

**For discussion
29 January 2014**

**Legislative Council Panel on Development and Panel on Housing
Joint Meeting
Increasing Housing Land Supply**

PURPOSE

This paper briefs members on the Government's efforts to increase land supply so as to meet the new housing supply target for the next 10 years as well as in the long term.

NEW HOUSING SUPPLY TARGET

2. As announced in the 2014 Policy Address, the Government has decided to adopt 470 000 units as the new public and private housing total supply target for the coming 10 years, with public housing (comprising both public rental housing (PRH) and subsidised sale flats) accounting for 60% of the new production. To deliver on this target will undeniably be a big challenge for both the Government and the community. On the part of the Government, we will endeavour to make available sufficient supply of housing land, financial resources for the Hong Kong Housing Authority (HA) and manpower resources in the construction industry in order to achieve the new housing supply target.

(A) Short to Medium Term

(i) Land Supply

3. To increase land supply to meet the housing and other development needs of Hong Kong, the Government has adopted a multi-pronged approach to increase land supply in the short, medium and long term. 10 initiatives were put forward in the 2013 Policy Address for increasing housing land in the short to medium term. The latest progress of some of the key initiatives is highlighted below while details of the others are set out at **Annex A**.

(a) Increasing Residential Development Intensity as Appropriate

4. While a multi-pronged strategy and a series of land supply initiatives have been adopted to increase land supply in the short, medium and long term, given the limited amount of readily developable land, the current tight situation in the supply of housing land, be it public or private housing, as well as in the supply of land for various economic activities and social facilities, is expected to continue. Therefore, there is an urgent need to make more efficient use of our scarce land resources that could be made available for development or redevelopment within a shorter timeframe. Taking into account the relevant planning considerations, the Government considers that the maximum domestic Plot Ratios (PRs) for housing sites located in the respective Density Zones of the Main Urban Areas and New Towns could be increased. The new system is set out below –

Main Urban Areas

- (i) Density Zone 1: no increase in PR (maximum domestic PR remains at 8/9/10 as the density of the built-up area is already high);
- (ii) Density Zone 2: PR to be increased by 20% (maximum domestic PR to increase from 5 to 6); and
- (iii) Density Zone 3: PR to be increased by 20% (maximum domestic PR to increase from 3 to 3.6).

New Towns

- (i) Density Zone 1: PR to be increased by 20% (maximum domestic PR to increase from 5 to 6)¹;
- (ii) Density Zones 2 and 3: PR to be increased by 20%¹; and

¹ While the maximum domestic PRs for Density Zone 1 to 3 in New Towns as specified in the Hong Kong Planning Standards and Guidelines are 8, 5 and 3 respectively, the existing maximum PRs for most of the individual sites are not yet up to the said levels mainly due to various constraints on development capacity (such as transport or infrastructure limitations, environmental, topographical or geotechnical conditions) or special design considerations.

- (iii) Density Zone 4 (low density zone): PR to be increased by 100%.

Both Main Urban Areas and New Towns

Individual sites to be up-zoned based on planning merits.

5. The increases in maximum domestic PRs will not compromise relevant planning principles and considerations, and will be adopted only when there is scope in terms of traffic and infrastructure capacity, and the various constraints and impacts so arising, if any, could be addressed through appropriate measures. Under this initiative, individual housing sites will be able to provide more developable floor area (but not necessarily increase the actual population, and this will depend also on the size of family and other factors). This can help maintain a stable supply of developable housing land and gradually realize the long-term vision to increase Hong Kong people's "elbow room".

6. These revised planning parameters will be adopted in the on-going planning studies and land use reviews that are at initial stages (e.g. the Planning and Engineering Study for Housing Sites in Yuen Long South and the Planning and Engineering Study for Kwu Tung South), as well as all future planning studies and reviews (e.g. the Preliminary Feasibility Study on Developing the New Territories (NT) North). The Hong Kong Planning Standards and Guidelines will also be updated to incorporate the changes.

7. We have completed the preliminary technical assessment of the new Kai Tak Development, and propose to increase the development intensity of its new housing sites and thus the number of flats to be built thereon by about 20%. Moreover, to maximise the development potential of the residential sites identified in Tuen Mun East, a PR of 3.6 is proposed for most of the sites, which will be equivalent to the maximum of Density Zone 3 (i.e. PR 3.0) with a further 20% increase, with some exceptions at higher PRs of 4.0 and 6.0 taking into account the relevant site considerations.

8. For major land development projects for which the respective planning studies and reviews which are already at an advanced stage (including those on the Anderson Road Quarry (ARQ), ex-Cha Kwo Ling Kaolin Mine,

North East New Territories (NENT) New Development Areas (NDAs), Hung Shui Kiu (HSK) NDA and Tung Chung New Town Extension), increasing the development intensities where planning terms permit has already been factored into the studies as appropriate. We do not intend to re-plan these land development projects such that their implementation would remain on schedule to deliver the planned land and housing production.

9. For privately owned sites, development parameters including maximum domestic PRs/gross floor areas are generally stipulated in the relevant statutory plans. There are provisions in the relevant statutory plans for minor relaxation of the development restrictions upon application to the Town Planning Board (TPB). In considering such planning applications, TPB would consider all relevant planning considerations and would make reference to the increase in maximum domestic PRs in the respective Density Zones as aforementioned, as well as the applicants' presentation as to how the potential impacts on traffic, infrastructural capacity and environment, etc. arising from the proposed increase in development intensity would be duly addressed.

(b) Relaxing the Moratorium on Pok Fu Lam

10. The Government has completed the assessment on relaxing or lifting the administrative moratorium currently in force to restrict new land sale or lease modification in Pok Fu Lam. With the West Island Line and South Island Line (East) progressively in place, alongside further active consideration by the Government of the construction of the South Island Line (West), it is considered that the partial lifting of the moratorium would make the development of public housing in six Government sites in the area, including the redevelopment of Wah Fu Estate, feasible. It is estimated that about 11 900 additional public housing units could be provided.

11. The six government sites include the existing Wah Fu Estate; four sites (i.e. near Chi Fu Road, north of the Wah Fu Estate, Wah Lok Path and Wah King Street) which are currently vacant or put to open space or short-term uses and a "Green Belt" site nearby (i.e. Kai Lung Wan). Apart from the existing Wah Fu Estate and the site near Chi Fu Road, the other four sites need to be rezoned for housing development.

12. To make the redevelopment of Wah Fu Estate possible, HA will work with relevant Government departments on the development parameters, conduct various technical assessments and consult the local community on the five Government sites adjacent to Wah Fu Estate. These can be used as the decanting resources for the redevelopment of Wah Fu Estate. In addition, HA will need to conduct detailed studies for the redevelopment of Wah Fu Estate in accordance with the “Refined Policy on Redevelopment of Aged Public Rental Housing Estates”, which includes the assessment of the build-back potential and availability of suitable decanting resources in particular. The affected tenants, local community and the District Council (DC) will also be consulted. Upon completion of the assessments and endorsement by HA, we will then be able to confirm the scope, timing and other details of the redevelopment of Wah Fu Estate.

(c) Optimising the Use of Land

13. As mentioned in the 2013 Policy Address, policy bureaux will act decisively to optimise the use of land. After careful review, a number of major sites, where the originally earmarked purposes will no longer be pursued, will be made available for housing development or other uses in higher demand in the community. The Government announced last year that the site at Tai Po Area 9 which had originally been reserved for private hospital development will be re-allocated for public housing; the Cheung Sha Wan Wholesale Food Market Phase 2 site will be used for public housing, private housing and hotel development; and Tin Shui Wai Areas 112 and 115, which were originally earmarked for the Hong Kong Housing Society (HKHS) to implement community projects, have been re-allocated for private residential development and will be put up for sale in the first quarter of 2014.

14. Having reviewed the latest circumstances and relevant considerations, the Government considers that the Queen’s Hill site should no longer be reserved for developing self-financing tertiary education. After prudent consideration of the development potential of the site, the Government has decided to change the use of the west part of the site (about 13.3 ha) for public housing development to produce an estimated number of about 10 500 public housing units (comprising both PRH and Home Ownership Scheme (HOS) units) for accommodating a population of around 30 000. Suitable sites will be reserved within the development area for the provision of the necessary

education, open space, recreation, social welfare and community, retail, transport and infrastructure facilities, etc., and the first phase of public housing development will be completed by 2019-20 at the earliest. As regards the east part of the Queen's Hill site (about 6.4 ha), the Government will conduct feasibility studies for providing private housing and international school. The remaining sloping ground is recommended for "Green Belt" (GB).

15. Furthermore, a site at Pak Shek Kok which will not be used for the originally planned expansion of the Hong Kong Science Park in the short to medium term will be made available for housing development. We would continue to identify and earmark land for science park expansion and development on the basis of demands as identified by the Innovation and Technology Commission.

(d) Further Land Use Reviews

16. To meet the housing need of the community and the new housing supply target of providing 470 000 public and private housing units within 10 years (i.e. from 2013-14 to 2022-23), the Development Bureau, together with the relevant departments, has been carrying out land use reviews, including reviews on the Government land currently vacant, under Short Term Tenancies or different short-term or government uses, for conversion to residential use, as well as the next stage of the review on GB sites. These reviews have started to bear fruits. On top of the progress reported in the last Policy Address, we have identified about 80 new sites that could be made available in the coming five years (i.e. from 2014-15 to 2018-19), involving a total area of over 150 ha with an estimated capacity of providing some 89 000 flats, which have potential for conversion to residential use in different districts throughout the territory. Upon completion of the studies confirming their development feasibility, we will consult the relevant stakeholders and proceed with the town planning and other relevant procedures, so as to increase housing land supply as soon as practicable.

17. The new target is undeniably a challenging task for both the Government and the community. In particular, about 150 potential housing sites (including the 80 new sites identified as mentioned above) will require amendments to their respective statutory plans for change of use and increase in development intensity, before they could be made available for housing

development in the coming five years (i.e. from 2014-15 to 2018-19) for providing over 210 000 flats. To rezone these sites for residential use and increase development intensity, and to strive to achieve the housing production target, we have to take into account a whole host of practical planning factors, including traffic and infrastructure capacity, provision of community facilities and open space, the relevant technical constraints, local characteristics and existing development intensity, the potential impacts on the local environment, and visual and air ventilation impacts, etc. Some sites may require land resumption and clearance, or relocation of existing or planned facilities. While the Government will take all these into account and mitigate the adverse impacts as far as possible, what is no less important is the support and cooperation of the various stakeholders in the community. We need to work together with them to achieve the important goal, and appeal to them for putting the overall housing needs of the community above their personal and other interests. Only with their full support for the rezoning of these sites for housing purpose and for increasing the development intensity of the sites would we be able to achieve our housing production target to provide adequate supply of public and private housing.

18. Land has already been identified, earmarked or allocated for producing 179 000 PRH and 17 000 HOS flats. As mentioned above, some 150 potential housing sites have also been identified and assessed to have potential for rezoning for housing development to provide over 210 000 flats. These, together with other private housing sites which are zoned for housing use, railway property development projects, urban renewal projects, and private projects subject to and not subject to lease modification/land exchange, and subject to the successful plan amendments of the 150 sites, the timely implementation of the necessary supporting infrastructural works and the overcoming of other technical constraints, it is possible to make available sufficient land for housing development to achieve the new housing supply target. It is indeed a daunting task the accomplishment of which depends in no small measure on the support of the whole community.

19. The Government fully appreciates that DCs and the locals would have concerns over the potential impacts arising from the proposed plan amendments and increase in development intensity. Before the work on amending the statutory plans proceeds, we will consult the respective DCs and local community. **Annex B** sets out the distribution of the 150 or so sites by

districts and their estimated flat production capacity. It should be noted that these 150 or so sites form only a part of the total supply of sites that can be made available in the next 5 years. Also, the estimated number of flats and year of availability may be subject to changes depending on the technical assessments of individual sites and the progress of relevant procedures or works.

(ii) Public Housing Supply

20. The Government has already identified sufficient land for the production of 179 000 PRH units over the coming ten-year period and a total of about 17 000 HOS units in the four years starting from 2016/17 as previously pledged. Under the new housing supply target, the Government aims to provide an average of about 20 000 PRH units and about 8 000 HOS units per annum. The new total supply target of public housing represents an increase of 36% when compared to the supply target pledged by the Government last year.

21. In the coming five years (2014 to 2018), it is estimated that about 80 000² public housing units will be produced. Looking ahead, the production of public housing units for the next five years (i.e. 2019 to 2023) will be substantially increased to about 200 000 units. Since the construction programme of some 80 000 public housing units in the coming five years has already commenced, the scope for further increase in production within this period is limited. We will have to make every effort to expedite housing production in the following five years in order to achieve the new housing supply target. The production level of about 200 000 public housing units in the following five-year period will be 2.5 times of the production level in the first five-year period. This is a big challenge for the Government. Public's support is essential to enable us to complete the planning and other relevant procedures for the land identified in a timely manner. A substantial increase in housing production will inevitably affect the local community concerned. The Government will strive to minimise such impact.

² According to the Public Housing Construction Programme of HA as at end December 2013 and the flats production forecast of the HKHS as at November 2013.

(iii) Private Housing Supply

22. The sources of private housing land supply include the Government's Land Sale Programme, railway property development projects, redevelopment projects of the Urban Renewal Authority, projects subject to lease modification/land exchange and private redevelopment projects not subject to lease modification/land exchange. The Government will provide land for private housing according to the new supply target.

(a) Railway Property Development Projects

23. Railway property development projects have all along been an important source of private housing land supply. Since 2010-11, a total of six West Rail property development projects, namely Nam Cheong Station, Tsuen Wan West Station TW5 (Cityside), Tsuen Wan West Station TW5 (Bayside), Long Ping Station (North), Tsuen Wan West Station TW6 and Long Ping Station (South), have been successfully tendered out, and they are capable of providing about 9 100 flats. Apart from the project at Kam Sheung Road Station and Pat Heung Maintenance Depot (about 8 700 flats), the project at Yuen Long Station (about 1 800 flats) is also under planning. The Government will take forward the remaining West Rail property development projects as soon as practicable.

24. As for MTR Corporation Limited (MTRCL)'s own railway property development projects, it should be noted that MTRCL is a listed company and has the discretion to decide how to implement such projects. MTRCL's tendering of the project at Tin Shui Wai Light Rail Terminus (about 1 500 flats) closed on 21 January 2014. MTRCL also indicated that, subject to market conditions, it planned to re-tender its project at Tai Wai Station (about 2 900 flats) and tender the LOHAS Park Package 4 project (about 1 600 flats) within 2013-14.

(b) Pilot Scheme for Arbitration on Land Premium

25. A lease modification/land exchange application, including premium negotiation, is a contractual matter between the Government acting in the capacity of a private landlord and the applicant, which could be completed and executed only with mutual agreement. The amount of premium payable by the

applicant is one of the key terms of such applications for lease modification/land exchange. Accordingly, differences over the amount of premium payable would leave the lease modification/land exchange applications pending even after a long period of negotiation. Past experience suggests that the time taken for processing lease modification/land exchange applications could be long due to the lengthy negotiation on the amount of premium payable, which is dependent on many factors, including the applicant's market outlook, commercial considerations, etc.

26. To facilitate early agreement on premium for lease modification/land exchange applications so as to advance housing land supply and speed up flat production, there is a need to explore an additional means to resolve differences between the Government and respective applicants on land premium. The Government considers that there may be merits in trying out a Pilot Scheme for Arbitration on Land Premium for lease modification/land exchange applications as an administrative initiative for facilitating the determination of premium. Given that the initiative is completely new with wide implications, it is prudent to launch a pilot scheme to try out the arrangement. A review of the Pilot Scheme for Arbitration on Land Premium will be undertaken after the Scheme has been implemented for some time and the Government has gained experience from it.

27. DEVB and the relevant departments including Lands Department (LandsD) are formulating the implementation arrangements for this new initiative.

(iv) Overall Housing Supply

28. All in all, with the land already identified for the production of 179 000 PRH and 17 000 HOS units previously pledged, the some 150 potential housing sites identified to have potential for housing development and requiring amendments to their respective statutory plans in the coming five years for providing over 210 000 flats, as well as other private housing sites which do not require amendments to the statutory plans and other sources of private housing land supply, and with the full support of the community, we are prudently optimistic that there should be sufficient land to meet the new housing supply target in the coming 10 years. Moreover, while the majority of the potential housing sites for meeting the 10-year target come from the various short to

medium term initiatives mentioned above, it should be noted that land supply from the long-term land supply initiatives such as the NDAs and Tung Chung New Town Extension will come on stream progressively towards the end of the 10-year period, so as to meet the continued housing need of the Hong Kong community.

(B) Long Term Land Supply

29. Creating new land supply is an essential source of land in the long term. The Government is striving to take forward as expeditiously as possible a number of long-term land supply projects including NENT NDAs, HSK NDA, development of Lantau Island (including the Tung Chung New Town Extension), review of deserted agricultural land in North District and Yuen Long (including the Planning and Engineering Study for Housing Sites in Yuen Long South), developing the New Territories North, exploring the option of reclamation on an appropriate scale outside Victoria Harbour, rock cavern and underground space developments, etc. These long-term land supply projects will be our foci in meeting future population growth, providing land resources for economic developments and improving people's living space and environment. The latest progress of the initiatives to increase land supply in the long term is set out below:

(a) New Development Areas

30. NDAs are a major source of land supply to meet the mid to long-term housing, as well as other social and economic development needs of Hong Kong. While the NENT NDAs Planning and Engineering Study has largely been completed, the HSK NDA Planning and Engineering Study is in good progress.

31. As we have announced in July last year, adjustments have been made to the NENT NDAs project, including overall planning, mode of implementation, compensation and rehousing arrangements, and assistance to affected farmers. We will proceed with the Kwu Tung North (KTN) and Fanling North (FLN) NDAs as soon as possible as extensions to the Fanling/Sheung Shui New Town, so as to meet the demand for housing and other development needs. The Ping Che/Ta Kwu Ling NDA will be re-planned under a new study on the NT North, and the public will be consulted

again. To make the best use of land, the development intensity of KTN and FLN NDAs has been suitably increased. The total number of housing units has increased from the original 47 300 to about 60 000. The proportion of public housing, including PRH and HOS, has also been increased from less than half (49%) to about 60%. The first population intake will be in 2022/23.

32. For the HSK NDA, a Preliminary Outline Development Plan (PODP) has been formulated for the area, which will provide about 446 ha of developable land. The proposals under the PODP will accommodate a new town of a population of about 218 000 (including a new population of about 175 000), about 60 000 additional flats and 100 000 job opportunities. A three-month Stage 2 Community Engagement exercise has ended in mid-October 2013.

(b) Developing the New Territories North

33. Apart from NENT NDAs and HSK NDA, there are vast tracts of undeveloped land in the NT North (including land released from the Frontier Closed Area) that could be considered for meeting the long-term development needs of Hong Kong. A preliminary feasibility study on developing the NT North will be commissioned in early 2014 for a comprehensive review of the land use planning for the area to capitalise on infrastructural developments within and adjacent the areas to make the best use of this vast stretch of land for housing, social and economic development.

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

34. To make more gainful use of agricultural land which is currently used mainly for industrial purposes, temporary storage, or deserted, the Government is reviewing a total of about 257 ha of such sites in North District and Yuen Long, with a view to identifying more suitable sites for housing development as soon as possible. In this connection, four areas in Kwu Tung South (KTS), Yuen Long South (YLS), Fanling/Sheung Shui Area 30 (FSS) and Kong Nga Po (KNP) have been identified for planning and engineering studies to ascertain the feasibility of and scope for residential development. The studies on the KNP, YLS and KTS sites have already commenced for completion by 2014-15, while the study on the FSS site will be conducted in two phases, with Phase 1 anticipated to commence in mid-2014 for completion by end-2014, and Phase 2 to commence upon review of Phase 1's findings.

According to the preliminary assessment, some of the sites are anticipated to be available for housing development in 2020 at the earliest.

(d) Reclamation Outside the Victoria Harbour and Rock Cavern Development

35. The Stage 2 public engagement (PE) exercise for Enhancing Land Supply Strategy: Reclamation outside the Victoria Harbour and Rock Cavern Development was completed in June 2013. Taking into account the views of the public, we are preparing to commence a planning and engineering study for the proposed reclamation at Sunny Bay. We plan to seek funding support for conducting the study in April 2014. We are also making preparation to commence technical studies for other proposed near-shore reclamation sites.

36. On rock cavern development, we have substantially completed a feasibility study on the relocation of the Sha Tin Sewage Treatment Works (STW) to caverns. Preparatory work for conducting investigation and design for the relocation project is in progress with a view to releasing the existing site of about 28 ha for other beneficial and compatible uses. After acquiring general public support on cavern development in the Stage 2 PE exercise, we are preparing to commence feasibility studies on the proposed relocation of the other three government facilities to caverns, viz Diamond Hill Fresh Water and Salt Water Service Reservoirs, Sai Kung STW and Sham Tseng STW in the second half 2014. We are also continuing the study on the long-term strategy of cavern development in Hong Kong. Preparation of a territory-wide Cavern Master Plan, formulation of policy guidelines to facilitate future cavern development, and formulation of an implementation programme for relocating other suitable government facilities to caverns, are in progress.

(e) Lantau Development

37. Lantau enjoys a strategic location with many new mega infrastructure projects under planning, including the proposed third runway of the Hong Kong International Airport, the proposed Tuen Mun-Chek Lap Kok Link and Tung Chung New Town Extension. With the opening of the Hong Kong-Zhuhai-Macao Bridge, Lantau will be the confluence of Hong Kong, Macao and western Pearl River Delta (PRD), and the travelling time between Hong Kong and west bank of the PRD will be substantially reduced to realise the “One-hour Intercity Traffic Circle” covering the Pearl River Estuary area.

38. East Lantau has a huge potential for sustainable population and economic growth of Hong Kong in the long run. Geographically, the central waters to the east of Lantau are close to our Central Business District (CBD) on Hong Kong Island. Ecologically, this area is less sensitive when compared with the western or northern waters in Lantau. Capitalising on the strategic transport infrastructure and the locational advantages, we see the potential of developing an “East Lantau Metropolis” on reclamations in the central waters and adjacent areas. On the newly reclaimed artificial island, there will be scope for comprehensive planning with the application of innovative and forward-looking planning and design for the future generation of new town/satellite town. Apart from housing land, with the provision of convenient railway and highway links to the main urban areas, the “East Lantau Metropolis” can also accommodate a new core business hub with critical mass for office, hotel and other commercial developments, providing business enterprises an alternative locational choice other than the traditional CBD and Kowloon East. It will not only create more employment opportunities on Lantau to enhance the economic competitiveness of Hong Kong, but also contribute to a more balanced distribution of employment in the territory.

39. In support of the “East Lantau Metropolis” development, we are preparing to commence strategic studies to explore the feasibility of constructing artificial islands in the central waters to the east of Lantau, which is also included in the Stage 2 PE exercise for Enhancing Land Supply Strategy: Reclamation outside the Victoria Harbour and Rock Cavern Development. The study will take into account port operation, marine, traffic, environmental, engineering, infrastructure support and financial aspects in a holistic manner. We plan to consult the Panel on Development in March 2014 to seek support on funding application for commencing the study in the second half of 2014.

40. At the same time, for extension of Tung Chung New Town, the Planning Department (PlanD) and Civil Engineering and Development Department are undertaking the Tung Chung New Town Extension Study to examine the feasibility of extending the Tung Chung New Town into a distinct community and leverage on future economic opportunities that would help create more jobs for Tung Chung residents. According to the initial land use options, the “Livable Town” and “Economic Vibrancy” options in Tung Chung East will provide about 38 000 and 33 000 flats respectively, while Tung Chung

West will provide about 15 000 flats. Stage 2 PE of the study to consult the public on the initial development options was completed on 21 July 2013. We anticipate that the study will be completed by 2015.

41. With a view to preparing the long-term development strategy for the Lantau Island, the Government has set up a Lantau Development Advisory Committee chaired by the Secretary for Development, comprising members from relevant stakeholders, to advise the Government on (1) social and economic development opportunities on Lantau to capitalise its advantages as the confluence of major transport infrastructure linking Hong Kong, Macau and western PRD to meet the long-term development needs of Hong Kong; and (2) the policies, measures and specific proposals conducive to the sustainable development and conservation of Lantau.

CONCLUSION

42. We welcome Members' feedback and undertake to work closely with Legislative Council (LegCo) in taking forward the initiatives to increase housing land supply in the short, medium and long term.

**Development Bureau
Transport and Housing Bureau
23 January 2014**

Annex A

**Latest Progress of Other Initiatives to Increase Housing Land Supply
in the Short to Medium Term**

(i) Review of Government, Institution or Community (G/IC) Sites

PlanD has completed the review of the sites reserved for G/IC use but without concrete development plan or sites used for various government purposes which are no longer required or could be relocated. A total of 36 G/IC sites and other government sites (27 ha) have been identified for residential developments, which are estimated to have the capacity to provide about 14 920 flats³ for public and private housing. As at December 2013, 18 of these 36 sites had already been zoned for/rezoned to residential use or were undergoing the statutory planning procedure. The gazettal of rezoning of six other sites is tentatively scheduled for 2014. PlanD has been actively working with the relevant departments to resolve the outstanding issues for the remaining eight sites with a view to rezoning them for residential use as early as possible. Apart from the 36 sites, 21 additional G/IC sites, with an estimated capacity to provide about 25 570 flats, have also been identified as suitable for residential development. 11 of them have been rezoned to residential use or are undergoing the statutory rezoning procedure, while the rezoning of nine sites is tentatively scheduled for 2014. The rezoning of the remaining site is subject to the reprovisioning of an existing facility.

(ii) Review of GB Sites

2. For the 13 GB sites in the NT which are devegetated, deserted or formed, measuring 57 ha in total, and recommended for rezoning to residential use, their rezoning procedures have commenced progressively. Among the 13 sites, one had already been rezoned to residential use as at December 2013. Rezoning of the remaining 12 sites will be completed as soon as practicable. They are expected to provide about 23 000 flats in total.

³ The TPB, after hearing representations on the rezoning of a site in Ma On Shan Area 100, decided to retain the site for "G/IC" use. In addition, three other sites will be retained for "G/IC" use after further review. Revised estimated flat number excludes four sites retained for "G/IC" use.

(iii) Review of Industrial Sites

3. PlanD has conducted three rounds of review of industrial land since 2000. In the last round conducted in 2009, about 60 ha of land have been identified as suitable for housing and other land uses, among which about 30 ha on 16 sites are recommended for residential use. Among them, 13 have completed or are undergoing the statutory rezoning process. Some 14 700 units could be provided upon development or redevelopment of all the 13 sites. For the remaining three industrial sites, it is estimated that some 5 800 units could be provided as and when they are all developed or redeveloped. With a view to examining the latest utilisation of the existing industrial land, and the possibility of further converting some sites to other uses, including residential use, PlanD has started another round of review since end March 2013, which is expected to be completed in 2014.

(iv) Streamlining Land Administration Process

4. LandsD has been reviewing the processes under lease in relation to simplification of lease conditions, streamlining the procedures in processing lease modification (including land exchange) applications and enhancing clarity of standards in the handling of approvals required under lease. It has been discussing these land administration matters with the trade and is implementing the enhancement measures on a progressive basis. LandsD will continue to review and, where practicable, implement further suitable measures to facilitate land development.

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

5. In stepping up efforts to put into full play the integrated development of mass transportation and residential property, PlanD will take forward the planning for residential development above the Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, with land of about 33 ha in total estimated to provide about 8 700 flats. In parallel, a land-use review of the adjoining areas of about 110 ha is being undertaken with a view to identifying more suitable sites for housing development. Upon completion of the review by 2014, we will undertake local consultation on the development of the West Rail property and its adjoining areas including the Yuen Long DC,

Kam Tin and Pat Heung Rural Committees, etc. An engineering feasibility study will also be conducted to assess the infrastructural requirements. The Government will continue to explore vigorously the residential development potential of land along existing and planned railways.

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

6. The development of the former Diamond Hill Squatter Areas (Tai Hom Village), as well as the former Cha Kwo Ling Kaolin Mine, former Lamma Quarry and ARQ is in good progress. For instance, subject to funding approval of the LegCo's Finance Committee, we plan to commence the detailed design and site investigation works for the development of the ARQ site in June 2014. The ARQ development will cater for a planned population of 25 000 with the production of about 9 410 flats. On the other hand, in view of the suggestions from the DC and locals, we have revised the development proposal for the former Diamond Hill Squatter Areas, which will provide about 4 200 public housing units, as well as cultural and social facilities.

(vii) Urban Renewal

7. The Urban Renewal Authority (URA) had in the past year continued to forge ahead with its urban renewal programme. It launched the third round of its "Demand-led Redevelopment Project Pilot Scheme" (the Demand-led Scheme) between July and September 2013. Since the launch of the Demand-led Scheme in July 2011, URA has already commenced eight projects, one of which has been terminated after having failed to meet the 80% owners' acceptance threshold by the specified deadline.

8. While the Demand-led Scheme has been well-received, URA is facing the challenge of an increasing number of applications with larger site areas and which require the consideration of more varied factors. For the purpose of maintaining a sustainable urban renewal programme that balances the goal of a better utilization of land, brings improvement to the living conditions of the affected households and at the same time, is capable of being self-financed in the long run, URA will conduct a review of the pilot scheme with a view to, inter alia, better rationalization of resources deployed for the Demand-led Scheme vis-à-vis its self-initiated redevelopment programme.

Annex B

Estimated Year of Availability of the Some 150 Sites Requiring Amendments to their Respective Statutory Plans to be Made Available for Housing Developments in the Coming Five Years (i.e. from 2014/15 to 2018/19)

(As at 23 January 2014)

(i) By Districts

District	No. of Sites	Estimated No. of Flats
Central and Western	2	2,700
Wan Chai	-	-
Eastern	5	3,300
Southern	14	10,400
Kowloon City	8	5,100
Kwun Tong	13	16,000
Wong Tai Sin	1	1,900
Yau Tsim Mong	-	-
Kwai Tsing	12	12,000
Sham Shui Po	1	1,100
Tsuen Wan	7	6,700
North	6	19,500
Sha Tin	11	8,100
Tai Po	23	27,600
Tuen Mun	22	32,600
Yuen Long	14	42,000
Sai Kung	12	25,300
Islands	1	1,000
Total	152	~215,000

Notes:

(1) Total flat numbers have been rounded.

(2) The estimated number of flats and year of availability are for reference only, and may be subject to changes depending on the technical assessments of individual sites and the progress of relevant procedures or works.

(ii) By Years

Estimated Year of Availability	No. of Sites	Estimated No. of Flats
2014/15	23	15,900
2015/16	33	42,800
2016/17 and after	96	156,900
Total:	152	~215,000

Notes:

(1) Total flat numbers have been rounded.

(2) The estimated number of flats and year of availability are for reference only, and may be subject to changes depending on the technical assessments of individual sites and the progress of relevant procedures or works.