

**For discussion  
on 4 December 2017**

**Legislative Council Panel on Housing  
Challenges and Difficulties in  
Taking Forward Public Housing Development Projects**

**Purpose**

This paper briefs Members on the challenges and difficulties in taking forward public housing development projects.

**Key Issues and Challenges**

2. The Government has been striving to secure sites for public housing development, and the Hong Kong Housing Authority (HA) has been working hard to fast-track the development process where possible. HA has been successful in pushing forward “spade-ready”<sup>1</sup> sites, including completing the first batch of six newly-built Home Ownership Scheme projects and the Eastern Harbour Crossing Site Phase 7 in around five years. However, such “spade-ready” sites are rare and we have virtually used up all spade-ready sites at hand. About 80% of the projects for which we have consulted District Councils (DCs) in the past seven years (from 2010-11 to 2016-17) are not “spade ready”.

3. We have been striving to expedite the development process of “non-spade-ready” sites, such as Queen’s Hill Site 1<sup>2</sup>. Sites that are not “spade-ready” take longer time to develop partly because we need to go through various processes to make the “non-spade-ready” sites “spade-ready”. Such processes are subject to uncertainties. The following analyses those relevant processes and how they affect our efforts.

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<sup>1</sup> Sites that have been properly zoned, and do not require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure.

<sup>2</sup> Although Queen’s Hill Site 1 is government land and the site is partially formed, it lacks basic infrastructure for supporting the public housing development. Besides, some historical buildings are found within the site. A considerable lead time is therefore required to carry out the technical assessments and go through the statutory procedures before the site can be developed to deliver 12 000 public housing units. Based on the latest estimation, under a fast-tracked programme, the first phase of Queen’s Hill Site 1 will be completed in 2020-21 the earliest, with a lead time of around seven years.

## Planning and Consultations

4. To develop a project, we first need to conduct technical studies to collect data, explore options, and assess if and how impacts from the proposed development can be overcome. For straight forward cases, such studies may take about 12 months, but for large-scale or complex cases, it may take longer time. A recent example is Pokfulam South. We have reduced the development area to lessen the impacts on ecological environment, natural stream courses, hiking trails, and the Old Dairy Farm remains, etc. Therefore, extra time is required for refining the layout options and ascertaining the technical feasibility of the revised site layout to maintain the original flat production. The study started in early 2015 and was only completed recently, which lasted for more than two years.

5. When findings of technical studies are ready, relevant departments and HA will conduct consultations. Consultations often start with informal consultations, followed by formal public consultations. For straight forward cases like Lai Cho Road in Kwai Chung and Tung Chung Area 54, it may take two to three months for the consultations to complete. For complicated cases, refinement of layout options may be required to address the views of different stakeholders. For example, the Kwun Tong District Council (DC) has been consulted six times about the Hiu Ming Street project in Kwun Tong since March 2014; consultation with Tai Po DC on Chung Nga Road West development project has also been on-going since July 2014. To date, we are still endeavouring to address the concerns raised by the relevant DCs.

6. Also, most of the sites proposed by the Government for public housing development in recent years are zoned for non-residential uses on the Outline Zoning Plans (OZP). Therefore, the Government needs to rezone these sites and conduct consultations about the rezoning proposal before the sites can be developed for public housing. Objections from DC and locals were not uncommon during the consultations, e.g., the recent rezoning proposal of five sites in Tseung Kwan O<sup>3</sup>, three sites in Tong Yan San Tsuen<sup>4</sup>; and five sites in Tuen Mun<sup>5</sup>. The DCs concern mostly over the traffic impact, the increasing pressure on existing community facilities, and impact on visual quality landscape and air ventilation brought by developments. The Government is actively addressing these concerns.

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<sup>3</sup> The five sites in Tseung Kwan O include North of Tseung Kwan O Village, Northwest of Ying Yip Road, South of Chiu Shun Road, West of Yau Yue Wan Village, and East of Movie City.

<sup>4</sup> The three sites in Tong Yan San Tsuen include Long Bin Interim Housing Phase 1, Long Bin Interim Housing Phase 2 and near Tan Kwai Estate (South).

<sup>5</sup> The five sites in Tuen Mun include North of Wu Shan Road, South of Tin Hau Road, East of Tuen Hing Road (also known as Tseng Tau Sheung Tsuen South), West of Hang Fu Street, and South of Hin Fat Lane - the Ex-Hong Kong Christian Service Pui Oi School and the adjoining Government Land.

## **Statutory Planning and Other Procedures**

7. The Government needs to seek Town Planning Board (TPB)'s approval for rezoning of non-residential land. The process of statutory rezoning normally takes about 11 months from the gazettal of the draft OZP to the submission to the Chief Executive in Council for approval. However, when the rezoning involves controversial issues and attracts substantial amount of representations or comments, an extension of up to six months may be required. For example, over 3 500 representations/comments/further representations were received for the Tsing Hung Road project in Tsing Yi during the period. After considering the representations and comments received, the TPB decided to partially uphold the representations and revert the northern portion of Tsing Hung Road from "Residential (Group A) 4" to "Open Space". The gross site area for the project was thus reduced from about 4.29 to about 2.29 hectare, and revision of the design of the project is required. The expected flat production decreased from about 3 800 units to about 2 800 units, which is a reduction of about 30%.

8. Another more recent case is On Muk Street Phase 1 in Shatin, for which the TPB received over 900 representations/comments. The TPB considered that it would be premature to rezone the site from "Open Space" to "Residential (Group A) 6" in isolation, when the longer term land use planning for the adjoining "Open Space" site currently occupied by the Jockey Club Kitchee Centre was uncertain. The long-term use of the site should be considered in the context of the use of the wider area and should be reviewed comprehensively with the entire strip of "Open Space" zone along the river channel, when the way forward regarding the relocation of Kitchee Centre becomes clearer. The TPB decided at its meeting on 22 September 2017 that the OZP should be amended to rezone the site back to "Open Space", in order to meet or partially meet relevant adverse representations. The proposed amendment was gazetted on 13 October 2017 for three weeks for the public to submit further representations. Depending on the TPB's consideration of the further representations received and its decision, we are unable to estimate the completion date of the about 1 400 units under the whole On Muk Street project at this juncture.

9. Furthermore, in recent years, some TPB's decisions have been subjected to judicial reviews (JR). For example, in the case of Tai Wo Hau Road site in Kwai Chung, the court has granted an interim stay of submission of the draft Kwai Chung OZP for Chief Executive in Council's approval, pending the determination of the concerned JRs. Though the Tai Wo Hau site itself was not the subject of challenge in the JR, the land would not be granted to HA before the Chief Executive in Council's approval of the OZP. The Tender Committee of HA had no choice but to cancel in May 2015 the foundation tender which was issued in March 2015. As the JR case is yet to be settled, we are unable to include the project in the five-year Public Housing Construction Programme. The estimated completion date of this project has already been delayed for three years.

### **Land Resumption and Clearance**

10. Some projects require land resumption and clearance and it takes a relatively longer time to complete the relevant procedures. The time required varies by individual projects. For example, it took around 24 months to complete the land resumption and clearance procedures for the Fo Tan site, and about 32 months for the Tuen Mun Area 54 Sites 1 and 1A and Sites 3 and 4 (East) (a total of about 9 400 units). It is also common to find graves on sites during detailed land survey (e.g. North East New Territories New Development Areas). For these cases, additional time would be required for grave clearance.

### **Provisioning and Reprovisioning of Facilities**

11. We need to provide community facilities for public housing development projects. If reprovisioning of existing facilities (e.g. parks, community halls and sports grounds) is required, the process will be even more complicated. The time required varies depending on individual situations. For example, in the case of Hiu Ming Street site (about 1 100 units involved), we have to relocate and re-provide in-situ the existing tennis courts at Hiu Ming Street and a basketball court at Hiu Kwong Street to vacate the site for public housing development, thus adding about two years' lead time to the development programme. For Wang Chiu Road Phase 2 site (about 1 500 units involved), the Government has to first relocate the Christian Action premises before the site can be used for public housing development. Therefore, the development programme of the site can only be certain subject to the relocation arrangement of the Christian Action. In the case of Ma On Shan Road site (about 2 100 units involved), we need to relocate facilities for temporary uses

(e.g. a bicycle park, a community farm and an archery field) and carry out the diversion works for underground utilities running from the New Territories to Kowloon (including underground power cables, gas mains and water mains). These works take approximately five years to complete which lengthened the development programme.

### **Site Formation and Infrastructure Provision**

12. Some sites require site formation or provision of additional infrastructures, or both. The lead time for these works also varies depending on the complexity of the projects. For example, Wang Chau Phase 1 requires site formation and road works, which takes about three years to complete. In another case, it is estimated that about two years are required for the completion of the site formation and road works for Tuen Mun Area 54 Site 1 and 1A. For complicated sites such as Ka Wai Man Road Phase 2 in Central and Western District, it is estimated that a longer lead time is required for natural terrain hazard measures, and the road and site formation works.

### **Sites Involving Government-funded Items**

13. A number of projects involve Government-funded works (such as public transport interchange, community hall, road improvement works). Obtaining timely funding approval from the Legislative Council (LegCo) is critical for completing relevant developments in time. For example, the completion date of the Hang Tai Road project (about 1 900 PRH units involved) was revised from 2023-24 to 2024-25 as the LegCo's funding approval for the road improvement works could not be obtained as scheduled.

### **Building Construction**

14. The time required for building construction can vary widely depending on the complexity of projects. It normally takes about three and a half years for the construction of a 40-storey public housing block. However, sites involving more difficult or complex ground conditions or slopes require longer time for foundation works, while others involving the construction of refuge floors, basement or podium for maximising development potential would also require a longer time. Tung Chung Area 39, Shek Mun Estate Phase 2 in Shatin and Northwest Kowloon Site 6 are some examples.

15. Besides, during the construction stage of individual projects, HA also encounters unforeseeable factors that may affect the completion time of the projects. For example, due to the shortage of labour in the construction industry and inclement weather, the completion dates of Tuen Mun Area 54 Site 2 Phases 1 and 2 and Anderson Road Site C1 are delayed from 2016-17 to 2017-18.

## **Meeting the Challenges**

16. We will continue to adopt the following measures to overcome the above challenges –

- (i) to closely liaise with relevant government bureaux/departments to ensure timely availability of sites and supporting infrastructure;
- (ii) to communicate proactively with DCs, local communities and other stakeholders through consultations and other forms of exchanges, to enlist their support for the proposed public housing projects, and address their concerns as far as practicable;
- (iii) to maximise flat production of each public housing site through relaxation of development restrictions (e.g. plot ratio, building height) in an appropriate scale where planning condition permits; and to enlarge or amalgamate sites, or both, to create larger development site area. A notable example is the Fo Tan site, where site boundary has been rationalised, and plot ratio and building height have been relaxed to increase flat production by 15%, i.e. about 650 flats. Since the announcement of the 2014 Policy Address which allows the maximum domestic plot ratio to increase by around 20% as appropriate (except for the north of Hong Kong Island, and Kowloon Peninsula), HA has obtained TPB's approval of the planning applications for relaxation of the maximum domestic plot ratio for nine public housing projects (as at end-September 2017), which contributed to an increase of about 3 300 public housing flats (i.e. about 20%);

- (iv) to adopt site-specific design to capitalise the optimal development potential of each site. For example, at the Tai Wo Hau Road and Texaco Road sites, innovative design was adopted to overcome the hilly terrain to enlarge the net site area by creating terraces on slopes. We will also continue to improve the construction process and built quality, as well as expedite flat production by adopting the pre-cast building technology and lean construction at sites; and
- (v) to work with industry stakeholders to improve and implement labour training and procurement schemes, including Contractors Co-operative Training Scheme, Supplementary Labour Scheme, etc., to mitigate the labour shortage problem.

17. Members are invited to note the content of this paper.

**Transport and Housing Bureau**  
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