

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

政府總部
房屋局

香港九龍何文田佛光街 33 號



Government Secretariat
Housing Bureau

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本局檔號 Our Ref.: HD 4-6/TFTH/15-2/3-5-3

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來函檔號 Your Ref.:

7 February 2023

Clerk to the Public Works Subcommittee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Connie HO)

Dear Ms HO,

**Question related to PWSC(2022-23)35 1HL –
Implementation of the Light Public Housing Projects**

The Hon Starry LEE Wai-king wrote to the Chairman of the Public Works Subcommittee of the Legislative Council on 1 February 2023 to raise concerns and questions regarding the implementation of the Light Public Housing (LPH) projects. As per the instruction of the Chairman of the Public Works Subcommittee and after consultation with the Development Bureau, Transport Department (TD) and Architectural Services Department (ArchSD), the consolidated response of the Housing Bureau (HB) is set out below.

Question 1: Overall Planning of the Kai Tak Development (KTD) Area

2. The overall planning intention for KTD remains unchanged, i.e. KTD is envisioned to be developed into a sustainable and vibrant district. At present, three commercial clusters are planned in KTD and they are located at (i) Kai Tak City Centre near the Kai Tak MTR Station and along the two sides of Kai Tak River, including an office and retail development namely the AIRSIDE and an iconic gateway twin tower

for commercial developments which are either completed or near completion and will be in operation shortly; (ii) the former south apron area, which can serve as an extension of the Kowloon Bay Business Area and help catalyse its regeneration; and (iii) along the former runway with retail frontage, the three commercial sites at the former runway tip and the Kai Tak Cruise Terminal, which will form the tourism, entertainment and leisure hub.

3. The second core business district (CBD2) of Hong Kong is located in Kowloon East covering the commercial areas of the KTD, Kwun Tong and Kowloon Bay. The commercial gross floor area (GFA) of the CBD2 is currently about 3.2 million square metres. Together with projects under construction or approved, the commercial GFA will be over 4 million square metres, the scale of which is comparable to that of the CBD in Central. In addition, a certain number of commercial sites in KTD, which can provide a total of about 0.91 million square metres of GFA, are coming on-stream. Using the site at Olympic Avenue near Kai Tak Station for temporary use as LPH will neither affect the supply of commercial sites in Kai Tak nor hamper the positioning of Kowloon East as the CBD2 of Hong Kong.

4. The site at Olympic Avenue mainly falls within areas zoned “Comprehensive Development Area” and “Other Specified Uses” annotated “Arts and Performance Related Uses”. The Government wishes to relieve the imminent needs of the grassroots through optimal use of the land for which long-term development plans have yet to be implemented/initiated, by taking forward LPH projects which are only temporary in nature. This does not affect the statutory land uses and the Government’s plan of implementing such land uses in the future. Same as other LPH projects, the construction period and the life period of the site at Olympic Avenue are estimated to be two years and five years respectively. The Government will take the above estimated periods as an indicator and release the site upon its expiry, so as to develop the said commercial site according to the original planning intention.

5. We understand that some Kai Tak residents are concerned that the Kai Tak Underground Shopping Street (USS) may not be implemented due to the LPH project. We wish to explain here. According to the Approved Kai Tak Outline Zoning Plan No. S/K22/8, the USS, totalling about 1 591 metres in length, connects Kai Tak City Centre and two MTR stations (i.e. Kai Tak Station and Sung Wong Toi Station) with Kowloon City and San Po Kong. We are now implementing the construction of the USS. Apart from 447 metres of the USS (about 30%) which will be built by the Government and will be completed and commissioned in phases from 2025, the remaining 1 144 metres of the USS (about 70%) will be integrated with the

commercial/retail uses of the basement floors of the development sites along the USS, which will be constructed and managed by the developers. Regarding this 1 144 metre section of the USS, a section of 360 metres (about 20% of the entire USS) is scheduled for completion and opening in 2023-2024, another section of 331 metres (about 20% of the entire USS) is scheduled for completion and opening in 2029. The remaining section of 453 metres (about 30% of the entire USS), distributed among the LPH site at Olympic Avenue and an adjacent residential site for sale, will be developed by the future developers. In other words, the USS has always been earmarked to be rolled out in phases, and currently about 70% of it has been under construction with a definite schedule for opening.

6. The proposed river banks along the Kai Tak River will be connected to the Kai Tak Station Square (KTSS), Olympic Avenue and Shing Kai Road, providing green corridors for the residents and visitors. Together with the retail belt abutting the KTSS, an open space with vibrancy will be created at the Kai Tak City Centre. The first phase of the KTSS open space located at the southeast of the Olympic Avenue site has been commissioned while the second-phase development is expected to be completed in 2023.

Question 2: Traffic Implications

7. HB and ArchSD, together with TD, have actively planned the necessary ancillary transport arrangements for different LPH projects, including the one at Olympic Avenue in Kai Tak.

8. No parking space will be provided under the LPH projects and residents will use public transport services for commuting. Regarding the public transport service arrangements for the project at Olympic Avenue in Kai Tak, as the site is adjacent to the Kai Tak MTR Station and within a walking distance of about five to seven minutes, residents may take the MTR through Exit D of the Kai Tak MTR Station. Currently, the carrying capacity of Tuen Ma Line in the busiest hour during the morning peak is about 50 000 passengers. In December last year, the loadings at the section between Kai Tak Station and Sung Wong Toi Station during the morning peak were about 40% (Tuen Mun bound) and 20% (Wu Kai Sha bound). The spare capacity will be able to cater for the additional demand arising from the residents of LPH in Kai Tak.

9. Moreover, there are a number of bus stops in the vicinity of the site. There are about 40 franchised bus routes and 10 green minibus (GMB) routes on Concorde

Road or Prince Edward Road East within a walking distance of about six to eight minutes for commuting to different districts on Hong Kong, in the New Territories and Kowloon. TD has also planned to introduce two new bus routes in the vicinity of the site which are expected to be in operation before the completion of the LPH project at Olympic Avenue in Kai Tak. The above public transport services will be sufficient to meet the demand. TD will closely monitor the operation of different public transport routes and discuss with the operators concerned on service enhancement upon intake of residents.

10. In the meantime, ArchSD is conducting traffic impact assessments for LPH projects, including assessment of the impact on local road network during construction and upon completion for intake. Based on the assessment findings, we will take forward the recommended traffic improvement measures with TD and relevant works departments, including the addition of suitable boarding and alighting facilities for LPH projects, widening of pavements in the vicinity of the projects and provision of bus lay-bys. We will also coordinate with TD to arrange necessary public transport services, including the introduction of new bus or GMB routes, or increasing service frequencies of the existing bus or GMB routes, with a view to providing suitable ancillary transport facilities for LPH projects, to cater for the commuting and daily transport demands of future LPH residents.

Question 3: Development of Lung Tsun Stone Bridge Preservation Corridor

11. The cultural heritage impact assessment report of the Lung Tsun Stone Bridge Preservation Corridor (LTSBPC) has been submitted to and approved by the Antiquities Advisory Board. The design of the LTSBPC and the funding of the project have also been supported by the Legislative Council. The LTSBPC will be constructed according to the approved design proposal and will not be affected by the LPH project.

Question 4: Financial Implication on Land Sale

12. The policy objective of land disposal by the Government is to maintain a stable and steady land supply to the market. Land premium is only one of the many considerations when formulating the Government's land disposal strategy. The Government will continue to put up land for disposal in a timely and orderly manner.

Question 5: Construction Cost of LPH

13. LPH, a large-scale social project with very significant social functions and value, helps narrow the wealth gap by optimising social resources to assist the disadvantaged. Focusing on people's livelihood and the difficult problems that have beset our community, LPH is an initiative which truly addresses people's concerns and difficulties in daily life, so that those with the most pressing need in society can receive the most practical assistance.

14. Regarding the construction cost of LPH, if compared to transitional housing of a similar design, the average unit cost for low-rise LPH blocks (about three storeys) is around \$530,000 in money-of-the-day prices, similar to the funding of \$550,000 for each transitional housing unit. As for the high-rise LPH blocks (about 17 to 19 storeys), since additional foundation, structural fortification, provision of lifts and extra electrical and mechanical facilities will be required due to the high-rise construction, the average unit cost for high-rise LPH blocks is around \$650,000.

15. Moreover, the average construction floor area (CFA) of units in low-rise LPH blocks will be about 20% larger than that of transitional housing, and the unit ratio of large units for four to five persons to overall units in high-rise LPH blocks will be higher than that in transitional housing projects which are under operation or construction. We estimate that the total construction unit costs for low-rise LPH and high-rise LPH are around \$19,100 and \$20,500 per square metres of CFA respectively, which are lower than that of transitional housing (around \$23,900 per square metres).

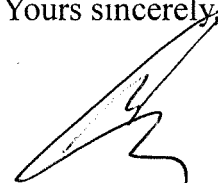
16. At present, public housing (including traditional Public Rental Housing (PRH) and flats under the Home Ownership Scheme) is generally of concrete structure, which is basically different from the LPH built through the Modular Integrated Construction (MiC) approach. Subject to the number of storeys and whether piling works are required, the construction period of LPH will be considerably compressed to about one to some two years only. Therefore, the construction cost of traditional PRH should not be used for direct comparison with that of the LPH. As a reference, the Finance Committee of the Hong Kong Housing Authority (HA) announced in January 2023 that, based on the prices of works contracts awarded by the HA in 2021-22, the average construction cost of each traditional PRH unit is about \$760,000.

17. LPH will be built by adopting the simple standardised design and the MiC approach. After deducting the time required for the advance design works, technical assessments and the necessary additional infrastructure works, it is estimated that the

construction period of LPH will only be about one to some two years in general (subject to the number of storeys and whether piling works are required). By building 30 000 LPH units expeditiously and providing flats of various sizes to meet the needs of different households, we anticipate that we will be able to steadily help at least 80 000 applicants in the coming five years to improve their living conditions promptly. These LPH units will serve as decent accommodation for the applicants to relieve pressure arising from their daily life, and to regain their dignity and self-esteem before they are allocated a traditional PRH unit. As such, the construction cost of LPH is considered to be reasonable.

18. Regarding maintenance and repair, it will be stipulated in the construction contracts for LPH that there will be a maintenance period of one year. During the maintenance period, the contractor concerned will be responsible for remedial and repair work. The cost of such work will be reflected in the tender price, i.e. the maintenance cost has been included in the estimated project cost. After the maintenance period, the general repair and maintenance will be undertaken by the organisation responsible for the operation and management of LPH in future. We have included the relevant estimated expenditure in the operating cost. Besides, tenancy matters (including the follow-up of possible tenancy disputes) will be taken up by the operating organization and the cost involved has also been included in the estimated operating cost.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cyrus CHEUNG', with a stylized, sweeping flourish extending upwards and to the right.

(Cyrus CHEUNG)
for Secretary for Housing

c.c.

Secretary for Development

Secretary for Financial Services and the Treasury

Commissioner for Transport

Director of Architectural Services