

**For discussion
on 30 May 2013**

**LEGISLATIVE COUNCIL
PANEL ON HOUSING
SUBCOMMITTEE ON THE LONG TERM HOUSING STRATEGY**

Government's Initiatives to Increase Housing Land Supply

PURPOSE

This paper briefs Members on the latest progress of the Administration's initiatives to increase housing land supply.

INITIATIVES

(a) General Review of Plot Ratio and Building Height Restrictions

(i) Increasing Development Density

2. To optimise the use of scarce land resources, the Planning Department (PlanD) has enhanced its efforts in reviewing the development intensity of existing sites for private housing developments in order to increase flat supply. In tandem, the development intensity of public housing sites and that assumed under major Planning and Engineering Studies are also reviewed. In the process, PlanD will carefully assess how the plot ratio (PR) of a site can be optimised taking into account practical considerations such as the traffic and infrastructure capacity in the area, the character and development intensity of the neighbourhood, and the possible environmental, visual and air ventilation impacts on the area. To enhance flat production, planning applications seeking approval from the Town Planning Board (TPB) for higher residential development density will also be considered taking into account the relevant planning considerations. For example, the PR of Hung Shui Kiu Area 13 and Fo Tan public rental housing (PRH) projects as well as the site area of this Fo

Tan site had been increased after review, resulting in a total gain of about 4,000 PRH flats.

(ii) Relaxing or Lifting the Pok Fu Lam and Mid-Levels Moratorium

3. The Administration is considering relaxing or lifting the administrative moratorium currently in force to restrict new land sale or lease modification in these two areas. We will conduct detailed assessment of the potential impact before making a decision.

(b) Land Use Review/Studies

(i) Review of Government, Institution or Community Sites

4. PlanD has completed a round of review of sites zoned Government, Institution or Community (G/IC) and other government sites, and has identified 36 sites suitable for residential development involving a total of 27 hectares (ha) of land. It is estimated that about 11 900 public and private residential flats could be produced if all these sites are used for housing development. Among the 36 sites, 14 had been zoned or were going through town planning procedures for rezoning for residential use as at end April 2013. PlanD will accord priority to process the rezoning of the remaining sites. The Government will continue to be on the lookout for other G/IC and government sites that may have potential for residential and other uses in higher demand in the community.

(ii) Review of Green Belt Sites

5. PlanD reviews sites in “Green Belt” (GB) areas that are no longer serving their intended function with a view to identifying suitable ones for housing development. In its Stage 1 review, PlanD has examined GB areas that are devegetated, deserted or formed in the New Territories. 13 sites with a total area of 57 ha are considered suitable for residential development. PlanD has expedited the rezoning process. The rezoning of ten sites, which could produce about 9 500 units, is expected to be completed by 2014. The rezoning process of the remaining three sites is expected to be completed by 2017 and they have a capacity to produce about 13 500 flats. PlanD is carrying out the next stage of GB review to identify more suitable housing sites.

(iii) Review of Industrial Sites

6. PlanD has conducted three rounds of review of industrial land since 2000. In the last round conducted in 2009, some 60 ha of land have been identified as suitable for housing and other land uses, among which some 30 ha on 16 sites are recommended for residential use. Among them, 13 (eight are privately owned whereas five are owned by the Government) have completed or are undergoing the rezoning process. Some 14 600 units could be provided upon redevelopment of the industrial buildings on them. For the remaining three privately-owned industrial sites, it is estimated that some 5 800 units could be provided as and when they are redeveloped. With a view to examining the possibility of converting more industrial sites to other uses, including residential use, PlanD has started to conduct another round of review in end March 2013, which is expected to be completed in 2014.

(iv) Conversion of Vacant School Premises for Residential Use

7. PlanD's review of the first batch of 100 vacant school premises (VSPs) has been completed. 18 VSPs, covering a total area of about 5.17 ha, are considered suitable for residential use. It is estimated that about 1,900 public and private residential units¹ can be produced. Rezoning is required for three sites and the process is expected to be completed by 2014. PlanD is now reviewing the second batch of 68 VSPs so as to identify more suitable sites for residential development.

(c) Redevelopment of Aged Public Rental Housing Estates

8. Under the Housing Authority's (HA) "Refined Policy on Redevelopment of Aged Public Rental Housing Estates" (The Refined Policy) effective since November 2011, estate redevelopment will be considered on the basis of structural safety, cost effectiveness for building sustainability, redevelopment potential, and availability of suitable rehousing resources². Way before the introduction of the Refined Policy, the HA first redeveloped

¹ The flat number excludes the seven sites proposed for village type development.

² The HA will refer to the specific site characteristics and developable area in the vicinity of individual estates and conduct a series of detailed studies including technical and environmental impact assessments, local master planning, urban design and development intensity, etc. Only after the completion of these assessments can the HA eventually confirm the feasibility of redeveloping an estate and draw up the implementation programmes.

Mark I and II blocks at Lower Shek Kip Mei Estate back in 1972. In line with the then policy objective of the Long Term Housing Strategy (LTHS) in 1987, the HA redeveloped old estates under the Comprehensive Redevelopment Programme (CRP) which was launched in 1988. Under the CRP which was concluded in November 2009, the HA had redeveloped all the old blocks of Former Government Low Cost Housing and Mark III to VI estates.

9. After the expiry of CRP, the Comprehensive Structural Investigation Programme (CSIP) was introduced in September 2005 with the aim to extend the useful life of buildings via assessing the structural conditions based on the two pillars, i.e. structural safety and cost-effectiveness for old PRH estates completed in and before 1980. Since then, the HA has announced the redevelopment of So Uk Estate and Tung Tau Estate Block 22 pursuant to the CSIP findings, and then the redevelopment of Pak Tin Estate under the Refined Policy. Of these, the HA achieve very effective net gain in flat production upon redevelopment in So Uk and Pak Tin Estates by about 1,500 flats(+27%) and 2 200 PRH flats(+60%) respectively.

10. Taking into account the four ongoing committed redevelopment projects³ (Lower Ngau Tau Kok Phase 2 under CRP, So Uk, Tung Tau Block 22, and Pak Tin Estates above), these projects will contribute about 16 500 new flats after redevelopment. Some 6 600 new flats will be completed between 2012/13 and 2016/17 which constitute about 8% towards the target production of 79 000 in this 5-year period. Another 7 600 new flats will be completed between 2017/18 and 2021/22 which contribute another 8% towards the target production of 100 000 new flats in the next 5-year period. The remaining 2 300 new flats will be completed beyond 2021/22.

11. The HA is reviewing the redevelopment potential and the ongoing CSIP findings of other aged estates with a view to identifying more redevelopment opportunities in particular of those estates with promising high buildback so as to increase the flat production in the future years.

³ The flat production programmed from 2012/13 onwards for Lower Ngau Tau Kok, So Uk, Tung Tau Block 22, and Pak Tin Estates respectively are in the order of 3 270 (with some 1,530 flats completed before 2012/13), 6,770 (where about 3 480 beyond 2016/17), 750 (beyond 2016/17) and 5,710 (beyond 2016/17).

(d) Reclamation and Rock Caverns Development

12. To build up a land reserve, the Administration will press ahead with reclamation outside Victoria Harbour while endeavouring to keep the impact on the environment and marine ecology to a minimum. In accordance with the site selection criteria formulated after the Stage 1 public engagement (PE), The Civil Engineering and Development Department (CEDD) has identified five possible near shore reclamation sites, namely Sunny Bay and Siu Ho Wan in North Lantau; Lung Kwu Tan in Tuen Mun; Southwest Tsing Yi; and Ma Liu Shui near the estuary of Shing Mun River for further consideration. They can provide a total of about 600 ha of land. CEDD launched the 3-month Stage 2 PE on 21 March 2013, and will conduct technical studies on suitable sites afterwards. Apart from the near shore reclamation sites, CEDD will also study the feasibility of building artificial islands in the central waters between Hong Kong Island and Lantau. If supported by convenient and cost-effective transport infrastructure, the artificial islands can be developed as new development areas in the long term. The artificial islands and the near shore reclamation sites can provide a total of 2 000 to 3 000 ha of land for various uses.

13. Reclamation aside, rock cavern developments are viable sources of land supply. The Drainage Services Department (DSD) is studying the feasibility of relocating the Sha Tin Sewage Treatment Works to caverns to release about 28 ha of land for housing and other uses. DSD is also conducting the PE to garner support for the relocation proposal and aims at concluding the study in 2014. In addition, the Administration proposes three potential public facilities, i.e. Diamond Hill Fresh Water and Salt Water Service Reservoirs, Sai Kung Sewage Treatment Works and Sham Tseng Sewage Treatment Works, for relocation to caverns to provide about 6 ha of precious land in built-up areas. These proposals will also be covered in the Stage 2 PE mentioned in the preceding paragraph.

(e) Major Development Areas

(i) New Development Areas

14. New Development Areas (NDAs) are a major source of land supply to meet the long-term housing needs, as well as other social and economic

development needs of Hong Kong. The two planning and engineering studies on the North East New Territories (NENT) NDAs, which cover Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs, and Hung Shui Kiu (HSK) NDA, are in progress.

15. According to the Recommended Outline Development Plans (RODPs) announced in the Stage 3 PE exercise, the NENT NDAs could provide 533 ha of developable land, including 150 ha of housing land to provide some 53 800 residential units. PlanD and CEDD are examining from the planning and engineering feasibility perspectives whether and how to adjust the RODPs to address the public comments received in the Stage 3 PE, including appropriately increasing the development intensity, increasing the public to private housing ratio to over 50%, identifying sites for new Home Ownership Scheme developments, and taking forward, as appropriate, the “Hong Kong property for Hong Kong people” measure for private housing sites.

16. For the HSK NDA, various preliminary land use options have been formulated and technical assessments are being conducted with a view to deriving a Preliminary Outline Development Plan. This project, with a study area of 790 ha, can provide over 400 ha of developable land according to preliminary assessment.

17. Land in the NENT NDAs and HSK NDA is expected to come on stream and to be available for development from 2019 and 2021 onwards respectively.

(ii) Developing the New Territories North

18. Apart from the NENT NDAs and HSK NDA, there are vast tracts of undeveloped land in the New Territories North (including land released from the Closed Area) that could be considered for meeting the long-term development needs of Hong Kong. As mentioned in the 2013 Policy Address, a planning study will be undertaken by PlanD to identify further development opportunities in New Territories North, with a view to developing a modern new town there of a similar scale as the Fanling/Sheung Shui New Town.

(iii) Review of Deserted Agricultural Land in North District and Yuen Long

19. To make more gainful use of agricultural land which is currently used mainly for industrial purposes or temporary storage, or deserted, the Government is reviewing a total of about 257 ha of such sites in North District and Yuen Long, with a view to identifying more suitable sites for housing development as soon as possible. In this connection, four sites in Kwu Tung South (KTS), Yuen Long South (YLS), Fanling/Sheung Shui Area 30 (FSS) and Kong Nga Po (KNP) have been identified for planning and engineering studies to ascertain the feasibility of and scope for residential development. The studies on the KNP, YLS and KTS sites have already commenced for completion by 2014/2015, while the study on the FSS site will be conducted in two phases, with Phase 1 to commence in mid-2013 for completion by early 2014 and Phase 2 to commence upon review of Phase 1's findings. According to preliminary assessment, some of the sites are anticipated to be available for housing development in 2020 at the earliest.

(iv) Development of Lantau Island - Tung Chung New Town Extension

20. With the anticipated completion of the Hong Kong – Zhuhai – Macao Bridge and the Tuen Mun – Chek Lap Kok Link, Lantau Island, particularly Tung Chung, is poised to become an important transport hub to overseas destinations and the Pearl River Delta region. PlanD and CEDD are undertaking the Tung Chung New Town Extension Study to examine the possibility of extending Tung Chung New Town to accommodate a target population of 220 000 and leverage future economic opportunities that would help create more jobs for Tung Chung residents. Stage 2 PE of the study was launched on 21 May 2013 for two months.

(f) Planning and Lease Modification Issues

(i) Expediting the Implementation of Approved Projects and Streamlining Land Administration

21. Over the past three years, TPB has approved 57 planning applications relating to residential development. Excluding the two sites identified in the last round of review of industrial sites, the remaining 55 applications involve a total area of about 130 ha and, as and when they are all implemented, have a

capacity of more than 45 000 flats in total. The Development Bureau (DEVB) will expedite the procedures and take other corresponding measures to facilitate flat production with public interest in mind.

22. Meanwhile, the Lands Department (LandsD) is reviewing and consolidating the Practice Notes relating to approval under lease to assist the trade. LandsD also looks to further simplification of lease conditions and ways to enhance the processing arrangement.

(ii) Development of Former Diamond Hill Squatter Areas and Quarry Sites

23. To expedite the development of the former Diamond Hill Squatter Areas (Tai Hom Village), as well as the former Cha Kwo Ling Kaolin Mine, former Lamma Quarry and Anderson Road Quarry, all of which do not involve land resumption, DEVB will actively consider making use of private developers' capacity for development to provide the infrastructure and ancillary facilities, and construct public and private residential units thereon. These four projects are expected to provide about 27 ha of residential land for construction of about 15 000 units. For instance, the final RODP of the Anderson Road Quarry has been formulated and its future development will cater for a planned population of 25 000 with the production of about 9 410 flats.

(g) Other Sources of Housing Land

(i) Development of the West Rail Kam Sheung Road Station, Pat Heung Maintenance Depot and the Adjoining Areas

24. In stepping up efforts to put into full play the integrated development of mass transportation and residential property, PlanD will take forward the planning for residential development above the Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, with land of about 33 ha in total estimated to provide about 8 700 flats. In parallel, a land-use review of the adjoining areas of about 110 ha is being undertaken with a view to identifying more suitable sites for housing development. Upon completion of the review by mid-2013, an engineering feasibility study will be conducted to assess the infrastructural requirements. The Administration will also continue to explore vigorously the residential development potential of land along existing and planned railways.

(ii) Urban Renewal Projects

25. The Urban Renewal Authority (URA) will continue to redevelop old, dilapidated private buildings. In the coming four years, the URA development projects, which cover a total area of about 4.9 ha, will provide about 4 700 flats.

26. To address the aspirations of property owners and speed up the pace of urban renewal, the Chief Executive invited URA in his 2013 Policy Address to forge ahead with its “demand-led” redevelopment scheme. URA has since commenced two redevelopment projects in the second round applications of the “demand-led” pilot scheme on 12 April 2013. These two projects are the first batch of four selected in the second round to be launched in the 2013-14. The other two “demand-led” projects will commence in the next few months. The three “demand-led” projects commenced in the first round are already in their acquisition stage and progressing well.

ADVICE SOUGHT

27. Members are invited to note and comment on the Administration’s initiatives to increase housing land supply.

Development Bureau
Transport and Housing Bureau
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