

LCQ21: Measures to increase land supply

Following is a question by the Hon Alice Mak and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (July 15):

Question:

The Task Force on Land Supply submitted in December 2018 a report to the Government, in which it tendered a number of recommendations on land supply strategy and put forward eight land supply options worthy of priority studies and implementation. There are comments that it has been more than one year since the Government announced in February last year that it had fully accepted such recommendations, but the Government has achieved very little progress in its land development work. The tight supply of land over a prolonged period has aggravated the financial burden on housing for the public and hindered the development of various industries. In this connection, will the Government inform this Council:

- (1) of the projected area of developable land that can be provided in the coming five years through developing brownfield sites; the ways to accelerate the development of brownfield sites;
- (2) of the projected area of private agricultural land that can be released in the coming five years for housing development or other uses; whether it has set a target for the area of developable land to be supplied under the Land Sharing Pilot Scheme in the coming five years;
- (3) whether it will expeditiously invoke the Lands Resumption Ordinance (Cap. 124) to resume idle private land, so as to carry out various development projects;
- (4) of the latest progress of, and the timetable for, the implementation of the large-scale reclamation projects under the "Lantau Tomorrow Vision"; as the Government indicated in May this year that it aimed to submit, within the current legislative session, the funding application for the studies related to the artificial islands in the central waters to the Finance Committee of this Council for consideration, of the progress of the relevant work;
- (5) whether it has assessed the impacts on the long-term land supply and the overall development of Hong Kong in the event that the implementation of the various projects under the Lantau Tomorrow Vision experiences delays; and
- (6) as the following proposal has been put forward recently: that the Central Authorities, by making reference to the model in 2009 of authorising Macao to exercise jurisdiction over parts of the land on Hengqin Island of Zhuhai, arrange for the Mainland authorities to construct artificial islands in the

Mainland waters (e.g. the waters to the west of Lantau Island or in the vicinity of Guishan Island) through reclamation, and then authorises the Hong Kong Special Administrative Region to exercise jurisdiction over and use the reclaimed land in the form of an "enclave", whether the Government will expeditiously conduct detailed studies on the proposal and discuss with the Central Authorities; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government announced its full acceptance of the recommendations tendered by the Task Force on Land Supply (TFLS) on land supply strategy and eight land supply options worthy of priority studies and implementation in a detailed response made in February 2019. In the past year, we have been actively implementing various measures to create land and increase supply. My reply to the various parts of the question raised by Hon Alice Mak is as follows:

(1) According to the outcome of a consultancy study released by the Planning Department (PlanD) in November 2019, there are a total of 1 579 hectares (ha) of brownfield sites in the New Territories (NT), including 1 414 ha with active operations and some other 165 ha with no operation. Among these brownfield sites, more than half (803 ha or 51 per cent) will be developed progressively into housing or other uses. These include 653 ha covered by New Development Area (NDA) projects already/to be launched or being planned, and about 150 ha covered by known development projects pursued by the Government or the private sector. After excluding 76 ha in conservation-related zonings from the remaining 776 ha, there are about 700 ha of brownfield sites scattering across the NT. Out of these 700 ha of brownfield sites with no development plans, 450 ha may have relatively higher possible development potential in view of the proximity to existing new towns and major highways, as well as the larger size of land parcels.

To follow up on the consultancy study and to step up development of brownfield sites, the Government stated in "The Chief Executive's 2019 Policy Address" that we would assess by phases how many of these 450 ha of brownfield sites would be suitable for public housing development. In the first-phase review of 160 ha of brownfield sites closer to the existing infrastructure completed by the PlanD earlier, eight clusters were shortlisted as suitable for the commencement of engineering feasibility studies (EFS) on public housing development. Details and follow-up work by relevant departments are set out in an information note issued to the Panel on Development on March 18, 2020 (Note). The PlanD is continuing the examination of the remaining 290 ha of brownfield sites, with a view to completing the assessment by the end of this year.

The Development Bureau has already examined with relevant departments on how to further streamline and expedite the subsequent work processes, including compressing the time required for EFSs as far as possible, speeding up statutory procedures such as rezoning, gazettal of works and land resumption immediately upon completion of EFSs, and pursuing certain

procedures concurrently as circumstances permit. As for those eight brownfield clusters, at this stage, we expect to convert them to "spade-ready sites" and hand over the sites to the Housing Department for construction of public housing in about five to six years (versus at least eight years now in general). We aim to compress the construction time of some of these housing units to within ten years approximately from the commencement of EFSs to increase supply in the short to medium term.

(2) & (3) "The Chief Executive's 2019 Policy Address" has emphasised Government-led land resumption efforts as our core land creation strategy, with a view to making available more land through statutory resumption in the short to medium term for public housing development. Under this strategy, a steady stream of development projects involving resumption of private land by the Government under the Lands Resumption Ordinance (Cap. 124) and other relevant legislation is in the pipeline. Taking into account the Kwu Tung North/Fanling North (KTN/FLN) NDA now under construction, the Hung Shui Kiu/Ha Tsuen (HSK/HT) NDA with land resumption works about to commence, and Yuen Long South development now under statutory planning procedures, as well as a number of public housing projects and other public works, we note that about 700 ha of private land will be resumed, of which some 400 ha are expected to be resumed in the next five years starting from 2019-20. This figure is much higher than the total of 20 ha resumed over the immediate past five years. Among these projects, land resumption for KTN/FLN NDA has commenced in 2019-20, with 68 ha of private land under the first-phase development already reverted to the Government. Resumption procedures for HSK/HT NDA will start shortly, involving some 12 ha of private land for the first phase of works to be kick-started in the latter half of this year.

The above land resumption figures have not yet reflected those land creation initiatives announced in "The Chief Executive's 2019 Policy Address". Apart from the aforementioned efforts to step up the planning for brownfield development, we are reviewing around ten land parcels which have been zoned for high-density housing development in statutory outline zoning plans but without any concrete development plan due to various reasons (e.g. fragmented ownership and infrastructure constraints), with a view to assessing their suitability for public housing development. We have also commenced EFSs for the comprehensive planning of high-density public housing development at three urban squatter areas (viz. Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village).

While Government-led planning and land resumption works will continue to be the mainstream, the Land Sharing Pilot Scheme (LSPS) launched in early May this year aims to make use of market resources and efficiency to unleash the development potential of privately owned land falling outside Government planning and ecologically sensitive areas, so as to boost public and private housing supply in the short to medium term. The LSPS is open for three years, subject to a cap of 150 ha of the total area of private land to be approved, in order to focus our efforts on handling applications with potential to provide housing land in the short to medium term and encourage lot owners to submit proposals as soon as possible. As the LSPS is voluntary in nature, we cannot estimate at this stage the number of lot owners joining the scheme and

the land area involved in those applications.

(4) & (5) The construction of artificial islands in the Central Waters near Kau Yi Chau (KYC) is an important measure of land creation in the medium to long term. It is also one of the land supply options worthy of priority studies and implementation as recommended by TFLS. The KYC artificial islands can provide 150 000 to 260 000 housing units (70 per cent of which are public housing) to help meet the long-term housing needs and provide decanting space to facilitate urban redevelopment of a larger scale. In the context of traffic and transport planning, the new strategic roads and railway can enhance the overall capacity and resilience of Hong Kong's traffic and transport network, while relieving congestion of the West Rail and Tuen Mun Highway. The KYC artificial islands can also supply new land for developing the third Core Business District, providing approximately four million square metres of commercial/office floor area (equivalent to about 80 per cent of Central in scale) and bringing about around 200 000 diversified employment opportunities, with a view to creating economic capacity and boosting Hong Kong's long-term economic growth.

The Government endeavours to solicit support from the public and the Legislative Council (LegCo) to the studies related to the artificial islands in the Central Waters. Following the LegCo Public Works Subcommittee's support in May last year, the Government has included the funding application for the relevant studies in the meeting agenda of the Finance Committee. Subject to funding approval, the studies are expected to complete within 42 months after commencement. If the studies could not be taken forward or were delayed, the current land shortage problem will continue to deteriorate in the medium to long term, and the various social and economic benefits mentioned above could not be realised.

(6) There had been some discussions in the community on the idea of creating land by reclamation within the waters of the Mainland for use by the Hong Kong Special Administrative Region. In the absence of a more concrete proposal, the Government is not in a position to make specific response at the moment. This notwithstanding, the Government is open to any suggestions that could help relieve the land shortage situation.

Note: Please refer to Legislative Council Paper No. CB(1)463/19-20(01) (www.legco.gov.hk/yr19-20/english/panels/dev/papers/devcb1-463-1-e.pdf).