

## **LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT**

### **Work of the Urban Renewal Authority**

#### **Purpose**

This paper reports on the work of the Urban Renewal Authority (URA) in 2013-14 and its future work plan. It also provides a progress update on the review of the “Demand-led Redevelopment Project Pilot Scheme” (the Demand-led Scheme) currently conducted by URA.

#### **Background**

2. URA was established in May 2001 to undertake urban renewal in accordance with the URA Ordinance (Cap. 563). The purposes and membership of URA are at **Annex A**.

3. Since the promulgation of the Urban Renewal Strategy on 24 February 2011 (the 2011 URS), URA has adopted a “People First, District-based, Public Participatory” approach in carrying out urban renewal and has by and large set in train all the new initiatives set out in the 2011 URS. At the invitation of the Government, URA has also launched a pilot scheme for redevelopment of industrial buildings.

#### **Work of URA in 2013-14**

4. Since its establishment till the end of the 2013-14 financial year, URA had directly, or through collaboration with the Hong Kong Housing Society (HKHS), commenced 54 redevelopment projects (seven of which contain preservation elements) and three preservation-cum-revitalisation projects, and took over the implementation of 10 ongoing projects of the former Land Development Corporation. These redevelopment projects and the three preservation-cum-revitalisation projects, upon implementation, would not only have helped improve the living conditions of a population of around 37 000, but also released about 22.2 hectares of brown field sites in the urban areas for better land utilisation. These sites have a redevelopment potential of about 1 221 000 m<sup>2</sup> of

domestic gross floor area and 710 000 m<sup>2</sup> of non-domestic gross floor area (including areas for commercial use; Government, institution or community facilities; and other uses).

5. Guided by the 2011 URS, URA has adopted “Redevelopment” and “Rehabilitation” as its core businesses.

## Redevelopment

### *Self-initiated Redevelopment*

6. In line with the 2011 URS, URA has continued to adopt a three-pronged approach in redevelopment: undertaking URA-initiated projects, undertaking owner-initiated demand-led projects and facilitating owners in assembling property titles for redevelopment. In 2013-14, URA commenced one self-initiated project at Castle Peak Road/Un Chau Street. URA has also carried on one self-initiated industrial redevelopment pilot project in 2013-14, which is further discussed in paragraph 17 below.

### *Demand-led Redevelopment*

7. The Demand-led Scheme was launched in July 2011. Under the Demand-led Scheme, property owners could initiate redevelopment by submitting an application to URA for redeveloping their buildings/lots. Six projects selected from the first and second rounds of applications for the Demand-led Scheme are being implemented after the two conditions precedent of the Demand-led Scheme have been met. The two conditions precedent are: first, that owners holding not less than 80% of the interests of the lots under each of the six projects accept URA’s conditional acquisition offers before the stipulated deadline; and, secondly, that the projects are authorised by the Secretary for Development (SDEV) to proceed. One demand-led project selected from the second round, which was located at Wong Chuk Street, Sham Shui Po, was terminated after failing to meet the 80% threshold.

8. URA invited applications for the third round of the Demand-led Scheme from 2 July 2013 to 30 September 2013. So far, URA has commenced two selected projects from this round. They are located at Kai Ming Street and To Kwa Wan Road. The Kai Ming Street project has already been authorised by SDEV to proceed in May 2014. The other selected projects from the third round are scheduled for commencement in 2014-15.

## *Review of the Demand-led Scheme*

9. Since the rollout of the Demand-led Scheme in July 2011, URA has received a total of 110 applications (25 in the first round, 34 in the second and 51 in the third) with nine projects already commenced (including one terminated project mentioned in paragraph 7 above). The Demand-led Scheme is well-received. As the sites covered by the applications under the Scheme are becoming larger and the factors to be considered are becoming increasingly complex, it is necessary for URA to review the Scheme comprehensively so as to ensure the sustainability of URA's urban renewal programme (of which the Demand-led Scheme is an integral part) under the long-term self-financing principle.

10. A review of the Demand-led Scheme, overseen by an Ad hoc committee comprising URA Board members, is underway. At its first meeting held in May 2014, the Ad hoc committee had a preliminary discussion on the current application requirements of the Demand-led Scheme (details of the Scheme are set out at **Annex B**) and identified the following possible aspects for further deliberation -

- (a) the possibility of raising the application threshold of owners' consent to ensure maximum support for a demand-led project at the outset;
- (b) the feasibility of raising the minimum application site area to optimise planning gain for the redevelopment so as to benefit the wider community as well as to allow an increased efficiency ratio in the future flat design; and
- (c) the feasibility of requiring future applicants to declare if the buildings covered by the application have any outstanding building orders, the existence of which will be a discount factor in the application's score during the selection process.

The Ad hoc committee will also review the overall approach for implementation of the Demand-led Scheme to ensure that a good balance will be struck between optimising the potential of the Scheme to benefit the community and the need for maintaining its long-term sustainability.

11. URA would wish to seek Members' views on the aforementioned aspects for further deliberation and any other views that Members may have on the Demand-led Scheme. URA is also consulting its seven District Advisory Committees (DACs) (the seven DACs are in the Central and Western, Wan Chai, Yau Tsim Mong, Sham Shui Po, Kowloon City, Kwun Tong and Tsuen Wan districts) and the District Councils on the review of the Demand-led Scheme.

### *Facilitating Services*

12. URA has set up the Urban Redevelopment Facilitating Services Company Limited, a subsidiary licensed under the Estate Agents Ordinance, to undertake the work related to the Facilitating Services Pilot Scheme. The Facilitating Services Pilot Scheme has been open for application since 2011. The first joint sale by public auction of a “URA-facilitated” project site at Lion Rock Road, Kowloon City was successfully completed in November 2013. URA is currently facilitating two other projects.

13. The Ad hoc committee mentioned in paragraph 10 above is also tasked to review the Facilitating Services Pilot Scheme. The Ad hoc committee will review this Pilot Scheme with a view to streamlining the application procedures.

### *“Flat-for-Flat” Scheme*

14. Affected owner-occupiers of URA-implemented redevelopment projects which are commenced after the promulgation of the 2011 URS are offered “Flat-for-Flat” (FFF) as an alternative option to cash compensation and ex-gratia payment. They can opt for either ‘in-situ’ FFF units in URA’s new developments at the original sites or for units at a site at the Kai Tak Development Area earmarked for the FFF Scheme.

15. The Kai Tak site was granted to URA at market value in July 2012. The FFF units at Kai Tak are targeted for pre-sale in 2014-15 and expected to be ready for occupation in 2016-17.

16. As at 31 May 2014, the FFF Scheme had been offered to affected domestic owners of 10 redevelopment projects. Eight owners had opted to participate in the Scheme.

### *Pilot Scheme for the Redevelopment of Industrial Buildings*

17. URA launched the Pilot Scheme for Redevelopment of Industrial Buildings in 2012. Two pilot projects, one located at Smithfield Road, Kennedy Town, and the other at Yu Chau West Street, Cheung Sha Wan, were commenced in October 2012 and January 2013 respectively. The Smithfield Road project was terminated in November 2013 after SDEV declined to authorise the project to proceed due to objections from owners holding 100% of the property interests of the building. The other project at Yu Chau West Street was authorised to proceed by SDEV in August 2013 and acquisition by URA is underway.

## Rehabilitation

### *Operation Building Bright*

18. In 2013-14, URA continued to collaborate with the Government and HKHS to implement “Operation Building Bright” (OBB) which is a one-off special operation to create more employment opportunities for the construction sector and to promote building safety. Up till end March 2014, URA had assisted the rehabilitation of 1 070 buildings comprising around 40 300 units. Guidelines and procedures were published and implemented in collaboration with the Independent Commission Against Corruption and HKHS to tighten requirements on service providers in the industry to mitigate against malpractices as well as to promote public education. The completion of works for all the buildings under OBB is expected to be extended beyond 2016.

### *Integrated Building Maintenance Assistance Scheme*

19. URA has been assisting owners to rehabilitate their buildings since 2004 under URA’s “Materials Incentive Scheme” and “Loan Scheme”. To further facilitate rehabilitation by building owners, starting from 1 April 2011, URA and HKHS have collaborated and amalgamated the five financial assistance schemes of URA and HKHS into a single scheme, i.e. the “Integrated Building Maintenance Assistance Scheme” (IBMAS), which adopts a set of unified application criteria and terms and conditions for all eligible buildings in Hong Kong. IBMAS is now co-managed by URA and HKHS. As at 31 March 2014, 313 cases were in progress.

### *Mandatory Building Inspection Subsidy Scheme*

20. The Mandatory Building Inspection Subsidy Scheme (MBISS) was jointly launched by URA and HKHS on 7 August 2012 after the legislation on the Mandatory Building Inspection Scheme (MBIS) came into force. Under MBISS, URA assists owners of buildings within its Rehabilitation Scheme Areas (RSAs) to arrange inspections of buildings which are subject to inspection notices issued by the Buildings Department. Owners of buildings which are found to require repairs after inspection can apply to IBMAS for assistance. As at 31 March 2014, URA had received 155 applications, of which 140 had already been granted approvals-in-principle.

## Preservation and Revitalisation

21. URA will continue to allocate resources to take forward preservation and revitalisation projects which it has already committed.

### *Preservation*

22. On the preservation front, following reversion of the project site at Shanghai Street/Argyle Street, URA commissioned a design consultant to prepare a section 16 planning application for the preservation of the pre-war buildings at site for consideration by the Town Planning Board (TPB). Ground and structural investigation work have also commenced. URA is continuing with both acquisition and renovation efforts at the other shop-house preservation project at Prince Edward Road West/Yuen Ngai Street. Lately, URA has completed the selection of tenants for the two entire blocks, i.e. Nos. 202 to 204, Prince Edward Road West, which it has acquired within this project site the renovation of which has been completed. As for Western Market, URA has proposed to extend its current holding over of the building for two more years to early February 2017 so as to allow more time for working out the future plan for this monument building.

### *Revitalisation*

23. URA has commissioned the Hong Kong Arts Centre to operate the “Comix Home Base” at the revitalised Mallory Street/Burrows Street project site to provide a platform for local and international art exchange. The “Comix Home Base”, which was officially opened in July 2013, has since become a popular attraction and received some 250 000 visitors in less than a year’s time.

24. As for Central Market, URA has continued to steer the international design consultancy to prepare the conceptual design for the Central Oasis. A planning application for the revitalisation project was approved by TPB in July 2013. Meanwhile, URA has re-submitted its general building plans for consideration and approval by the Building Authority.

25. URA is carrying on with the streetscape enhancement works in Mong Kok and Tai Kok Tsui.

## Corporate Social Responsibility

26. As a responsible public organisation, URA has developed its own corporate social responsibility programme. This includes URA's endeavours and achievements in promoting green building design, community engagement, support for the Non-government Organisations (NGOs) as well as art promotion. On the environment front, URA has continued to embrace green building design in its projects, as well as improve energy efficiency and reduce water consumption and waste generation of its buildings. To date, URA has received eight BEAM (Building Environment Assessment Method) Platinum Awards and 10 provisional awards for projects that are at the design and construction stages. URA has also expanded the scope of its second carbon audit report to cover water consumption in its own operation as well as URA-managed properties.

27. On the public engagement front, URA launched an interactive education portal, that is, the "Urban Renewal Web Academy", in support of the secondary and primary school syllabi in November 2013. Response from the school sector to the portal has been very positive. In 2013-14, the Urban Renewal Exploration Centre at the URA headquarters attracted some 7 800 visitors. The Urban Renewal Resource Centre, a one-stop service centre of URA in Tai Kok Tsui, which was officially opened in April 2012, also received about 33 000 visitors during the same period. Besides, URA also organised a series of education and extension programmes such as field trips and roving drama workshops to promote urban renewal and the work of URA in 2013-14.

28. To enhance the vibrancy of the old urban areas through active involvement of the community, URA launched a pilot scheme in October 2011 to encourage NGOs to partner with URA to stage arts events. In 2013-14, six arts programmes were sponsored. URA has also continued to provide venue support to NGOs which rent URA premises at nominal charges for running various activities. It has also continued to license its acquired shop premises at Prince Edward Road West to one NGO for operating a theme-based social enterprise. URA has also licensed its acquired block at Wing Lee Street to the Hong Kong Arts Centre to run an "Artist-in-residence" programme.

29. A detailed account of URA's work in 2013-14 is at Part III of the URA's report at **Annex C**.

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

30. The Financial Secretary has approved URA's Corporate Plan (CP) for 2014-15 to 2018-19 and Business Plan (BP) for 2014-15 earlier this year. The five-year CP comprises 60 redevelopment projects, two preservation projects and one revitalisation project, including those new redevelopment projects to be commenced between 2014-15 and 2018-19.

31. On the rehabilitation front, URA will continue with its rehabilitation efforts through IBMAS, OBB and MBISS in 2014-15. It is expected that during the year, URA's rehabilitation efforts will benefit about 160 buildings or 5 800 units under IBMAS within the expanded RSAs of URA. As for OBB, it is expected that URA will assist the owners of a total of 220 buildings or 8 720 units in 2014-15. In addition, it is envisaged that some 270 buildings or around 8 640 units can potentially benefit from the subsidy of the MBISS to recover the cost of the first building inspection fee under the MBIS.

32. URA will also continue its efforts in preservation and revitalisation projects. Details of URA's work plan in the coming year are set out in Part IV of the URA's report at **Annex C**.

## **Financial Position and Disclosure**

33. As at 31 March 2014, URA's net asset value stood at \$23.9 billion. A net operating deficit of \$2.3 billion was recorded in 2013-14, representing a decrease of \$6.7 billion over 2012-13 which recorded a \$4.4 billion net operating surplus. The deficit is mainly attributed to the provision for loss that URA has made in various projects, including the three demand-led projects and two self-initiated projects with offers issued in 2013-14.

34. URA has estimated that a total expenditure of about \$33 billion, excluding operational overheads, will be required to meet the costs of all projects contained in its 2014-15 to 2018-19 CP. To ensure that it has sufficient funding in place to meet the needs of its work programme, URA has put in place a Medium Term Note Programme since 2009-10. The total amount of URA's outstanding bond issue stood at \$4.8 billion as at end March 2014. The Government will continue to closely monitor URA's financial position.



35. In response to Members' request and in the interest of transparency and accountability, URA has been disclosing financial information on its completed individual projects since 2010. There was no addition to the number of completed projects in 2013-14. Following past practice, URA has provided the cumulative financial results of all its completed projects as at 31 March 2014 at Appendix II of its report at **Annex C**.

### **Advice Sought**

36. Members are invited to note the work of URA in 2013-14 and its future plan, and to offer views covering also the review of the Demand-led Scheme.

**Development Bureau**  
**June 2014**

**Board of the Urban Renewal Authority (URA)**

According to Section 5 of the Urban Renewal Authority Ordinance (Cap. 563) (URAO), the purposes of URA are to –

- (a) replace the Land Development Corporation as the body corporate established by statute having the responsibility of improving the standard of housing and the built environment of Hong Kong by undertaking, encouraging, promoting and facilitating urban renewal;
- (b) improve the standard of housing and the built environment of Hong Kong and the layout of built-up areas by replacing old and dilapidated areas with new development which is properly planned and, where appropriate, provided with adequate transport and other infrastructure and community facilities;
- (c) achieve better utilisation of land in the dilapidated areas of the built environment of Hong Kong and to make land available to meet various development needs;
- (d) prevent the decay of the built environment of Hong Kong by promoting the maintenance and improvement of individual buildings as regards their structural stability, integrity of external finishes and fire safety as well as the improvement of the physical appearance and conditions of that built environment;
- (e) preserve buildings, sites and structures of historical, cultural or architectural interest; and
- (f) engage in such other activities, and to perform such other duties, as the Chief Executive may, after consultation with the Authority, permit or assign to it by order published in the Gazette.

Pursuant to Section 4(4) of the URAO, the Board of URA shall be the governing and executive body of the Authority and as such shall, in the name of URA, exercise and perform the powers and duties as are conferred and imposed on URA by, or by virtue of, the URAO.

## **Membership**

(as at 31 May 2014)

	<u>Name</u>	<u>Professional Background</u>	<u>Declared Political Affiliation</u>
Chairman:	Mr Victor So Hing-woh	Surveyor	-
Deputy Chairman/ Managing Director:	Ms Iris Tam Siu-ying	Planner	-
Non-executive Directors (non-official):	Dr Hon Chiang Lai-wan	Legislative Council Member	Democratic Alliance for the Betterment and Progress of Hong Kong
	Mr Edward Chow Kwong-fai	Accountant  Founder of China Infrastructure Group	-
	Mr Laurence Ho Hoi-ming	Managing Director, Kingsford Far East Ltd.  Part-time Lecturer at HKU SPACE, the Chinese University of Hong Kong and the Hong Kong Polytechnic University	-
	Mr Lester Garson Huang	Solicitor  Partner, P C Woo & Co.	-
	Professor Eddie Hui Chi-man	Professor, Department of Building and Real Estate, the Hong Kong Polytechnic University	-

<u>Name</u>	<u>Professional Background</u>	<u>Declared Political Affiliation</u>
Professor Desmond Hui Cheuk-kuen	Cultural Consultant and Architect  Visiting Professor of University of Hong Kong	-
Mr Philip Kan Siu-lun	Partner and Chief Executive Officer, Whale Capital Inc.	-
Hon Dennis Kwok	Barrister  Legislative Council Member	Civic Party
Mr Nelson Lam Chi-yuen	Accountant  Founder and Chief Executive Officer, Nelson and Company	-
Mr Daniel Lam Chun	Surveyor  Honorary Advisor, DCL Consultants Limited	-
Mr Laurence Li Lu-jen	Barrister	-
Mr Philip Liao Yi-kang	Architect  Partner, Philip Liao & Partners Limited	-
Mr Timothy Ma Kam-wah	Social Worker  Executive Director of Project Flame, City University of Hong Kong	-

	<u>Name</u>	<u>Professional Background</u>	<u>Declared Political Affiliation</u>
	Dr Billy Mak Sui-choi	Associate Professor, Department of Finance & Decision Sciences, Hong Kong Baptist University	-
	Mr David Tang Chi-fai	Surveyor  Property Director, Mass Transit Railway Corporation Limited	-
	Hon James To Kun-sun	Solicitor  Legislative Council Member	Democratic Party
	Hon Wong Kwok-kin	Legislative Council Member	The Hong Kong Federation of Trade Unions
	Dr John Wong Yee-him	Specialist in Psychiatry	Democratic Alliance for the Betterment and Progress of Hong Kong
	Mr Stanley Wong Yuen-fai	Retired Banker	-
Executive Directors (two):	Mr Calvin Lam Che-leung	Engineer	-
	Mr Pius Cheng Kai-wah	Solicitor	-
Non-executive directors (official):	Director of Buildings		
	Director of Home Affairs		

<u>Name</u>	<u>Professional Background</u>	<u>Declared Political Affiliation</u>
Director of Lands		
Director of Planning		

## **The Demand-Led Redevelopment Project (Pilot Scheme)**

The Board of the Urban Renewal Authority (URA) approved the implementation framework of the Demand-Led Redevelopment Project (Pilot Scheme) (Demand-led Scheme) in May 2011. As demand-led redevelopment is a new initiative, the URA Board considered that its implementation framework should be refined and enhanced in the light of experience and decided that the Scheme should be implemented in the form of a pilot scheme.

2. Under the Demand-led Scheme, the same property acquisition and compensation arrangements for owners and tenants as those under URA's self-initiated projects apply. Similarly, URA adopts the notional rate of a seven-year old replacement unit in acquiring properties from owner-occupiers, and also the prevailing policies in compensating and rehousing affected owners and tenants.

3. The following six selection criteria were adopted under URA's Demand-led Scheme in May 2011:

- Owners of 67% (i.e. 2/3) or more of the undivided shares of the respective lots of a site should jointly submit an application to URA to initiate a demand-led project;
- The proposed project should be situated within the redevelopment zones identified by the District Urban Renewal Forum (DURF) if there is a DURF in that district, or at least not within DURF's proposed preservation areas;
- The conditions of buildings covered by the application site are identified as “poor” or “varied”;
- The site under application should be preferably larger than 400m<sup>2</sup> to allow planning gains;
- The site should not comprise buildings/structures of historical, architectural or cultural significance as recognised by DURF and/or the Antiquities and Monuments Office unless they can be preserved and integrated with the future new buildings;
- There are available resources from URA to commence and implement the project within a reasonably short period of time.

4. URA will consider and decide whether to accept the applications of demand-led projects based on the above criteria, synchronizing the timetable of its decision with the preparation of its annual business plan. The successful applications will be incorporated into URA's annual business plan for submission to the Financial Secretary for approval under the law.

5. Should the selected demand-led projects be approved by the Financial Secretary, URA will commence the projects in the next financial year. The commencement of the demand-led projects is similar to that for URA's self-initiated projects, including publication by Government gazette and the conducting of freezing survey.

6. URA will issue conditional offers to the owners shortly after the expiry of the two-month publication period. Owners will normally have **75 days** to consider whether to accept or not (the consideration period).

7. Under the demand-led model, URA will only take forward the project if it is confirmed that the project is agreed upon and supported by the majority of owners. In addition to meeting the first threshold requirement of there being owners of not less than 67% of the undivided shares of the lots jointly submitting the application, there must also be owners holding not less than 80% of the undivided shares of the lots confirming and accepting the conditional acquisition offers and entering into agreements for sale and purchase with URA within the consideration period after the issue of the conditional acquisition offers in order to meet the second threshold.

8. The implementation of a project under the demand-led redevelopment model is subject to the meeting of the second threshold which requires that owners of not less than 80% of the undivided shares of the lots accept URA's conditional offers within the consideration period, and that the SDEV gives authorisation for the project to proceed within one year after URA has made its conditional offers. If the 80% threshold is not achieved within the consideration period, the project will cease to proceed. If the two requirements are met, the demand-led project will be implemented and URA will then complete the sale and purchase agreements with the owners. If the time lapse between the date of issue of the conditional acquisition offers and the completion date of sale and purchase agreements exceeds three months due to various reasons, URA will adjust the offer price according to a pre-determined methodology.



**Work of the Urban Renewal Authority in 2013-14**  
**and Business Plan for 2014-15**

**I. INTRODUCTION**

1. This paper is a report on the work of the Urban Renewal Authority (URA) for the year ended 31 March 2014 (2013-14) and its Business Plan for 2014-15.

**II. BACKGROUND**

2. 2013-14 saw the continuous implementation of the new multi-pronged approach to redevelopment, continuing efforts in rehabilitation, preservation and revitalisation as well as community-focused initiatives aimed at enhancing the quality of life in old urban districts.

3. Highlights of the work undertaken by the URA during 2013-14 are reported below. For the sake of contemporaneity, significant events which fall outside the reporting period are also mentioned where appropriate.

**III. WORK OF THE URA IN 2013-14**

**Redevelopment**

4. In 2013-14, the URA had commenced six new projects, namely five Demand-led projects at Kowloon Road/Kiu Yam Street, Tung Chau Street/Kweilin Street, Fuk Chak Street/Li Tak Street, Wong Chuk Street and Kai Ming Street and one URA-initiated project at Castle Peak Road/Un Chau Street. The Demand-led project at Wong Chuk Street was subsequently terminated as it failed to meet the conditions precedent for

continued implementation. In April 2014, another Demand-led project at To Kwa Wan Road was launched.

### ***Demand-led Redevelopment Projects***

5. As at 31 May 2014, nine Demand-led projects had been commenced with seven under active implementation, having satisfied both conditions precedent of the Demand-led Redevelopment Project Pilot Scheme (the Demand-led Scheme) i.e. having met the 80% owners' consent threshold within the specified period and having obtained the Secretary for Development (SDEV)'s authorisation to proceed. One project (Wong Chuk Street) was terminated due to its inability to meet the 80% threshold. The remaining one is still in the early stage of implementation. Since the launch of the Demand-led Scheme in 2011, it has continued to thrive with a notable increase in the number of applications each year (25, 34 and 51 for three rounds of application respectively). The popularity of this bottom-up, community-driven initiative is well-proven but at the same time, its involvement of relatively small sites, albeit getting larger in each round, and its financial sustainability have become issues of concern.

6. To balance the keen public support for the continuation of this initiative and the URA's duty to uphold a strict financial discipline that is crucial for ensuring the sustainability of its overall redevelopment programme (of which the Scheme is an integral part), the URA is in the process of conducting a comprehensive review of the fundamentals of the Scheme including the current application requirements (e.g. the possibility of revising the application threshold of owners' consent upwards to ensure maximum support for a Demand-led project to proceed at the outset; increasing the minimum site area to optimise planning gains that will be of benefit to the wider community as well as increase the efficiency ratio in future flat design; requiring that applicants should declare whether their buildings have any outstanding building orders, the existence of which will result in the application being marked down in the selection process; and reviewing the overall approach to the Scheme to ensure the striking of a good balance between optimising its potentials for

the benefit of the community and giving due regard to the need for its long term sustainability).

7. The review of the Demand-led Scheme is being overseen by an Ad hoc Committee comprising URA Board Members which was set up in April 2014. The Committee had already held its inaugural meeting in May 2014 and would convene again to consider the URA Management's formal proposals for refining the Demand-led Scheme after the URA Management has had the opportunity to hear and consider the views of the public (including the LegCo Panel on Development) on the subject. To date, the views of URA's seven District Advisory Committees and three District Councils have been heard.

8. Barring unforeseen circumstances, the review should conclude within 2014-15 with the fourth round of application taking place then.

### ***URA-initiated Redevelopment Projects***

9. The Castle Peak Road/Un Chau Street project which commenced in February 2014 with a project site area of some 1,900 square metres and affecting around 220 households, is of a scale which is typical of those projects which were initiated by the URA in the past. There is a continuing need for the URA to initiate redevelopment projects which can ensure comprehensive planning to optimise planning gains, and a more balanced mix of projects in different districts. URA-initiated projects also stand a more assured chance of implementation as they do not need to satisfy any acceptance threshold.

### ***Redevelopment of Industrial Buildings***

10. The URA is proceeding with the implementation of the Yu Chau West Street project with SDEV's authorisation obtained in August 2013. Initial offers were made in December 2013. Acquisition has been slow. Separately, in July 2013, the 12P, Smithfield project was

terminated after SDEV declined to authorize the project to proceed due to 100% objection from the owners.

### ***Facilitating Services***

11. During 2013-14, the Urban Redevelopment Facilitating Services Co. Ltd. (URFSL), a wholly-owned subsidiary of the URA, provided its services to four facilitation projects. As it is still a relatively new initiative, and site assembly on owners' initiative usually takes time, the level of interest in URFSL's services so far matches the URA's expectation. On 7 November 2013, joint sale by public auction for a facilitation project at 67-71 Lion Rock Road, Kowloon City of around 328 square metres was successfully completed with 100% owners' participation. This marked a major milestone for the Facilitating Services Pilot Scheme. At the time of writing, a review of the Pilot Scheme is underway and is similarly overseen by the Ad hoc Committee mentioned in paragraph 7 above. The review will be completed within the next one to two months. It covers, inter alia, fine-tuning and modification of the current procedures such as simplifying the processing of applications for the services, reviewing the monetary contribution from individual owners for the services and revising the time-frame to effect a joint sale for public auction.

### ***Ongoing Redevelopment Projects***

12. In addition to commencing the above initiatives and new projects during 2013-14, the URA continued to implement a total of 35 ongoing redevelopment and two preservation projects and one revitalisation project (*not including the six projects being undertaken by the Hong Kong Housing Society (HKHS)*).

13. During 2013-14, the URA also -

- (a) issued acquisition/conditional acquisition offers for the Kwun Tong Town Centre project Development Area 5, the Reclamation

Street/Shantung Street project, the Yu Chau West Street Industrial Building Redevelopment project and five Demand-led projects;

- (b) launched the third round of invitation of applications for the Demand-led Scheme and selected four applications out of 51 for inclusion in the 2014-15 Business Plan;
- (c) awarded the joint venture tender for the Shun Ning Road project and invited expressions of interest for joint venture tenders for the Kwun Tong Town Centre project (Development Areas 2 and 3) and the San Shan Road/Pau Chung Street project (the joint venture tender for the San Shan Road/Pau Chung Street project was awarded in April 2014);
- (d) obtained SDEV's authorisation for the Tonkin Street/Fuk Wing Street project, the Yu Chau West Street project and three Demand-led projects to proceed. As appeals under the Urban Renewal Authority Ordinance were received against SDEV's decision to authorise the Tonkin Street / Fuk Wing Street project, the issuance of acquisition offers for the project has been held in abeyance pending the outcome of the appeals; and
- (e) announced the respective in-situ and Kai Tak Flat for Flat (FFF) unit prices for the five Demand-led projects and the Reclamation Street/Shantung Street project.

### ***Details and Progress of Individual Projects***

14. Up to 31 March 2014, the URA had commenced a total of 54 redevelopment projects and two preservation projects and one revitalisation project (this includes the six HKHS projects). Out of these projects, eight had been completed and two had been terminated. Excluding the two terminated projects, the remaining 52 redevelopment projects and the two preservation projects and one revitalisation project provide/will provide around 14,200 new flats, about 278,800m<sup>2</sup> of commercial space, about 53,300m<sup>2</sup> of Government, institution or community facilities, around 100,300m<sup>2</sup> for other uses including offices

and hotels, and about 26,000m<sup>2</sup> of open space. Taking into account all the projects commenced by URA and the former Land Development Corporation (LDC), totaling 65, the URA has been able to improve the living conditions of a population of around 37,000 previously living in substandard housing.

15. **Appendix I** shows the details and current progress of 63 redevelopment projects, two preservation projects and one revitalisation project handled by the URA up to 31 May 2014.

### ***Flat for Flat Pilot Scheme***

16. Construction of the URA's first ever self-developed housing estate, at a total cost of some \$2.5 billion for the site designated for provision of FFF units at Kai Tak, commenced in July 2012. Good progress has been achieved and with piling, basement, ground floor slabs and transfer plates completed.

17. The Pak Tai Street/San Shan Road project was the first project where FFF was offered. Since this project, the FFF scheme has been offered to affected domestic owner-occupiers at three further URA-initiated projects and six Demand-led projects. For the Kai Tak FFF units, some 50 units were offered in different floor zones, targeted for pre-sale in 2014-15 and occupation in 2016-17. To date, eight owners had signed the undertakings to participate in the scheme. While the response has not been enthusiastic, it is believed that the Kai Tak FFF units will be in greater demand when the development is completed.

### **Rehabilitation**

18. Rehabilitation is one of the URA's two core businesses. During 2013-14, the URA has continued its rehabilitation efforts through the Integrated Building Maintenance Assistance Scheme (IBMAS) and Operation Building Bright (OBB). In addition, technical and financial assistance to building owners have also been offered under the Mandatory Building Inspection Subsidy Scheme (MBISS). The financial assistance,

technical advice and coordination services provided by the URA to Owners' Corporations are well received, judging by the enthusiastic response and frequent commendations received.

19. A building rehabilitation website (called the "Building Rehab Info Net" - [www.buildingrehab.org.hk](http://www.buildingrehab.org.hk)) was soft-launched in January 2014 to serve as a one-stop e-platform for building owners as well as building professionals and contractors to access comprehensive building rehabilitation-related information. This information includes details on and application forms for various assistance schemes, an experience-sharing corner, tender information and so on, to enhance awareness of their roles, rights and obligations as owners in rehabilitation projects. Thus far, the URA has promoted the website by informing our stakeholders and partnering government departments, district opinion leaders and other organisations. In addition, marketing materials are being prepared for distribution to owners through our partnering NGOs, as well as to all URA's District Advisory Committee members, the District Offices, District Councillors, owners' corporations, industry contractors and professionals, and the academia. Newspaper advertorials, roadshows, bus-body advertising and other effective promotion methods are also being explored. Overall, in 2013-14, the promotion of rehabilitation was in full swing across all platforms including day-to-day assistance provided to eligible owners, our NGO partners, and the holding of regular seminars and briefings.

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

20. The URA has given full support to the Government's OBB programme since it began in 2009. At the end of 2013-14, 1,070 buildings comprising around 40,300 units out of the 1,460 target buildings within the URA's Rehabilitation Scheme Areas (RSAs) had either been rehabilitated or with rehabilitation works substantially completed. Of these 1,070 buildings, 240 buildings (around 8,500 units) had either been rehabilitated or rehabilitation works were substantially completed within the financial year of 2013-14. OBB has raised owners' awareness of the need for rehabilitation as well as created employment opportunities,

which was one of the original objectives of the scheme. Through conscientious efforts and collaboration with the Independent Commission Against Corruption (ICAC) and the Hong Kong Housing Society (HKHS), guidelines and procedures have also been published and implemented to tighten requirements on service providers in the building renovation industry aimed at mitigating malpractices and promoting public education. Supplementary Note 3 – “New Tendering Arrangement” (NTA) was introduced in September 2013 which specifically tackles the latest tendering malpractices, with an aim to promote a healthier industry environment by providing a fair, interference-free bidding platform. Initial results have been encouraging with returned expressions of interest and tenders averaging around three times the responses received prior to the introduction of the NTA. Collaboration with the Police and the ICAC remains as strong as ever. Since early 2013, relatively costly bids submitted for rehabilitation work have resulted in lengthy discussions amongst owners, price negotiations and even the need for re-tendering, thereby delaying OBB work commencement with completion likely to stretch beyond 2016. Regular OBB Steering Committee meetings attended by the Buildings Department (BD), HKHS and the URA to deliberate on significant issues and to monitor and update progress continue.

### ***Integrated Building Maintenance Assistance Scheme***

21. From 1 April 2011, the assistance schemes previously operated by the URA and the HKHS to promote and facilitate better building maintenance have been amalgamated into a single scheme, adopting the same set of application criteria and providing the same subsidies and assistance to all eligible multiple-owned private domestic and composite buildings in Hong Kong. Through a single application form, owners can also apply for two Government funded assistance schemes i.e. the Building Maintenance Grant Scheme for Elderly Owners operated by the HKHS and the Comprehensive Building Safety Improvement Loan Scheme operated by BD. Regular IBMAS coordination meetings are held between the URA and the HKHS.



22. A publicity programme has been implemented to raise awareness of IBMAS. TV promotion and radio publicity on paid channels was launched from mid-March to late April 2013, while the broadcasting of scheduled Announcements in the Public Interests (API) commenced in late August 2012 and would run until mid-April 2015. From 1 April 2013 up to the end of December 2013, the URA took part in 25 seminars and public briefings to promote its assistance schemes, including IBMAS, and building rehabilitation generally.

23. The URA's Materials Incentive Scheme (MIS) and Loan Scheme (LS) are now replaced by the Common Area Repair Works Subsidy (CAS) and the Common Area Repair Works Interest-free Loan (CAL) under IBMAS. From the commencement of the MIS and LS in 2004 up to the end of 2013-14, about 338 buildings (around 26,000 units) have been rehabilitated under the MIS and the CAS under IBMAS, and 230 buildings (around 19,160 units) under the LS and the CAL under IBMAS. Out of the 338 buildings rehabilitated under the MIS and CAS, 13 buildings (around 850 units) have been rehabilitated within 2013-14. In addition, there are about 130 owners' corporations being formed under the Owners' Corporation Formation Subsidy (OCFS) of IBMAS. Currently, there are a total of 313 IBMAS cases in progress (226 cases for common area repair works and 87 cases for owners' corporation formation).

24. Clusters of renovated buildings marked by coordinated façade colour schemes are also welcomed by many as providing a fresh and pleasing outlook in old, densely built-up areas. Other related incentives and subsidies such as the third party liability subsidy are also well received by owners.

### ***Mandatory Building Inspection Subsidy Scheme***

25. The subsidiary legislation on the implementation of Mandatory Building Inspection Scheme (MBIS) came into force on 30 June 2012, and the URA duly launched the MBISS in conjunction with the HKHS on 7 August 2012. Under this Scheme, the URA will assist

building owners to arrange the first inspections of buildings within its RSAs which are subject to inspection notices issued by BD. Since August 2012, the URA staff have been attending district briefing sessions organised by BD to brief and attend to the questions of owners of target buildings on the subsidy and assistance available under the MBISS. Owners of buildings which, on inspection, are found to require rehabilitation may apply for rehabilitation works assistance under IBMAS, with the URA providing a one-stop continual building care service. Up to the end of 2013-14, out of the 861 MBIS target buildings located in the URA target areas, 492 have been contacted. From these 492, 155 applications have been received and approvals-in-principle were granted to 140 buildings. A publicity programme has been implemented to raise awareness of MBISS. The radio publicity through radio API was extended to mid-April 2015. From 1 April 2013 up to end of December 2013, the URA took part in 42 seminars and public briefings to promote MBISS. As the MBIS covers all buildings of 30 years old or more, it is expected that there would be increase in the number of buildings seeking rehabilitation assistance from the URA in the coming years.

### **Revitalisation**

26. There have been notable achievements for the URA's revitalisation work during 2013-14.

#### ***Wanchai***

27. The Hong Kong Arts Centre is now operating the "Comix Home Base" at the Mallory Street/Burrows Street revitalisation project which provides a platform for local and international art exchange. Since the completion of the project and its official opening in July 2013, the "Comix Home Base" has become a popular attraction with the number of visitors approaching 250,000 by the end of March 2014. The URA has retained ownership of the project and will continue to oversee its operation.

### ***Central Oasis***

28. The URA has continued to steer the international design consultancy to prepare the conceptual design for Central Oasis. Major character defining elements including the facade, the atrium, the structural grid and the main staircases of the market building are being preserved. Major modifications of the building include the addition of an ‘Urban Floating Oasis’ on top of the existing building and a new basement. A section 16 planning application for minor height relaxation was approved by the Town Planning Board (TPB) in July 2013. In late 2013, an application for judicial review was filed against the TPB’s decision. The Court has recently refused to grant leave for judicial review. Meanwhile, a General Building Plan application for the related building works has been resubmitted to the Building Authority for approval.

### ***Mong Kok***

29. The URA is enhancing the local characteristics of five themed streets, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street involving streetscape improvement to enhance their unique characteristics and ambience. The improvement works at Flower Market Road have been completed whereas the improvement works at Tung Choi Street still require the completion of gazettal procedures. The URA will initiate the improvements for Sai Yee Street and Fa Yuen Street upon the completion of URA’s Sai Yee Street redevelopment project now under construction. Meanwhile, the URA will liaise with Government departments on the design approach for the Nelson Street improvements.

### ***Tai Kok Tsui***

30. Following the completion of the Phase 1 and Phase 2 improvement works along Beech Street and the Cherry Street roundabout, the Phase 3 streetscape improvement works which covers several streets in Tai Kok Tsui is progressing well. Works for package 1 of the Phase 3

works which involves improvement and greening of parts of Fuk Tsun Street and Tai Kok Tsui Road is now completed. The works contract for implementation of package 2 of Phase 3 which includes parts of Fuk Tsun Street, Fir Street and Larch Street was awarded in February 2014 and preparation works were commenced in early March 2014.

## **Preservation**

### ***Shophouse Preservation Projects***

31. The acquisition of interests is continuing for the Prince Edward Road West project where renovation works are completed on Nos. 202 and 204. For the other acquired units in the project, removal of their unauthorised building works has been tendered out. No. 202 was already rented out at the rateable value of the premises. The other premises at No. 204 would also be rented out following the same rental policy.

32. Following reversion, clearance action is ongoing for the Shanghai Street project. A design consultancy has been commissioned to prepare a section 16 planning application for this preservation project for TPB approval. Ground and structural investigations have commenced.

### ***Western Market***

33. The URA is discussing with the Government on the way forward for the market, attaching importance to handling the existing tenants, in particular the cloth traders. The URA proposes to extend the current holding-over period of the Western Market for two more years to 2017 following its expiry in February 2015 to allow more time to work out a better future plan for the Western Market.

## **Corporate Social Responsibility**

### ***Environment***

34. The URA has continued to embrace green building designs in its redevelopment projects, thereby improving the energy efficiency of buildings, reducing water consumption and waste generation, and providing more greenery areas to the local community. Four more provisional BEAM awards have been received during 2013-14, making a total of 10 provisional awards to date in addition to the eight (final) BEAM Platinum Awards already attained.

35. A dedicated chapter on corporate sustainability had been included in the 2012-13 Annual Report, highlighting the sustainability achievements that are exemplified in various stages of the URA's urban renewal work. A set of sustainability-related Key Performance Indicators consisting of parameters such as open space and G/IC area provision, rehousing assistance rendered, environmental performance of redevelopment projects, and rental of URA properties to NGOs and Social Enterprises has also been compiled and reported. In addition, a new section on corporate sustainability has been added to the URA website as well as the "Urban Renewal Web Academy" as a means of public education on how urban renewal can contribute to the sustainable development of the community.

36. Following the completion of the second carbon audit report for 2012-13 which had an expanded scope to cover also the water consumption of URA properties as part of the URA's commitment to continuously monitor its environmental performance and reduce its greenhouse gas emissions, the preparation of the 2013-14 carbon audit is in progress. To raise staff awareness and to help build the local carbon inventory, the URA has registered for the Carbon Less Certificate Scheme and the third-party verified baseline carbon audit report for the URA headquarters has been approved by the Environmental Campaign Committee.

### ***Educating the Community about Urban Renewal***

37. An education portal “Urban Renewal Web Academy”, an interactive education tool in support of secondary and primary schools syllabi was launched by the URA in November 2013. The response from the education sector has been very positive.

38. The URA carried on stepping up its efforts to collaborate with educational institutions and non-governmental organisations (NGOs) to help the community better understand the URA’s work, particularly our new initiatives. During the past year, some 7,800 visitors had visited the Urban Renewal Exploration Centre (UREC) and availed themselves of the docent service to navigate a virtual tour of the URA’s project sites. Moreover, some 33,000 visitors and users were served by our Urban Renewal Resource Centre (URRC) at Tai Kok Tsui for meetings, viewing of the URA exhibition, making enquiries, docent service and community talks on redevelopment, rehabilitation and related matters.

39. A series of education and extension programmes had been organised during the year. These include urban renewal field trip activities for the Young Ambassador Programme organised by the Hong Kong Federation of Youth Groups; a joint project with the University of Hong Kong for secondary school students to explore the old districts; a roving drama workshop themed “building safety and green living” for primary schools to tie in with the school curriculum and a territory-wide drama competition for secondary schools on urban decay. The URA has now become a key partner of the local education sector.

40. Our “Community Service Partnership Scheme” continued and expanded in 2013-14. This is a tripartite programme organised by the URA and involves NGOs and tertiary institutions to show our care to residents living in the old urban districts. It included visiting the elderly, homeless and residents in sub-divided units. During the past year, we have undertaken about 1,500 hours of voluntary service in Mong Kok, Tai Kok Tsui, Sham Shui Po, Yau Tsim Mong, Kwun Tong and Western

District. This is a good corporate social responsibility programme that is well received by the partnering organisations and the beneficiaries.

***Strengthened Support for NGOs and Partnering Organisations***

41. The URA provides premises totaling some 57,000 square feet at nominal charges to some 13 NGOs. The URA also provides space for various Government Departments and organisations to carry out a wide range of activities in the interest of the public.

42. A total of 40 community events with the URA's assistance or sponsorship had been staged at venues operated by us and our joint-venture partners such as at the Central Oasis, the ground floor unit (G7) at Wing Lee Street, the URRC and City Walk.

***Community Arts Programmes***

43. The URA's "Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme", which was launched at the end 2011 continued this year. In 2013-14, a total of six programmes were sponsored, making it a total of 23 since its launch. These 23 programmes had benefited or will benefit about 550,000 residents in old urban areas. The acquired ground floor shop at Prince Edward Road West which has been licensed to an NGO for an art-themed social enterprise in 2012 has recorded about 110,000 visitors since its launch and has hosted 132 workshops for the local community. An acquired block on Wing Lee Street has been licensed to the Hong Kong Arts Centre to run an artist-in-residence programme and about 72 overseas and Mainland artists have stayed there since it was started in October 2012.

**IV. URA's Business Plan for 2014-15**

44. The Financial Secretary approved the URA's 13<sup>th</sup> Corporate Plan for 2014-15 to 2018-19 and the 2014-15 Business Plan in early 2014.

45. The 13<sup>th</sup> Corporate Plan comprises 60 redevelopment projects, two preservation projects and one revitalisation project, including the new redevelopment projects commenced or to be commenced in the five-year period of 2014-15 to 2018-19.

### **Redevelopment**

#### ***URA-initiated Redevelopment Projects***

46. In 2014-15, the URA will continue to initiate and implement new URA-initiated projects.

#### ***Demand-led Redevelopment Projects***

47. In addition to the new URA-initiated projects, the Authority had commenced one Demand-led project in April 2014 and is set to commence the remaining selected projects from the third round applications in 2014-15.

48. The fourth round of invitation for applications for the Demand-led Scheme will take place after the current review of the Demand-led Scheme as mentioned in paragraph 8 above.

#### ***Ongoing Redevelopment Projects***

49. Aside from the new redevelopment projects, the URA will continue to implement a total of 40 ongoing redevelopment projects (excluding six projects being undertaken by the HKHS), two preservation projects, one revitalisation project, and the Kai Tak FFF project which are at various stages of development. Work arising from these ongoing projects makes up the bulk of the Authority's workload. While these projects may vary in size and complexity, due attention is given to each and every one of them. Particular efforts will be dedicated to clearing long-standing project sites to facilitate provision of new flats.



### ***Facilitating Services***

50. As at 31 March 2014, the URFSL was providing facilitating services to two facilitation projects. Based on its current workload and manpower resources, the URFSL has the capacity to render its services to facilitate five projects at any one time. Application is open throughout the year.

### ***Redevelopment of Industrial Buildings***

51. The URA is continuing with the implementation of the Yu Chau West Street project, with acquisition now underway.

### **Rehabilitation**

52. During 2014-15, it is expected that URA's rehabilitation schemes will potentially benefit about 160 buildings or around 5,800 units within areas covered by the URA under the IBMAS. Together with the approximately 220 buildings or around 8,720 units that the URA will be assisting under OBB in the same period, the URA will potentially be providing rehabilitation incentives and assistance to a total of 380 buildings or around 14,520 units to carry out building rehabilitation works.

53. It is envisaged that some 270 buildings (around 8,640 units) can potentially benefit from the MBISS in 2014-15. Owners of buildings which, on inspection, are found to require rehabilitation will then be able to apply for assistance under IBMAS.

54. The URA has been progressively taking over IBMAS in the HKHS's RSAs during 2013 including Kowloon, Tsuen Wan and Kwai Tsing Districts. In mid-2015, the URA will take over the remaining HKHS RSAs in the rest of Hong Kong and handle all new related applications from then on.

## **Preservation and Revitalisation**

55. Under the URS, the URA's preservation work is confined to redevelopment project areas, except in cases where there is policy support or specific request from the Government. Meanwhile, the URA's role in revitalisation will purely be supportive in nature.

### ***Preservation***

56. During 2014-15, the URA will continue to work on the following seven on-going redevelopment projects with preservation elements, namely, the Lee Tung Street project, the Graham Street/Peel Street project, the Yu Lok Lane/Centre Street project, the Staunton Street/Wing Lee Street project, the Shanghai Street/Argyle Street project, the Prince Edward Road West/Yuen Ngai Street project, and the Nga Tsin Wai Village project.

### ***Revitalisation***

57. The URA will continue with its revitalisation efforts in 2014-15. These include ongoing endeavours in Wan Chai, Central & Western, Mong Kok and Tai Kok Tsui.

## **V. FINANCIAL MATTERS**

58. The URA's net asset value, which can vary considerably from year to year, was \$23.9 billion as at 31 March 2014. This comprised a capital injection totalling \$10 billion from the Government and an accumulated surplus from operations of \$13.9 billion. For the year ended 31 March 2014, the URA recorded a net operating deficit of \$2.3 billion. It was a \$4.4 billion net operating surplus for the year ended 31 March 2013.

### ***Overall Financial Position***

59. 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 2014 are summarised as follows –

#### **Financial Year**

	<b><u>Annual Surplus / (Deficit)</u></b> <b><u>\$'000</u></b>
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
2011-12	2,584,046
2012-13	4,436,594
2013-14	(2,269,780)
Total Accumulated Surplus as at 31 March 2014	<b><u>13,937,176</u></b>

60. Any surpluses earned by the URA from redevelopment projects are retained and then applied to finance further redevelopment projects and the URA's rehabilitation, revitalisation and preservation efforts.

61. The operating deficit for 2013-14 of \$2.3 billion was mainly due to the provision for loss made for various projects, including three Demand-led projects and two self-initiated projects with offers issued to

owners in 2013-14. The net cash, excluding the fair value of the investments managed by the investment manager and the URA, less borrowing, held by the URA as at 31 March 2014, was \$1.4 billion. For comparison, the net cash, excluding the fair value of the investments managed by the investment manager and the URA, less borrowing, held by the URA for the year end 31 March 2013 was \$4.1 billion.

62. As at 31 March 2014, the URA's cash and bank balances together with the fair value of the investments managed by the investment manager and in-house totaled \$8.0 billion (as compared to \$9.4 billion last year), while the URA's accruals and estimated outstanding commitments in respect of projects under acquisition and resumption as well as construction cost for the Kai Tak FFF site stood at \$13.4 billion (as compared to \$14.3 billion last year).

63. The URA has 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.

64. The URA is rated AAA by Standard and Poor's Rating Services, the same rating as the HKSAR Government. The rating was reassessed and reaffirmed after an annual review in February 2014. As part of the URA's planned funding programme, it maintains a total of \$1 billion in committed bank facilities and a Medium Term Note (MTN) programme which may facilitate bond issuance in an efficient manner as opportunities arise. As at 31 March 2014, the total bond outstanding is \$4.8 billion with maturities from 2014 to 2026.

65. Detailed financial information relating to the URA's overall position as at 31 March 2014 will be given in its Audited Accounts which will be included in the URA's 2013-14 Annual Report. The Annual Report is expected to be tabled by the Financial Secretary in the Legislative Council in October 2014.

### ***Financial Results of Completed Projects***

66. The financial results of projects completed up to 31 March 2014 are attached at **Appendix II** for Members' information. There was no addition to the number of projects completed in 2013-14.

### ***Land Premium Foregone by the Government***

67. Unlike the former LDC<sup>1</sup>, the URA is exempted by the Government from the need to pay land premium. If not for this arrangement, the URA's total accumulated surplus since its establishment of \$13.9 billion would have been reduced by \$6.5 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 21 projects up to 31 March 2014.

### ***Estimated Expenditure***

68. It is estimated that, in the five years from 1 April 2014 to 31 March 2019, a total expenditure of about \$33 billion, excluding operational overheads, will be required by the URA to meet the costs of all projects contained in its 2014-15 to 2018-19 Corporate Plan. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. However, it should be noted that the expenditure may vary subject to the levels of interest shown in the various initiatives, including the Demand-led Scheme, the FFF scheme, the expanded programme of building rehabilitation and other additional

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<sup>1</sup> *The former LDC tendered out most of its projects prior to acquisition, clearance and planning approval. Its joint venture partners were generally responsible for the acquisition costs, development costs, bank interest payments and land premium payments. In exchange, the former LDC did the acquisition work, obtained planning approval and received upfront payments or guaranteed payments plus a share of the development profit. The URA operates with a different model. The URA is responsible for acquisition, clearance, site assembly, demolition and obtaining planning approval prior to tender. Only following completion of all these tasks will the URA tender out its projects to joint venture partners. On award of tender, the URA is generally able to recoup its acquisition and other costs in the form of upfront payments, supplemented by some upside potential in the event that sales exceed certain thresholds.*

initiatives. For comparison, for the five years from 1 April 2013 to 31 March 2018, a total expenditure of about \$26 billion was projected in the work report last year.

69. To ensure that its urban renewal programme is sustainable in the long term, the URA will continue to exercise due care and diligence in handling its finances.

## **VI. CONCLUSION**

70. 2013-14 has been an important year for the URA as it still managed to make some inroads despite the challenge of increasing resistance during project clearance.

71. As before, the URA strives to implement its vision of creating a quality and vibrant urban living environment in Hong Kong while 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 gives due regard to changes in the social, economic and market conditions.

72. In 2014-15, the URA will continue to implement its work in accordance with its Corporate Plan and its 2014-15 Business Plan, clear considerable backlog arising from the ongoing projects and initiatives, and pay special attention to the need to coming up with a sustainable plan to support our future work.

URA Project Highlights as of 31 May 2014

					Site Information before Redevelopment				Project Development Information								Remarks	Status
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m <sup>2</sup> )	Existing GFA (m <sup>2</sup> )	Buildings	Population	Residential Flat Number	Total GFA (m <sup>2</sup> )	Residential GFA (m <sup>2</sup> )	Commercial GFA (m <sup>2</sup> )	Other Uses GFA (m <sup>2</sup> )	G/IC GFA (m <sup>2</sup> )	Public Open Space (1) (m <sup>2</sup> )			
1-42 - 42 still ongoing URA projects commenced by URA																		
1	(3,4) DL-9:KC	To Kwa Wan Road, Ma Tau Kok	2014-15	April		1,224	6,569	1	500	150	8,859	7,875	153	0	831	0	Third round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 11-04-14
2	(4) SSP-016	Castle Peak Road/Un Chau Street, Sham Shui Po	2013-14	February		1,900	7,335	8	497	232	14,841	12,367	2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 21-02-14
3	(3,4) DL-8:KC	Kai Ming Street, Ma Tau Kok	2013-14	December		553	2,467	3	146	72	4,546	3,788	308	0	450	0	Third round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 19-12-13 Initial acquisition offers issued on 04-03-14 80% threshold for ASP reached on 10-04-14 SDEV authorised URA to proceed on 24-05-14
4	(3,4) DL-6:YTM	Fuk Chak Street/Li Tak Street, Tai Kok Tsui	2013-14	June		716	3,689	2	182	92	5,786	5,143	643	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28-06-13 Initial acquisition offers issued on 11-09-13 80% threshold for ASP reached on 25-11-13 SDEV authorised URA to proceed on 10-12-13
5	(3,4) DL-4:SSP	Kowloon Road/Kiu Yam Street, Sham Shui Po	2013-14	April		599	3,817	1	265	80	4,887	4,072	815	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12-04-13 Initial acquisition offers issued on 27-06-13 80% threshold for ASP reached on 10-09-13 SDEV authorised URA to proceed on 14-11-13
6	(3,4) DL-5:SSP	Tung Chau Street/Kweilin Street, Sham Shui Po	2013-14	April		1,640	10,313	1	531	190	12,582	10,485	2,097	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12-04-13 Initial acquisition offers issued on 27-06-13 80% threshold for ASP reached on 10-09-13 SDEV authorised URA to proceed on 26-09-13
7	(4) SSP-015	Tonkin Street/Fuk Wing Street, Sham Shui Po	2012-13	March		1,268	4,964	6	330	175	8,955	7,462	1,493	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 08-03-13 SDEV authorised project to proceed on 13-11-13 Decision of Appeal Board on SDEV's authorisation awaited
8	(2,4) IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012-13	January		1,393	12,145	1	0	0	16,700	0	16,700	0	0	0	Pilot project under redevelopment of Industrial Building	Project commencement gazetted on 18-01-13 SDEV authorised URA to proceed on 08-08-13 Initial acquisition offer issued on 17-12-13
9	(3,4) DL-1:SSP	229A-G, Hai Tan Street, Sham Shui Po	2012-13	April		483	2,547	1	172	69	3,672	3,192	480	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20-04-12 Initial acquisition offers issued on 04-07-12 80% threshold for ASP reached on 03-09-12 SDEV authorised URA to proceed on 13-09-12 Land Grant application submitted on 19-02-13 Resumption gazetted on 12-07-13 Site reverted to Government on 12-10-13 Site clearance completed on 07-04-14
10	(3,4) DL-2:SSP	205-211A, Hai Tan Street, Sham Shui Po	2012-13	April		470	3,335	1	233	69	3,571	3,171	400	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20-4-12 Initial acquisition offer issued on 25-10-12 80% threshold for ASP reached on 24-12-12 SDEV authorised URA to proceed on 19-02-13 Land Grant application submitted on 18-10-13 Resumption application submitted on 02-12-13 Resumption gazetted on 16-05-14
11	(3,4) DL-3:YTM	Pine Street/Oak Street, Tai Kok Tsui	2012-13	April		865	5,105	11	311	115	6,465	5,745	720	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20-04-12 Initial acquisition offer issued on 25-10-12 80% threshold for ASP reached on 24-12-12 SDEV authorised URA to proceed on 12-03-13 Land Grant application submitted on 01-11-13 Resumption application submitted on 02-12-13
12	(4) YTM-010	Reclamation Street/Shantung Street, Mong Kok	2011-12	February		1,640	9,406	9	682	189	12,280	10,432	1,848	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 10-02-12 SDEV authorised URA to proceed on 30-10-12 Decision of Appeal Board to uphold authorisation gazetted on 14-06-13 Initial acquisition offer issued on 04-07-13 Resumption application submitted on 29-10-13 Land Grant application submitted on 18-11-13
13	(4) KC-007	Kowloon City Road/Sheung Heung Road, Ma Tau Kok	2011-12	November		1,622	7,258	8	412	184	12,456	10,380	2,076	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25-11-11 SDEV authorised URA to proceed on 26-06-12 Initial acquisition offers issued on 29-10-12 Resumption application submitted on 24-06-13 Land Grant application submitted on 26-06-13 Resumption gazetted on 25-04-14
14	(4) SSP-014	Fuk Wing Street, Sham Shui Po	2010-11	March		649	2,456	6	195	92	5,038	4,478	560	0	0	0	Small sized flats of 40 to 60 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25-03-11 SDEV authorised URA to proceed on 09-03-12 Initial acquisition offers issued on 04-05-12 Land Grant application submitted on 03-10-12 Resumption gazetted on 12-07-13 Site reverted to Government on 12-10-13 Clearance in progress
15	(4) KC-006	Pak Tai Street/San Shan Road, Ma Tau Kok	2010-11	March		1,277	6,389	12	348	161	9,782	8,152	1,630	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25-03-11 SDEV authorised URA to proceed on 05-01-12 Initial acquisition offers issued on 27-02-12 Land Grant application submitted on 11-12-12 Resumption gazetted on 10-05-13 Site reverted to Government on 10-08-13 Clearance in progress
16	(4) TKW/1/002	Ma Tau Wai Road/Chun Tin Street, Ma Tau Kok	2009-10	February		3,377	10,393	17	645	435	24,127	20,330	2,800	0	1,000	500	URA has taken the initiative to commence the project following the collapse of one building and the demolition of a damaged adjacent one	SDEV authorised 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 Resumption gazetted on 11-01-13 Land Grant application submitted on 22-11-12 Site reverted to Government on 11-04-13 Clearance in progress Provisional Basic Terms offer of Land Grant accepted on 30-12-13

URA Project Highlights as of 31 May 2014

					Site Information before Redevelopment				Project Development Information								Remarks	Status
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m <sup>2</sup> )	Existing GFA (m <sup>2</sup> )	Buildings	Population	Residential Flat Number	Total GFA (m <sup>2</sup> )	Residential GFA (m <sup>2</sup> )	Commercial GFA (m <sup>2</sup> )	Other Uses GFA (m <sup>2</sup> )	G/IC GFA (m <sup>2</sup> )	Public Open Space (1) (m <sup>2</sup> )			
17	(4) SSP/3/001	Shun Ning Road, Sham Shui Po	2009-10	June		836	3,820	5	130	110	6,961	6,188	773	0	0	0	SDEV authorised URA to proceed on 29-01-10 Initial acquisition offers issued on 28-04-10 Resumption gazetted on 22-02-13 Site reverted to the Government on 22-05-13 Site Clearance completed on 11-10-13 Development tender awarded on 25-03-14 Binding Basic Terms offer of Land Grant accepted on 26-03-14 Demolition completed on 17-04-14	
18	(4) MTK/1/002	San Shan Road/Pau Chung Street, Ma Tau Kok	2009-10	May		1,170	6,046	7	290	144	10,534	8,778	1,756	0	0	0	SDEV authorised URA to proceed on 29-01-10 Initial acquisition offers issued on 28-04-10 Resumption gazetted on 15-06-12 Site reverted to the Government on 15-09-12 Site Clearance completed on 31-12-13 Binding basic terms offer of Land Grant accepted on 02-05-14 Development tender awarded on 29-04-14 Preparation works for demolition in progress	
19	(4, 5) MK/01	Shanghai Street/Argyle Street, Mong Kok	2008-09	September		1,128	3,944	14	170	0	3,944	0	3,944	0	0	0	Zoned 'Other specified uses' annotated '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 gazetted on 03-08-12 Site reverted to the Government on 03-11-12 Clearance in progress Land Grant application submitted on 05-12-12	
20	(4, 5) MK/02	Prince Edward Road West/Yuen Ngai Street, Mong Kok	2008-09	September		1,440	4,334	10	31	0	6,126	0	6,126	0	0	0	Zoned 'Other specified uses' annotated '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 Renovation works at Phase 1 (Nos. 202-204) completed Renovation works for Phase 2 to commence in May 2014	
21	(4) TKT/2/002	Anchor Street/Fuk Tsun Street, Tai Kok Tsui	2007-08	March		726	3,348	6	257	0	6,529	0	6,529	0	0	0	Commercial space is for hotel with about 184 rooms Site reverted to Government on 12-11-11 Clearance in progress Provisional basic terms offer of Land Grant accepted by URA on 12-11-12	
22	TKW/1/001	Chi Kiang Street/Ha Heung Road, Ma Tau Kok	2007-08	February		931	5,226	5	302	175	8,377	6,980	1,395	0	0	0	Joint venture development tender awarded on 27-02-12 Land Grant executed on 18-05-12 Foundation work in progress	
23	MTK/1/001	Pak Tai Street/Mok Cheong Street, Ma Tau Kok	2007-08	February		772	3,772	5	229	168	6,847	5,787	1,060	0	0	0	Joint Venture development tender awarded on 18-06-12 Land Grant executed on 17-10-12 Foundation work in progress	
24	K28	Sai Yee Street, Mong Kok	2007-08	December		2,478	14,434	14	431	438	22,301	17,346	4,955	0	0	0	Joint venture development tender awarded on 24-09-12 Land Grant executed on 21-12-12 Foundation work in progress	
25	(4, 5) K1	Nga Tsin Wai Village, Wong Tai Sin	2007-08	October		4,637	2,051	36	118	750	37,097	34,778	2,319	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. Demolition of vacated properties in progress Land grant application submitted on 07-01-10 Resumption gazetted on 15-07-11 Site reverted to Government on 15-10-11 Clearance in progress In principle approval for draft Land Grant conditions for K1 obtained at DLC on 26-07-12	
26	(4, 5) H18	Peel Street/Graham Street, Sheung Wan	2007-08	July		5,267	20,219	37	840	293	67,528	22,818	43,450	0	1,260	2,060	G/IC is a 1,260m <sup>2</sup> multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, office space and 9,280m <sup>2</sup> for a 182 room hotel; 180m <sup>2</sup> non-domestic GFA is used for the covered POS at Site A. Site B Joint venture development tender awarded on 30-04-12 Land Grant executed on 24-07-12 Site B handed over to JVP on 10-10-12 Construction in progress Sites A & C: Class A amendments to MLP parameters approved by Plan D on 07-03-13 Land Grant application and land/road closure application being processed Resumption gazetted on 06-12-13 Site reverted to Government on 06-03-14 Clearance in progress In principle approval for Land Grant for Sites A and C obtained at DLC on 13-03-14 C&W DC consulted on proposed road closure and road works on 20-03-14	
27	(4) K7	Kwun Tong Town Centre, Kwun Tong	2006-07	March	Park Metropolitan (YWS site)	53,500	96,104	24	4,443	1,999	401,250	160,610	111,780	97,860	31,000	13,400	Other uses include 65,860m <sup>2</sup> for offices and 32,000m <sup>2</sup> for hotel LandsD consulted District Council about resumption of DAs 2, 3 and 4 on 03-05-11 Resumption for DAs 2, 3 and 4 gazetted on 02-03-12 and reverted to the Government on 02-06-12 General revised offers for DA5 issued on 27-06-13 Site clearance of DAs 2, 3 and 4 completed on 31-12-13 Property acquisition for DA5 in progress	



URA Project Highlights as of 31 May 2014

					Site Information before Redevelopment				Project Development Information								Remarks	Status
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m <sup>2</sup> )	Existing GFA (m <sup>2</sup> )	Buildings	Population	Residential Flat Number	Total GFA (m <sup>2</sup> )	Residential GFA (m <sup>2</sup> )	Commercial GFA (m <sup>2</sup> )	Other Uses GFA (m <sup>2</sup> )	G/IC GFA (m <sup>2</sup> )	Public Open Space (1) (m <sup>2</sup> )			
															Actual residential flat production is 1,979 units, but the approved MLP stated not more than 2,000 units to allow flexibility Public space includes min 8,700m2 at-grade public open space and min 4,700m2 streetscape area/ pedestrian deck	Road closure for DAs 2 and 3 gazetted on 27-04-12 and authorised on 03-08-12 Class B amendments to fulfill SBD Guidelines approved by Plan D on 24-10-12 Approval of Mido Mansion STT for interim bus terminus granted at DLC on 05-09-13 GBP for interim bus terminus at Mido Mansion Site approved on 10-10-13 STT for Mido Mansion site executed on 22-01-14 Demolition of Mido Manson completed in January 2014, construction of interim bus terminus in progress Demolition of Wah Yee Building and Kiu Cheong Mansion, Silver Theatre Building, Chung Hing House, Hing Shun Mansion, Hong Ning Mansion and Roomy Mansion completed OP for Methadone Clinic issued by BD on 13-03-14 GBP for DAs 2 and 3 approved on 20-03-14 Binding Basic Terms Offer for DAs 2&3 issued by LandsD on 02-05-14 OP for interim G/IC facilities at Kwun Tong District Branch Office Building issued on 28-03-14, interim minibus terminus and interim hawker bazaar started operation in May 2014 Ternder invitation for DA2 & 3 issued on 20-05-14		
28	(4) H14	Sai Wan Ho Street, Shau Kei Wan	2005-06	September	712	3,796	2	21	120	5,990	5,160	630	0	0	0	Project returned by HKHS to URA with effect from 23-11-11. Property acquisition in progress Land Grant application submitted on 29-04-13 Resumption application submitted on 03-05-13		
29	K9	MacPherson Stadium, Mong Kok	2005-06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705	2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Construction substantially completed Occupation permit issued on 31-12-12 Certificate of Compliance issued on 28-01-14
30 31 32	(4) SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005-06	February	7,515	25,344	37	1,270	845	57,400	50,100	5,249	0	2,051	1,500	Three projects taken forward as one G/IC includes 1,900m <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; 150m <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 Road Closure/Road Works Scheme authorization gazetted on 16-12-11 Provisional basic terms offer accepted by URA on 03-07-13 Demolition in progress	
33	TKT/2/001	Fuk Tsun Street / Pine Street, Tai Kok Tsui	2005-06	December	Park Ivy	560	4,071	3	273	113	4,843	4,003	840	0	0	0	Joint-venture development tender awarded on 22-11-10 Land grant executed on 25-01-11 GBP approved on 18-01-13 Construction in progress Modified consent issued on 19-04-13 Sale of flats in progress	
34	(5) SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005-06	December	The Nova	2,150	4,140	14	213	255	16,463	16,212	245	0	0	1,307	Commercial space includes 24.9m <sup>2</sup> for shop and 84.4m <sup>2</sup> other covered areas and 135.5m <sup>2</sup> like preserved buildings and covered public open space	Joint-venture development tender awarded on 27-09-10 Land Grant executed on 07-01-11 Construction in progress
35	(6) WC/001	Mallory Street / Burrows Street, Wan Chai	2004-05	March	780	2,687	5	122	0	2,435	0	0	2,435	0	300	Zoned 'Other specified uses' annotated 'Open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Tender for Main Operator awarded on 15-04-11 Land Grant executed on 13-10-11 Occupation Permit issued on 20-05-13 Official opening event held on 18-07-13	
36 37	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004-05	March	Trinity Towers	3,339	13,197	17	551	402	29,720	24,780	4,940	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 Construction in progress Pre-sale consent issued on 24-12-13
38	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004-05	December	Park Summit	2,328	11,802	12	518	462	20,952	17,460	3,492	0	0	450	Public open space not required under lease	Flat sale launched on 20-04-12 Occupation Permit issued on 20-09-12 Certificate of Compliance issued on 27-12-12 Sale of remaining flats in progress
39	K31	Larch Street / Fir Street, Tai Kok Tsui	2004-05	December	Lime Stardom	2,195	10,332	12	594	377	19,735	16,425	3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Occupation Permit issued on 29-08-11 Certificate of Compliance issued on 24-11-11 Sale of remaining shops in progress
40	(5) H15	Lee Tung Street / McGregor Street, Wan Chai	2003-04	October	The Avenue	8,236	36,534	52	1,613	1,275	79,993	67,937	9,405	0	2,588	3,967	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 Construction works in progress Modification letter for additional commercial GFA executed on 29-08-11 Modification Letter for receiving Hopewell's proposed subway executed by LandsD on 03-07-13 Authorisation of the MTR Johnston Road Pedestrian Subway works gazetted on 07-03-14 Occupation Permit for Site B issued on 31-03-14 Sale of residential units in Site A and Site B in progress
41	(4,5) H19	Staunton Street/ Wing Lee Street, Sheung Wan	2002-03	March	2,175	3,049	16	98	154	6,117	5,247	870	0	0	474	As allowed in the planning brief : (i) The development of Site B will align with Shing Wong Street to maintain its existing streetscape (ii) Site B will not comply with the SBD guidelines. The GFA for green/amenity features and plant rooms that are accountable under the BPR as a result will be disregarded	Amendments to approved DSP to excise Site A published on 08-07-11 TPB decided not to uphold representations received; excising of Site A and zoning as separate CDA retained The revised DSP with Wing Lee Street area and the Bridges Street Market site excised was gazetted on 18-05-12 following approval by CE in C Draft revised Planning Brief (excluding Site A) endorsed by TPB on 26-09-12 MLP for Sites B and C approved on 24-05-13 General revised offers for Sites B and C issued on 17-12-13	
42	K3	Cherry Street, Tai Kok Tsui	2001-02	January	Florient Rise	4,510	14,416	33	1,020	522	43,231	36,466	4,916	0	1,849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Sale of remaining parking spaces in progress
1-42 Launched Sub-Total (A)					129,461	393,642	455	18,983	11,200	1,043,687	640,852	255,624	100,295	46,648	24,538			



Site Information before Redevelopment					Project Development Information											Remarks	Status
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m <sup>2</sup> )	Existing GFA (m <sup>2</sup> )	Buildings	Population	Residential Flat Number	Total GFA (m <sup>2</sup> )	Residential GFA (m <sup>2</sup> )	Commercial GFA (m <sup>2</sup> )	Other Uses GFA (m <sup>2</sup> )	G/IC GFA (m <sup>2</sup> )	Public Open Space <sup>(1)</sup> (m <sup>2</sup> )		
59-66 - 8 Completed projects commenced by ex-LDC (7)																	
59	K17	Yeung Uk Road, Tsuen Wan	(8)	The Dynasty	7,230	NA	0	0	256	44,404	27,031	17,373	0	0	0		Project completed in 2010-11 Leasing of commercial space in progress
60	K13	Tsuen Wan Town Centre, Tsuen Wan	(8)	Vision City	20,300	56,851	22	7,119	1,466	134,185	107,884	23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010-11 Sale of parking spaces in progress Leasing of commercial space in progress
61	H12	Kennedy Town New Praya, Kennedy Town	(8)	The Merton	6,075	24,808	15	1,683	1,182	62,904	62,794	0	0	110	2300	G/IC is for public toilet	Project completed in 2007-08
62	H13	Ka Wai Man Road, Kennedy Town	(8)	Mount Davis 33	728	4,000	1	0	89	7,280	7,280	0	0	0	0		Project completed in 2007-08
63	K10	Waterloo Road/Yunnan Lane, Yau Ma Tei	(8)	8 Waterloo Road	3,869	6,610	19	444	576	32,012	32,010	0	0	0	1,650		Project completed in 2007-08
64	H1	Queen Street, Sheung Wan	(8)	Queen's Terrace	7,964	25,792	50	648	1,148	66,233	60,579	400	0	5,254	1,200	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
65	K2	Argyle Street/Shanghai Street, Mong Kok	(8)	Langham Place	11,976	40,810	58	2,603	0	167,414	0	160,866	0	6,548	1,100	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
66	K8	Kwong Yung Street, Mong Kok	(8)	Paradise Square	1,607	4,190	10	178	272	15,160	12,746	2414	0	0	0		Project completed in 2005-06
59-66 Completed Sub-Total (7) (F)					59,749	163,061	175	12,675	4,989	529,592	310,324	204,274	0	14,992	9,950		
Completed Total (7) (D) + (E) + (F)					70,452	207,782	260	14,794	6,628	634,930	402,333	215,406	0	17,189	11,156		
Commenced + Completed					226,618	699,573	869	37,260	20,593	1,948,694	1,228,890	517,886	126,111	75,473	37,213		

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

(2) Industrial Building Redevelopment Project

(3) Demand-led project

(4) The details of projects 1 to 21, 25 to 28, 30 to 32 and 41 have yet to be finalised and are still subject to change during the statutory planning and land grant approval processes.

(5) Projects 19 and 20 are purely preservation projects. All other projects are redevelopment projects, with redevelopment projects 25, 26, 34, 40, 41, 50 and 55 containing some preservation elements.

(6) Revitalisation project

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

(8) The project was commenced by the ex-Land Development Corporation

**Project Numbers Reconciliation**  
+ 42 projects commenced by URA  
+ 6 projects commenced by HKHS  
+ 2 projects commenced by ex-LDC  
+ 8 completed URA projects  
+ 0 completed HKHS projects  
+ 8 completed ex-LDC projects  
**66 projects in total**

**Glossary of Terms**

ASP = Agreement for Sale and Purchase  
CE in C = Chief Executive in Council  
CDA = Comprehensive Development Area  
DA = Development Area  
DLC = District Lands Conference  
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  
SBD = Sustainable Building Design

SDEV = Secretary for Development  
THB : Transport and Housing Bureau  
TPB = Town Planning Board  
URA = Urban Renewal Authority  
YWS = Yuet Wah Street

**URBAN RENEWAL AUTHORITY**  
**CUMULATIVE FINANCIAL RESULTS OF ALL COMPLETED PROJECTS**  
**(to be read in conjunction with Attachment 2 to Appendix II)**

**Number of Projects Completed**

Projects Completed from 2001 to 2013-14 16

**Reference Dates**

	Date	Centa City Index (July 1997 = 100)		R&VD Private Domestic Index - All Classes (1999=100)	
		Index	% Variation Since Formation	Index	% Variation Since Formation
Formation of URA	May 2001	43.1	100%	80.5	100%
Commencement of First Project by URA	January 2002	39.9	93%	74.1	92%
Year of Project Completion of Last Project	2012-13	121.5	282%	239.3	297 %

**Cumulative Financial Results for Completed Projects**

**Total for All Projects Completed by 31 March 2014**

	\$ million
<b>Total Revenue</b>	14,891.2
<b>Total Direct Cost</b>	(9,026.9)
<b>Surplus / (Deficit)</b>	5,864.3
<b>Land Premium Foregone by Government</b>	(910.0)
<b>Net Surplus / (Deficit) after Land Premium Foregone</b>	4,954.2

**Remarks**

Developers and URA are holding commercial spaces in three out of sixteen projects completed by 31 March 2014 for letting pending future sales in accordance with the joint venture agreements of the project. There was no new addition in 2013-14. Estimated total value of URA's shares in these three commercial spaces was approximately \$3,900 million as at 31 March 2014.

**Explanatory Notes to Project Information Sheets**

**1) Project Commencement Financial Year**

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

For ex-LDC and URAO projects commenced by the 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) 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 the reporting year 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 ex-LDC, prior to the engagement of the joint venture partner.

**4) 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.

**5) Land Premium**

The ex-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.

**6) Allocated Overheads**

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

**7) Notional Interest**

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