

# Chairman's Statement



Mr Barry CHEUNG Chun-yuen, GBS, JP

*“The new URS has given us the means and the opportunity to take bold action to transform the city’s urban slums. My URA colleagues and I remain determined to live up to the community’s expectations.”*

My review of the Urban Renewal Authority's work in 2010/11 is written under the shadow of the yet another case of deaths, injuries and heartbreaking disruption of families' lives that occurred in Ma Tau Wai in June 2011 after the very similar tragedy in 2010. These disasters are grim reminders of the continuing urgent priority to rid Hong Kong of its slums.

The URA was able to step in urgently with special measures to help the hundreds who were affected in last year's incident. But our success in responding to the initial emergency and relieving some measure of the distress of the victims should not distract Hong Kong from the painful truth. A large segment of our community has no choice but to live in housing conditions that are unsafe, unhealthy and often outright dangerous. Our people should not have to live in fear.

### Swift Action Needed

Urban decay is a root cause of the most acute problems of city life almost everywhere in the modern world. Hong Kong is no exception. Despite our sustained economic success, our business resourcefulness and our highly productive labour force, urban decay remains one of the most urgent issues we face in Hong Kong today. More than 110,000 families in our community still live in homes that are neither healthy nor safe. The tragedies that have struck Ma Tau Wai in 2010 and 2011 could happen again in many parts of our city unless swift, effective and decisive action is taken.

Awareness of this urgent challenge to provide these families with decent homes is at the heart of the new Urban Renewal Strategy — or URS, — published in February 2011. This blueprint for ridding Hong Kong of its slums is based on the clear recognition that urban decay can only be overcome by a total community

commitment. We need the urgent and concerted efforts of the Government, owners, the URA, the private sector and social organisations. The new strategy highlights redevelopment and rehabilitation as the URA's core businesses.

### Scale Matters

Slums create threats to lives and property in Hong Kong on a scale that cannot be ignored. Daily life for the 110,000 families who have no choice but to live in slums is made miserable by the dirt, decay and lack of amenities that the rest of the community takes for granted. These are the personal hardships that slums inflict. But the rest of the community is also at risk from the disease and dangers that dilapidated, over-crowded and neglected buildings themselves may create for the rest of society.

The URA has conducted an extensive building condition survey in its old target areas. The findings from this year-long survey are grim. The most alarming fact is the average age of our building stock. Over the last six decades, most buildings were constructed out of reinforced concrete and were not designed to last more than 50 years.

Already, some 4,000 buildings have reached this limit. By 2030, the total number of buildings erected for years or more is forecast to reach 16,000. What makes the situation even more alarming is that many of them have suffered from inadequate management and minimal repairs over the years. As dilapidation gets worse, the costs of maintenance increase and maintenance therefore does not take place. These buildings become so worn out that, in many cases, demolition and rebuilding are the only safe and sensible solution.

The URA investigated the levels of building dilapidation which this state of affairs is creating. Its comprehensive survey classified 2,600 buildings as already substandard. The alarming state of these structures is matched by the dreadful standards of accommodation that they provide. Typically, three or more families are packed into the average living unit of around 500 square feet. The common areas are filthy and prone to flooding, and there is a constant risk of fires caused by defective electrical wiring and fittings.

## Getting Worse, Not Better

Without urgent intervention, grosser forms of urban decay emerge, and living conditions become even more degraded. In the search for increased rental yields from these buildings, owners have recently begun to subdivide the flats into even smaller units. These cubicles are now known as ‘coffin homes’, a term coined by a local magazine when it featured this latest abuse of slum dwellers as a cover story. In these conditions the dwellers are even more miserable than those in the already notorious ‘cage homes’. This state of affairs is all the more unacceptable in a city that is as rich and resourceful as Hong Kong.

In recent years, the URA’s initiatives have helped to cut the number of substandard buildings. We have directly helped more than 30,000 households to improve their living conditions, while our rehabilitation schemes have led to the upgrading of more than 520 buildings involving 40,000 households.

Despite the URA programmes, the stock of housing that is totally unfit for human habitation, and in which so many still live, remains shamefully large. We are determined to increase our rehabilitation and redevelopment efforts. But we cannot succeed in this endeavour without the community’s engagement and support.

## New Urban Renewal Strategy: The Community Has Spoken

Because of our awareness of this dependence on the support of the entire community, we actively promoted and supported the Government’s review of its Urban Renewal Strategy (URS). The public consultation on the new strategy took more than two years and was one of

Hong Kong’s most comprehensive consultation exercises ever undertaken. It was ‘interactive’, being constantly reshaped and redesigned in response to the community’s own input about the problems and priorities. As a result, the new URS sets out clearly how the people of Hong Kong want urban decay to be tackled. It will strengthen the URA’s ability to end the shame of our slums and to free many more families from the misery of living in homes that are a disgrace to such a prosperous city.

We are determined to give utmost priority to improving the options for those most affected by the process. Compensation will always be a sensitive issue. In the past, we have tried to provide generous cash compensation, but this has not always been perceived as fair. In future, we will be able to offer more choices, including flat-for-flat compensation as an alternative option. These new flat-for-flat homes may be in the lower floors of the redevelopment itself. They may also be in Kai Tak, where the URA is taking over a 1.1 hectare site next year. This will provide about 1,000 units of between 400 and 600 square feet each. Under a pilot scheme, people who choose flat-for-flat compensation will receive our usual cash compensation. With this money, they will be able to buy new flats either in the redevelopment or at the Kai Tak site. We want to make sure that families have all the information they need to make the decision that best meets their needs and preferences. So we will provide full details of the prices of the new flats on the day we make our acquisition offer for their old flats, and this price will be locked in. In other words, the process will be as fair as possible.

## Broader Mandate, New Approaches

Now that the new URS so clearly identifies redevelopment and rehabilitation as the URA’s core businesses, we have been given a broader mandate to engage in, or respond to, schemes to help people in need. Our new ‘facilitating’ and ‘demand-led’ redevelopment schemes welcome requests from owners who want the URA to step in and help redevelop their buildings.

We particularly want to preserve the freedom of owners to revitalise their properties by repairing and renovating the buildings for themselves. All too often, this is not happening both because of financial constraints and because most of these buildings have no proper

management committees. The new URS will allow the URA to be more flexible in its approach to this problem.

Where the owners cannot act together, it remains our duty to initiate and undertake projects ourselves. So, in some cases, owners may decide to ask the URA to step in and acquire their properties for redevelopment. But our hope is that, increasingly, we will be able to help the owners to manage the redevelopment on their own, and we would work with them to find suitable partners for the job.

The URA will also assist owners to halt the process of dilapidation through adequate repair and maintenance programmes. In April 2011, we launched a one-stop service that helps owners to revive their buildings through a comprehensive rehabilitation scheme. This service will be boosted when the Urban Renewal Resource Centre starts operations early next year.

## District-based Improves Community Engagement

The new URS reaffirms the URA's strategy of organising its redevelopment programmes on a district-based approach. This strategy enables us to balance out the sometimes-competing demands of preservation, rehabilitation and redevelopment. It also allows us to engage with, and respond to, the community more effectively. In older districts, the Government's plan is to set up District Urban Renewal Forums (DURF). These will have a mix of Government, URA, NGO, and business and professional representatives, who can contribute to the planning process. We have pioneered this approach in tackling the revitalisation of the old Central Market, now the Central Oasis. This has been led by the Central Oasis Community Advisory Committee, whose team of academics, professionals, community leaders and others has produced some exciting preliminary designs. We are now proactively supporting the first DURF at Kowloon City.

Working together in this way, we can accomplish many things that might otherwise not be possible. For example, I learnt a lot personally from the project to relocate a 40-year old tree from our worksite in Kwun Tong to a park nearby. The operation was an impressive demonstration



Secretary for Development Mrs Carrie Lam and URA Chairman Mr Barry Cheung (5th and 6th from right) with the tree relocation team in Kwun Tong.

of how smoothly and efficiently a tree could be saved as a treasured community amenity through cooperation between the URA, our joint venture partner, tree experts, engineers and the area's residents. Tackling the problem of urban decay needs just this sort of common commitment and joint effort.

## Bold Actions for a Better Hong Kong

The future therefore holds out serious challenges as well as genuine opportunities for ridding our city of slums. Too many Hong Kong people still live in entirely unacceptable conditions. The URS demonstrates that our community recognises that we cannot continue to allow any of our families to live in such danger and discomfort.

The new URS has given us the means and the opportunity to take bold action to transform the city's urban slums. My URA colleagues and I remain determined to live up to the community's expectations. In the current year, as well as the years to come, the URA team is pledged to do all that it can to meet the goals set for us by the Government and by the community.

**Barry CHEUNG Chun-yuen**  
Chairman

31 July 2011