

HKIE Speech

“Nexus between urban renewal and housing supply”

Ir WAI Chi Sing *GBS JP FHKEng*

Managing Director, Urban Renewal Authority

9 December 2016

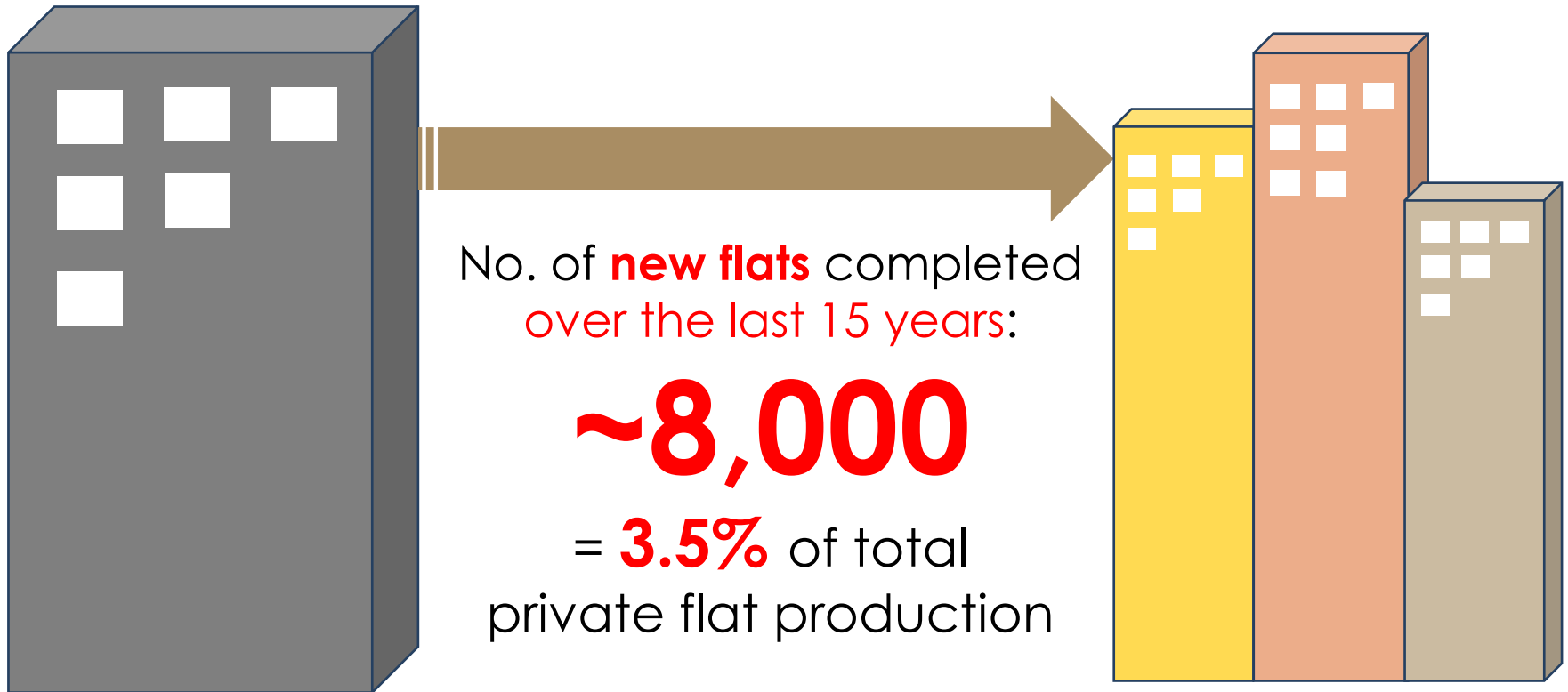
Housing Demand Generated by Redevelopment



Number of
**households
displaced**
by redevelopment of
private units is

3,800
per year

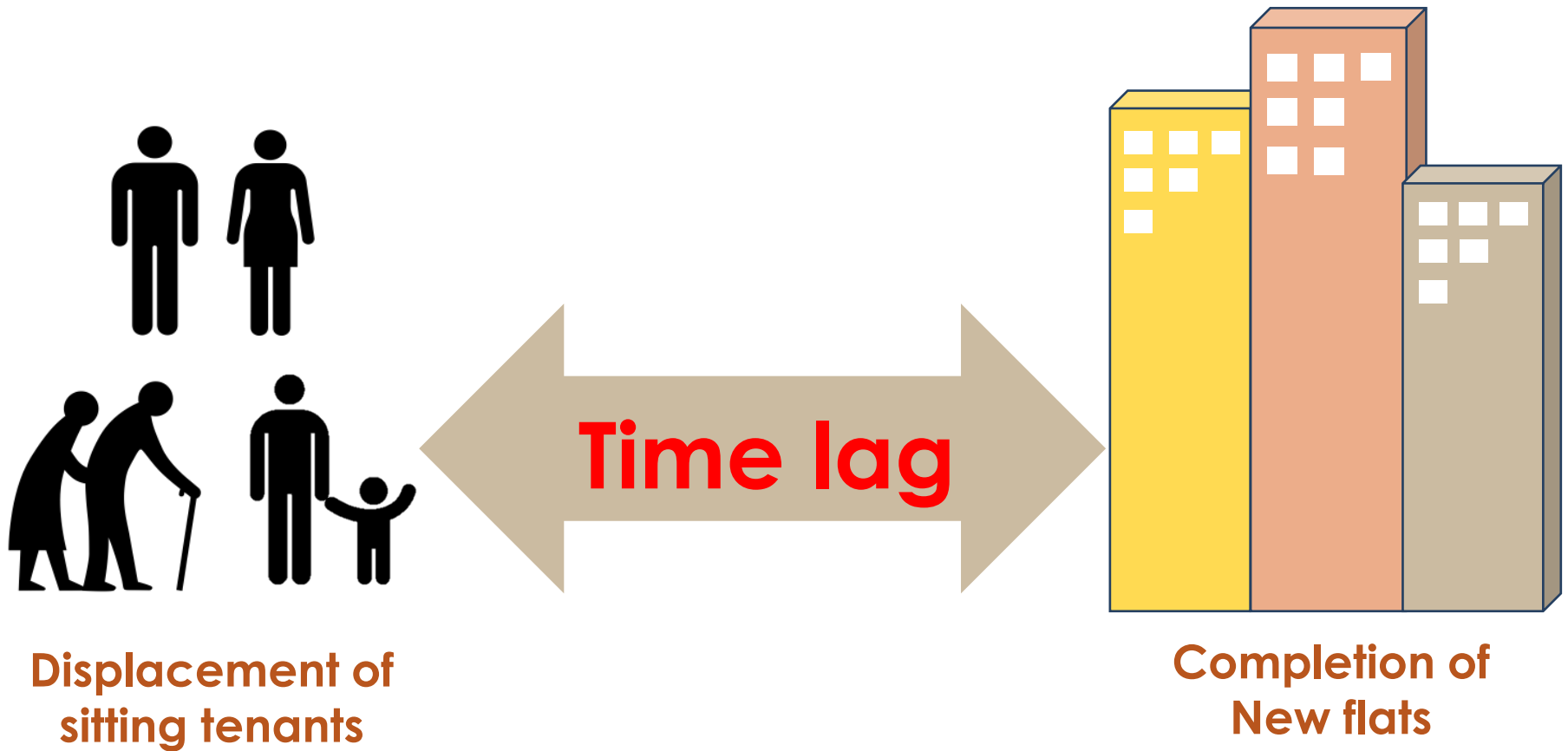
URA Contributions to Housing Supply



Net housing supply =
Flat production – No. of households displaced

Very limited

The Rehousing Problem



Urban Renewal Throughput - Redevelopment

During the past **15 years**,

- **> 60 Projects** commenced, involving **~710 buildings**
- **~ 47 buildings/year** were targeted for redevelopment

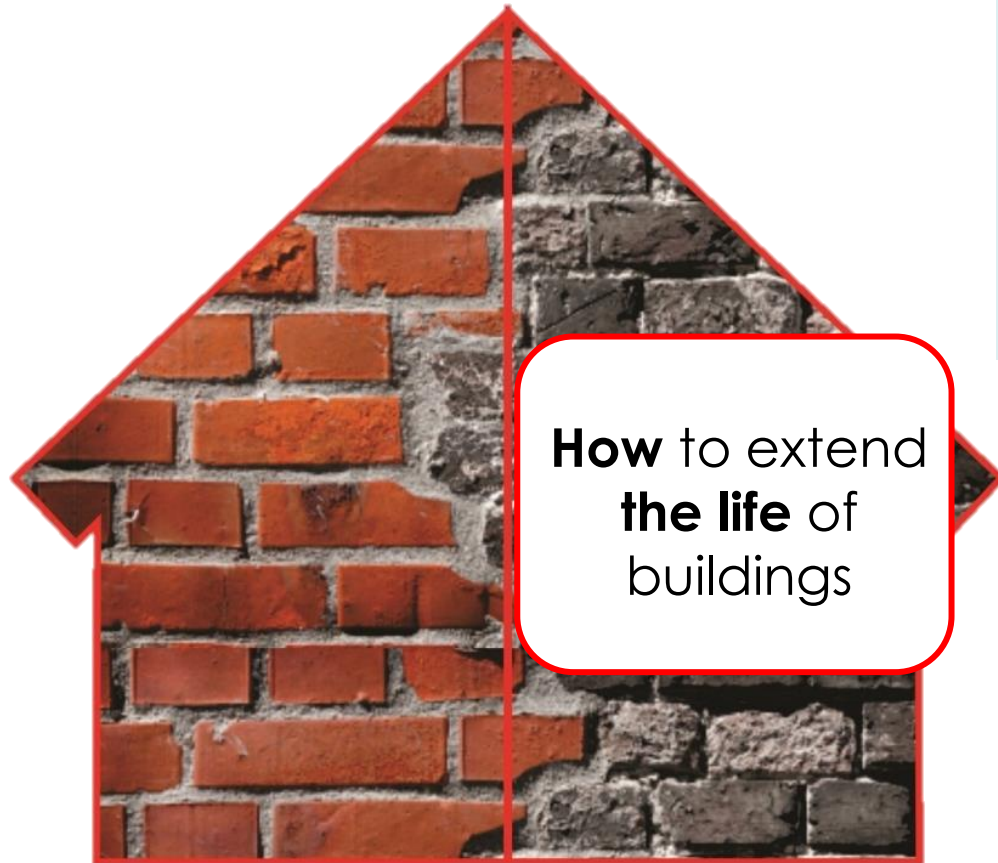
Cumulative flat production :

~ 18,000 units (8000 completed)

= 1.5 x Tai Koo Shing

Urban Renewal Throughput - Rehabilitation

Proper **repair** and
maintenance
extend useful life



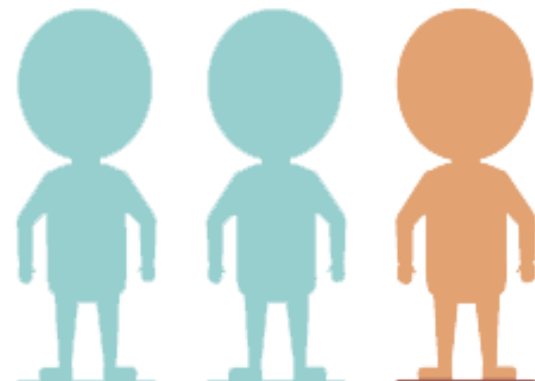
How to extend
the life of
buildings

Assisted **2,600**
private buildings in organizing
and completing rehabilitation
(~ **210 buildings per year**)

Are we doing enough to keep Urban Decay in check?

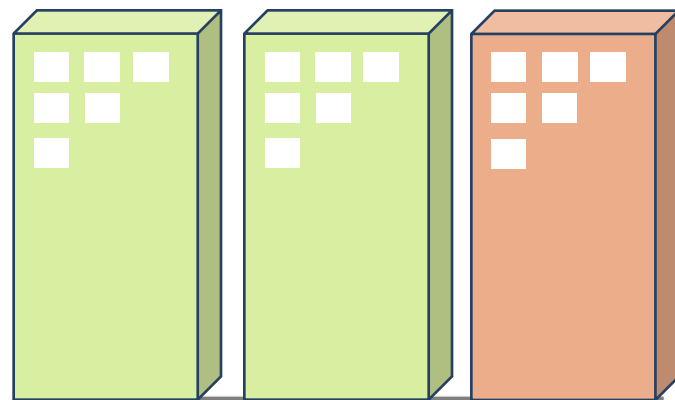
By 2040

1/3 of our population **> 65** years old



Elderly
> 65

1/3 of our buildings **> 50** years



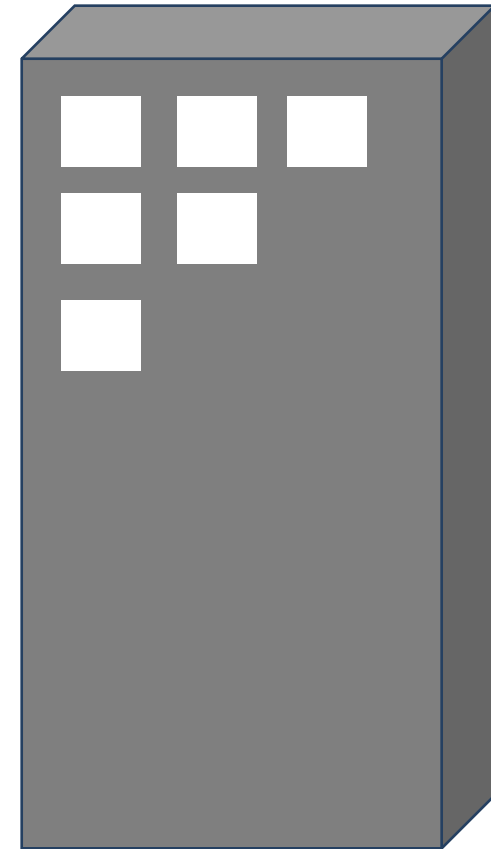
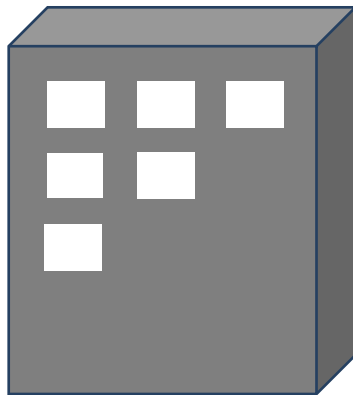
Building
> 50 years

Are we doing enough to keep Urban Decay in check?

Building Age
above **50** years

Over **23,000** buildings
(2040)

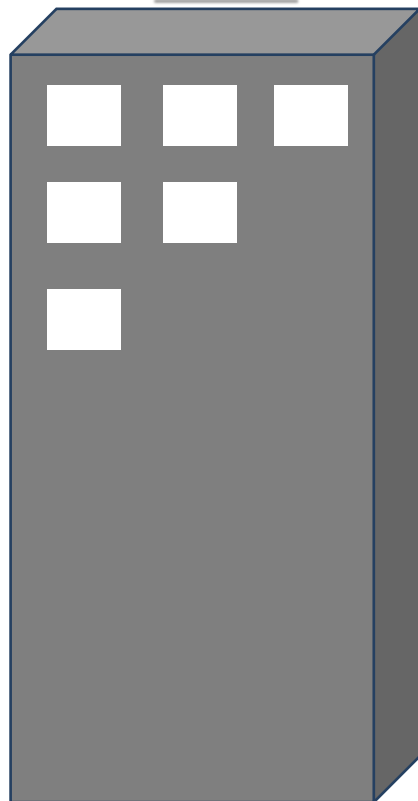
9,000 buildings
(2015)



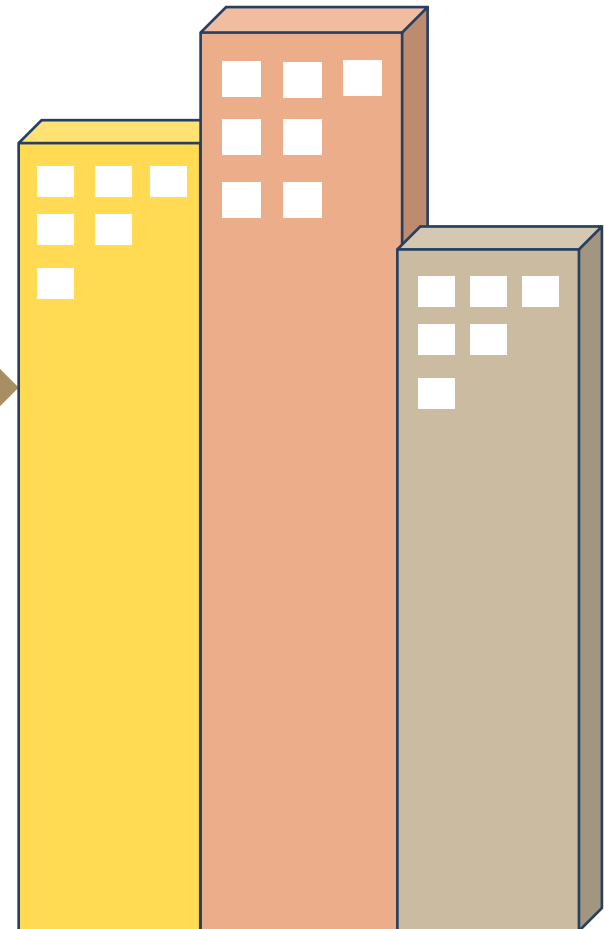
Are we doing enough to keep Urban Decay in check?

Over **23,000** buildings
aged **50** years or above

(2040)



~ 100 years
to complete redevelopment



Constraints to Urban Redevelopment

Multiple Ownership



Preservation of Local vibrancy and characteristics



Constraints to Urban Redevelopment

Joint Venture Developer

URA

Sale Price
\$ 15,000 p.s.f. (GFA)

Other
Development
Costs

Tender AV
5,000 p.s.f.
(To URA)

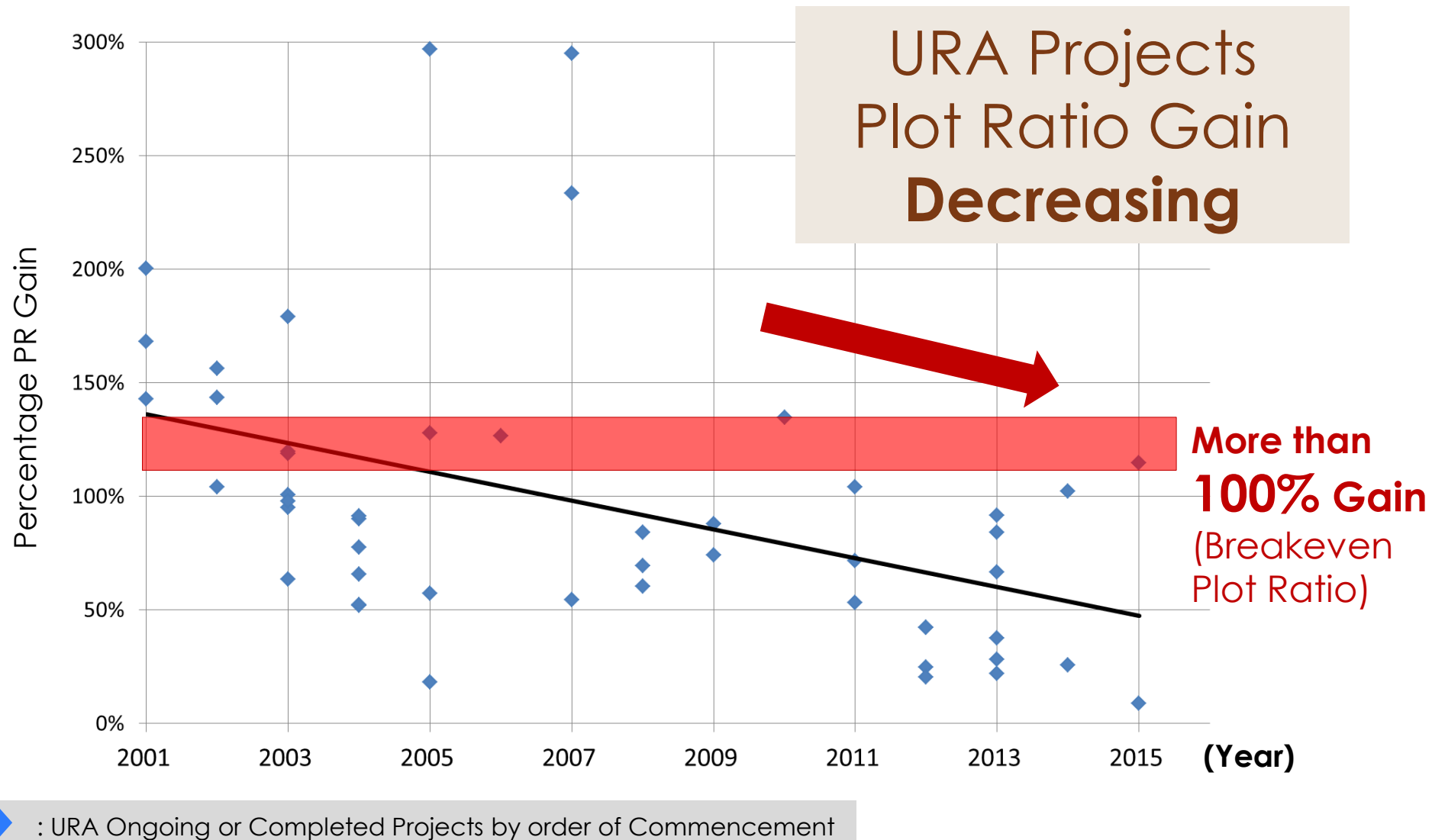
Need for an Alternative
Implementation Model

Acquisition AV
\$ 11,000 p.s.f. (GFA)

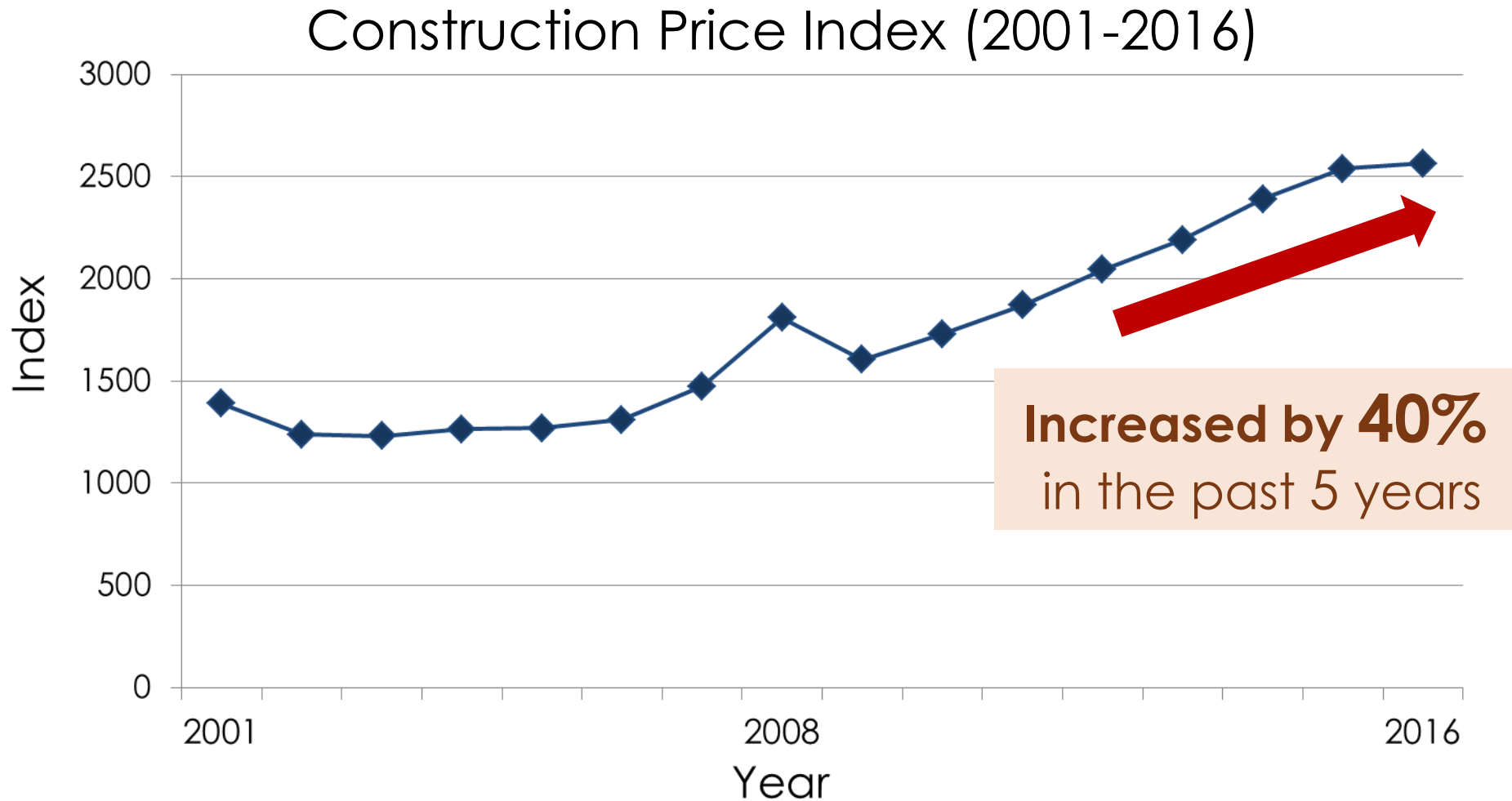
URA Loss

Two recent Demand-led Projects

Constraints to Urban Redevelopment



Constraints to Urban Redevelopment



Constraints to Urban Redevelopment

Government injection:
\$10 B



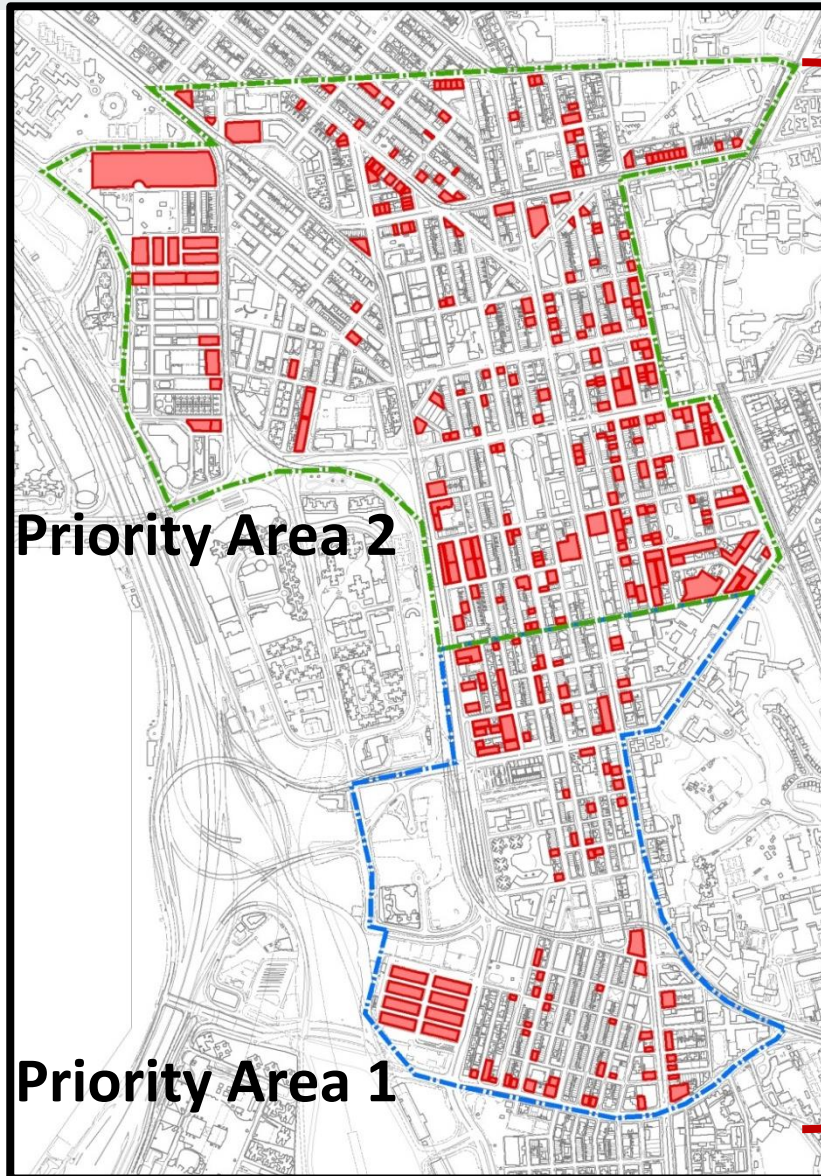
Redevlopment

Rehabilitation/
Retrofitting

Revitalisation

pReservation

Constraints to Urban Redevelopment

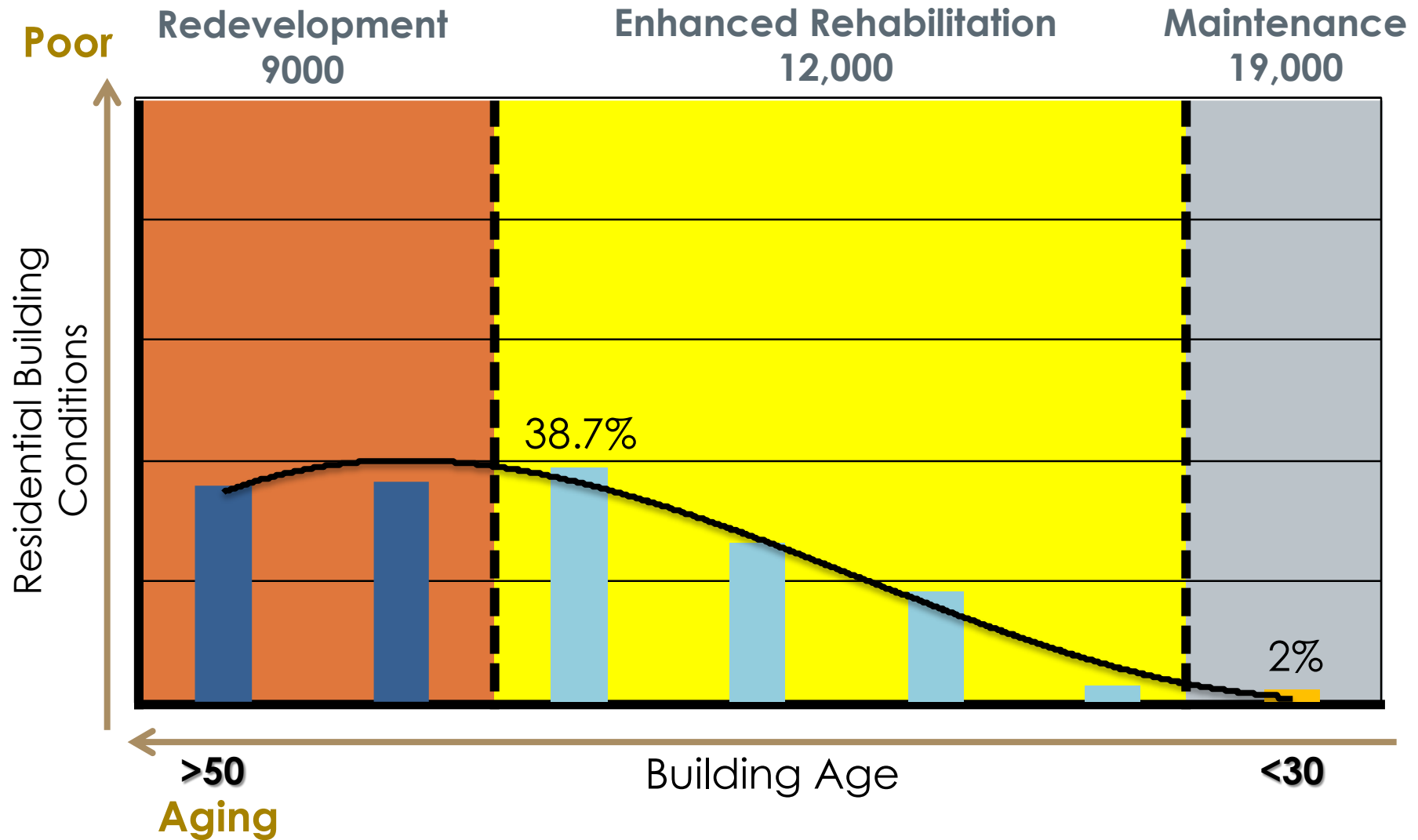


Preliminary Estimation

	Total Building Sites	Building Sites (PR gain = 0 or negative)	Financial Loss (HK\$ Billion)
PA 1	675	78 (11.6%)	- 46.5B
PA 2	1466	234 (16.0%)	- 107.6B
Whole YM Area	2141	312	- 154.1B

Residual PR "0" or "negative"

Holistic Approach covering residential buildings of all ages



Revitalization

pReservation

Redevelopment

Rehabilitation



Solving the Urban Decay Problem

Intensifying Efforts on Rehabilitation and Retrofitting

From 1 July 2015
Urban Renewal Authority extends the building rehabilitation service to cover the whole Hong Kong territories

Integrated Building Maintenance Assistance Scheme

Owners' Corporation Formation Subsidy
Common Area Repair Works Subsidy
Home Renovation Interest-free Loan

"Common Area Repair Works Subsidy"
New "Green Item Subsidy"
maximum subsidy capped at \$600,000 per Owners' Corporation

Building Rehab Info Net
www.buildingrehab.org.hk
31881188

Urban Renewal Authority

Smart Tender
Building Rehabilitation Facilitating Services (Pilot Scheme)

Urban Renewal Authority

E-tendering Platform
Cost Estimate
DIY tool kit

Enquiry
3188 1188

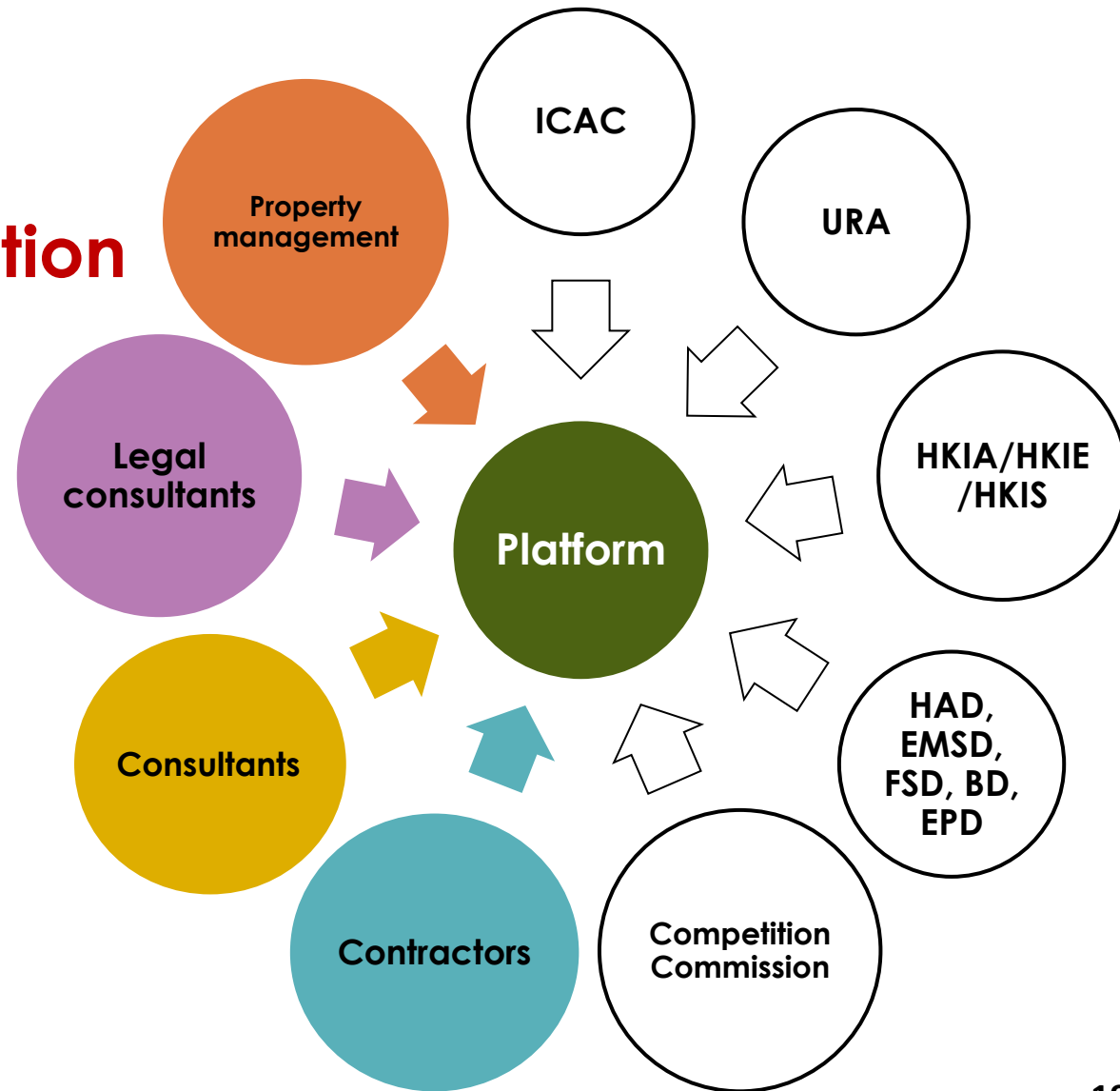
[Building Rehab Info Net]
www.buildingrehab.org.hk

Intensifying Efforts on Rehabilitation and Retrofitting

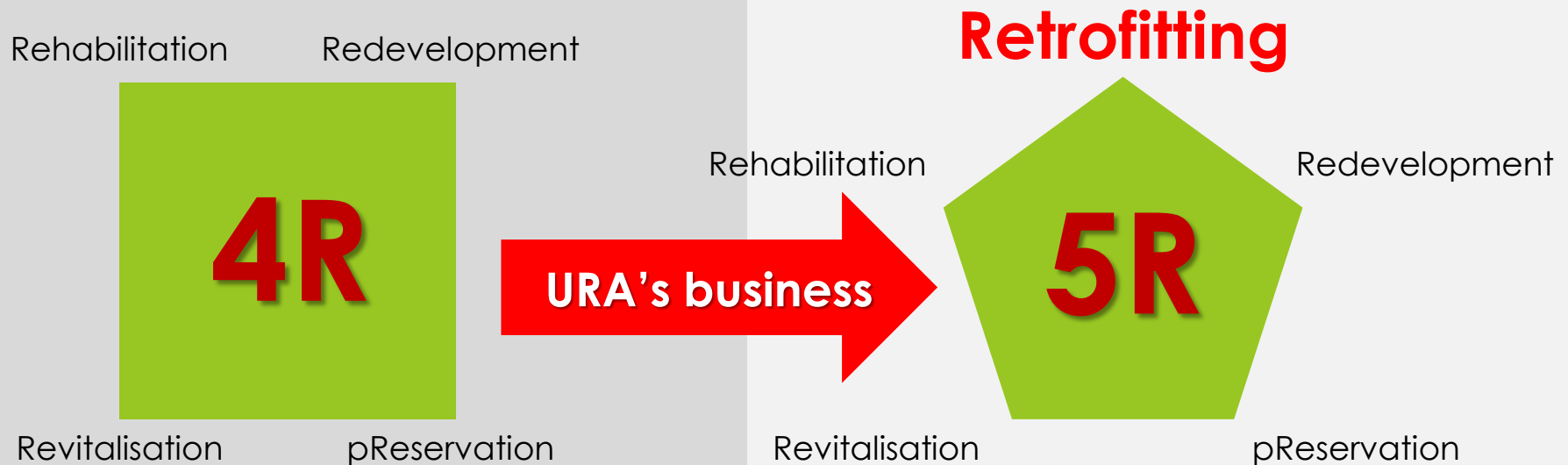
Formation of a Building Rehabilitation Platform

Aims:

- Serve as an All-in-one Information centre to share relevant information
- Assist property owners to find appropriate service providers



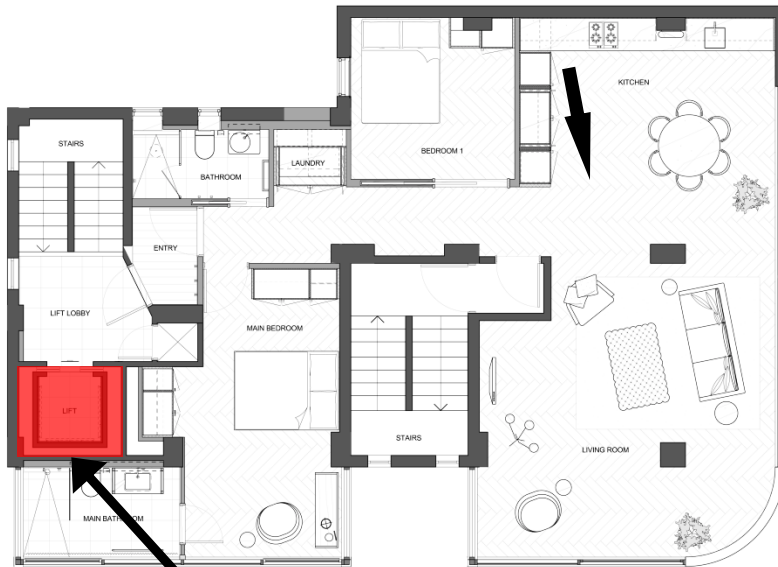
Intensifying Efforts on Rehabilitation and Retrofitting



5th “R”: Building Retrofit Example in Kennedy Town



5th “R”: Building Retrofit



Adding a new lift



Intensifying Efforts on Rehabilitation and Retrofitting



Façade



Fire Services

5 + 1 (greening)
elements of
Enhanced Rehabilitation



Building Structure

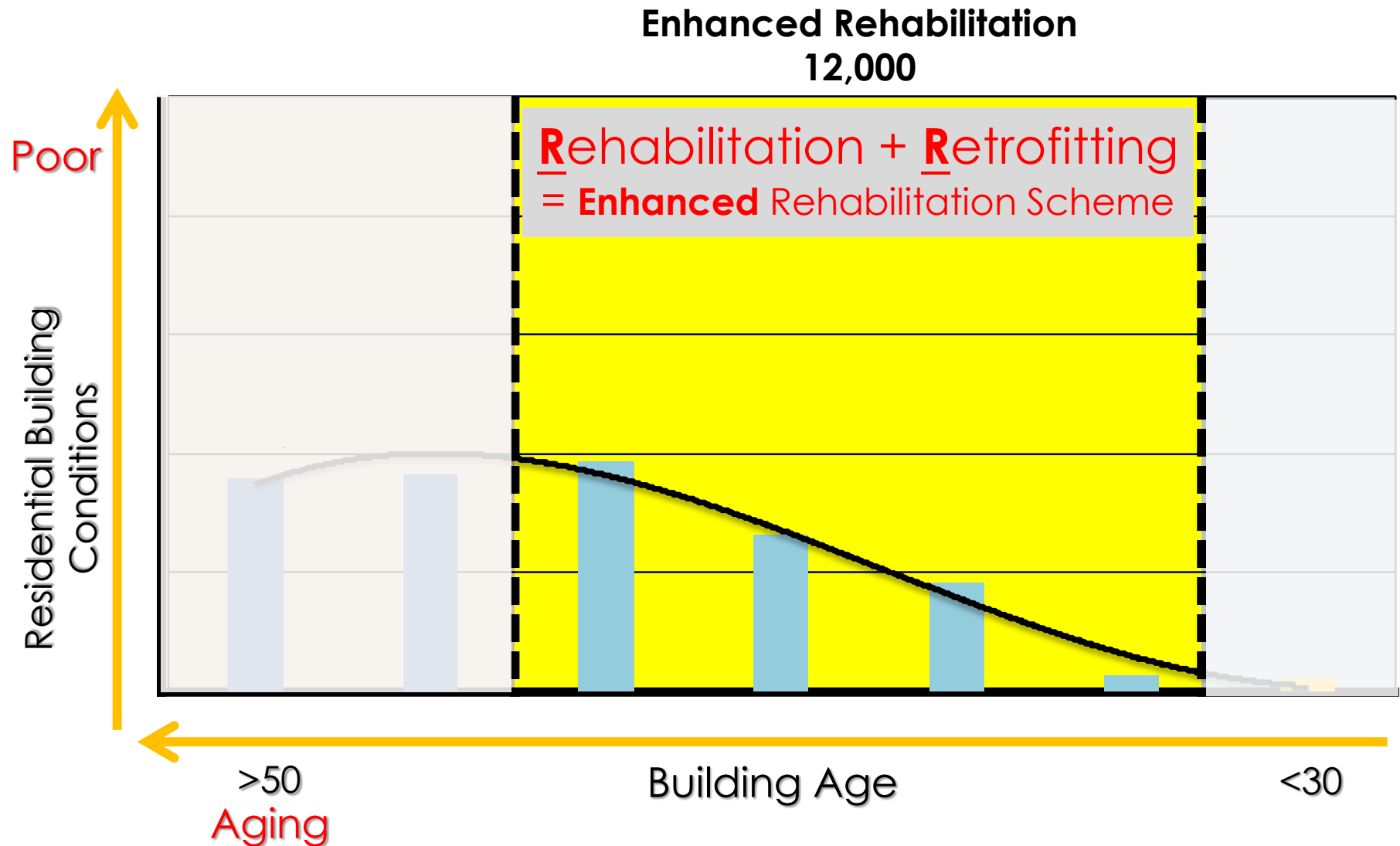


Barrier-free access

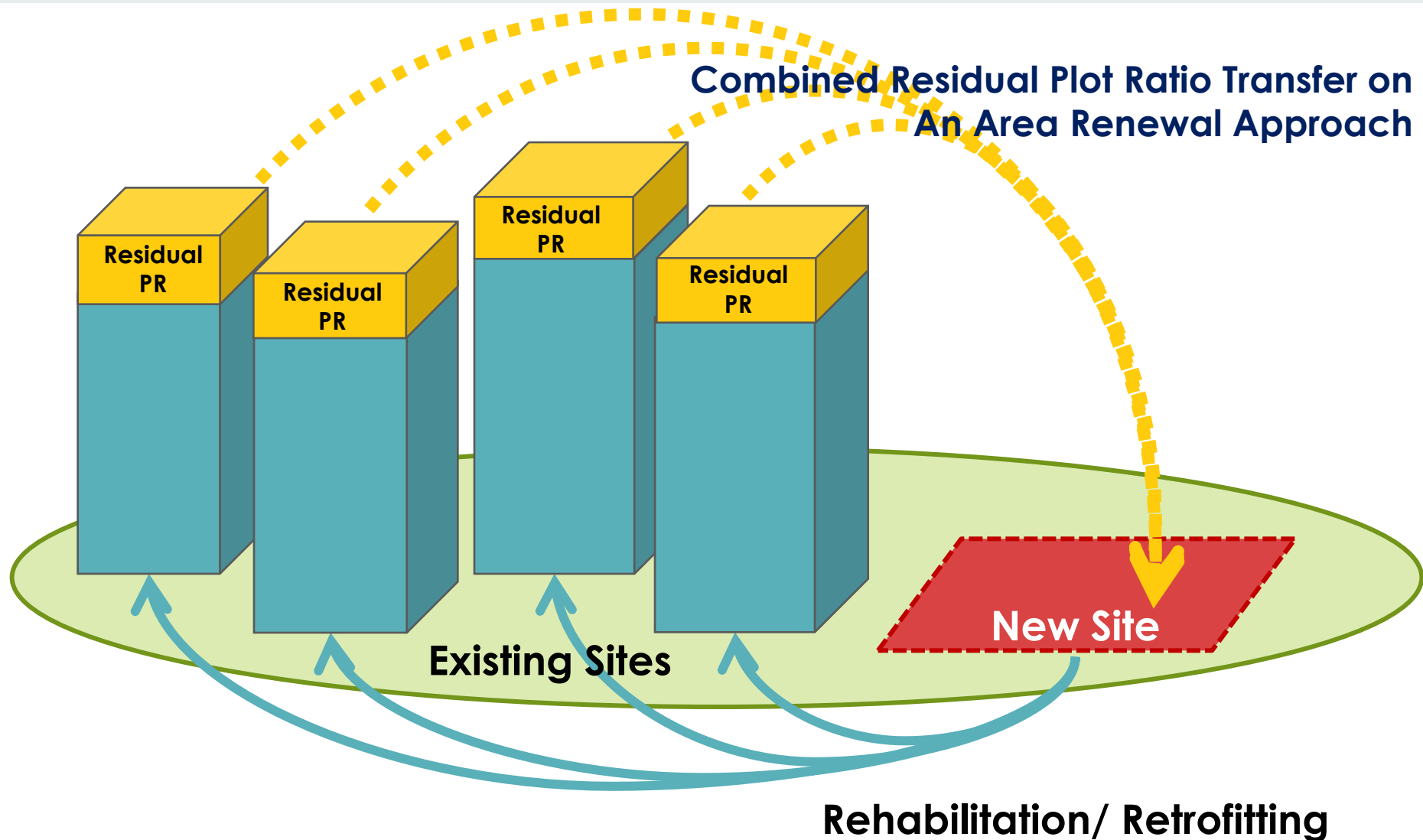


Energy Efficiency

Intensifying Efforts on Rehabilitation and Retrofitting



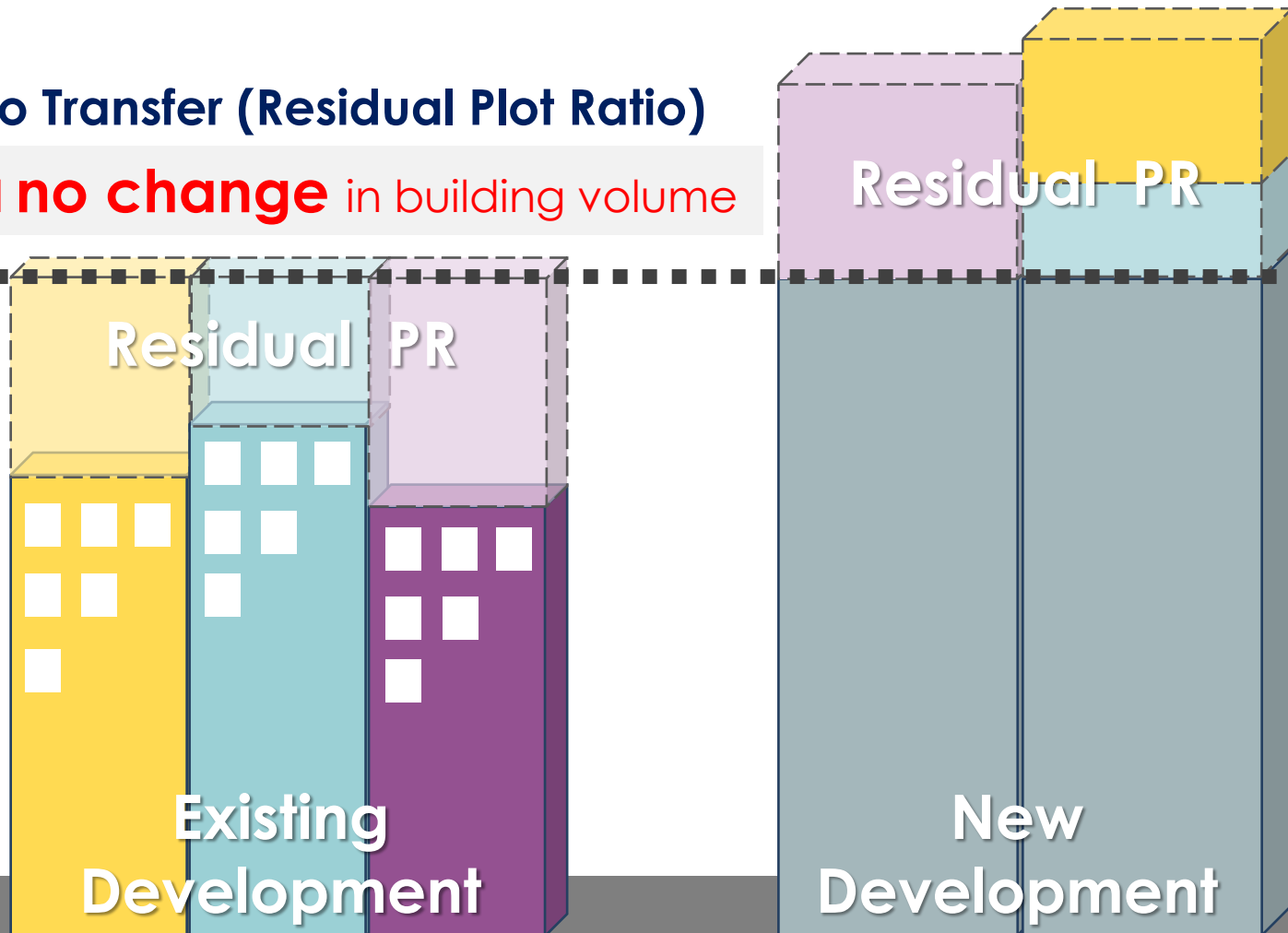
Creating Additional and Unlocking Unutilized Development Potential



Creating Additional and Unlocking Unutilized Development Potential

Plot Ratio Transfer (Residual Plot Ratio)

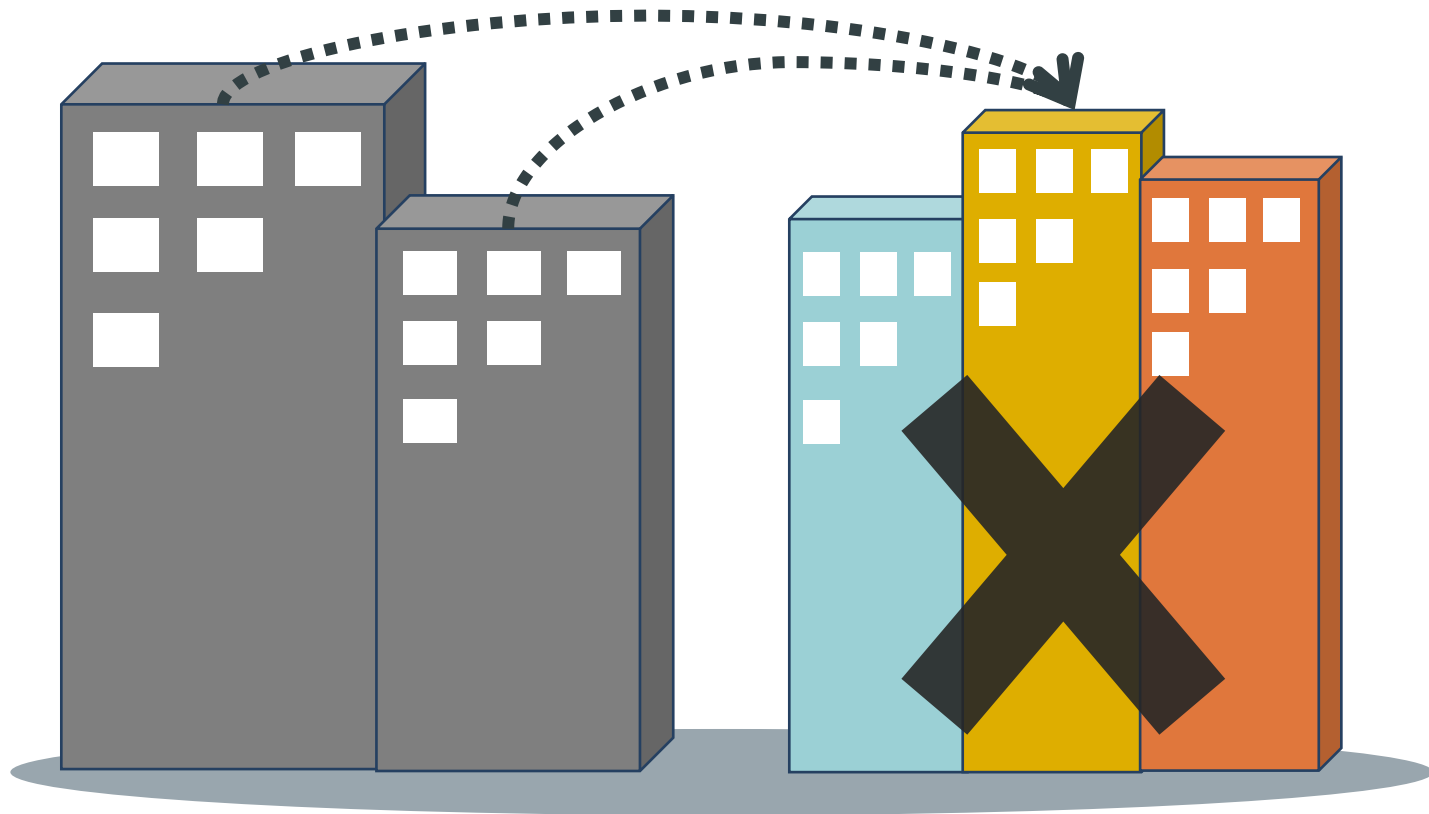
Overall **no change** in building volume



Outline
Zoning Plan
Permissible
Plot ratio

District-based

Introducing More Decanting Facilities



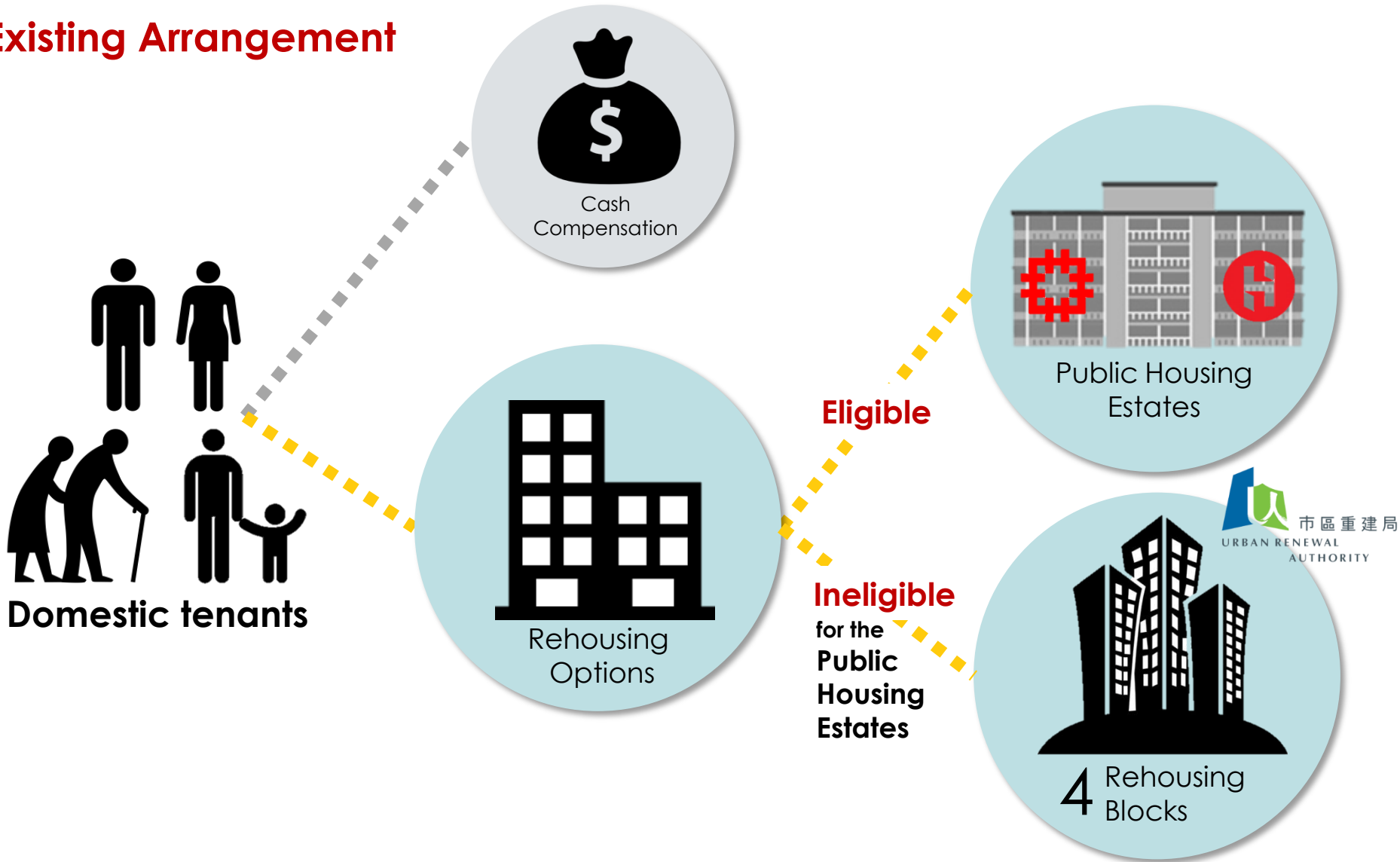
Lack of rehousing facilities in same locality



Prolonging time of site clearance

Introducing More Decanting Facilities

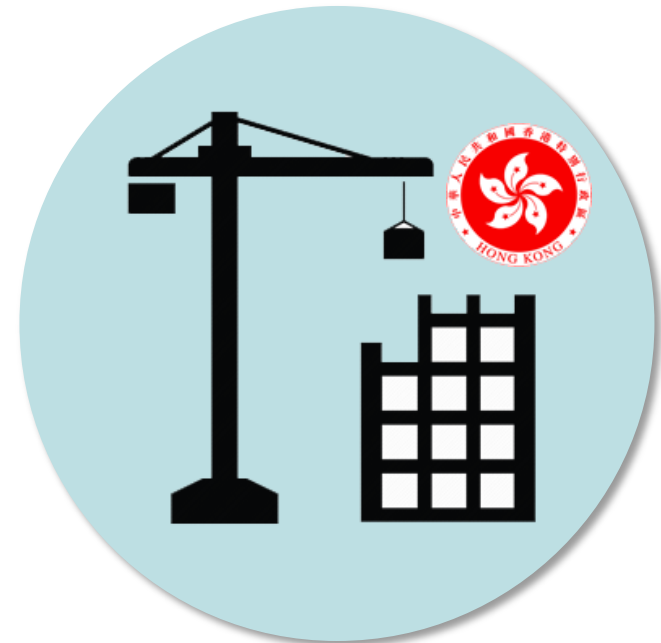
Existing Arrangement



Introducing More Decanting Facilities



Provide decanting facilities
in **URA's cleared sites** and
acquired properties



Seek site(s)
from Government for
building decanting facilities

**Rely less on HKHA/HKHS and
the private rental housing market**



**Holistic
Approach**
covering
residential
buildings
of all ages



**Intensifying
Efforts on
Rehabilitation
and Retrofitting**

**Four possible
areas of reform**



**Introducing
More
Decanting
Facilities**



**Unlocking
unused
Development
Potential**