

**For discussion
on 13 October 2025**

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**Innovative measures to expedite urban renewal and
Urban Renewal Authority's 2024-25 progress report**

PURPOSE

This paper seeks Members' views on the innovative measures to expedite urban renewal as announced by the Chief Executive in his 2025 Policy Address, and on the progress of the work of the Urban Renewal Authority ("URA") in 2024-25 and its Business Plan for 2025-26.

TAKE FORWARD URBAN RENEWAL WITH A NEW MINDSET

2. Hong Kong's urban decay problem is driven by our rapidly ageing stock. Our buildings have been ageing much faster than the pace of redevelopment by URA and the private market. In the past ten years from 2014 to 2023, the number of private buildings¹ aged 50 years or above increased by about 510 per annum, which is far greater than the 160 buildings being redeveloped every year. It is essential for the Government to come up with innovative ideas to expedite urban renewal with a new mindset. In the 2025 Policy Address released on 17 September 2025, the Chief Executive proposed three innovative measures to make use of newly developed land to enhance the market incentives for redevelopment, namely –

- (a) to reserve three sites in Kwu Tung North and Fanling North New Development Areas ("NDAs") in the Northern Metropolis ("NM") for URA to consider constructing new flats as replacement units under the new "Flat-for-Flat" Scheme in the future, serving as an option for the affected owners in addition to cash offer. To follow up on the conditions imposed by the Chief Executive in Council when granting the two sites at the Bailey Street, Hung

¹ Excluding New Territories Exempted Houses and buildings of the Hong Kong Housing Authority.

Hom, and Tseung Kwan O Area 137 respectively to URA in May 2025, the Government will assist URA in reviewing its acquisition and redevelopment policies, which will include URA's existing compensation policy of seven-year-old flat in the same locality ("Seven-year Rule") and formulating the details of the new "Flat-for-Flat" arrangement, with a view of putting forward the recommendations for consultation within next year;

- (b) to explore relaxing the current arrangement for the transfer of plot ratio within the same district to allow the cross-district transfer of unutilised plot ratio from redevelopment projects to other districts or even NDAs, such as relaxing the restrictions on the number and size of receiving sites. The proposed transfer will still require submission of a planning application to the Town Planning Board which will perform a gatekeeping role in ensuring the transfer will not cause adverse impact to the surrounding environment; and
- (c) to explore suitably increasing the plot ratio of private redevelopment projects (say by 20% as maximum level) with site area of the project not smaller than 700 m², building age reaching 50 years or above and locating in residential zones, on a pilot basis, in the seven designated areas with more pressing redevelopment need. There would also be an encashment option, whereby the increased plot ratio, after being translated into land premium, can be used for offsetting the premium payable for bidding land, lease modification in other projects or in-situ land exchange. The increased plot ratio will have to be used within a certain period of time and non-transferrable.

Details of the above proposed measures are set out at **Annex A** for Members' views.

WORK OF URA IN 2024-25 AND BUSINESS PLAN FOR 2025-26

3. URA was established in May 2001 to undertake urban renewal in accordance with the Urban Renewal Authority Ordinance (Cap. 563) ("URAO"). The purposes of URA and membership of URA Board are at **Annex B**.

4. The report submitted by URA on the progress of its work in 2024-25 and its business plan for 2025-26 is at **Annex C**. URA's work plan is guided by the Urban Renewal Strategy ("URS"), which is a government strategy made under URAO and implemented by other concerned departments and stakeholders jointly. In accordance with URS which embraces a comprehensive and holistic approach to urban renewal, URA has adopted redevelopment and rehabilitation as its core business.

5. In recent years, the role of URA in planning for old districts and proposing new planning tools to facilitate private redevelopment of old and dilapidated buildings has become increasingly important. Specific examples include the District Study for Yau Ma Tei and Mong Kok completed in 2021 and the ongoing district studies for Tsuen Wan and Sham Shui Po. URA will submit to the Government the renewal master plans for Tsuen Wan and Sham Shui Po respectively before the end of the year.

6. With a self-financing urban renewal programme stipulated as a long-term objective in URS, the Government has been providing financial support to enable URA to carry out redevelopment and fulfil other statutory missions in a self-financing manner. Provision of land resources at nominal land premium has long been one of the major government support measures for URA. In this regard, in order to provide additional financial support to URA to enhance its cashflow, the Chief Executive in Council approved in May this year granting the two sites to URA by private treaty at nominal land premium. And, to enable URA to cope with future financing demand, the Government also granted approval in August this year to raise URA's borrowing limit from \$25 billion to \$35 billion.

7. URA is currently working with the Government to review and refine its operating and financing model that can enable it to maintain the momentum of urban redevelopment in a financially sustainable manner in coming years. Furthermore, URA will advise on how to step up building rehabilitation to extend the service life of aged buildings and thereby reducing the immediate need for redevelopment. URA will come up with specific recommendations within 2026.

ADVICE SOUGHT

8. Members are invited to offer their views on the proposals as detailed at **Annex A** and note the work of URA in 2024-25 and its future work plan at **Annex C**.

Development Bureau
October 2025

**INNOVATIVE MEASURES TO EXPEDITE URBAN RENEWAL
AS ANNOUNCED BY THE CHIEF EXECUTIVE
IN 2025 POLICY ADDRESS**

PURPOSE

This paper seeks Members' views on the three proposed innovative measures to expedite urban renewal as announced by the Chief Executive in his 2025 Policy Address. Subject to Members' comments, we will commence a two-month consultation with stakeholders within October.

JUSTIFICATIONS

Buildings age faster than redevelopment

2. Hong Kong is facing the challenge of ageing buildings. In the past decade, the number of buildings aged 50 years or above increased by about 510 per year while on average, only 160 buildings were demolished by the Urban Renewal Authority ("URA") and private sector each year for redevelopment. The number of buildings aged 50 years or above is projected to further rise to 16 900 in 2033 and then to 24 300 in 2043, increasing at the rate of 740 buildings annually on average.

Redevelopment becoming less financially viable

3. In order to address urban decay and ageing buildings, we have been taking forward redevelopment and stepping up maintenance of aged buildings. On redevelopment, the Government has been providing financial and other support to increase URA's capacity to take on redevelopment projects. We have also been proactively introducing various measures to encourage greater private sector participation in urban redevelopment. In this regard, we amended the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) last year to lower the compulsory sale thresholds and

facilitate adjoining-lot redevelopment in seven designated areas¹. While such policy changes make title consolidation and larger-scale redevelopment easier than before, developers' interest towards redevelopment may still be hampered by the lack of projects with significant market appeal. Indeed, not many redevelopment projects in old districts are believed to be financially viable these days, given the bulk of the old buildings might have reached their respective permissible plot ratio caps, and hence the floor area after redevelopment will not be significantly higher than that of the existing buildings (or even lower than the old buildings in some extreme cases). According to URA's analysis, more than 90% of the redevelopments² in area covered by the district studies in Yau Ma Tei and Mong Kok are not financially viable. Furthermore, many private developments in old urban districts are governed by unrestricted leases, i.e. no land premium would be charged for redevelopment if no lease modification is involved. Provision of premium concession will not be a relevant incentive measure for developers holding unrestricted leases to initiate redevelopment of these old buildings.

4. In order to speed up redevelopment by both URA and the private sector in a sustainable manner, we need a new mindset in policy thinking and an innovative approach to consider the redevelopment of old urban districts and the development of new areas altogether. In this regard, we conducted a policy study to explore the use of new land resources to support the redevelopment in old districts, and relevant measures have been announced in the 2025 Policy Address. Details of the proposed measures and parameters are covered in the ensuing paragraphs.

¹ The seven designated areas refer to Cheung Sha Wan (the same OZP covering also Sham Shui Po), Ma Tau Kok (covering Kowloon City and To Kwa Wan), Mong Kok, Sai Ying Pun and Sheung Wan (covered by the same OZP), Tsuen Wan, Wan Chai and Yau Ma Tei.

² Including buildings aged more than 50 years and located on sites zoned residential and "Other Specified Uses" annotated "Mixed Use" on the statutory plans.

PROPOSED MEASURES

(I) Reserving sites in the Northern Metropolis (“NM”) for URA to consider constructing new flats as replacement units under “Flat-for-Flat” (“FFF”) Scheme in future

5. Under the existing FFF arrangement established since 2011, domestic owner-occupiers affected by URA projects opting for FFF have to first accept the amount of cash compensation based on the Seven-year Rule (i.e. compensation based on seven-year-old flat in the same locality), and then choose to purchase “in-situ” flats at the redevelopment sites or off-site FFF units provided by URA. Flat prices will be fixed at the time of acquisition offer. As there may be a time gap of several years between affected households moving out of existing units and the new FFF units ready for intake, and affected households have to make their own accommodation arrangements in the interim period, and the upfront compensation based on Seven-year Rule is already well-received as once and for all settlement, only 67 owner-occupiers have joined the FFF scheme so far.

6. On the other hand, it is common in our neighbouring cities such as Beijing, Shanghai and Singapore to compensate domestic owner-occupiers affected by urban redevelopment with either cash compensation or purpose-built replacement units. Unlike URA’s FFF version, the replacement units in these cities are a complete alternative to cash compensation, and the two options operate independently of one another. To address the adverse needs of affected households while improving the financial sustainability of URA’s compensation policy, we see merits studying the applicability of the surveyed cities’ compensation practices of replacement units to Hong Kong. To this end, we will review URA’s acquisition and compensation policy, including both the Seven-year Rule and FFF arrangement, in the study currently jointly undertaken by Government and URA as a follow-up to the Executive Council’s directive when granting two sites to URA in May 2025³.

³ In order to provide additional financial support to URA, the Executive Council approved granting two sites (namely a site at Bailey Street, Hung Hom, and a site in Tseung Kwan O Area 137) to URA in May 2025. As one of the conditions for granting the sites to URA, URA is required to work with the Government to review and refine its operating and financing model that can enable it to undertake urban redevelopment in a financially sustainable manner irrespective of market ups and downs.

7. In light of the review of the overall acquisition and compensation package, we have reserved three sites in Kwu Tung North and Fanling North New Development Areas (NDAs) in NM for URA to consider constructing new flats as replacement units under the to-be-reviewed FFF arrangements. URA will also consider using part of the site in Tseung Kwan O Area 137 granted to URA in May 2025 for the purpose. Issues such as the size, quality and ancillary facilities of the replacement units will be covered in the review. The target is to complete the review and put forward recommendations for consultation within 2026.

8. The broad development parameters of the three reserved sites are as follows:

	Kwu Tung North Area 32	Kwu Tung North Area 34	Fanling North Area 14W
Area (ha)	2	0.94	1.06
Zoning	Residential (Group B)1	Residential (Group B)1	Residential (Group A)3
Domestic PR	4.2	4.2	6
Domestic GFA (m²)	84 000	39 000	63 000
Site Availability date	2028-2029	2028-2029	2029-2030

(II) Relaxing the current arrangement for the transfer of plot ratio (“TPR”) within the same district to allow cross-district TPR

Existing TPR Mechanism

9. The existing TPR mechanism has been implemented as a pilot in the two districts of Mong Kok and Yau Ma Tei since July 2023. It allows transfer of permissible gross floor area (“GFA”) from sending sites (no limit in number) to receiving sites (at most two sites) up to 30% of the maximum GFA permitted for the receiving sites through submission of a section 16 planning application⁴ to the Town Planning Board (“TPB”), and subject to

⁴ Apart from the plot ratio/GFA restriction, the section 16 application may also need to seek minor relaxation of building height restriction and planning permission for the proposed uses.

land premium payment (if any). Sending sites are targeted at addressing dilapidated and old buildings with low redevelopment potential⁵, including sites currently occupied by buildings with GFA exceeding the OZP permissible level; sites with buildings worthy of preservation; or sites suitable for conversion to open space or Government, Institution or Community (“GIC”), while receiving sites are usually larger at more strategic and accessible locations suitable for higher density development.

10. The TPR mechanism is expected to facilitate a better restructuring and replanning in old districts, and bring planning gains to the community, in the form of additional open space and other GIC facilities, as well as preservation of historic buildings. URA has under the Flower Market redevelopment project consolidated and transferred the redevelopment potential of several small, scattered sites to a larger site for mixed development. The response from the private sector so far is however lukewarm, which may be due to the softening property market and implementation constraints of the existing mechanism.

Proposed cross-district TPR

11. To further incentivise the market to use the TPR planning tool to expedite urban renewal, we propose upon review relaxing the existing mechanism to allow cross-district transfer of unutilised GFA with the following key features –

(a) Expanding the geographic coverage

- (i) Apart from the Mong Kok and Yau Ma Tei OZPs, we propose expanding the scope of sending sites to other areas with aged buildings in a progressive manner, starting with the five designated areas (on top of Mong Kok and Yau Ma

⁵ According to paragraph 2.4 of the TPB Guidelines No. 43, favourable consideration will be given to accept a sending site if (a) redevelopment on its own will result in pencil-type development not conducive to efficient layout while meeting modern building code, and provision of car park and amenities; (b) the site could unlikely be amalgamated for an integrated redevelopment as it is sandwiched between new buildings aged younger than 30 years or buildings having no/low redevelopment potential; (c) the existing building(s) on the site is dilapidated and with age at or greater than 50 years; and/or (d) there are other justifiable reasons for demonstrating redevelopment of the site on its own is not viable.

Tei) under Cap. 545, so as to stimulate market conation for redevelopment at the old urban areas having a greater concentration of aged and dilapidated buildings. We propose to review the timing for further extension to other areas one year after implementation, taking into account market response to the measure and government's processing capacity.

- (ii) The unutilised GFA in the sending sites in paragraph 11(a)(i) above can be transferred to receiving sites within the same designated area or in other districts including NDAs, subject to TPB's approval.

(b) Relaxing the requirements for receiving sites

- (i) As suggested in paragraph 11(a)(ii) above, receiving sites can be in the same designated area as sending sites, or in other designated areas, or even in other districts including NDAs, i.e. any districts across the territory⁶.
- (ii) We propose removing the existing limit of no more than two receiving sites in each planning application, allowing the unutilised GFA in sending sites to be transferred to as many receiving sites as possible that are under the applicant's possession. The size of the receiving site will be reduced from 1 000m² to 700m² taking into account market feedback. Minor exceedance of the 30% cap for minor relaxation of the permissible GFA at each of the receiving sites may be allowed to provide greater flexibility for pairing receiving sites and sending sites subject to justifications provided for TPB's consideration.

- (c) Relaxing the requirements for sending sites: apart from expanding the scope of sending sites as suggested in paragraph 11(a)(i) above, we propose removing certain restrictions while providing additional incentives. For example, development zones without plot ratio or GFA restrictions on OZPs can also be sending sites.

⁶ Applicable to areas covered by statutory plans prepared under the Town Planning Ordinance.

Full transfer of GFA from sending sites will be allowed even if the historic buildings to be preserved or open space with supporting commercial use to be built may take up a certain GFA.

- (d) Refining premium assessment practice: at present, if sending site and receiving site are covered by two land leases, premium will be assessed separately under two different applications for lease modifications, meaning the value of unutilised GFA in sending site cannot be used to offset the premium payable for the development at receiving site. We propose exploring to relax this practice by allowing the premium assessed to be payable for receiving site to be offset by the value of unutilised GFA assessed for sending site even if the sending site and receiving site are under separate land leases, which will more likely be the case with the proposed relaxation of receiving site locations to cover the entire territory. This will enable the value of unutilised GFA in the sending site to be used productively to reduce the premium payable for the development at the receiving site.
- (e) Additional option to comply with planning gain requirement: under the existing TPR mechanism, if planning gain is in the form of open space to be developed on sending site, the subsequent management and maintenance (“M&M”) responsibility will either be borne by the developer or a government department if such can be identified. Since there is market feedback that developers have to spend a long time to negotiate with the Government on M&M of the open space, which would bring uncertainties to the project, we propose that while retaining existing arrangement, we would explore an additional option whereby the sending site can be surrendered to the Government after the open space is constructed by the developer and a lump-sum funding to be agreed by the Government provided by the developer to cover on-going M&M costs. The Government or an agent designated by the Government will then take over the M&M responsibility using the lump-sum funding.

12. More details of the proposed cross-district TPR are at the **Appendix**.

(III) Suitably increasing plot ratio of private redevelopment projects for seven designated areas with more pressing redevelopment need on a pilot basis

13. Another measure to attract market participation in redevelopment is to suitably increase the plot ratio of private redevelopment projects, on a pilot basis, for the seven designated areas and allow the value of the “bonus” plot ratio to be used in offsetting premium payable for developments in other districts including NDAs with the following key features –

- (a) Eligible redevelopment sites: the redevelopment sites occupied by buildings with residential elements and zoned for residential use⁷ should be in the seven designated areas. The site area should be at least 700m², such that more efficient layout and better provision of car parks and amenities could be realised from redevelopment. The buildings with residential elements thereon to be pulled down for redevelopment should be aged 50 or above;
- (b) “Bonus” 20% plot ratio: to improve the business case of private redevelopment projects meeting the criteria in (a) above, thereby incentivising market participation, “bonus” plot ratio at 20% of the maximum permissible plot ratio of the redevelopment site under OZP⁸ will be granted. For instance, if the site area is 700m² with a permissible plot ratio of 6 under OZP, the maximum extra GFA that the developer can obtain would be 840m² (700 x 6 x 0.2). The owner-developer may, subject to TPB’s approval, apply the “bonus” plot ratio in-situ at the redevelopment site, or make an option to encash the “bonus” plot ratio. For the encashment option, the land premium value of the 20% plot ratio will be assessed by LandsD at the time of lease modification/land exchange for the redevelopment site. The developer can use the

⁷ Including “Residential (Group A)”, “Residential (Group B)”, “Residential (Group C)”, or “Other Specified Uses” annotated “Mixed Use”.

⁸ Even if the Notes of the OZP allow redevelopment up to the GFA/PR of the existing building which may exceed the specific GFA/PR restriction stated therein, the permissible level means the latter. For those sites without plot ratio or GFA restrictions on OZP, the applicant should demonstrate the permissible level based on other restrictions, such as building height and other development restrictions on OZP and B(P)R requirements.

value to offset premium payable in the in-situ redevelopment project, or lease modification/land exchange or land bidding in other districts including NDAs. For owner-developer wishing to use the “bonus” plot ratio off-site (i.e. outside the redevelopment site within or outside the district), we will discuss with stakeholders to see how this can be implemented in a simple manner;

- (c) Modus operandi: developer should submit lease modification/land exchange application upon full ownership of the redevelopment site. This is to enable LandsD to impose lease conditions including a building covenant to ensure timely redevelopment, in return for the offer of “bonus” 20% plot ratio. For those opting for encashment, upon completion of lease modification/land exchange for the redevelopment site, LandsD will issue a formal documentation to the developer setting out the land premium value of the “bonus” 20% plot ratio for the redevelopment site. A register recording the utilisation of the land premium value will be maintained. If the value is insufficient to cover the premium payable of the development concerned, the developer is required to top up the difference with its own resources. On the other hand, if the value is more than the premium payable, the unused amount will be recorded in the register and can be used to offset another development of the same developer within the time limit in (d) below; and
- (d) Non-transferability and other features: to guard against speculative activities, the land premium value of the “bonus” 20% plot ratio is not transferable in the market. The value should be used up within a time limit of say 10 years, and there will be no buyback even if there is unused amount by the end of the time limit. No interest will be payable for the value during the time limit.

14. To provide planning gains to the broader community through redevelopment, we will consider the merits of requesting developers who obtain the “bonus” plot ratio to provide socially beneficial facilities of the developer’s choice in the redevelopment project. We will also consider whether to cap the size of redevelopment sites eligible for “bonus” plot ratio.

WAY FORWARD

15. We will kick start a two-month consultation with relevant stakeholders, including the URA Board, professional bodies, industry associations, etc. within October. Our target is to finalise and implement the second and third proposed measures in first half of 2026, while the first measure will be considered in the context of the overall review of URA's financing and operating model with recommendations for consultation within 2026.

Development Bureau
October 2025

Details of the Proposed Cross-district Transfer of Plot Ratio

In order to give further incentive and flexibilities to the private market to participate in urban redevelopment by making use of the Transfer of Plot Ratio (“TPR”) tool and having regard to the feedback on the existing guidelines, we propose to relax the current arrangement for TPR within the same district to allow cross-district transfer of unutilised plot ratio from sending sites to other districts including New Development Areas (“NDAs”) therein. Details of our proposed relaxations are set out below –

(A) Expanding the geographic coverage

2. Under the existing pilot arrangement for TPR, TPR is only allowed within the same Outline Zoning Plan (“OZP”) and has been implemented in two districts so far, i.e. within Mong Kok OZP and Yau Ma Tei OZP. Developers applying for TPR have to include both sending sites and receiving sites in a single planning application. To allow more flexibility for the developers to make use of the mechanism for redevelopment projects, we propose expanding the geographic coverage of both sending sites and receiving sites as follows –

- (i) Sending sites: we propose that apart from the Mong Kok and Yau Ma Tei OZPs, the scope of sending sites be expanded to other areas with aged buildings in a progressive manner, starting with the five designated areas (on top of Mong Kok and Yau Ma Tei) under Cap. 545, viz. Cheung Sha Wan (the same OZP covering also Sham Shui Po), Ma Tau Kok (covering Kowloon City and To Kwa Wan), Sai Ying Pun and Sheung Wan (covered by the same OZP), Tsuen Wan and Wan Chai, for these areas having a greater concentration of aged and dilapidated buildings and hence more imminent needs for redevelopment. We propose to review the timing for further extension to other areas one year after implementation, taking into account market response to the measure and government’s processing capacity; and
- (ii) Receiving sites: development zones (excluding “Village Type Development” (“V”) and “Government, Institution or Community” (“GIC”), etc.) of areas covered by statutory plans across the territory can be receiving sites. Applicants have to demonstrate

that the receiving sites are technically feasible to absorb the GFA transferred from the sending sites.

(B) Relaxing the requirements for receiving sites

3. Under the existing TPR mechanism, only two receiving sites can be included in each planning application, and favourable consideration will only be given for receiving sites with site area not less than 1 000m². Receiving sites should be larger sites at more strategic and accessible locations suitable for higher density residential, commercial or mixed development. Up to 30 per cent of the maximum GFA is permitted for the receiving sites under OZP through a planning application for minor relaxation of the plot ratio/GFA restriction. There is market feedback that such requirements are considered rather restrictive, making land assembly process difficult. Since the coverage of receiving sites is proposed to expand to all other districts covered by OZPs as set out in paragraph 2(ii) above, we propose the following relaxations to the requirements of the receiving sites –

- (i) removing the existing limit of no more than two receiving sites in each planning application, so as to allow the unutilised GFA in sending sites to be transferred to as many receiving sites as practicable that are under the applicant's possession;
- (ii) reducing the size of the receiving site to 700m². For receiving site occupying an entire street block, site area smaller than 700m² will be accepted;
- (iii) allowing minor exceedance of the 30% cap for minor relaxation of the permissible plot ratio at each of the receiving sites to provide greater flexibility for pairing receiving sites and sending sites and facilitating full accommodation of GFA at receiving sites subject to justifications provided for TPB's consideration; and
- (iv) removing the restrictions on site condition (i.e. strategically located and accessible) as the geographic coverage is extended to cover the territory and applicants already have to demonstrate the receiving sites to be technically feasible to absorb the GFA transferred from the sending sites. We are inclined to consider allowing virgin land, land sale sites and sites subject to the Enhanced Conventional New Town Approach to also serve as receiving sites, apart from general development sites on private land.

(C) Relaxing the requirements for sending sites

4. At present, sending sites should be in development zones (except “GIC” zone), including sites currently occupied by buildings with GFA exceeding the OZP permissible level; sites with buildings worthy of preservation; or sites suitable for conversion to open space or GIC. To facilitate more sites serving as sending sites, we propose the following relaxations –

- (i) removing the requirement that sending sites should be in development zones. Sites with private buildings with residential elements and aged 50 years or above would be allowed to serve as sending sites, irrespective of the zoning on the OZP (except for “V” zone);
- (ii) in relation to paragraph 4(i) above, allowing sites within zones without plot ratio/GFA restrictions to be sending sites, subject to the applicants demonstrating the transferrable plot ratio/GFA for TPB’s consideration;
- (iii) giving favourable consideration to sites with excessive development intensity (i.e. existing buildings with GFA higher than that permissible under the OZP and hence of low redevelopment potential) regardless of its site area;
- (iv) for sending sites with buildings worthy of preservation, we propose allowing full transfer of plot ratio/GFA from the sending sites to provide greater incentive for the applicant to revitalise the historic building on sending site while taking forward the development at receiving site. Likewise, for sending sites suitable for conversion into public open spaces, we propose allowing full transfer of plot ratio/GFA to receiving sites, even if some plot ratio/GFA are to be retained at sending site for supporting commercial use.

(D) Land premium calculation

5. Under the existing TPR mechanism, if the sending site and receiving site are covered by two land leases, premium will be assessed separately under two different applications for lease modifications, meaning the value of unutilised GFA in sending site cannot be used to offset the premium payable for the development at receiving site. We propose

relaxing this practice by allowing the premium assessed to be payable for receiving site to be offset by the value of unutilised GFA assessed for sending site even if the sending site and receiving site are under separate land leases, which will more likely be the case with the proposed relaxation of receiving site locations to cover the entire territory.

6. Apart from factoring in different site context including lease conditions and locations in assessing the respective land values of the sending site and receiving site, the proposed refined practice will also enable the value of unutilised GFA in the sending site to be used productively to reduce the premium payable for the development at the receiving site.

(E) Additional option to comply with planning gain requirement

7. Under the existing TPR mechanism, if planning gain is in the form of open space to be developed on sending site, the subsequent management and maintenance (“M&M”) responsibility will either be borne by the developer or a government department if such can be identified. Since there is market feedback that developers have to spend a long time to negotiate with the Government on M&M of the open space, which would bring uncertainties to the project, while retaining existing arrangement, we propose exploring an additional option whereby the sending site can be surrendered to the Government after the open space is constructed by the developer and a lump-sum funding to be agreed by the Government provided by the developer to cover on-going M&M costs. The Government or an agent designated by the Government will then take over the M&M responsibility using the lump-sum funding.

**Development Bureau
October 2025**

Purposes of 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 URA, 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 URA 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 of the Board of URA
(as at 30 September 2025)

	<u>Name</u>	<u>Professional Background</u>
Chairman:	Mr Chow Chung-kong	Engineer
Deputy Chairman/ Managing Director:	Ar Donald Choi Wun-hing	Architect
Non-executive Directors (non-official):	Hon Chan Hok-fung	Legislative Council Member
	Dr Chan Ka-kui	Quantity Surveyor
	Hon Chan Kin-por	Legislative Council Member
	Mr William Chan Fu-keung	Human Resources Management Expert
	Mr Chiu Kam-kuen	General Practice Surveyor
	Hon Kwok Wai-keung	Legislative Council Member
	Ir Janice Lai Wai-man	Engineer
	Sr Alexander Lam Tsan-wing	General Practice Surveyor
	Mrs Sylvia Lam Yu Ka-wai	Architect
	Ms Lilian Law Suk-kwan	Social Services
	Ms Jasmine Lee Shun-yi	Accountant
	Hon Michael Lee Chun-keung	Legislative Council Member
	Ms Florence Leung Chi-hang	Solicitor

	<u>Name</u>	<u>Professional Background</u>
	Hon Tony Tse Wai-chuen	Legislative Council Member
	Ms Yvonne Yeung Kin-ha	Chief Executive of Hong Kong Young Women's Christian Association
Executive Directors:	Mr Wilfred Au Chun-ho	Architect
	Ms Carolin Fong Suet-yuen	Architect
Non-executive Directors (official):	Director of Buildings	
	Director of Lands	
	Director of Planning	
	Deputy Director of Home Affairs (2)	

WORK OF THE URBAN RENEWAL AUTHORITY IN 2024-25 AND BUSINESS PLAN FOR 2025-26

I. INTRODUCTION

This paper is a report on the work of the Urban Renewal Authority (“URA”) for the year ended 31 March 2025 (2024-25) and its Business Plan (“BP”) for 2025-26.

II. BACKGROUND

2. URA is mandated under the Urban Renewal Authority Ordinance (Cap. 563) (“URAO”) and the Urban Renewal Strategy (“URS”) to undertake, encourage, promote and facilitate urban renewal. In fulfilling the main objectives of urban renewal as stated in paragraph 5 of URS¹ promulgated in 2011, URA should adopt a holistic district-based and planning-led approach and be forward-looking to support various development needs of Hong Kong in the long run.

3. Guided by the holistic district-based approach, URA continued to forge ahead with the recommendations from the District Study for Yau Ma Tei and Mong Kok (“YMDS”) and the New Strategy on Building Rehabilitation Study while conducting two district studies respectively in Sham Shui Po and Tsuen Wan and implementing a district-based building rehabilitation scheme (see details in paragraphs 8 to 20). Building on the experience of YMDS, URA will continue to explore appropriate initiatives to facilitate private market participation in urban renewal (see details in paragraphs 10 and 14). In addition, a new study was initiated to enhance vibrancy of the cove area adjoining Kowloon City and Kai Tak Development Area aiming to create greater community benefits for the old district and enhance the planning gains created from URA’s existing projects (see details in paragraph 15).

¹ According to paragraph 5 of URS, the main objectives of urban renewal include, amongst others, restructuring and replanning of concerned urban areas; rationalising land uses within the concerned urban areas; promoting the timely maintenance and rehabilitation of buildings in need of repair; and preserving buildings, sites and structures of historical, cultural or architectural value.

4. In line with the forward-looking approach, new technologies and innovative solutions were adopted in various aspects to enhance operational efficiency of our urban renewal operations (see details in paragraphs 21 to 28). Proactive efforts have been devoted to improve environment, social and governance practices while achieving carbon neutrality in the long run (see details in paragraphs 29 to 31).

5. URA continued to rejuvenate old urban areas by undertaking redevelopment projects and promoting owners-initiated building rehabilitation and preventive maintenance, which are URA's two core businesses under URS (see details in paragraphs 32 to 85). In parallel, actions were taken to carry out initiatives entrusted by the Government in past Policy Addresses (see details in paragraphs 55 to 63). In particular, following the Government's financial support through granting of two sites to URA as its assets, URA continued to take forward the commenced projects while a review on its operating and financing model is being conducted to ensure URA's long-term financial sustainability. Meanwhile, URA has been undertaking district-based placemaking and community making programmes as an integrated strategy to create synergy and maximise community benefits (see details in paragraphs 86 to 92).

6. To strengthen relationships and garner support from the community for URA's urban renewal initiatives, a series of wide-ranging programmes were organised to serve and to communicate with the general public while enhancing the living environment of residents (see details in paragraphs 93 to 101).

7. Highlights of the work to be undertaken by URA in 2025-26 under the 24th BP and URA's financial position are covered in paragraphs 102 to 118.

III. WORK OF URA IN 2024-25

Initiatives under the Holistic, District-based & Planning-led Approach

District Studies

Yau Mong District Study ("YMDS")

8. Since the completion of YMDS in 2021, URA has leveraged its findings and insights to undertake several initiatives aimed at seizing redevelopment opportunities and encouraging private market participation.

Over the past year, significant progress has been achieved, particularly in the implementation of proposals outlined in the Master Redevelopment Conceptual Plan and collaboration with the Government to apply new planning tools. These efforts are designed to unlock developmental potential and facilitate private market participation. Key achievements include:

Implementation of the First Nodal Development

9. Project YTM-013 at Sai Yee Street/Flower Market Road was commenced in March 2024 as the first phase of the Nullah Road Urban Waterway Development Node (“Nullah Node”) under YMDS. Through replanning and restructuring land use under a flexible mixed-use development model, the project aims to enhance the environment of the Flower Market area and contribute to the transformation of Mong Kok East into an “Exuberant Commercial District”. The Chief Executive in Council (“CE-in-C”) approved the draft Development Scheme Plan (“DSP”) in April 2025. Under an integrated approach for urban renewal, rehabilitation, revitalisation and community-making initiatives are being explored to tackle the urban renewal process of the Flower Market precinct alongside with the redevelopment project (see details in paragraph 39 below).

Facilitating Private Market Participation

10. In a bid to incentivise more private market participation to catch up with the pace of urban decay, URA has been working closely with the Government to take forward Outline Zoning Plan (“OZP”) amendments and a suite of new planning tools to unleash development potential in the Yau Mong districts.

- (a) OZP Amendments – URA supported the Government to initiate amendments to the OZPs of Mong Kok and Yau Ma Tei. These amendments aim to provide more flexible interchangeability between domestic and non-domestic plot ratios, offer design flexibilities for mixed-use developments along character streets in selected areas, increase the plot ratio for the Nathan Road commercial spine, and relax building height restrictions. Following the approval of amendments to the draft OZP for Mong Kok, the draft OZP for Yau Ma Tei incorporating the above amendments was subsequently approved by CE-in-C in July 2024.

- (b) Transfer of Plot Ratio (“TPR”) – To unleash development potential of small isolated sites to allow re-structuring and re-planning in Yau Ma Tei and Mong Kok, new Town Planning Board (“TPB”) Guidelines to pilot TPR through processing planning applications under Section 16 of the Town Planning Ordinance (Cap. 131) were promulgated in 2023. The Government is reviewing the TPB Guidelines and URA will assist in gauging the views of stakeholders where appropriate.
- (c) Building Concession for Specific Objectives – YMDS has proposed to explore Gross Floor Area concession as an incentive to encourage innovative design to achieve greater planning gains and improve the overall built environment. URA has made recommendations on four priority areas, namely (i) open space provision; (ii) building interface area with public street; (iii) horizontal screen, covered walkway and public passageway; and (iv) communal areas in domestic and non-domestic buildings, for the Government’s consideration.

Sham Shui Po and Tsuen Wan District Studies

11. The Sham Shui Po District Study (“SSPDS”) and Tsuen Wan District Study (“TWDS”) were commenced in the end of 2022 in response to the Government’s invitation under the 2021 Policy Address. Following the footsteps of YMDS, the two studies aim to adopt a holistic district-based and planning-led approach to formulate a long-term development blueprint in the form of Master Renewal Plans (“MRPs”) to guide the future planning and tackle the issues of urban decay in the study areas.

12. Baseline reviews and identification of key issues and constraints, as well as areas with urban renewal opportunities, were completed. Given the different characters of the two study areas, special studies were carried out to facilitate the formulation of the respective MRPs under the two studies. Series of public engagement/consultation have been carried out for both studies, including (i) owner & tenant surveys (receiving over 10 000 and 4 200 valid responses for SSPDS and TWDS respectively); (ii) district opinion surveys (with about 3 000 interviews conducted under both studies); (iii) stakeholder engagement workshops (with District Council (“DC”), Legislative Council (“LegCo”) members, local non-governmental organisations (“NGOs”), representatives from professional institutes, etc.); and (iv) DC consultations.

13. The Planning and Urban Design Frameworks (“PUDFs”) were prepared with due consideration to the views collected from various stakeholder consultations. Based on PUDFs, three MRP scenarios, namely scenarios “+”, “0” and “-”, each illustrating different development intensity to cater for different development scenarios in achieving various planning objectives, will be prepared. Currently, MRPs of “+” scenario for both studies are being prepared along with the associated technical assessments. These MRPs are targeted for submission to the Government by the end of 2025.

14. The new planning tools proposed in YMDS are further reviewed and explored under the studies with a view to encouraging private sector participation in urban renewal while achieving planning gain through urban restructuring and regeneration. Various mechanisms to increase development potential and incentives, such as relaxation of building height control, introduction of interchangeability between domestic and non-domestic plot ratios and development bonus, are being studied under SSPDS and TWDS, all with the objective to augment public gain and promote flexibility for future redevelopments. Under-utilised government sites will also be identified as a solution space to facilitate restructuring and renewal of the old urban areas.

Victoria Cove Area Study

15. Based on the recommendations of Kowloon City District Urban Renewal Forum in 2014, URA commenced in March 2025 a new study for the Kowloon City and Kai Tak Development Area and their adjacent waterfront and cove abutting the Victoria Harbour, collectively referred to as the Victoria Cove Area (“VCA”). The study aims to enhance the vibrancy of VCA through better integration of the old and new development areas, encompassing the cove, waterfront and inland regions. This will be achieved by leveraging the planning gains from URA’s projects and requires the participation of relevant stakeholders and the broader community. Vision plan and proposals are being developed, with the goal of producing an early-stage report in the second half of 2025.

Building Rehabilitation Strategy (“BRS”)

16. The study on BRS in 2020 identified the lack of (i) professional knowledge in procurement of consultants/contractors, (ii) financial reserves and (iii) organisational capabilities as three major obstacles for owners to organise building repair and maintenance works. Since then, URA has collaborated with professional institutes and practitioners to implement a multi-pronged approach to tackle these deficiencies. URA has launched and continued with over 15

initiatives² for promoting and providing technical support to building owners for carrying out building rehabilitation. The more recent projects are described in detail below.

Launch of the Preventive Maintenance Subsidy Scheme (“PMSS”)

17. In April 2024, URA launched PMSS to motivate owners of residential and composite properties to carry out preventive maintenance for their buildings. This URA-funded scheme provides owners with subsidies to cover the costs associated with the preparation of the building’s maintenance manual. As at 31 August 2025, URA has received 12 valid applications and Approvals-in-Principle (“AIPs”) have been granted by phases to eligible applicants (see details in paragraph 79 below).

Publication of the Guidelines and Templates for preparing Maintenance Manual for Residential and Composite Buildings (“GTMM”)

18. To address the lack of available support or templates in the market for preparing maintenance manual for buildings, URA took the initiative to produce the first GTMM. After consulting over a hundred stakeholders, GTMM was published and uploaded to the Building Rehabilitation Platform in January 2025. GTMM works in complement with PMSS to promulgate the preventive maintenance culture in Hong Kong by providing standardised guidelines and templates for planning ahead the maintenance and repair works for a building, and for calculating the necessary funding needed. A private estate in the Southern District became the first to adopt URA’s GTMM to engage a consultant for preparation of its own preventive maintenance programme. URA will share the experiences gained in the procurement and implementation of the maintenance manual with building professionals and owners in the future.

² These initiatives include Common Area Repair Works Subsidy Scheme, Preventive Maintenance Subsidy Scheme, Building Rehabilitation Platform, Building Rehabilitation Guidebook, Guidelines and Templates for preparing Maintenance Manual for Residential and Composite Buildings, Sample Tender and Contract Document for engaging of various services providers for building rehabilitation, Smart Tender, E-Tendering Platform, Cost Reference Centre, Building Rehabilitation Company Registration System, Exhibition Centres, Integrated Building Maintenance Assistance Schemes Hotline, NGO Promotion Services, Free Legal Advisory Services for 3-nil buildings, and piloting Joint Property Management.

Kowloon City District-based Building Rehabilitation Pilot Scheme (“Pilot Scheme”)

19. A pilot area in Kowloon City without imminent need for redevelopment has been mapped out as the testing ground for various building rehabilitation initiatives from 2022-23 to 2025-26. Extensive promotion initiatives, including mass briefings, workshops, tea gatherings and street booths, have been rolled out since 2022 under the Pilot Scheme. Major progress is summarised below:

- (a) Special Subsidy for District-based Building Rehabilitation – The scheme provides subsidies to buildings for carrying out façade face-lifting and waterproofing improvements in the Pilot Scheme area. Six buildings joined and have engaged their project consultants for designing and tender preparation works.
- (b) Structural Repair within Owners’ Units – In collaboration with voluntary partners, including the Hong Kong Small and Medium Enterprises Association, free structural repairs to flats are provided to eligible flat owners in the buildings joining the Special Subsidy scheme. Out of over 100 units in these buildings, 22 applications were received and structural defects were identified in 20 of them. Nine units subsequently withdrew their applications mainly due to disruptions that would be caused by the repair works. Repair works for the remaining 11 units by URA’s voluntary partners were completed in April 2025.
- (c) Buildings and Streetscapes Beautification – As at August 2025, six Owners Corporations (“OCs”) have agreed to create murals on their building walls based on a common theme of local Chiu-Thai character. The mural painting of the first building will be carried out as part of the building rehabilitation project mentioned in (a) with target completion by the first half of 2026. The costs of the mural paintings will be subsidised by URA.

URA also commenced works for streetscape revitalisation in public streets within the Pilot Scheme area in September 2025. Improvements include re-paving of pavement and carriageway, and beautification of street furniture and shop fronts.

- (d) Joint Property Management (“JPM”) – URA collaborated with the Hong Kong Institute of Housing to implement JPM in selected buildings within the Pilot Scheme. Out of 32 buildings lacking property management service, four participated in JPM following URA’s engagement. Eventually, only two of these buildings entered into contracts with a property management company. A report sharing the overall experience and summarising feedbacks from building owners and property management companies was issued to the Government and professional institutes in March 2025, with a view to facilitating the implementation of the Government’s JPM pilot scheme in other districts.

20. The experiences gained from the implementation of the Pilot Scheme, which serve as a model for holistic urban renewal, encompassing rehabilitation, revitalisation, and the preservation of local cultures, will assist URA in developing targeted strategies for renewing local districts in future.

Initiatives under the Forward-Looking Approach

Organisation-wide Technological Transformation

21. URA has consistently emphasised the use of innovative technologies to enhance operational and project management efficiency in urban renewal. This includes evaluating urban renewal demands through analytics and developing viable corresponding strategies.

Urban Renewal Information System (“URIS”)

22. The potential of URA’s self-developed URIS is continuously being optimised. A suite of applications have been developed to enhance internal processing and analysis of spatial data while improving the efficiency of planning, rehousing, financial assessments and technical studies for our operation. It enables data-driven planning and formulation of urban renewal initiatives embracing the “5Rs”³ business areas. The three-dimensional intelligent map (“3D iMap”) technology in URIS has been adopted in freezing surveys and social impact assessments of redevelopment projects commenced

³ “5Rs” stand for Redevelopment, Rehabilitation, pReservation, Revitalisation and Retrofitting.

in recent years to improve the quality of assessment for prioritisation of our works.

23. In 2024-25, an extension of 3D iMap was completed for five URA's retained commercial properties to enhance governance on tenancy and asset management and to assist the formulation of leasing strategies. To address the issue of ageing buildings, URA has made use of big data analytics to conduct in-depth analysis of building conditions and identified buildings with imminent repair and maintenance needs for strategic building rehabilitation promotion in order to mitigate building degeneration.

Smart and Safe Building & Construction Process

24. To support the Government's roadmap for Building Information Modeling ("BIM") adoption, URA has mandated the use of BIM and the Electronic Submission Hub for the preparation and submission of building plans in a number of ongoing and upcoming redevelopment projects.

25. Apart from the transitional housing project Yan Oi House in Hung Shui Kiu, Modular Integrated Construction ("MiC") method was employed for Project SSP-015 (ECHO HOUSE). The construction work of SSP-015 was completed in June 2024. With the successful experience in these two projects, URA is exploring the use of MiC method in other larger-scale projects.

26. URA continued to explore the development of its Digital Construction Management Platform ("DCMP") composed of various modules to enable systematic consolidation of data collected from multiple construction sites to facilitate effective project management. DCMP enables data extraction and comparisons on simple dashboards to allow URA's project managers to monitor the performance and progress of ongoing constructions more efficiently. Additional modules could be developed over time to collect data for integration into the all-in-one DCMP.

27. Safety has consistently been a top priority in URA's projects. In 2024-25, URA bolstered its standard site safety specifications by conducting semi-annual reviews to ensure mandatory adoption across its construction sites. Significant enhancements were instituted as a result of these reviews, such as mandating contractors to implement a Smart Site Safety System and providing bonus safety payments to contractors for maintaining zero accidents.

Exploration of Artificial Intelligence (“AI”)

28. URA has been actively exploring the application of AI to improve efficiency and streamline work processes. In 2024-25, URA launched a case management system for all building rehabilitation subsidy schemes to expedite subsidy release and automated a number of acquisition and compensation processes. AI-based generative design tools were being developed to enhance in-house efficiency and effectiveness in feasibility design and option analysis, hence resulting in savings of consultancy costs. The new design tools cover the auto-generation of feasibility design options, design/street scene images and other applications by adopting AI and Large Language Model. AI training sessions were organised throughout the year to cultivate employee skills, foster an innovative mindset, and nurture the culture. URA will continue to research and pilot AI applications to automate operation processes and formulate effective solutions for urban renewal.

Environment, Social and Governance (“ESG”)

29. Sustainability and ESG are embedded in the daily operations of URA’s “5Rs” business areas. URA’s redevelopment projects continued to receive exceptionally high green building ratings. As at August 2025, a total of 14 URA redevelopment or retrofitting projects received the final Hong Kong BEAM Platinum ratings; six projects received the final BEAM Plus Platinum ratings and 21 projects received the final BEAM Plus Gold ratings.

30. In June 2024, the Sustainability Committee was established under the auspices of URA Board to enhance internal governance towards sustainable practices and demonstrate URA’s commitment to integrate ESG considerations in its operations. Following the establishment, URA’s first annual Sustainability Report for 2023-24 prepared with reference to the Global Reporting Initiatives Standards was published in December 2024.

31. In response to the Government’s target to achieve carbon neutrality by 2050, URA commenced a two-year study in 2023 to formulate the corporate roadmap for carbon reduction and neutrality strategies. A comprehensive review of URA’s carbon footprint will be completed in 2025. A carbon reduction roadmap along with reduction strategies are being developed to set specific goals, strategies and timelines for URA to achieve carbon neutrality.

URA's Core Businesses – Redevelopment and Rehabilitation

32. As stipulated in URS 2011, redevelopment and rehabilitation are the two core businesses of URA. On top of that, URA strives to support the Government's policies and allocates resources to implement various initiatives in relation to urban renewal.

Redevelopment

33. Since 2001 and up to August 2025, URA has commenced and implemented 69 redevelopment projects⁴, which will all together contribute approximately 35 200 new flats, about 457 000 m² of commercial space, about 180 000m² of Government, Institution or Community ("G/IC") facilities and about 71 000m² of Public Open Space. As at August 2025, 27 of these projects have been completed⁵.

Dynamic Project Management Approach ("the dynamic approach")

34. URA's projects have been subjected to the "buy-high-sell-low" situation due to the persistent property market downturn since late 2021, rendering redevelopment projects involving a large number of property interests to be financially unviable. Amidst the substantial surplus of private housing stock and financial constraints, developers' interest in bidding land has waned. This was evidenced by having no successful JV development tender award in 2024-25 which has significantly affected URA's cash inflow.

35. To mitigate the financial risks in a declining property market, URA has adopted a dynamic approach to ensure that the acquisition of properties for ongoing projects would commence only when the necessary funding through revenues from URA's joint venture ("JV") development tenders and other incomes were secured. With the Government's granting of two sites to URA in May 2025 to enhance its financial capability (see details in paragraph 55 below), URA will expedite the acquisition of all commenced projects. Additionally,

⁴ URA had also undertaken six other redevelopment projects in association with the Hong Kong Housing Society.

⁵ The completed projects do not include the completed Site B of Project H18 at Peel Street/Graham Street (My Central) and the completed Development Area ("DA") 1 (Park Metropolitan) and DAs 2 & 3 (Grand Central) of Project K7 Kwun Tong Town Centre, as they are part of a large-scale project yet to be fully completed.

URA will refine the development potential and planning gains of its projects, initiate enabling works and Development Facilitation Services (“DFS”) to improve the projects’ tender attractiveness, and conduct property sales as appropriate. Furthermore, URA will only commence new redevelopment projects if the anticipated funding is secured and sufficient to cover their estimated acquisition costs in order to maintain URA's financial stability.

36. Key project milestones achieved by URA from April 2024 to August 2025 are summarised as follows:

- (a) commenced KC-020 at Ma Tau Wai Road/Lok Shan Road and obtained the authorisation from Secretary for Development (“SDEV”) for the project;
- (b) obtained planning approvals for YTM-013 at Sai Yee Street/Flower Market Road and the zoning amendment of DAs 4 & 5 at K7 Kwun Tong Town Centre;
- (c) issued acquisition offers for two projects, namely KC-017 at Nga Tsin Wai Road/Carpenter Road and CBS-2:KC at Kau Pui Lung Road/Chi Kiang Street;
- (d) achieved clearance for two project sites, namely YTM-012 at Shantung Street/Thistle Street and KC-016 at To Kwa Wan Road/Wing Kwong Street;
- (e) invited JV tenders for two projects, namely KC-015 at Kai Tak Road/Sa Po Road and YTM-012 at Shantung Street/Thistle Street. For YTM-012, DFS was introduced to clarify concerns and gather feedback from interested developers prior to tender invitation;
- (f) awarded the JV tender of YTM-012 at Shantung Street/Thistle Street in May 2025;
- (g) obtained the revised land grant approvals for two projects, namely DAs 4 & 5 at K7 Kwun Tong Town Centre and KC-015 at Kai Tak Road/Sa Po Road; and
- (h) obtained certificates of compliance for two projects, namely H18 Site A (ONE CENTRAL PLACE) and SSP-015 (ECHO HOUSE).

37. The progress of ongoing key projects at different stages is highlighted below:

KC-020 (Ma Tau Wai Road/Lok Shan Road)

38. KC-020 commenced in August 2024 under Section 26 of URAO. It is located adjacent to another URA redevelopment project, CBS-2:KC at Kau Pui Lung Road/Chi Kiang Street, which was commenced in 2020. Combined planning and development were proposed for KC-020 and CBS-2:KC to create synergy with a view to improving the connectivity and accessibility of the area, as well as enhancing the overall built environment and cityscape. The planning and development proposal of KC-020 was authorised by SDEV in August 2025.

YTM-013 (Sai Yee Street/Flower Market Road)

39. YTM-013 commenced in March 2024 under Section 25 of URAO as the first phase of implementation of the Nullah Node in YMDS. The project comprises two main sites: Site A includes a cluster of private lots in the Flower Market vicinity while Site B is a government site. Site A comprises a cluster of linked sites which will optimise land use to achieve the effect of TPR. The “Single Site, Multiple Use” (“SSMU”) model will be adopted in Site B to provide a Waterway Park and a multi-purpose complex with a mix of residential, commercial and G/IC uses, including the permanent Yau Tsim Mong District Health Centre (“DHC”)⁶. In April 2025, CE in C approved the draft DSP. URA will commence the acquisition when sufficient funding is secured under the dynamic approach. An integrated approach will be applied in YTM-013 to allow the affected flower shops to continue to operate in the area during construction, along with community making initiatives to enhance the ambience and street vitality of Flower Market while facilitating its future development.

40. URA is also constructing an 11-a-side football pitch in Kai Tak as the interim re-provision of the existing pitch before the construction of the permanent pitch in Site B is completed. The interim football pitch is targeted for completion in 2027.

⁶ A temporary DHC is located at Ex-Mong Kok Market Building (see details in paragraph 91).

KC-018 (Ming Lun Street/Ma Tau Kok Road) and KC-019 (To Kwa Wan Road/Ma Tau Kok Road)

41. The two projects were commenced in October 2022 under a holistic plan to restructure and replan the land uses of the area to improve the living environment and connectivity to the waterfront. KC-018 involves the redevelopment of old and dilapidated buildings covering 101 street numbers in the “Five Streets” area, while the adjoining KC-019 covers two industrial buildings. To support the Government’s vision of enhancing the Kowloon East harbourfront, the redevelopment will create a 20-metre-wide waterfront promenade at the eastern boundary to link with the adjoining waterfront of a new housing estate under the Hong Kong Housing Society, the adjoining planned waterfront promenade and the Kai Tak Sports Park. In addition, a two-storey retail belt along the waterfront promenade and an at-grade waterfront plaza will be created to enhance vibrancy and walkability between the old Kowloon City district and the waterfront area.

42. The draft DSPs for both projects were approved by CE-in-C in May 2024. With the Government’s resource support by granting two sites to URA in May 2025 to strengthen URA's financial capacity (see details in paragraph 55 below), acquisition offers of KC-018 and KC-019 were issued in September 2025.

KC-017 (Nga Tsin Wai Road/Carpenter Road)

43. KC-017 commenced in May 2022 under Section 25 of URAO with the objectives of redeveloping an aged urban district through holistic re-planning and re-structuring. The project includes a main site, a northern site and an eastern site. Under SSMU model, the northern site situated at the Carpenter Road Park (“CRP”) has been replanned to accommodate a new Joint-user Government Complex (“JUC”) to house new community facilities as well as reprovisioning existing ones currently located in the Kowloon City Municipal Services Building and the adjoining government buildings at the main site.

44. As the Government’s works agent for the new JUC, URA continued to take lead in its design and implementation, and has been coordinating with relevant government bureaux/departments (“B/D”) to secure design and funding approvals for construction. In addition, URA has been conducting revitalisation works at CRP in phases since September 2024 to modernise the

existing park facilities while enabling the re-provision of the affected amenity facilities of the Leisure and Cultural Services Department.

SSP-017 (Kim Shin Lane/Fuk Wa Street) and SSP-018 (Cheung Wah Street/Cheung Sha Wan Road)

45. Commenced in 2021, the two projects aim to increase public open space and provide public facilities, and redevelop existing dilapidated buildings into modern residential developments with podium commercial/retail spaces. The projects also involve replanning and restructuring under-utilised and sub-standard Government facilities and lands to release development potential.

46. SSP-017 comprises 101 building blocks that are over 50 years old. The congested living environment, with many sub-divided units, demands imminent redevelopment. Over 96% of the property interests were acquired before the reversion of land to the Government in February 2025. Site clearance is expected to complete in mid-2026.

47. SSP-018 is composed of two sites. Site A mainly involves Government land occupied by the existing Cheung Sha Wan Sports Centre and a private lot granted to CLP Power for an electricity substation, which will be optimised for residential use to increase the housing supply. Site B comprises wholly Government land, which will be replanned to provide a new JUC with increased community facilities under SSMU concept. The LegCo Panel on Development supported the JUC proposal at its meeting in May 2025 and funding approval from the Finance Committee was obtained in September 2025. The award of tender for the Design and Build Contractor for the JUC is expected in October 2025, with the completion of works for Site B anticipated in 2030.

Civil Servants' Co-operative Building Society ("CBS") Projects

48. Two pilot projects to redevelop CBS buildings, namely CBS-1:KC at Shing Tak Street/Ma Tau Chung Road and CBS-2:KC at Kau Pui Lung Road/Chi Kiang Street, were commenced in May 2020 under Sections 26 and 25 of URAO respectively. Demolition works at CBS-1:KC was completed and the JV developer took over the site in April 2024 for works implementation.

49. For CBS-2:KC, CE-in-C approved in February 2024 the draft revised DSP of the project. With the support of the Development Bureau ("DEVB"), the Housing Bureau had no objection to URA's conversion of the 950 units originally proposed as Starter Homes ("SH") units in the revised DSP into

private residential units to improve URA's cash flow position, noting that there are other SH projects in the pipeline that would be sufficient to meet the prevailing demand. There were a total of nine undissolved CBSs at the time of project commencement in 2020. URA offered free legal and administrative support to facilitate the dissolution and all CBSs were dissolved in September 2024. Acquisition offers were issued in February 2025 with over 98% acceptance rate so far.

50. The project will be integrated with KC-020 at Ma Tau Wai Road/Lok Shan Road to create synergy in the overall planning for the area (see details in paragraph 38 above). URA has been exploring the possibility to divide the combined site into separate land grants for tendering in order to enhance attractiveness of JV tender. Liaison with relevant government departments have been ongoing to resolve some technical issues including potential impact on traffic and utilities.

DAs 4 & 5 at K7 (Kwun Tong Town Centre)

51. In order to take forward the project after the unsuccessful tender of DAs 4 & 5 in 2023, a mixed-use development mode modelling the planning concept of a "Vertical City" was introduced. The concept entails integration of multiple land uses into a vertical development to optimise land use at a strategic location, aiming to strengthen the role of K7 as the future Kwun Tong Town Centre and to elevate its significance from district to city level. The proposed development also allows tenderers with the flexibility to adjust the development mix among residential and commercial uses to cope with changing market circumstances. The amendments to the zoning of DAs 4 & 5 were approved by CE-in-C in September 2024. The revised land grant to effect the above amendments was approved in July 2024.

52. To ensure a comprehensive understanding of the project scope and planning flexibility before tendering, URA conducted a series of roadshows from April to December 2024 for over 30 local and overseas potential investors/developers across three countries to generate market interest and gather feedback. In view of the unfavourable market conditions throughout 2024-25 and Q1 2025-26, URA continued to carry out a number of initiatives to enhance attractiveness of future JV tender of DAs 4 & 5, such as by working with DEVB to increase the site's design flexibility and liaison with the Development Projects Facilitation Office to facilitate the processing of critical issues with other government departments. In parallel, URA has been conducting certain essential underground utilities diversion works and

preparing submissions to the Station and Transport Integration Committee and the Safety and Security Coordinating Committee for the MTR Deck to facilitate project commencement by the future developer. Moreover, URA planned to launch DFS within 2025, aiming to sustain market interest while enhancing project transparency and addressing potential developers' concerns.

53. As at August 2025, URA has signed Memoranda of Understanding with three local universities, namely The Hong Kong University of Science and Technology, the City University of Hong Kong and the Hong Kong Baptist University, formally establishing a co-operative intent and framework for the universities to expand their off-campus education and research space in the non-domestic portion of DAs 4 & 5 upon project completion. The co-operations underscore the competitive advantages of the “Vertical City” development, which promises the integration of diverse functions in the project. Potential collaboration with other universities and institutions will continue to enhance the attractiveness of the project.

K1 (Nga Tsin Wai Village)

54. K1 is being implemented as a redevelopment-cum-preservation project to preserve the relics found in the Nga Tsin Wai village. A conservation park will be provided at the centre of the site to showcase the preserved archaeological elements. Archaeological rescue excavation works have been ongoing since October 2023 with target completion in September 2025.

Government / Policy Address Initiatives

Granting of Two Sites for Urban Renewal Purpose

55. In May 2025, CE-in-C approved granting two sites, one in Bailey Street, Hung Hom and the other in Tseung Kwan O Area 137 (“TKO Site”), to URA by private treaty at nominal land premium in order to provide additional financial support to URA to enhance its cashflow, so that URA can continue to take forward its commenced redevelopment projects in an orderly manner, subject to the following conditions: (i) URA should make good use of the two sites as its assets to enhance its financing and borrowing capacity to maintain the momentum of urban redevelopment in a financially prudent manner in the next few years, including making acquisition offers to the six commenced redevelopment projects between now and 2027-28; (ii) URA should work with the Government to review and refine its operating and financing model that can enable it to undertake urban redevelopment in a financially sustainable manner irrespective of market ups and downs; and (iii) URA should advise how to step

up building rehabilitation to extend the service life of aged buildings and reduce the immediate need for redevelopment.

56. Since then, URA has been taking proactive steps to explore possible development options for the two sites while working with the Government to review and refine URA's financing and operating model as mentioned in (ii) above. Key progress so far is highlighted below:

- (a) Bailey Street – URA has been working with PlanD for the rezoning of the site from G/IC to Residential (A) use and the draft OZP was gazetted in September 2025. Implementation of the site will create synergy with the existing Hoi Sum Park to activate the waterfront, as well as connecting the waterfront in To Kwa Wan with further inland regions to enhance local vibrancy. Land grant processing is in progress.
- (b) TKO Site – In view of the large size of the site (about nine hectares), URA intends to carry out phased development. Meanwhile, URA is exploring the possibility of using part of this land resource to provide flat-for-flat units to the affected owners in URA's redevelopment projects.
- (c) Policy Review – The Government and URA have been working together to review and refine URA's operating and financing model to enhance its ability to undertake urban renewal across varying market conditions. Key areas of the review include, among others, acquisition and compensation policies, the redevelopment approach, and building rehabilitation strategies. Detailed recommendations will be formulated within 2026 for consultation.

Support Service Centre for Minority Owners under Compulsory Sale ("SMOCS")

57. In a bid to speed up redevelopment of old and dilapidated buildings by private sectors, the Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance 2024 ("the Amendment Ordinance") to update and streamline the statutory compulsory sale regime came into effect in December 2024. As one of the administrative measures to enhance support to minority owners affected by compulsory sale, SMOCS, a wholly owned subsidiary of URA, was set up as the executive arm of the Dedicated Office of Support Services for Minority Owners under Compulsory Sale ("DOSS") under DEVB

to deliver enhanced one-stop support services to minority owners affected by compulsory sale applications.

58. Officially opened in August 2024 and reports directly to DOSS, SMOCS assists affected minority owners through subsidised mediation, provision of independent third-party property valuation reports at a concessionary cost to facilitate settlement via mediation, as well as referrals to professional services to handle compulsory sale litigation, counselling services and relocation assistance. Since its establishment, SMOCS has been reaching out to the minority owners through visits and free briefing sessions. SMOCS also provides educational programme on compulsory sale for the public. As at August 2025, five district-based and territory-wide educational talks, two pro bono legal service sessions and two mediator workshops were organised.

Provision of Starter Homes (“SH”) units

59. The 2019 and 2020 Policy Addresses entrusted URA to provide more SH units in its redevelopment projects in light of the successful experience of eResidence Towers 1 and 2. In response, URA designated a project at Chun Tin Street/Sung Chi Street as eResidence Tower 3, which is adjacent to Towers 1 and 2, as the next SH project. Of the 260 SH units of Tower 3, 173 (67%) units were sold at discounted prices to eligible first-time home buyers as at March 2024. URA will liaise with the Government on the sales arrangements for the remaining SH units.

60. Another about 2 000 SH units will be provided by URA in the redevelopment of Tai Hang Sai Estate (“THSE”) in collaboration with the Hong Kong Settlers Housing Corporation Limited (“HKSHCL”) (see details in paragraphs 61 to 62 below).

Joint Redevelopment of THSE with the HKSHCL

61. Following the announcement in the 2020 Policy Address, the Government approved in 2021 the joint redevelopment proposal of HKSHCL and URA on the condition that HKSHCL, in coordination with URA, would provide proper rehousing arrangements for the existing tenants. The redevelopment of THSE is being implemented in two portions, namely Sites 1 and 2, which will provide respectively rehousing units for the existing residents and SH units to be disposed of by URA.

62. URA and HKSHCL signed a “Project Implementation Agreement” in 2023. HKSHCL issued rehousing and compensation offers to existing THSE tenants in mid-2023 and over 99% tenants have moved out as at August 2025. One out of the eight buildings had been cleared and URA completed the demolition in June 2025. Site clearance originally anticipated in mid-2025 will be delayed due to the legal proceedings and judicial review in progress. In the meantime, URA continued to take forward the preparation of the project. For Site 2, the first General Building Plan was approved in August 2024 while the Provisional Basic Terms Offer was accepted by URA in May 2025. The project will take approximately five years to complete after demolition of all buildings.

“Single Site, Multiple Use” (“SSMU”) Facilitation Scheme

63. Following the Government’s invitation in the 2019 Policy Address, URA introduced SSMU Facilitation Scheme in 2021 to provide consultancy and facilitation services to NGOs to optimise the potential of their sites through redevelopment initiatives and at the same time modernise the NGO’s facilities under the SSMU model. As at 31 March 2025, five applications have been received. Four of them did not progress further, either due to inability to meet the eligibility criteria or the redevelopment proposals at the NGO sites were not financially viable. The remaining application concerning an NGO site in Yau Ma Tei was received in 2023 and is being processed. Preliminary development scheme options were explored and consultation with key government B/D is underway.

Facilitating Services Scheme

64. URS 2011 states that URA may provide assistance to owners as a consultant to help them assemble titles for commencing owner-initiated redevelopment. To this end, the Urban Redevelopment Facilitating Services Company Limited (“URFSL”), a wholly-owned subsidiary of URA, was set up to provide the consultation services to interested owners under the Facilitating Services Scheme (“the Scheme”).

65. The Joint Sale (“JS”) Service under the Scheme facilitates owners in the collective sale of their buildings to private developers for redevelopment. In 2024-25, the application threshold has been updated to align with the Amendment Ordinance. To enable owners to reassess and reconsider their base price after an initial unsuccessful auction or tender sale, JS service has been expanded to permit a second tender or auction attempt, subject to specific conditions. From April 2024 to August 2025, four qualified JS applications were received with two JS applications being processed by URFSL.

66. URFSL also provides assistance, through an estate agent consultant, to shop operators affected by URA's redevelopment projects to identify suitable premises such that they can relocate and continue operation in the same district as far as practical. From April 2024 to August 2025, 185 premises have been identified through the estate agent for affected shop operators' consideration.

67. Apart from the above, URFSL's services also cover assistance for CBS dissolution (see details in paragraph 49 above) and SSMU Facilitation Scheme (see details in paragraph 63 above).

Flat for Flat ("FFF") Arrangement

68. Since its introduction in 2011, FFF arrangement has been offered to affected owners in 32 redevelopment projects⁷. Apart from the acquisition package according to URA's acquisition policy, domestic owner-occupiers affected by these projects were offered the option to purchase in-situ FFF units in the respective redevelopment sites, FFF units in selected nearby URA development projects, or FFF units in the completed URA's self-developed Kai Tak Development. As at 31 August 2025, a total of 67 owners have taken up the FFF offers, comprising 59 units in the Kai Tak Development and eight in-situ units.

Rehabilitation

69. URA continued its rehabilitation efforts in three major areas, including managing government-funded subsidies, funding and managing its own subsidies and strategically promoting rehabilitation initiatives. Progress achieved in 2024-25 and up to 31 August 2025 are set out below.

Management of Government-funded Subsidies

70. URA continued to administer the following five government-funded subsidy schemes, with a total government funding of \$19 billion, to support building owners in conducting maintenance and repairs of buildings. URA bears the costs and resources associated with the promotion and management of these schemes.

⁷ Nine of the projects were under the Demand-led Pilot Scheme.

Operation Building Bright (“OBB”) 2.0

71. OBB 2.0 was launched in 2018 and allocated with \$6 billion in funding to subsidise eligible owner-occupiers of domestic flats to carry out inspections and repairs to the common parts of their buildings, with a target to benefit around 5 000 buildings. Three rounds of application were launched in 2018, 2020 and 2023 respectively. As at 31 August 2025, AIPs were issued to around 2 000 buildings under Category 1⁸, of which 1 670 have engaged consultants to carry out inspection, 600 have commenced repair works, and 230 have completed the repair works. Since May 2024, URA has introduced various improvement measures to expedite the inspection and repair works for the OBB 2.0 applicants. These measures include providing pre-qualified lists of consultants and contractors for building owners to invite tenders, inviting consultancy tenders on behalf of building owners in cases of default, providing guidelines for tender assessments and setting up progress milestones according to the size of the applicant building. In addition, URA has been robustly enforcing the milestones to revoke the AIPs for applicants who fail to show progress in inspections or maintenance, despite repeated reminders.

72. On the other hand, as at 31 August 2025, about 2 200 buildings have been selected by the Buildings Department (“BD”) under Category 2, and repair works for 790 of them have been completed.

Fire Safety Improvement Works Subsidy Scheme (“FSWS”)

73. The Government, in partnership with URA, implemented a \$2 billion FSWS in 2018, providing subsidies to owners of eligible composite buildings for carrying out fire safety improvements works in their buildings as required by the Fire Safety (Buildings) Ordinance (Cap. 572) (“FS(B)O”)⁹. Subsequently,

⁸ Category 1 buildings concern applicants who are willing to carry out the MBIS-related works by themselves. Category 2 buildings are applications with outstanding statutory orders and works to be carried out by government contractors. The BD selects Category 2 buildings on risk basis and exercises its statutory power to carry out the requisite inspection and repair works required in default of the owners.

⁹ FS(B)O came into operation on 1 July 2007. It stipulates that composite and domestic buildings constructed on or before 1 March 1987, or with the plans of the building works first submitted to BD for approval on or before that day (“target buildings”) must be enhanced to meet modern fire protection requirements. Under FS(B)O, the Fire Services Department and the BD issue Fire Safety Directions to owners and/or occupiers with regard to fire safety measures of buildings under their respective purview and specify the required fire safety improvement works.

the Government increased the funding for FSWS to a total of \$5.5 billion. The whole FSWS is estimated to benefit around 6 000 to 6 500 buildings. Three rounds of application were launched in 2018, 2020 and 2023 respectively. As at 31 August 2025, AIPs were issued to around 3 500 buildings while fire safety improvement works for around 150 buildings have been completed.

Lift Modernisation Subsidy Scheme (“LIMSS”)

74. LIMSS began in March 2019 and was allocated with \$4.5 billion funding to subsidise eligible building owners to modernise their aged lifts by addition of safety devices up to the latest standard or replacement of their aged lifts. Originally, it was targeted to benefit around 8 000 lifts. About 2 000 applications involving 8 200 lifts were received in two rounds of application. Since the vast majority of applicants choose to replace their lifts instead of retrofitting them, and the proportion of elderly owner-occupiers eligible for a larger subsidy were much higher than initially expected when the scheme was established, the allocated funding, including the surplus generated from interests as at July 2025, was only sufficient to cover around 6 066 lifts of which AIPs issuance has been mostly completed. Works for around 2 000 lifts have been completed so far and progress of most applications are on track.

Building Maintenance Grant Scheme for Needy Owners (“BMGSNO”)

75. BMGSNO began in July 2020 and was allocated with \$2 billion in funding to assist about 25 000 needy owner-occupiers of domestic flats to carry out repair and maintenance works for their flats or common areas. As at 31 August 2025, around 34 900 applications were received and AIPs were issued to around 20 100 applications¹⁰.

Building Drainage System Repair Subsidy Scheme (“DRS”)

76. DRS began in May 2021 and was allocated with \$1 billion in funding to assist owners of domestic flats in carrying out investigation, repair, rectification and upgrading works of common drains in eligible aged domestic buildings, targeting to benefit owners of around 3 000 buildings. Application

¹⁰ Slightly over half of the applications not granted with an AIP were not eligible or repeated applications, or were withdrawn by the applicants subsequently; the remaining applications were pending the submission of further information from the applicants.

was closed in June 2024 with 2 300 valid Category 1¹¹ applications received. As at 31 August 2025, AIPs were issued to over 1 800 buildings, among which around 1 600 applications have commenced investigation works and around 100 buildings had completed their works. On the other hand, investigation or repair works by BD have commenced for around 1 500 Category 2 buildings. URA has ceased accepting DRS applications since 1 June 2024.

URA-Funded Subsidy Schemes

Common Area Repair Works Subsidy Scheme (“CAS”)

77. CAS is funded by URA and was launched in 2011 to enable eligible building owners to carry out comprehensive maintenance works in the common areas of the buildings and covers aspects not typically covered by government schemes, such as sustainable features or finishing works. CAS also provides limited subsidies to non-occupier owners of buildings receiving government subsidies for rehabilitation works¹². As at 31 August 2025, around 2 800 AIPs were issued to the valid applications, benefitting around 4 100 buildings.

Mandatory Building Inspection Subsidy Scheme (“MBISS”)

78. Under MBISS, URA assists building owners in arranging first inspections of the common areas of their buildings which are subject to statutory notices issued by BD under the Mandatory Building Inspection Scheme (“MBIS”). Since owners issued with MBIS notices could also apply for the third round of OBB 2.0, the URA Board approved to cease accepting MBISS applications starting from April 2024 to avoid duplication of efforts. As at 31 August 2025, AIPs were issued to around 2 500 buildings and around 900 buildings have completed the prescribed inspections under MBISS.

¹¹ The concept of Category 1 and Category 2 buildings under DRS essentially mirrors that of OBB 2.0.

¹² Only owner-occupiers of buildings that receive government subsidies for rehabilitation works are eligible to benefit from such financial assistance. Conversely, non-occupier owners are required to cover the full costs of these rehabilitation endeavors themselves. To encourage broader consensus among building owners to commence rehabilitation works, the CAS also offers limited subsidies to non-occupier owners of buildings that qualify for government subsidies.

Preventive Maintenance Subsidy Scheme (“PMSS”)

79. PMSS was launched in April 2024 to encourage eligible building owners to carry out preventive maintenance. It incentivises eligible owners to prepare a building maintenance manual and establish a financial reserve for related expenses by providing financial assistance. As at 31 August 2025, 12 valid applications covering about 7 500 residential units were received. AIPs have been granted to all applications. Chi Fu Fa Yuen in Southern District became the first applicant with over 4 300 residential units to benefit from PMSS. A consultant for preparation of the preventive maintenance manual will be appointed in Q4 2025.

Support to Building Owners and Promotions of Rehabilitation

Smart Tender Building Rehabilitation Facilitating Services Scheme (“Smart Tender”) and E-Tendering Platform

80. Launched in 2016, Smart Tender encompasses a series of services to facilitate the procurement of consultants and contractors for building rehabilitation. It includes providing pre-tender estimates, the E-tendering platform that allows building owners to invite tenders and for potential tenderers to access tender information, centralised tender collection box, and third party witness and recordings of tender openings etc. The primary objective of Smart Tender is to combat collusion and corruption, issues traditionally linked with building rehabilitation projects. A nominal fee is charged for using the Smart Tender service. As at 31 August 2025, around 4 500 valid applications were received, and around 4 400 of them were approved and used the services.

81. OCs/Deed of Mutual Covenant managers who do not join Smart Tender can use the E-Tendering platform free of charge.

Enrichment of Building Rehabilitation Platform (“BRP”)

82. Launched in 2019, BRP (at <https://www.brplatform.org.hk>) is a comprehensive information hub designed to support building rehabilitation efforts. Since its inception, BRP has garnered over 2.3 million hits, serving as a testament to its usefulness and popularity. The platform provides building owners and stakeholders with a wide range of information and support services. These services include a cost reference centre that lists the unit rates for common work costs for building owners to reference, a guidebook detailing the rehabilitation process, over 70 sets of trilingual tutorial videos, and 18 sets of

sample tender and contract documents to facilitate the procurement of consultants and contractors. The guidebook is being revised to incorporate updated information along with enhanced readability, and the new version will be launched in 2026.

83. In pursuit of continuous improvement, an online survey was conducted with individual users, aiming to lay the groundwork for a comprehensive overhaul of the BRP website. An enhancement proposal incorporating feedbacks from about 6 000 survey responses was formulated in October 2024. BRP modification is expected to be completed in Q1 2026.

Building Rehabilitation Company Registration Scheme (“BRCRS”)

84. BRCRS has been progressively rolled out in phases since 2021. It encompasses databases of consultants and contractors who are interested in providing building rehabilitation works and have their management systems independently assessed by the Hong Kong Quality Assurance Agency. As at 31 August 2025, there are 57 registered consultants and 60 registered contractors under the five categories of BRCRS, namely Authorised Persons, Registered Inspectors, Registered General Building Contractors, Registered Minor Works Contractors (Class I) and Registered Fire Service Installation Contractors (Classes 1 or 2).

Building Rehabilitation Resources Centre (“BRRC”)

85. Opened in 2023, BRRC at eResidence in To Kwa Wan is the first centre providing one-stop building rehabilitation information and assistance services through multimedia displays and digital technology. In addition to supporting owners with subsidy scheme applications through video consultations, BRRC provides spaces for mediation of disputes related to building rehabilitation. As at 31 August 2025, BRRC has recorded approximately 32 000 visitors since its opening. To further improve efficiency and convenience for building owners, URA plans to merge its Urban Renewal Resource Centre in Tai Kok Tsui with BRRC, offering comprehensive services within a single facility.

Preservation-cum-Revitalisation and Retrofitting Projects

86. In 2024-25, URA continued to implement a number of projects by enhancing local characteristics and strengthening community networks, aiming to create vibrant urban environments and stimulate local economies for older

districts, thereby fostering community-led and sustainable urban renewal. District-based placemaking and community making programmes were introduced as an integrated strategy to create synergy and maximise impact in improving the built environment across areas including Central and Sheung Wan, Kowloon City and Mong Kok. Notable initiatives currently underway in this regard include:

District-based Placemaking Initiatives

- (a) Kowloon City District - i) improvement works for the open space (i.e. Tak Ku Ling Road Rest Garden) and streetscapes in the surrounding of KC-015 at Kai Tak Road/Sa Po Road; cum ii) the revitalisation works of the open space (i.e. CRP) near the proposed new JUC of KC-017 at Nga Tsin Wai Road/Carpenter Road;
- (b) Sham Shui Po District - revitalisation works of the open space near the proposed new JUC of SSP-018 at Cheung Wah Street/Cheung Sha Wan Road;
- (c) Yau Mong District - i) a cluster of “Nano-Parks”¹³ to be provided in the vicinity of YTM-010 and YTM-012 at Reclamation Street/Shantung Street/Thistle Street; and ii) integrated actions and community making near YTM-013 at Sai Yee Street/Flower Market Road in the Flower Market precinct;
- (d) Central & Western District - i) revitalisation and placemaking initiatives at Gage Street near H18 at Peel Street/Graham Street; ii) the completed revitalisation of Li Sing Street Playground near C&W-006 at Queen’s Road West/In Ku Lane; and iii) H19 at Staunton Street/Shing Wong Street, whose community making process and revitalisation works had gain wide recognition under various awards (see details in paragraphs 88 and 89 below).

¹³ The “Nano-Parks” concept aims to revitalise existing small-sized and scattered open spaces located in the dense and aged building fabrics, thereby creating a new network through a community co-created branding and placemaking to connect small parks within walkable distances to generate greater design impact and opportunities for the local community’s enjoyment.

“City Walk” – Touring Central with Locals Series (“the Series”)

87. In 2024-25, URA pioneered the Series as a new district-based placemaking initiative designed to enhance the connection between urban renewal and placemaking initiatives in the Central and Western District with the area's unique historical and local characteristics. From November 2024 to January 2025, more than 60 free tours were conducted for the Central area, with volunteer local docents providing first-hand verbal recollections of the area's evolution and past local life to over 600 participants. Riding on the success, the Series was extended to Wanchai in July 2025 to highlight the area's heritage, literature and gourmet experiences. So far, a total of 14 public tours were organised in Wanchai and recorded approximately 200 participants. In collaboration with the Kowloon City District Office, the Series was launched in Kowloon City in September 2025, with Phase 1 introducing a City Walk attractions map featuring the heritage, Thai-Chiuchow cultures and gourmets, to support the Government's latest policy in promoting the area as a tourist hotspot and to enhance socio-economic vibrancy of the local community.

Community Making at Staunton Street/Shing Wong Street Neighbourhood

88. The revitalisation works of URA's acquired buildings at the neighbourhood were completed in 2023 and the co-living operation of the 38 domestic units in the revitalised buildings under the name “Habyt Bridges” was commenced in 2024. The community making process will continue with the community visions converged from existing neighborhood, deepened with new community members involvement including both the operator and the residents. Concurrently, rehabilitation works and artists' murals for adjacent buildings to improve the environment for the neighborhood will continue to be promoted. The uplifted neighbourhood has gradually emerged as a tourist hotspot through URA's City Walk Series.

89. In 2024-25, H19 clinched a number of awards in recognition of its outstanding performance in heritage preservation and revitalisation, including the Hong Kong Institute of Architects – Annual Awards 2024 (Winner in the Heritage & Adaptive Re-use Category), the Quality Building Award 2024 (Grand Award in the Hong Kong Building (Renovation/Revitalisation) Category), the Hong Kong Institute of Urban Design – The Greater Bay Area Urban Design Awards 2024 (Grand Award in Urban Invention Category), the Royal Institution of Chartered Surveyors – Hong Kong Awards 2024 (Winner in the Refurbishment/Revitalisation Team of the Year Category) and the Hong

Kong Institute of Architectural Conservationists – Conservation Awards 2024 (Special Mention in Adaptive Reuse Category).

Central Market (Grade III Historic Building)

90. Since its official opening to the public in April 2022, Central Market has established itself as a new landmark, attracting a record number of visitors exceeding 57 million. In 2024-25, over 400 events and workshops were held. To acknowledge its contribution for historical building preservation/revitalisation, the project received the Merit award in the Pre-construction Category of the Hong Kong Institute of Surveyors Awards 2024.

Retrofitting of Ex-Mong Kok Market Building (“Ex-MKM”)

91. URA commenced in 2023 the retrofitting of Ex-MKM into an interim DHC to be managed by the Health Bureau (“HHB”). Following the completion of the works by URA, the site was handed over to HHB in June 2025 for final fitting out works. The interim DHC is expected to remain operational until the completion of the permanent DHC located in the JUC planned under YTM-013 at Sai Yee Street/Flower Market Road, following SSMU model (see details in paragraph 39 above).

Western Market (Declared Monument)

92. In 2021, the Government granted a five-year “hold-over” of the land lease for URA to undertake repair and renovation works of Western Market. Upon completing a comprehensive condition survey of the building and consulting the Antiquities and Monuments Office, the building will be vacated for major renovation and repair works to commence by end-2025.

Community Relations and Programmes

93. URA continued its steadfast efforts in serving the community in old districts and educating the general public and younger generations about urban renewal through a diverse range of community and education programmes. Major initiatives carried out in 2024-25 are highlighted below.

Serving the Community

94. During the year, volunteers from URA, local universities and NGOs continued to join hands under the “Community Service Partnership Scheme”

and served nearly 300 underprivileged residents in old urban districts. URA also strengthened its community engagement effort and collaborated with local NGOs and Care Teams in Kowloon City to initiate a series of activities to preserve the unique local culture and characteristics and foster inclusivity within the district. Thai volunteers were recruited to provide support for the Thai community in the “Lung Sing” area to pay more than 90 visits, reaching out to over 1 100 Thai residents and shop operators in 2024-25.

95. Meanwhile, URA supported various local events to promote Thai and Chiu Chow cultures, including the Songkran Festival, Thailand's National Day, Yue Lan Festival, as well as the Chiu Chow Night Market co-organised by the Home Affairs Department, etc.

96. To enhance vibrancy and bring footfall to the Flower Market, URA launched placemaking initiatives with festive installation and lighting during Christmas and Chinese New Year periods. In addition, through URA’s “Arts and Cultural Partnership Programme in Old Urban Districts”, local flower shops and a social enterprise were engaged to join hands with URA to organise floral handcrafting workshops for residents, kindergarten children and the elderly in Mong Kok, attracting over 200 participants.

97. In September 2024, the Home Safety Improvement Community Programme (“HSICP”) was launched in partnership with community organisations and Care Teams for five districts, including Central & Western, Kowloon City, Kwun Tong, Sham Shui Po and Yau Tsim Mong, providing home safety and fire protection solutions to the needy families in these older districts. Minor structural repair works to enhance safety and serviceability of internal units were also offered for free to the needy elderly and underprivileged families in the 13-Street in To Kwa Wan. In 2024-25, HSICP served over 1 500 households.

98. URA continued to provide about 4 000m² of premises at concessionary rent for about 20 NGOs and social enterprises to operate. Local communities, NGOs and creative talents can rent the activity spaces on a daily basis to organise workshops, performances, exhibitions and promotions at URA’s community spaces at H6 CONET, M7 and 618 Shanghai Street.

Communicating with the Community

99. In 2024-25, URA continued its collaboration with the Institute of Vocational Education to inspire students through the Innovative Design

Competition to generate creative proposals to enhance awareness and knowledge towards building and home safety among property owners.

100. A number of programmes were conducted to enhance students' understanding on the need to regenerate the older part of the Sham Shui Po area. Under URA's "Young Leaders Programme" organised in collaboration with the Tung Wah Group of Hospitals ("TWGHs"), a total of 170 teachers and students from 18 TWGHs secondary schools participated to learn about the urban renewal plan in Sham Shui Po. Briefings and workshops were conducted, during which students were asked to develop proposals aimed at enhancing the quality of life for residents, preserving local characteristics, and integrating old and new environments through urban renewal strategies. Additionally, another 140 students from the Cheung Sha Wan Catholic Secondary School participated in a series of visits and workshops to deepen their understanding about the strategies in regenerating the area and the community benefits brought by redevelopment.

101. Meanwhile, two community programmes were conducted in Sham Shui Po and Kwun Tong, engaging a total of 480 local residents, students and teachers from secondary schools through city walk orienteering and shadow puppetry workshops. These activities aimed to enhance public understanding of the importance of urban renewal and how it works to improve the built environment in older districts, supporting future sustainable development.

IV. URA'S BP FOR 2025-26

102. The Financial Secretary ("FS") has approved URA's 24th Corporate Plan ("CP") (2025-26 to 2029-30) and BP (2025-26). Amidst the ongoing deterioration of the property market in 2024-25, URA has adopted a more vigilant and conservative approach, with a strong focus on risk management, in preparing the 24th BP to ensure financial sustainability.

103. In 2025-26, URA will continue to support the Government in implementing and refining the planning tools identified in YMDS, to incentivise private sector's participation in urban renewal and expedite the renewal process. In addition, URA will press on with SSPDS and TWDS to build up the planning reserves and facilitate the Government's review of urban renewal initiatives in these two districts. In order to implement its redevelopment and rehabilitation initiatives in a steadfast manner, URA will make flexible use of its resources through innovation/new technologies and optimise its financial planning given

the Government-approved \$35 billion borrowing limit to mitigate risks from shifting market changes. Currently, a comprehensive review on URA's operating and financing model is being conducted with a view to strengthening URA's capability to pursue long term sustainable urban renewal (see details in paragraphs 55 and 56 above).

Redevelopment

104. Leveraging the Government's additional financial support by granting two sites to URA to enhance its financial capability, URA will continue to take forward its 42 ongoing projects, including issuing acquisition offers for two commenced projects¹⁴ in the coming years. Concurrently, URA will implement a number of measures to enhance the success of future JV tenders amid the volatile property market conditions in order to secure optimum income and maintain the momentum of urban renewal.

Rehabilitation

105. URA will continue to administer the rehabilitation subsidy schemes by the Government and URA while implementing a multi-pronged strategy to promote preventive maintenance with the aim of deferring urban decay and alleviating the pressure for redevelopment. URA will press on with the existing initiatives for promoting and providing technical supports to building owners for carrying out building rehabilitation in collaboration with relevant stakeholders. A holistic review of our building rehabilitation strategies will be conducted in the coming year to identify areas for improvement and potential new strategies to better assist building owners in their rehabilitation efforts.

V. FINANCIAL MATTERS

106. URA's net asset value was \$43.64 billion as at 31 March 2025. This included the capital injection from the Government of \$10 billion and the accumulated surplus from operations of \$33.64 billion. For the year ended 31 March 2025, URA recorded an operating deficit of \$0.04 billion. After inclusion of the provision for impairment on properties and committed projects,

¹⁴ The two projects are YTM-013 (Sai Yee Street/Flower Market Road) and KC-020 (Ma Tau Wai Road/Lok Shan Road).

the net deficit was \$2.72 billion, compared to a net deficit of \$3.92 billion for the year ended 31 March 2024.

Land Premium Foregone by the Government

107. As a form of financial support rendered by the Government, URA is exempted from paying land premium for its redevelopment sites. If not for this arrangement, URA's total accumulated surplus since its establishment of \$33.64 billion would have been reduced by \$25.3 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 URA for 56 projects up to 31 March 2025.

Overall Financial Position

108. The annual surplus/(deficit) of URA since its formation in May 2001 and the total accumulated surplus until 31 March 2025 are set out below:

Financial Year	Annual Surplus / (Deficit) \$'000
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)
2014-15	1,075,576
2015-16	4,450,660
2016-17	3,142,657
2017-18	12,037,862
2018-19	2,330,517
2019-20	117,737
2020-21	149,962
2021-22	6,567,353

2022-23	(3,529,708)
2023-24	(3,920,282)
2024-25	<u>(2,719,421)</u>

Total Accumulated Surplus
as at 31 March 2025 33,640,089
*(Excluding the capital injection
from the Government of \$10 billion)*

109. Any surplus earned by URA from redevelopment projects is retained and will be used to finance future redevelopment projects and cover the expenditures on building rehabilitation, revitalisation, preservation and retrofitting.

110. The 2024-25 net deficit of \$2.72 billion was mainly attributable to the sustained weak property market, which led to (a) the failure to award the JV development tender of KC-015 at Kai Tak Road/Sa Po Road, resulting in no upfront payment received in the year, and (b) substantial provision for impairment made for committed projects.

111. As at 31 March 2025, URA's total liquidity position, inclusive of cash, bank deposits and investments, was \$21.17 billion in comparison with the \$18.19 billion as at 31 March 2024.

112. URA has put in place suitable external financing arrangements to ensure that it has sufficient funding to meet the needs of its extensive work programme over the next few years. These arrangements are kept under regular review. To cope with the anticipated upcoming capital expenditures in the next few years arising from the implementation of several large redevelopment projects, approval has been obtained from FS for uplifting URA's borrowing limit from \$25 billion to \$35 billion in August 2025.

113. URA has an updated Medium-Term Note Programme in place to facilitate bond issuances. As at 31 August 2025, the total bond outstanding was \$15.9 billion, of which \$0.5 billion will be due in January 2026. In January 2025, URA concluded a \$13 billion five-year bank loan facility ("Facility") with 12 banks. As at 31 August 2025, the Facility remained undrawn.

114. In 2024-25, Standard and Poor's Rating Services reaffirmed URA's rating at AA+ with "Stable" outlook, the same status as the HKSAR Government, and reiterated URA's "Likelihood of Extraordinary Government Support" at "Almost Certain".

115. Detailed financial information relating to URA's overall position as at 31 March 2025 will be given in its audited accounts, which will be included in URA's 2024-25 Annual Report. The Annual Report is expected to be tabled by FS to LegCo in October 2025 under Section 18(6) of URAO.

Financial Results of Completed Projects¹⁵

116. The financial results of the projects completed up to 31 March 2025 are set out at Appendix I. Two projects, namely DAs 2 & 3 of K7 Kwun Tong Town Centre at Hip Wo Street (Grand Central) and KC-006 at Pak Tai Street (Downtown 38), were completed¹⁶ in 2024-25.

Estimated Expenditures

117. It is estimated that in the five years from 1 April 2025 to 31 March 2030, a total cash outlay of about \$46 billion, excluding operational overheads, will be required by URA to meet the costs of all projects contained in the 24th BP/CP. This amount covers URA's works in "5Rs". However, it should be noted that the amount may vary subject to the progress of various projects and initiatives and the addition of any new or ad hoc activities not included in the 24th BP/CP. During the period, there will also be cash inflow arising from upfront payments from JV developers and rental income etc., but the amount would hinge on market performance.

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

¹⁵ For reporting purpose, completed projects also include standalone site (e.g. Site B of Project H18 (My Central)) and DA (e.g. DA 1 (Park Metropolitan) and DAs 2 & 3 (Grand Central) of Project K7) with individual land grant which form part of a large-scale project.

¹⁶ 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.

VI. CONCLUSION

119. URA overcame various hurdles in the external environment in 2024-25 to achieve major progress in containing urban decay and delivering community benefits through “5Rs” initiatives. URA will forge ahead with its commitments under the approved BP/CP in 2025-26 with due regard to the changing market and economic conditions. Its trajectory and priorities will continue to follow the holistic district-based and planning-led approach with an emphasis on generating benefits not only for the residents of the affected renewal area, but also the whole community. With the Government’s granting of two sites to URA as its assets to maintain the momentum of urban renewal in the next few years, its cash flow challenges have been under control in the moment. URA will optimise the use of available resources and strive to keep up the implementation of its commenced projects while taking forward new initiatives in a flexible and financially prudent manner. A comprehensive review over the financial and operation model is underway. In collaboration with the Government, private sectors and NGOs, URA will ensure the steady delivery of a financially, environmentally and socially sustainable urban renewal programme matching the evolving needs of the community.

Urban Renewal Authority
October 2025

URBAN RENEWAL AUTHORITY (URA)
CUMULATIVE FINANCIAL RESULTS OF ALL COMPLETED PROJECTS
(to be read in conjunction with Attachment 4 to Appendix I)

Number of Projects Completed¹

Projects Completed from 2001 to 2023-24	38 ²
Project Completed in 2024-25 (See Attachments 2 & 3)	2
Total Number of Projects Completed	40

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 Completion of the Last Completed Project	2024-25	136.75	317%	293.7	365%

Cumulative Financial Results for Completed Projects

	Total for 38 Projects Completed as of 31 March 2024	Total for Two Projects Completed in 2024-25	Total for All Projects Completed as of 31 March 2025
	A	B	A + B
	\$ million	\$ million	\$ million
Total Revenue	49,638.0	7,880.9	57,518.9
Total Direct Cost	(23,818.2)	(10,642.1)	(34,460.3)
Surplus / (Deficit)	25,819.8	(2,761.2)	23,058.6
Land Premium Foregone by Government	(7,169.0)	(7,375.0)	(14,544.0)
Net Surplus / (Deficit) after Land Premium Foregone	18,650.8	(10,136.2)	8,514.6

¹ For reporting purpose, completed projects also include standalone site (e.g. Site B of Project H18 (My Central)) and development area (DA) (e.g. DA 1 (Park Metropolitan) and DAs 2 & 3 (Grand Central) of Project K7) with individual land grant which form part of a large-scale project.

² Include 10 projects commenced by the former Land Development Corporation and completed by URA.

Appendix I to Annex C

Attachment 1

[Page 2 of 6]

Supplementary Information

- a) Developers and URA are jointly holding commercial spaces in 5 out of 40 completed projects for letting pending future sales in accordance with the joint venture agreements of the projects. These 5 completed projects are Project K13 (Citywalk), Project K17 (Citywalk 2), Project K26 (Vista), Project K28 (The Forest) and Project H15 (Lee Tung Avenue). Estimated total value of URA's shares in these 5 commercial spaces was approximately \$6,041 million as at 31 March 2025.
- b) URA is solely holding the commercial portions of 4 completed projects, namely Project H18 Site B (My Central) (including the market block), Project KC-007 (Artisan Garden), K7 DAs 2 & 3 (Grand Central) and Project TKW/1/002 (eResidence). Estimated total market value of these commercial portions was approximately \$3,248 million as at 31 March 2025.
- c) Additional revenue was received following the sales of commercial spaces in 6 completed projects, namely Projects H20 (Island Crest), K33 (Baker Residences), K19 (Beacon Lodge), H16 (J Residence), K27 (MOD 595) and MTK/1/001 (My Place), amounting to approximately \$578.5 million as at 31 March 2025.

Appendix I to Annex C

Attachment 2

[Page 3 of 6]

URBAN RENEWAL AUTHORITY (URA)

PROJECT INFORMATION SHEET

(to be read in conjunction with Attachment 4 to Appendix I)

Project Address and Name

Address: 33 Hip Wo Street, Kwun Tong
Name: Grand Central

Project Site Information

Area 22,960 m²
Original GFA 50,363 m²
Building Blocks 42

Project Site Development Information

Total GFA 172,200 m²
Residential Flats 1,999
Commercial Space 16,904 m²
Project Duration 18 years

Milestones

	Date	Centa City Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by URA	Mar 2007	53.82	--	97.9	--
Issue of Acquisition Offers	Dec 2008	55.46	100%	104.8	100%
Project Agreement	Sep 2014	124.87	225%	266.3	254%
Land Grant	Dec 2014	130.16	235%	278.3	266%
Launch of Sales	Dec 2018	167.12	301%	359.4	343%
Year of Completion	2024-25	136.75	247%	293.7	280%

Financial Results

	\$ million
Total Revenue	6,970.5
Total Direct Cost	(9,821.0)
Surplus / (Deficit)	(2,850.5)
Land Premium Foregone by Government	(7,375.0)
Net Surplus / (Deficit) after Land Premium Foregone by Government	(10,225.5)

Supplementary Information

URA was responsible for the project's acquisition and demolition.
Developer paid all development costs, except for certain costs that were reimbursed by URA in accordance with the Development Agreement.
URA received upfront payment and shared surplus with the Developer.
URA retained the commercial portion and received rental income. Estimated market value of the commercial portion was approximately \$2,000 million as at 31 March 2025.

Appendix I to Annex C

Attachment 3

[Page 4 of 6]

URBAN RENEWAL AUTHORITY (URA)

PROJECT INFORMATION SHEET

(to be read in conjunction with Attachment 4 to Appendix I)

Project Address and Name

Address: 38 Pak Tai Street, Ma Tau Kok
Name: Downtown 38

Project Site Information

Area 1,277 m²
Original GFA 6,389 m²
Building Blocks 12

Project Site Development Information

Total GFA 9,783 m²
Residential Flats 228
Commercial Space 1,631 m²
Project Duration 14 years

Milestones

	Date	Centa City Index (July 1997 = 100)		R&VD Domestic Index (1999=100)	
		Index	% Variation Since Offers	Index	% Variation Since Offers
Commencement by URA	Mar 2011	95.65	--	179.5	--
Issue of Acquisition Offers	Feb 2012	94.02	100%	183.8	100%
Project Agreement	Aug 2015	143.46	153%	305.3	166%
Land Grant	Nov 2015	136.51	145%	293.4	160%
Launch of Sales	Jan 2019	165.41	176%	361	196%
Year of Completion	2024-25	136.75	145%	293.7	160%

Financial Results

	\$ million
Total Revenue	910.4
Total Direct Cost	(821.1)
Surplus / (Deficit)	89.3
Land Premium Foregone by Government	-
Net Surplus / (Deficit) after Land Premium Foregone by Government	89.3

Supplementary Information

URA was responsible for the project's acquisition and demolition.
Developer paid all development costs.
URA received upfront payment and share of surplus sales proceeds above certain threshold.

Explanatory Notes to Project Information Sheets

1) Project Commencement Year

For ex-Land Development Corporation (ex-LDC) projects taken forward by Urban Renewal Authority (URA) and projects commenced by URA according to the Urban Renewal Authority Ordinance, this is the year when commencement of the project was gazetted and the freezing survey was conducted.

2) Project Completion¹ 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;
- (d) Net rental income from the leased commercial portion of the project up to the reporting year, excluding the value of the commercial portion of the project which is yet to be sold;
- (e) 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; and
- (f) Sales proceeds from URA's self-developed projects.

¹ For reporting purpose, completed projects also include standalone site (e.g. Site B of Project H18 (My Central)) and development area (DA) (e.g. DA 1 (Park Metropolitan) and DAs 2 & 3 (Grand Central) of Project K7) with individual land grant which form part of a large-scale project.

4) Direct Cost

Direct cost represents all costs incurred in connection with each project, including (a) acquisition, compensation and rehousing costs; (b) construction costs for self-developed projects; and (c) other costs, such as consultancy fees, incurred in connection with the project.

5) Land Premium

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) Interest Expense

Interest expense is not included in the calculation of the results of individual projects.