total Revenue	424.0
Total Direct Cost	(164.2)
Surplus /(Deficit)	<u>259.8</u>
Land Premium Foregone by Government	(78.0)
Net Surplus /(Deficit) after Land Premium Foregone by Government	<u>181.8</u>

**Remarks**

URA responsible for acquisition and demolition.  
Developer paid all development costs.  
URA received upfront payment and share of surplus sales proceeds above certain threshold.

**Explanatory Notes to Project Information Sheets**

1) **Project Commencement Financial Year**

For ongoing LDC projects commenced by LDC and inherited by URA, this is the year when the project was first reported by the LDC in its annual reports as being under active implementation.

For ex-LDC and URAO projects commenced by URA, this is the year when commencement of the project was gazetted and the freezing survey was conducted.

2) **Project Completion Date/Financial Year**

It represents the financial year by when all residential units were sold and all commercial and other accommodation, other than car and motorcycle parking spaces, were sold or substantially leased out.

3) **Project Duration**

It represents the number of years from project commencement to project completion.

4) **Total GFA**

It represents the gross floor area of the project upon completion.

5) **Revenue**

Revenue includes whichever is applicable in the case of each project out of the following items -

- (a) Upfront payments received from joint venture partners at the inception of the joint development agreements;
- (b) Guaranteed payments received from joint venture partners in accordance with the terms of the joint development agreements;
- (c) Shares of surplus sales proceeds received from joint venture partners in accordance with the terms of the joint development agreements, including the share of net rental income from the leased commercial portion of the project up to 2009/10 but excluding the share of the value of the commercial portion of the project which is yet to be sold.
- (d) Net sales proceeds received from the joint venture partners for the purchases of those project properties previously acquired by the former LDC, prior to the engagement of the joint venture partner.

**6) Direct Cost**

Direct cost represents all costs incurred in connection with each property redevelopment, including whichever is applicable in the case of each project out of (a) acquisition, compensation and rehousing costs; and (b) other costs, including direct consultancy fees, incurred in connection with the development.

**7) Land Premium**

The LDC was required by the Government to pay full land premium for all redevelopment projects which it undertook.

The URA does not have to pay land premium because, as part of the Government's financial support package for URA, urban renewal sites for new projects set out in URA's Corporate Plans and Business Plans and approved by the Financial Secretary are directly granted to URA at nominal premium.

**8) Allocated Overheads**

These are not included in the calculation of the results of individual projects.

**9) Notional Interest**

This is not included in the calculation of the results of individual projects.