

# **The Chief Executive's 2022 Policy Address Initiatives on Land Development**

## **1. Enhancing Quantity**

### **1.1 10-year supply forecast of developable land**

To enhance transparency and facilitate monitoring, the Government will formulate and publish annually forecast of 10-year supply of developable land (i.e. spade-ready sites). We will see a major reversal of the situation of stringent supply in the past. In the next ten years (i.e. 2023-24 to 2032-33), land supply will reach 3 280 hectares and show an upward trend. It is estimated that those sites already earmarked for housing use would provide about 493 000 housing units, while those earmarked for economic use would provide a gross floor area of about 10 330 000 square meters.

### **1.2 Private housing supply**

Based on the latest projection in the Long Term Housing Strategy (LTHS), the demand for private housing in the next 10 years will be 129 000 units. We will work to achieve this basic target in providing land for private housing. In the next five years alone, we will get ready land supporting no less than 72 000 residential units in total for disposal through land sales or railway property developments. Together with the development projects to be undertaken by the Urban Renewal Authority (URA) and other private development projects, the overall supply will exceed the demand projected for this period in the LTHS.

### **1.3 Northern Metropolis**

The Northern Metropolis is the strategic growth area in the future. The current-term Government will press ahead at full steam with its construction. The Government will establish within this year the Steering Committee on the Northern Metropolis and the Advisory Committee on the Northern Metropolis to be led by the Chief Executive and the Financial Secretary respectively, and endeavour to set up a dedicated office within next year to steer and co-ordinate the work of the departments involved. The development intensity in the area will increase, with a maximum domestic plot ratio of 6.5 for housing land and a maximum plot ratio of 9.5 for commercial land as the guiding principle.

#### **1.4 Kau Yi Chau Artificial Islands**

Kau Yi Chau Artificial Islands under the “Lantau Tomorrow Vision” is an important development engine of Hong Kong. It will provide 1 000 hectares of land and will be a major source of future land supply. The new railway and road network will enhance the overall traffic network of Hong Kong and ease the traffic congestion in New Territories West. The large piece of new land available also allows us to plan in a “future ready” manner, and helps meet Hong Kong’s goal of achieving carbon neutrality by 2050. Coupled with the “Double Gateway” function of the Lantau Island, we are well-positioned to tap the economic opportunities from overseas and the Greater Bay Area (GBA). The Development Bureau will make recommendations on the scope of reclamation, land use, transportation infrastructure network and financing arrangements regarding the artificial islands within this year. The target is to commence the Environment Impact Assessment process next year and the reclamation works in 2025.

#### **1.5 A new round of study on “Green Belt” zone**

In addition to the 1 200 hectares of land zoned Green Belt already covered under various development projects, we have further shortlisted about 255 hectares of “Green Belt” sites with potential for housing development and capable of producing up to 70 000 units in the short to medium term for further technical studies. To rezone the first batch of these 255 hectares of land in 2024 or earlier and complete the site formation of the first batch of land in around 2026. To complete the review of the development potential of the remaining “Green Belt” areas within next year.

#### **1.6 Developing Tseung Kwan O Area 137**

Develop Tseung Kwan O (TKO) Area 137 to provide about 50 000 housing units with first population intake in 2030 the earliest, and study the extension of MTR TKO Line southward to TKO Area 137. Complete the planning and engineering study by the end of this year and announce the development proposal.

#### **1.7 Pak Shek Kok Station of East Rail Line**

Take forward the studies on the new East Rail Line Science Park/Pak Shek Kok Station, target to complete the station and the first batch of housing units in 2033 or earlier.

## **1.8 Ma Liu Shui reclamation**

Anticipate to complete in 2024 the Engineering Study for Ma Liu Shui Reclamation. The reclamation, together with the relocation of the Sha Tin Sewage Treatment Works to caverns, will provide about 88 hectares of land mainly for innovation and technology development.

## **1.9 Investing in infrastructure**

Continue to invest in infrastructure, anticipate that Government's annual capital works expenditure will exceed \$100 billion in coming years, exceeding the existing expenditure level by about 20%.

## **2. Enhancing Speed and Efficiency**

### **2.1 Streamlining development procedures**

Introduce a bill into the Legislative Council (LegCo) by the end of 2022 to amend development-related statutory procedures. In the future, for projects other than New Development Areas (NDAs), the time required for turning "primitive land" into "spade-ready sites" (i.e. site with formation works completed and ready for construction) will be reduced from at least 6 years at present to around 4 years. For NDA projects which are larger in scale and relatively complex, the time required for producing "spade-ready sites" will be reduced from 13 years in the past to around 7 years. Also to continue to explore streamlining administrative procedures and requirements, including the gross floor area concession arrangement for carparks, approval guidelines concerning developments in the wetland buffer area, self-certification and independent checking arrangement as well as procedure concerning felling and compensatory planting of trees.

### **2.2 Extending the arrangement for charging land premium at standard rates**

Explore the gradual extension of the arrangement for charging land premium at standard rates to agricultural land outside NDAs in the New Territories (the arrangement was earlier announced to be applicable to NDAs), and at the same time actively consider regularising the arrangement for charging land premium at standard rates for redevelopment of industrial buildings. The target is to put forward specific implementation plan by mid-2023.

### **2.3 Expediting the approval of building plans with a “facilitator” mindset**

The Buildings Department (BD) will establish “Dedicated Processing Units” (DPUs) in the first half of next year to process general building plans submitted for private residential projects with 500 units or more and transitional housing projects. The DPU will adopt a “facilitator” mindset to assist relevant professionals by providing proactive co-ordination and support services, so as to expedite the approval of relevant submissions.

### **2.4 Wider adoption of Modular Integrated Construction approach**

Establish a cross-departmental steering committee responsible for co-ordinating the development of high productivity construction methods, streamlining approval processes with a view to removing barriers for the industry. The steering committee will formulate measures next year to strengthen Modular Integrated Construction (MiC) supply chain, including making available land in the Northern Metropolis for manufacturing and storage of modules by the industry, and fostering collaboration with the GBA. While expediting housing supply, these measures will also strengthen the leading position of Hong Kong’s construction industry in the adoption of MiC in the region.

### **2.5 Promoting the use of Building Information Modelling**

Formulate a roadmap next year on the use of Building Information Modelling (BIM) by the industry and departments in preparing and approving building plans, and launch a software in the first quarter of 2024 to facilitate the industry in checking whether relevant plans comply with the requirements for approval.

### **2.6 Streamlining the arrangement for land lease extension**

Introduce a bill next year to extend the expiring leases in a regular and consistent manner. This will save individual lot owners from the complicated procedures and expensive costs in relation to executing instruments for lease extension, thereby substantially reducing the time required for lease extension for the convenience of the public.

## **3. Enhancing Quality**

### **3.1 Updating and streamlining the compulsory sale regime**

Enhance the compulsory sale regime in the following four aspects with a view to expediting urban renewal:

Firstly, propose to lower the application thresholds for private buildings aged 50 or above but below 70 from 80% to 70% of ownership, and further to 60% for those aged 70 or above. As for industrial buildings not locating within industrial zones, propose to lower the compulsory sale application threshold from 80% to 70% for those aged 30 or above.

Secondly, consider allowing more flexibility to facilitate compulsory sale applications covering two or more abutting lots in order to enhance the planning gains of redevelopment.

Thirdly, streamline procedures so as to shorten the processing time of compulsory sale litigation.

Lastly, in order to strike a balance between facilitating private redevelopment and protecting private property rights, set up a dedicated office to provide enhanced support to minority owners affected by compulsory sale such as assisting them to engage expert service to handle the legal process of compulsory sale.

After consulting the LegCo and stakeholders of the specific proposals in the fourth quarter of 2022, introduce an amendment bill into the LegCo in the second half of 2023.

### **3.2 Supporting the work of the URA**

Raise the borrowing limit of the URA by phases having regard to its financial position and market situation so as to enhance URA's financial capability in undertaking more redevelopment projects.

### **3.3 Stepping up efforts to undertake more default works**

To better ensure public safety, BD will, on a risk-based basis, undertake more default works for private buildings where investigation orders or repair orders are long outstanding (from 40 to 80 orders annually), with particular emphasis on "three-nil" buildings or buildings where owners would have genuine difficulty coordinating such works themselves. BD would seek to recover the costs incurred from the owners concerned afterwards.

### **3.4 Round-the-Island Trail**

Build a "Round-The-Island Trail" on Hong Kong Island, connecting the waterfront promenade on the northshore and a number of existing promenades

and country walking trails in the Southern District, totalling about 60 km in length. Provide or improve leisure facilities at suitable locations, allowing people to walk around the island and enjoy the scenery along the way. Feasibility study and design as well as works will commence progressively from next year onward, with a view to connecting 90% of the Trail within 5 years.