

Speech by SDEV at Colliers Leaders' Forum 2024 (English only)

Following is the speech by the Secretary for Development, Ms Bernadette Linn, at the Colliers Leaders' Forum 2024 today (September 20):

Director CK Lau (Managing Director of Colliers Hong Kong, Mr Lau Chun-kong), Professor Ling (Interim Vice President (Campus Development and Facilities) and Director of Jockey Club Design Institute for Social Innovation of the Hong Kong Polytechnic University, Professor Ling Kar-kan), distinguished speakers and guests, ladies and gentlemen,

Good afternoon. It gives me great pleasure to join you all at this year's Colliers Leaders' Forum. The forum today is an excellent opportunity for us to exchange views on demographic transformation in Hong Kong.

I think when we talk about demographic transformation, it's not just about the transformation brought about by the bringing in of new talent, or changes in our population themselves, but also transformation prompted by changes in the conditions of our buildings, and that is why the theme of my speech today will cover two aspects: challenges in old districts and opportunities in new development areas.

I. Double-ageing as our unique challenge

As we all know, Hong Kong's population is ageing and is ageing fast. At the moment, one-fifth of our population are elderly. By elderly, I mean those aged 65 and above. Four years later, this proportion will increase to 25 per cent, meaning that one in every four people will be elderly by the definition I mentioned just now. Some 40 per cent of our elderly either live alone or with their spouses. At the same time, "ageing of building stock" has been witnessed in most areas, and it is affecting particularly the livelihood of residents in our older districts. This phenomenon of "double-ageing" is very pressing in Hong Kong and I guess KK, who has written on this subject about "Tackling Double-ageing with Double-smart" and who will be delivering his keynote speech later, may touch on this subject in greater details.

As far as the demographic side is concerned, under the leadership of the Deputy Financial Secretary, we have been working on a package of elderly-friendly building design proposals for consultation later this year. We welcome your views on how we could create a more elderly-friendly building environment in pursuit of the "ageing in place" policy.

I would like to take the opportunity of today's forum to share with you how the Government will grasp the opportunities brought about by the Northern Metropolis to tackle the challenges of urban decay, and the Government's proactive efforts to incentivise people to move out from our older districts to these new development areas.

II. Urban renewal

Rapidly ageing building stock

I have mentioned about the ageing building stock. Here are some figures to illustrate the pace of this urban decay. The number of private buildings redeveloped in the past 10 years are estimated to be about 1 600, equivalent to an average of 160 buildings per annum. Over the same 10-year period, the number of private buildings aged 50 or above significantly increased from slightly over 5 000 to now over 10 000, resulting in an average increase of 510 per annum. So it means 160 buildings redeveloped per annum versus an increase of 510 old buildings per annum. The number of these buildings aged 50 or above is projected to rise further in the next 20 years. And by 2043, the number will be close to 2.5 times the number in 2023.

The rehabilitation-cum-redevelopment strategy

Against this background, the Government has been implementing a rehabilitation-cum-redevelopment strategy to arrest our urban decay. As with people, the golden rule is "prevention is better than cure". Building rehabilitation is playing an important role in our urban renewal strategy. Based on the principle that owners should be the ones primarily responsible for maintaining their properties in good condition, the Government adopts a two-pronged approach in enhancing building safety. First, we have since 2018 allocated a total of \$19 billion for implementing various building rehabilitation support schemes to assist our eligible building owners, providing them with technical and financial support to maintain and repair their properties.

Secondly, we intervene proactively through law enforcement, and undertake repair works in default of the owners when a defective or dilapidated building endangers public safety. Stepped-up measures include identifying high-risk buildings in a more precise manner for the issuance of Mandatory Building Inspection Scheme notices, proactively inspecting the external walls of buildings with higher risk and carrying out emergency works for the owners, and strengthening procurement support for owners joining our Operation Building Bright financial subsidy scheme to accelerate the pace for inspection and repairs. Just yesterday, the Buildings Department accounted for progress with a special inspection exercise on the external walls of buildings. Out of 278 buildings with external walls inspected since the beginning of this year, as many as 270 revealed defects here and there requiring rectification. While this high percentage probably has partly reflected that the Buildings Department has selected the right samples for priority inspection, the results, I think, leave us no room for complacency. We are reviewing the penalties against non-compliance with the Mandatory Building Inspection Scheme and we are trying to streamline the prosecution procedures, so as to enhance the deterrent effect. We are planning to consult the public with our specific proposals by the end of this year.

Without timely and proper upkeep, buildings may deteriorate rapidly to the point where rehabilitation is no longer economically viable. For

buildings beyond economical repairs, redevelopment is of course a more practical and sustainable solution. The Urban Renewal Authority, being our close partner in undertaking urban renewal, has commenced some 70 redevelopment projects providing over 36 000 new flats since its establishment more than 20 years ago. In recent years, the Authority has been adopting a "planning-led" and "district-based" approach which capitalises on the opportunity brought by redevelopment to re-plan traffic routes, pedestrian facilities as well as re-plan the whole urban design in the whole urban landscape.

Of course our developer-owners in the private sector also play a crucial role in leading redevelopment projects, as evidenced by the fact that 75 per cent of new flats from all redevelopment projects in the past 10 years came from private redevelopment projects. To quicken the pace of urban redevelopment, we need more target-oriented policy measures to incentivise the participation of our private sector. The Development Bureau has, among other things, secured in July this year the Legislative Council's approval of amendments that will update and streamline the statutory compulsory sale regime, which include lowering the compulsory sale application thresholds and providing more flexibilities for amalgamating adjoining lots for compulsory sale to enhance redevelopment potential. This amended legislation is expected to take effect in December this year.

In expediting urban renewal, we have not lost sight of protecting the interest of minority owners. Just last month, our support centre, aiming to provide one-stop services for minority owners including many elderly owners, commenced operation. This support centre will provide advisory services on how to deal with compulsory sale applications. It will also provide professional valuation services and counselling. We are also making arrangements to introduce a government guarantee loan scheme to help tie over the cashflow needs of minority owners in case of litigation over compulsory sales.

III. Opportunities in "new" development areas to tackle the challenges in "old" districts

Urban renewal is essentially revitalisation of urban land resources for more beneficial uses. We are also very much after the aim of revitalising under-utilised land and optimising unused land in the northern part of our New Territories where we call the Northern Metropolis. Through land transformation, we want to build a better Hong Kong with more quality homes, as well as more space for our emerging industries to grow and thrive.

The Northern Metropolis has an area of 30 000 hectares, around one-third of Hong Kong's total area. It covers many existing new towns as well as many new planning development areas which are at different planning stages or even have entered into the construction stages. As one of the priorities of the current-term Government, the Northern Metropolis will be the foothold for Hong Kong's future strategic development, and a new engine for Hong Kong to scale new heights. Adopting an "industry-driven and infrastructure-led" approach, the Northern Metropolis will forge a major hub for Hong Kong to

integrate into the overall development of our country. It is the major source of land supply in the future, providing some 3 000 hectares of new development land. Upon full development, we anticipate that the entire Northern Metropolis will deliver half a million new residential units and half a million new jobs. Our target for the medium term is to form 40 per cent of the new development land and complete 40 per cent of the new residential flats by 2032.

So, how are the Northern Metropolis and urban renewal related to each other? The answer lies in the vast living space to be made available from the mega project and also the new standards to be adopted. The Northern Metropolis will provide the much-needed new land and new residential units to support thinning out the dense population in the old districts. To this end, we are embarking on a study to devise viable policy measures to encourage the use of new development land to facilitate large-scale urban redevelopment projects. For example, we are exploring the feasibility of transferring plot ratio from sites of the old urban areas to sites of the New Development Areas, as well as what we may do to encourage owners or residents affected by urban redevelopment projects to move to residential units on the new development land. We aim to formulate proposals for consultation in the first half of next year.

IV. The appeals/draws of the Northern Metropolis

We are well aware that new development land with residential units are not enough to attract people to move there. Experiences tell us that a balanced and self-contained community in terms of ample employment opportunities, a comprehensive transport network and adequate community facilities are all instrumental. We have therefore planned the Northern Metropolis as a growth area accommodating niche economic sectors like innovation and technology, one integrating quality life, industry development, culture and leisure, and promoting a better home-job balance and green living. Under an "industry-driven" approach, we will provide land in the Northern Metropolis according to the needs of different industries.

Enhanced liveability through comprehensive planning and urban design

Through comprehensive planning integrated with smart, green and resilient (SGR) strategies, the New Development Areas within the Northern Metropolis will provide quality and green living spaces, alongside iconic cultural and performance venues and sports and recreation facilities. To promote diversity, age friendliness, inclusiveness and a healthy lifestyle, the planning concept of "15-minute neighbourhood" will be adopted. We will adopt smart and green building design in the urban design concept.

To make the community more liveable, we had a few years ago proposed that the target provision of open space should be increased from 2 square metres per person to 3.5 sq m per person. The more recently planned New Development Areas in the Northern Metropolis have already adopted this revised standard as the basis for reserving land. We will adopt the active conservation approach to preserve ecologically significant habitats while

creating the environmental capacity for complementing worthy developments.

We will open up opportunities for eco-tourism and leisure pursuits. In addition, the traditional rural townships are plentiful in historical and cultural resources. The significant built heritage will be integrated with the future development in harmony, adding to the character and appeal of the Northern Metropolis.

Ease of mobility

Apart from new and improved road networks, a number of local and cross-boundary railway projects will be implemented to bring ease of movement to the future residents, workers and visitors of the Northern Metropolis. In particular, the two new cross-boundary railways, namely the Northern Link Spur Line and the Hong Kong-Shenzhen Western Rail Link, will greatly enhance the accessibility between the Northern Metropolis and Shenzhen, facilitating the ever-growing needs for cross-boundary travels. The Government is also actively introducing smart and green mass transit systems to serve as a light and green feeder service in some of the New Development Areas, such as the Hung Shui Kiu/Ha Tsuen and Yuen Long South area.

Northern Metropolis university town

I note that today's forum, some of you will be touching on the theme of student accommodation. This I think is very timely when the Government is trying to strengthen Hong Kong as a regional education hub. In Northern Metropolis, we will be reserving more than 60 hectares of sites in Hung Shui Kiu/Ha Tsuen, Ngau Tam Mei and New Territories North New Town for post-secondary education use, with a view to establishing university clusters to tie in with the Government's objective of building Hong Kong into an international post-secondary education hub. With new land, new population, excellent connectivity, development opportunities of different industries, and close connections with the Mainland, the Northern Metropolis will provide valuable opportunities for the post-secondary education sector to grow and excel.

V. Closing

These are our visions for a major growth area for Hong Kong. Visions, which we firmly believe, are realisable and evolving with time. Why I have to emphasise evolving with time? I think Rome was not built in one day. Likewise, our New Development Areas take time to sail through different stages, from planning inception to full-swing implementation with intake of population, completion of basic as well as signature facilities, and progressive efforts in place making. We have to set goals and themes, but we also have to be open-minded in allowing flexibility to cope with changing needs and perhaps changing tastes over the period of developments straddling 20 years or so.

With this in mind, we welcome and are looking forward to the insightful ideas on how we may attract people to relocate to new areas from all the

experts, leaders and practitioners gathered here in the forum today. Your contributions will no doubt provide an invaluable reference for us to shape a better future for our city.

Once again, I would like to express my sincere gratitude to Colliers for giving me this opportunity to address such a distinguished audience. Lastly, I wish you all an inspiring and rewarding forum this afternoon. Thank you.