

# CE's speech in delivering "The Chief Executive's 2023 Policy Address" to LegCo (7)

Create Developable Land to Build More Housing

Speed up Land Production and Development

101. The Government will continue to expedite land production to solve the longstanding land supply conundrum. We will:

(i) streamline statutory and administrative procedures—Followed by the amendments to the relevant statutes, the Government will introduce more administrative measures to simplify procedures, for example, to complete straight-forward title-checking cases within 12 weeks to expedite disbursement of land resumption compensation; and to relax the gross floor area (GFA) exemption for aboveground carparks to speed up the development process;

(ii) extend the arrangement for standardisation of land premium (Note 3)—We will, within this year, regularise the "standard rates" arrangement for the redevelopment of industrial buildings and extend the applicable scope to cover industrial buildings for special uses completed before 1987. The Government will also introduce a pilot scheme to extend the arrangement in phases to agricultural land in the New Territories. The first phase targets at private developments within the existing new towns of Yuen Long, North and Tuen Mun districts, as well as those in the vicinity of railway stations; and

(iii) expedite the approval of building plans—Building Information Modelling (BIM) helps improve building design and speed up construction. The Government will promulgate this year a roadmap for full adoption of BIM in the preparation and approval of building plans for private development projects. We will ask the Hong Kong Housing Society, the Urban Renewal Authority (URA) and the MTRCL to act as pioneers from the second quarter of next year by adopting BIM in preparing building plans of residential projects.

Enhance the Efficiency of Urban Renewal

102. In view of urban decay and ageing buildings, we will speed up redevelopment and step up the maintenance of aged buildings. We will:

(i) fully embrace the "planning-led" redevelopment approach—The URA is conducting planning studies for Tsuen Wan and Sham Shui Po, with the comprehensive urban renewal master plans and restructuring proposals expected to be ready by phases from the second half of 2024. We are also implementing the recommendations from the District Study for Yau Ma Tei and Mong Kok, permitting interchangeability between the domestic and non-domestic plot

ratios of selected areas, removing the plot-ratio restriction of the commercial zone along Nathan Road, and rezoning certain character streets to increase incentives for redevelopment. In the coming five years, the URA will commence redevelopment projects of the "Nullah Road Urban Waterway" in Mong Kok East and the "Street Consolidation Areas" in Yau Ma Tei South;

(ii) enhance URA's financial capability—To enable the URA to cope with future financing demand, the Government granted approval in mid-2023 for raising its borrowing limit from \$6 billion to \$25 billion. We will also provide suitable land for the URA at nominal land premium to enhance the viability of the concerned redevelopment projects and increase the usable resources available to URA;

(iii) adopt a more target-oriented approach in lowering the compulsory sale application thresholds—Last year, we proposed to lower the compulsory sale application thresholds from 80% of ownership to 60% to 70% with reference to the building age. Taking into account stakeholders' views, the Government considers that apart from the building age, the need for redevelopment of the district should also be taken into account in determining the applicable threshold. As a general principle, lower thresholds should be adopted for older buildings in districts with more pressing need for redevelopment. The Development Bureau (DEVB) will elucidate the revised proposal and introduce an amendment bill by the end of this year; and

(iv) explore a new mechanism for large-scale redevelopment projects—We will embark on a study this year to explore feasible policy measures to use part of the reclaimed land outside the Kau Yi Chau central business district to facilitate implementation of urban redevelopment projects by the public and private sectors.

#### Release Development Potential

103. We will also optimise the use of existing land to unleash development potential. We will:

(i) revitalise Hung Hom Station and nearby sites—We will invite the MTRCL to conduct a preliminary study and submit proposals next year to re-plan and develop a total land area of about 10 hectares covering the Hung Hom Station and the railway facility sites in the vicinity, as well as the waterfront and pier facility sites to the south of the Hong Kong Coliseum so as to upgrade the facilities of the Hung Hom Station, release commercial and residential floor area, and create a vibrant harbourfront. The Government will also explore ways to enhance pedestrian connectivity between Hung Hom and Tsim Sha Tsui East, and improve the waiting areas of the bus stops near the Cross Harbour Tunnel;

(ii) develop the ex-Lamma Quarry site—The Government will complete the study to map out the development direction of the 20-hectare site next year, with consideration given to developing the site for accommodation facilities with lower traffic demand, such as senior citizen residential units, residential buildings for talents, and accommodation for personnel involved

in recreational training. We will also optimise the use of the quarry site and shoreline to provide leisure and recreational facilities for island tourism;

(iii) optimise the use of "Green Belt" areas—More than half of the approximately 16 000-hectare "Green Belt" areas are subject to clear development constraints. Of the remaining 8 000 hectares, 1 200 hectares are included in various development projects; and the feasibility of housing development of another 255 hectares is being assessed, as announced last year. Developing the rest of the "Green Belt" areas, which include many slopes, has been considered highly challenging. As we have already identified enough land for housing, industry and other developments for the coming 30 years, the Government has no plan for the time being to further use the "Green Belt" areas for large-scale development. Nonetheless, we will consider using some of the sites for recreational and tourism purposes. For example, South Lantau offers rich eco-recreational resources, and could be developed for eco-tourism or recreational uses, including eco-recreational facilities at Cheung Sha, Shui Hau, Shek Pik and Pui O. The DEVB will gauge public views in the first half of next year; and

(iv) pursue mixed development under the "single site, multiple use" model—We are taking forward six pilot projects under the "single site, multiple use" model. For instance, the Joint-user Complex project at Anderson Road Quarry is scheduled for completion in 2027. We will continue to adhere to this development concept in providing sports, recreational, cultural and social welfare facilities for the community.

#### Enhance Building Safety and Improve Building Management

104. The Government is concerned about the dilapidation of aged buildings, including the spalling of concrete or renderings from building facades in recent months. We will continue to collaborate with the URA to provide owners with technical and financial support for building repairs. In addition, the Buildings Department (BD) will, starting from this quarter, initiate prosecution against owners' corporations (OCs) or owners who have not complied with notices served under the Mandatory Building Inspection Scheme (MBIS) and where there is a lack of progress. Moreover, we will comprehensively review the policy in the following three directions. First, adopt a more precise approach in selecting target buildings for issuance of the MBIS notices. Second, proactively identify higher-risk buildings, and enhance the capabilities of the BD to inspect such buildings and carry out emergency repair works through outsourcing. Third, review the workflow of various stages of Operation Building Bright 2.0 to provide practical assistance and urge owners or OCs who have applied for the subsidy to expedite actions, such as streamlining the procedures for engaging professionals to speed up building inspections and commencement of the works concerned. The DEVB will put forth specific recommendations along the above directions in the first quarter of next year.

105. The Government will put forth proposals next year to amend the Buildings Ordinance, with a view to increasing its deterrent effect. We will explore streamlining prosecution procedures and lowering the prosecution threshold,

as well as raising the penalties against non-compliance with notices served under the MBIS and the Mandatory Window Inspection Scheme, repair and investigation orders, unauthorised building works and other illegal building works. The Government will also strengthen the registration and disciplinary systems of contractors to enhance professionalism and ensure the quality and safety of works.

106. To promote good building management, the Government will introduce a bill into the LegCo later this year to amend the Building Management Ordinance to strengthen the regulation of OCs in respect of large-scale maintenance projects, minutes of meetings, financial statements, etc. The Fire Services Department will also establish a support centre by the end of this year to provide support in complying with requirements of the relevant legislation on enhancing fire safety of old buildings.

### Kau Yi Chau Artificial Islands

107. The Kau Yi Chau Artificial Islands will provide 1,000 hectares of land, creating a new central district with liveable, smart, green and resilient development strategies. The Kau Yi Chau Artificial Islands will also connect the Hong Kong Island, Lantau Island, the airport, New Territories West and even Qianhai of Shenzhen. The Government will commence the environmental impact assessment process this year. The newly established Committee on the Financing of Major Development Projects will put forward proposals on the financing arrangements for the reclamation of the Kau Yi Chau Artificial Islands, associated infrastructure and strategic transport infrastructure development. We also plan to set up a gallery to showcase our major construction projects including the Northern Metropolis and the Kau Yi Chau Artificial Islands.

### Strengthen Transport Network

#### Major Transport Infrastructure Development Blueprint

108. The Government has completed public consultation on the Three Railways and Three Major Roads proposals (Note 4) recommended under the Strategic Studies on Railways and Major Roads beyond 2030, announced last year. In the Hong Kong Major Transport Infrastructure Development Blueprint, to be published by the end of this year, the Government will outline the implementation of all major transport infrastructure, with a view to improving our railway and major road networks. The blueprint will include the enhanced Three Railways and Three Major Roads proposals, and new projects including two railways and one major road. The enhanced proposals include the provision of three intermediate stations at Northeast Tsuen Wan, Northeast Kwai Chung and Tsuen King Circuit on the Central Rail Link and transit to the Tsuen Wan Line. The new two railways and one major road will be conducive to the development of new towns in the eastern part of the Northern Metropolis. These include:

(i) Northern Link Eastern Extension—Extending the Northern Link to Ping Che via Lo Wu South and Man Kam To areas, connecting NDAs and different boundary control points;

(ii) Northeast New Territories Line—Providing a north-south railway from Heung Yuen Wai to Fanling Station of the East Rail line, via Ping Che and Queen's Hill areas, linking major development nodes; and

(iii) Northern Metropolis Highway (New Territories North New Town Section)—Extending the Northern Metropolis Highway from Fanling North to the east to connect Sha Tau Kok Road Interchange, enhancing east-west connectivity in the New Territories North.

#### Construct Smart and Green Mass Transit

109. Taking into consideration of "SkyShuttle", "Autonomous Rail Rapid Transit" and "Bus Rapid Transit", I have decided to implement smart and green mass transit in the following areas:

(i) East Kowloon—Connecting Kwun Tong uphill areas, including Choi Wan, Shun Lee, Shun On, Sau Mau Ping, Po Tat and Ma Yau Tong, to facilitate access to the MTR Choi Hung Station and Yau Tong Station, improving the overall transportation of East Kowloon and unleashing development potential;

(ii) Kai Tak—Connecting the Kai Tak runway area to the MTR Kai Tak Station to strengthen connections among the residential and commercial developments, including facilities focused on tourism, culture and recreation, sports and the community in general; and

(iii) Hung Shui Kiu/Ha Tsuen—Running through Hung Shui Kiu/Ha Tsuen NDA and Yuen Long South Development to provide connections to the Tuen Ma Line, the Light Rail, and major public transport interchanges.

110. The Government will commence the preparatory work, including planning, investigation and design work, for the above projects and invite suppliers and operators to submit expressions of interest for the projects in East Kowloon and Kai Tak next year so as to finalise the details, including tender conditions.

Note 3: As an alternative to the conventional mechanism for premium assessment (i.e. individual premium assessment based on the circumstances of each case), the arrangement for charging land premium at "standard rates" provides certainty on land premium through promulgation of a set of standard rates on land premium in advance.

Note 4: Namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), the Central Rail Link, the Tseung Kwan O Line Southern Extension, the Northern Metropolis Highway, the Shatin Bypass and the Tseung Kwan O-Yau Tong Tunnel.

(To be continued.)