

## LCQ4: Planning and development of New Development Areas

Following is a question by the Hon Abraham Shek and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (April 21):

Question:

A planning study commissioned in the late 1990s identified Kwu Tung North (KTN) and Fanling North (FLN) as suitable New Development Areas (NDAs). In July 2013, the Government adopted an Enhanced Conventional New Town Approach for these two NDAs, under which private land owners may apply for lease modification (including in-situ land exchange) for private developments. Site formation and engineering infrastructure works for the first phase development of the two NDAs did not commence until September 2019. As the first resident intake for the two NDAs will not take place until the 2025-2026 financial year, i.e. about three decades after the inception of the development intention, some members of the public have criticised the unduly long planning and development process of NDAs. In this connection, will the Government inform this Council:

- (1) of the latest progress of the remaining phase of site formation and engineering infrastructure works at KTN and FLN NDAs;
- (2) of the respective numbers of applications for lease modification (including land exchange) in respect of private lots falling within the sites under the remaining phase of the two NDAs development (i) received by the Lands Department (LandsD), (ii) being processed by LandsD, and (iii) concluded with the applicant's acceptance of a binding basic terms offer (including premium);
- (3) whether it will consider taking measures to shorten the whole planning and development process of an NDA, so as to expedite the increase in housing supply;
- (4) whether, in order to expedite implementation of residential developments in NDAs, the Government will consider, by way of lease modifications for private lots in NDAs, entrusting the developers of such lots to build and then hand over to the Government those infrastructure works (e.g. building linking roads) in areas adjacent to the lots; and
- (5) whether it will review and relax the general criteria for consideration of lease modification (including in-situ land exchange) applications in the two NDAs, as set out in LandsD's Practice Note No. 1/2014, with a view to attracting more lease modification applications and shortening the processing time for such applications, thereby expediting the increase in housing supply?

Reply:

President,

Kwu Tung North/Fanling North New Development Area (KTN/FLN NDA) is the first New Development Area (NDA) project in the New Territories proceeding to implementation stage. Being one of the major sources of housing supply for the territory in the medium to long term, upon full development, it will provide a total of about 71 800 housing units (including about 48 500 public housing units and 23 300 private housing units), accommodating additional population of about 188 100.

Regarding the various parts of the question, after consulting the relevant departments, I reply as follows:

(1) KTN/FLN NDA is being implemented in two phases: first phase and remaining phase. With the funding approval given in May 2019, land resumption and clearance and the site formation and infrastructure works for the first phase development and the detailed design for the remaining phase commenced in September 2019 and December 2019 respectively, and have been progressing as scheduled. Subject to funding approval, site formation and infrastructure works for the remaining phase development is scheduled for commencement in 2024 for completion in 2031.

(2) An Enhanced Conventional New Town Approach (ECNTA) is adopted for implementing KTN/FLN NDA. Under this approach, the Government will resume and clear all the private land planned for public works projects, public housing and private developments, etc., carry out site formation works and provide infrastructure etc., before allocating the land for various purposes including disposal of land for private developments. Prior to the resumption and clearance of land, the Government may allow in-situ land exchange applications from private land owners of sites earmarked for private developments, subject to their meeting of the criteria and conditions as specified in the LAO Practice Note No. 1/2014 (PN) promulgated by the Lands Department in February 2014.

The processing of in-situ land exchange applications for the first phase development had been completed in 2017 and two applications were approved. We have also received 13 land exchange applications for land within the remaining phase development. The infrastructure works of the remaining phase development is in its detailed design stage with implementation planned for commencement in 2024, and we are processing the applications received having regard to such time frame. Information on the applications received will be published as and when they have been accepted for further processing under the existing mechanism.

(3) To develop an NDA or a new town, it usually takes more than 10 years from planning and building to commencement of population intake owing to the relative large scale. The actual progress may be subject to a variety of factors such as the complexity of individual projects, time required for statutory and administrative procedures, resource allocation, as well as

progress of compensation and rehousing arrangement, etc. We have adopted appropriate measures to expedite the NDA project delivery, including merging the original six development phases into two and making use of private initiative through the ECNTA to speed up the implementation. In this regard, the first population intake in KTN/FLN NDA will come from a private housing development scheduled for completion in 2023, which is only four years after the funding approval in 2019, whereas the large-scale public housing development under the first phase is expected to complete in 2026. For the implementation of the remaining phase development, we will continue to explore various practicable measures to expedite project delivery, e.g. compressing the time for technical studies as far as possible, speeding up the statutory procedures and conducting various procedures concurrently as circumstances permit.

(4) and (5) The PN specifies the general criteria for consideration of lease modification (including in-situ land exchange) application for the KTN/FLN NDA under the ECNTA and we have no intention to amend such criteria at this stage. We would speed up the processing of the land exchange applications as far as practicable with a view to expediting the housing supply. The newly established Development Projects Facilitation Office under the Development Bureau will also facilitate the processing of development approval applications for private residential developments with 500 flats or more.

The design and construction of the infrastructures for the NDA, including roads, are currently co-ordinated by the Civil Engineering and Development Department. Entrusting the infrastructure works to individual developers might not be more efficient or cost-effective. If such works cost is to be deducted from the land premium, which constitutes Government revenue, whether such arrangement is cost-effective or not would also involve considerations on proper use of public funds. Notwithstanding, we will fully explore any feasible proposals when processing the applications for lease modification (including in-situ land exchange).