

LCQ12: Urban renewal

Following is a question by the Hon Yang Wing-kit and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (June 11):

Question:

The Urban Renewal Authority published in 2022 the District Study for Yau Ma Tei and Mong Kok – Information Booklet, which proposed a new planning tool called "transfer of plot ratio" (i.e. allowing the transfer of gross floor area from small sites with limited redevelopment potentials ("sending sites") to sizable redevelopment sites at strategic locations ("receiving sites")). Subsequently, the Town Planning Board launched a pilot scheme on transfer of plot ratio (the Pilot Scheme) with Mong Kok and Yau Ma Tei as pilot areas, and the Sai Yee Street/Flower Market Road Development Scheme in Mong Kok is the first project. On the other hand, in the reply to a question raised by a Member of this Council on March 19 this year, the Government indicated that it would study the feasibility of cross-district transfer of plot ratios (i.e. transferring the residual plot ratios of redevelopment projects in old districts for use in new development areas (NDAs)), so as to incentivise market participation in redevelopment. In this connection, will the Government inform this Council:

(1) whether it will draw on the experience of projects under the Pilot Scheme to allow developers to transfer the residual plot ratios of small redevelopment sites in old districts other than Mong Kok and Yau Ma Tei for use in sizeable redevelopment sites in the same district or in other districts; if so, of the details; if not, the reasons for that;

(2) given that there are views pointing out that the value of land in old districts is generally higher than that in NDAs, whether the Government will study adjusting the plot ratio to be transferred based on the price per square foot of the "sending and receiving sites" (e.g. allowing a higher plot ratio for sites in NDAs with lower prices per square foot when receiving gross floor area from sites in old districts with higher prices per square foot), so as to attract developer participation in redevelopment; if so, of the details; if not, the reasons for that; and

(3) whether it will consider requiring that a portion of land from the "sending sites" be allocated for Green Belt, Open Space, and Government, Institution or Community uses; if so, of the details; if not, the reasons for that?

Reply:

President,

The Urban Renewal Authority (URA) completed the District Study for Yau

Ma Tei and Mong Kok in 2021, which put forward a number of recommendations and new planning tools, including a pilot scheme for transfer of plot ratio (TPR) within the same district. To follow up on this recommendation, the Town Planning Board promulgated guidelines for the pilot scheme on TPR for Yau Mong Districts in July 2023, allowing the transfer of unutilised plot ratio from sending site(s) (SS) to receiving site(s) (RS) within the same Outline Zoning Plan to enhance redevelopment incentives. As mentioned in the question, the URA's Sai Yee Street/Flower Market Road Development Scheme in Mong Kok is the first pilot redevelopment project to adopt TPR, which consolidated and transferred the unutilised plot ratio of several small and scattered sites without redevelopment potential to a larger site for mixed development, so as to enhance planning gains and the commercial viability of the project.

To encourage and expedite urban renewal, the Development Bureau is conducting a policy study to examine the use of newly developed land to drive large-scale urban redevelopment projects, including cross-district TPR. Unlike the above-mentioned pilot scheme on TPR within the same district, we will consider allowing cross-district transfer of unutilised plot ratio from the SS to new development areas, and reducing the density of old districts. We will complete the policy study and put forward preliminary recommendations within this year.

My reply to various parts of the question raised by the Hon Yang Wing-kit is as follows:

(1) Our preliminary view is to extend TPR to old districts other than Yau Mong Districts, so that more redevelopment projects can benefit. We are conducting an analysis on expanding the coverage of districts. Details will be provided when announcing preliminary recommendations within this year.

(2) As mentioned by the Member, the land value in old districts is different from that in new development areas, with the former typically higher than the latter. Therefore, one of the key design challenges is to address the land value difference across districts. The effectiveness will depend on whether the value transferred to the RS can reasonably reflect the value of the unutilised plot ratio at the SS. Meanwhile, the mechanism should be simple and easy to implement, providing market certainty and avoiding unnecessary administrative burden. We will finalise the recommendations along such directions.

(3) Our goal is to encourage the URA and landowners holding old buildings in the market to take forward redevelopment in order to address the potential risks associated with ageing structures and improve the conditions of old districts. Premised on a balance between this policy objective and the project financial viability, we will also consider in the above policy study whether requirements to provide public open spaces and/or government, community, and institutional facilities should be imposed on the SS.