

**Speaking Points of the Secretary for Development  
at the Special Finance Committee Meeting (Planning and Lands)  
on 7 April 2016 (Thursday)**

Chairman,

- I would like to thank Members for their interest in the Draft Estimate of the Development Bureau (DEVB). My respective Controlling Officers have provided answers to 184 written questions from Members accounting for the use of resources under the purview of Planning and Lands. We are here to respond to any further questions that Members may wish to raise.
- My 2016-17 Recurrent Expenditure on Planning and Lands is \$4,810.32 million, representing an increase of \$108.35 million (about 2.3%) compared with the revised estimate for 2015-16. The additional provision is mainly for the work to strengthen land production, to expedite the implementation of the New Development Areas (NDAs) and new town extension, and to step up enforcement actions relating to building safety.
- In 2016-17, there will be a net increase of 177 civil service posts in the Planning and Lands Branch and departments under its purview (the Buildings Department (BD), the Lands Department, the Planning Department (PlanD), the Civil Engineering and Development Department and the Marine Department), including 45 civil service posts in replacement of non-civil service contract posts. The establishment of directorate civil service posts will increase by two.
- Now I would like to brief Members on the priority tasks of the Planning and Lands portfolio in the coming financial year.

**Land Supply**

- As stated in the Long Term Housing Strategy Annual Progress Report released in December 2015, the total housing supply target for the ten-year period from 2016-17 to 2025-26 will be 460 000 flats, with the public/private split of 60:40 remaining unchanged. To implement the Long Term Housing Strategy and facilitate the sustainable development of Hong Kong, the Government must continue adopting a multi-pronged strategy to increase land supply in a steady and sustained manner. The Steering Committee on Land Supply led by the Financial Secretary will

continue to co-ordinate and oversee the implementation of various land supply measures.

### Short- to Medium-term Land Supply

- For the short- to medium-term land supply, we will continue to rezone suitable sites, increase development intensity as appropriate and continue to conduct land use reviews on different sites and areas, with a view to making more optimal use of the developed areas, as well as the nearby land. For example, among the some 150 potential housing sites identified earlier on, it is estimated that most of them would be made available in the five years of 2014-15 to 2018-19 for housing development for providing over 210 000 residential flats, with over 70% of them for public housing, subject to timely amendments to their respective statutory plans.
- Rezoning these potential housing sites is one of the key contributors towards achieving the ten-year housing supply target. As at end March this year, proposals to amend the statutory plans of more than 40% of these sites have been submitted to the Town Planning Board (TPB). We will continue full steam ahead to increase and expedite the short- to medium-term housing land supply to ensure timely provision of land for public and private housing developments. In 2016-17, we plan to commence the statutory plan amendment process for more than 40 sites, which are capable of providing about 80 000 residential flats in total.
- Meanwhile, we will continue to carry out land use reviews on suitable areas so as to identify more developable sites for housing and other uses in the short- to medium-term. We will consult the District Councils (DCs) and relevant stakeholders on the development of individual sites as and when they are ready, and submit for consideration by TPB.

### Medium- to Long-term Land Supply

- As for the medium- to long-term land supply, the Government is striving to take forward as expeditiously as possible a number of land supply projects including but not limited to NDAs and new town extension; review of deserted agricultural land and brownfield sites in the New Territories (NT); planning for the long-term development of the NT North and Lantau; exploring reclamations on an appropriate scale

outside Victoria Harbour; rock cavern and underground space developments.

- For example, we are proceeding in full steam the development of NDAs and new town extension, including carrying out public engagement activities, formulating Recommended Outline Development Plans, making amendments to statutory plans, and commencing engineering design and site investigation. It is estimated that Kwu Tung North (KTN) and Fanling North (FLN) NDAs, Tung Chung New Town Extension (TCNTE), Hung Shui Kiu (HSK) NDA and Yuen Long South (YLS) Development can provide over 197 000 residential flats for occupation starting from 2023 the earliest.
- Among these, we will review the development potential of “brownfield” sites in rural NT. For example, about 50 hectares (ha) of brownfield sites are involved in the KTN and FLN NDAs, around 190 ha in HSK NDA, and around 100 ha in YLS Development. We will explore feasible measures including the possibility of moving some “brownfield” operations into multi-storey buildings so as to release developable land.

#### Land for Economic Uses

- Apart from increasing housing land supply, the continued supply of land for economic uses is essential to sustain Hong Kong’s economic growth. The Government is taking action to increase the supply of commercial space on different fronts. Examples include converting suitable government sites (e.g. Murray Road multi-storey car park, Queensway Plaza and the government site on Caroline Hill Road) in core business districts into commercial uses, continuing with the “Energizing Kowloon East” initiative, and enhancing the development intensity of the Kai Tak Development.
- In the medium- to long-term, it is estimated that NDAs and new town extension such as KTN, FLN and HSK NDAs, YLS Development and TCNTE will provide over 3.5 million square metres of commercial floor area. In support of the development of “bridgehead economy”, the Government is conducting studies on the boundary crossing facilities island of Hong Kong-Zhuhai-Macao Bridge, including the topside development, for uses such as retail, catering, entertainment, hotel, office, convention facilities and logistics.

### Support of the Community

- In my report on the Policy Address earlier on, I have talked about the details of other initiatives to increase land supply, so I will not repeat here. The Government shares the public's concern about land use planning and understands that there are diverse views. However, in recent years, the process for land development planning, consultation and implementation has become drawn out, and were often subject to procedural and legal challenges leading to even longer lead time for land development.
- Again, I appeal to the DCs, locals and members of the community to put the overall interests of Hong Kong first, and support the Government's effort to expedite land supply to meet the imminent housing and other development needs of the Hong Kong people.

### 2015-16 Private Housing Land Supply

- The Government estimates that at the end of 2015-16, the 14 residential sites put up for sale are capable of providing about 8 940 flats. The private housing land supply from government land sale, railway property development projects, projects of the Urban Renewal Authority (URA) and private redevelopment or development projects is estimated to have a capacity to provide about 19 820 flats (re-development or development projects in March 2016 not yet counted), exceeding the target of 19 000 flats set for 2015-16. This is the second highest since the Government introduced a target of private housing land supply in 2010.

### 2016-17 Land Sale Programme and Private Housing Land Supply

- The 2016-17 Land Sale Programme comprises 29 residential sites capable of providing about 19 200 flats. 14 of these 29 residential sites are new sites. The flat production capacity of the 2016-17 Land Sale Programme represents a record high since 2010. This demonstrates that the Government's determination and the concerted efforts of relevant bureaux and departments to increase housing land supply are bearing fruit.

- As in the past, the Government includes in the Land Sale Programme sites that are estimated to be available for sale in the year, and will continue to announce quarterly land sale programmes in advance, providing transparency and certainty in respect of land supply for the market. We may put up additional sites for sale in the course of a quarter depending on the situation, so as to flexibly respond to changing market conditions.
- In view of the total housing supply target of the Long Term Housing Strategy, our objective in 2016-17 is to make available land from various sources with a capacity of providing about 18 000 private residential flats so as to address the community's housing needs. Looking ahead in 2016-17, railway property development projects will continue to be one of the sources of private housing land supply. Package 1 of the West Rail property development project at Kam Sheung Road Station and three projects owned by the MTR Corporation Limited (MTRCL) at LOHAS Park, Ho Man Tin Station and Wong Chuk Hang Station are estimated to provide a total of some 4 840 flats. In addition, projects of URA are capable of producing about 480 flats. Private development or redevelopment projects are estimated to produce about 4 100 flats (based on ten-year average figures).
- Combining various sources, it is estimated that the potential private housing land supply in 2016-17 is capable of providing about 28 600 flats. Taking into account that the number of flats provided by railway property development projects and URA projects would be lower than those of the past two years, and that the number of private redevelopment or development projects requiring lease modification or land exchange would also be fewer than the ten-year average figure, the Government will increase land supply through government land sale in order to meet the target of supplying land capable of providing 18 000 flats.

#### Railway Property Development Projects

- Moreover, in collaboration with the MTRCL, the Government has been actively exploring the development potential of stations and related sites along existing and future rail lines with a view to increasing land supply through a multi-pronged approach.

- Our work on this front is starting to bear fruit. Having completed the related studies, the MTRCL considers that topside residential development at the site of the Yau Tong Ventilation Building is technically feasible. After rezoning, the site, together with an adjacent site, will have a potential to provide a total of around 1 000 residential flats. The PlanD will consult the relevant DC on the rezoning proposal in May.
- As for Siu Ho Wan Depot in Lantau and other railway-related sites, we will continue to carry out studies on the planning and technical issues in collaboration with the MTRCL. We will provide updates as appropriate when there are concrete results in our work in this regard.

### Sale of Commercial/Business/Hotel Sites

- The 2016-17 Land Sale Programme comprises eight commercial/business sites and three hotel sites which are capable of providing about 536 000 square metres of commercial floor area and about 2 100 hotel rooms respectively.
- The Government will continue to increase the supply of commercial floor area through various channels, such as converting suitable government sites into commercial use to facilitate economic development. Examples of which include:
  - The Trade and Industry Department Tower in Mong Kok was sold for commercial use in February 2016, providing about 26 400 square metres of floor area;
  - The Murray Road multi-storey car park in Central will be converted into commercial use and put up for tender in 2016-17, and is estimated to provide about 42 000 square metres of floor area; and
  - The Queensway Plaza site will be redeveloped, and is capable of providing about 93 000 square metres of floor area.

### Geographic Information Systems (GIS)

- The integration, analysis and application of spatial data are gaining importance for the sustained planning, development and management of Hong Kong for it to maintain the status of a cosmopolitan city and one of the cities with the highest density around the globe. Throughout the years, various government departments as well as public and private

organisations have already made use of the GIS to facilitate the management of individual geographic related spatial data and/or the development of different map service platforms.

- We plan to refine the existing GIS of the government departments, and explore ways to align and integrate the spatial data of various government departments and even throughout the territory, such as the location and relevant information of facilities that are above, on and under ground level, so as to holistically enhance the sustainability, compatibility, interoperability, shareability and reliability of the spatial data, and to extend their application.
- Our long-term target is to establish a “Common Spatial Data Infrastructure” for government departments, and the public and private sectors, to provide a geo-platform for integration and exchange of geographic spatial data that promotes the sharing and innovation of spatial data, and facilitates the development and application of information technology, so as to provide a reliable basis and information systems for the efficient use of resources, development of a smart city and sustainable development.

## **Urban Renewal**

- In accordance with the Urban Renewal Strategy promulgated in February 2011, URA can undertake self-initiated projects or take forward redevelopment projects in response to owners’ proposals, and provide facilitating service for building owners.

### Self-initiated Redevelopment Projects

- For self-initiated redevelopment projects, URA just commenced in early March the planning procedures for its Bailey Street/Wing Kwong Street Development Project in Kowloon City. The project is one of the largest redevelopment projects initiated by URA in recent years, and is estimated to provide about 1 150 residential flats for completion in 2025-26.

### “Demand-led” Scheme

- For the “Demand-led” scheme, since the launch of the pilot scheme in July 2011, eleven projects have been commenced (two of which were terminated after having failed to meet the 80% owners’ acceptance threshold within the specified deadline from the issue of acquisition offers). In February this year, URA announced the fifth-round of “Demand-led” scheme. The deadline of application is on 18 May with a view to selecting suitable project(s) for implementation within the 2016-17 financial year.

### “Facilitating Services (Pilot Scheme)”

- For the “Facilitating Services (Pilot Scheme)”, since the launch of the pilot scheme in July 2011, URA has received 25 applications from residential buildings. In November 2013, URA had its first success in facilitating owners of three residential buildings in Kowloon City District to assemble property titles for joint sale for development. In December 2015, URA announced the enhanced “Facilitating Service (Pilot Scheme)” to expand the scope of service to cover commercial buildings and industrial buildings within non-industrial zones. Since the launch of the enhanced scheme, URA has received one application from an industrial building within a non-industrial zone.

### **Building Safety**

- The Government has all along adopted a multi-pronged approach to enhance building safety. Among others, on the enforcement front, the BD launches large scale operations annually which target at rectifying irregularities associated with subdivided flats and other unauthorised building works (UBWs). In 2015, the BD issued a total of 12 918 removal orders against UBWs and 589 repair orders and investigation orders in relation to dilapidated buildings. During the same year, 3 030 prosecutions had been instigated against failure to comply with removal orders. The BD will continue with the work on this front.



- In response to the recommendations in the Director of Audit's and Public Accounts Committee's Reports No. 64, the BD will expedite clearance of the backlog of outstanding removal orders, step up its enforcement and prosecution work, and ensure completion of large scale operations within targeted time frame through allocation of additional resources and redeployment of existing resources, with a view to ensuring that the enforcement actions achieve the intended deterrent effect.

## **Conclusion**

- Chairman, the above is a brief account of the Planning and Lands portfolio. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.

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