



居民的歡笑就是我們的回報。
Residents' smiles are our reward.

主席報告

CHAIRMAN'S STATEMENT

本人欣然呈上市區重建局（市建局）第二份年報，總結本局截至二零零三年三月三十一日止年度的工作。

本財政年度，市建局在推行重建計劃方面，大步向前邁進。原有進行中的項目，和八個新項目的物業收購及土地徵集工作均進展良好。面對本港物業市道持續下滑，更兼要處理由土地發展公司（土發）過渡至本局的繁重工作，我們慶幸在工作上仍能取得佳績。



劉華森博士
Dr Lau Wah-sum

財務狀況

二零零一年五月本局成立時，繼承了土發為數不多的淨資產，亦接手十個正在進行中的發展項目。在地產市道疲弱的情況下，部份項目出現財務困難，當中尤以荃灣市中心項目的虧損最為嚴重，因為該項目是在一九九七年底地產市道

I am pleased to present to you the second Annual Report of the Urban Renewal Authority for the year ending 31 March 2003.

This financial year has seen the Authority making great strides in pushing ahead with its redevelopment programme, specifically on the continued advancement of all on-going projects and the acquisition of property interests and land assembly for eight new projects. This progress is all the more remarkable when one considers it against the backdrop of a continuous decline of the property market, just as the Authority was grappling with the demanding task of transition from the Land Development Corporation (LDC).

Financial Position

At its inception in May 2001, the Authority inherited from the LDC a modest net asset but also a portfolio of 10 on-going development projects, some of which were to prove financially difficult due to the falling property market. The Tsuen Wan Town Centre project, that was launched shortly before the market peaked in late 1997, suffered particularly badly. As with other organisations whose main assets comprised mainly land and property, the Authority had to make it a high priority to survive the market turbulence whilst striving to keep all projects on the move. Backed with a \$2 billion capital injection from Government in July 2002, the Board and Management worked hard on negotiations with joint venture partners as well as financial rearrangements for some of the 10 on-going LDC projects to enable them to proceed on schedule. By the close of the financial year in March 2003, our net assets still showed a deficit of about \$936 million

高峰期前不久進行收購的。正如其他以物業為主要資產的機構一樣，本局的首要工作是在困難的市道下求存，並同時勉力推動所有項目。二零零二年七月，本局獲政府注資二十億元，董事會及管理層亦努力與聯營合作發展商商討，以及作出新的財務安排，以便該十個土發項目可以如期進行。截至二零零三年三月的財政年度為止，本局的淨資產雖然錄得約九億三千六百萬元負數，但情況已有改善。在撰寫本報告時，我們已收取得政府第二筆二十億元的注資，使資產負債表得以回復正數。

首個周年業務計劃

年內，我們努力爭取時間，將首個周年業務計劃付諸實行。首先，我們竭力使十個土發項目繼續穩步向前。第二，在全新的物業收購及補償制度下，我們開始實施八個新的重建項目，這些項目均屬於土發於一九九八年初宣布的二十五個項目。第三，我們積極籌備向新的工作範疇進軍，包括樓宇復修（Rehabilitation）、舊區更新（Revitalisation）及文物保育（pReservation）；加上重建發展（Redevelopment），這構成本局的4Rs策略的四大支柱。這四大業務策略是我們賴以實現本局的理想和使命，為香港締造優質的城市生活的基礎。總括而言，年內的工作計劃既緊迫而又艱難，但管理層憑著靈活創意的營運，和堅毅的決心，成功達成了工作目標。

為貫徹本局「以人為本」的宗旨，我們在推行新項目的四個地區內分別成立了分區諮詢委員會，成員包括區內居民、區議員、專業人士、社工及學者，協助本局了解居民的意願及關注的事宜。此外，我們亦委任了四支社區服務隊，為受影響居民，特別是長者，提供輔導及實際的服務。

管理層的另一項持續的任務，是將土地發展公司過渡至市建局的新組織架構和營運模式，以配合新的使命、信念和策略。這項任務表面上少受外間注意，但實質上與本局其他工作比較，其重要性不遑多讓。這些工作需要多方面進行員工再培訓及調配崗位，本局於此已取得相當成效，今年會繼續努力，確保市建局可以順利茁壯成長，令員工擁有足夠的技能，以應付我們的四大業務策略，以及與日俱增的工作範疇。

徵集土地的新程序

當我們去年在灣仔、大角嘴及深水埗推出三個「前期項目」時，我們定下了目標，要在二十四個月內完成徵集土地的過程。透過新的《市區重建局條例》，加上新的收購程序，我們落實了一個緊迫但仍實際可行的補償、收地及清場工作時間表。其中最關鍵的一點，是上述條例使本局得以在開展項目後的十二個月內，向政府提出收地申請。這個機制在舊有的《土地發展公司條例》中付之闕如，亦是新條例的一大進步。在舊的法例下，由於物業業主可以向土地發展公司無休止地議價，因此令徵集土地的過程無可避免地出現嚴重的延誤。

直至目前為止，新的物業收購及收地程序是實際可行的，而本局亦有信心，可以達成二十四個月內完成徵集土地的目標。對於加速重建步伐和盡快改善舊區



but we were on our way towards a recovery. At the time of writing this report, we have received a second tranche of \$2 billion capital injection from the Government, which finally put our balance sheet back into the positive territory.

First Annual Business Plan

During the year, we lost no time in putting our First Annual Business Plan into action on all fronts. First, we have managed to keep the 10 on-going LDC development moving forward steadily. Second, we have commenced the implementation of eight new redevelopment projects (among 25 announced by the LDC in early 1998) under a new system of property acquisition and compensation. Third, we have made substantial preparations for entering the new fields of rehabilitation, revitalisation and preservation. Together with redevelopment, these are the pillars of our newly adopted 4Rs Strategy which is enshrined in the Authority's vision and mission to create quality urban living in Hong Kong. Overall, it has been a tight and demanding work programme that the Management has tackled successfully with ingenuity and dedication.



In line with our 'people-oriented' approach, we have set up a District Advisory Committee in each of the four districts where our new redevelopment projects are located. These committees, comprising local residents, District Councillors, professionals, social workers and academics, have helped us acquire a better insight into the aspirations and concerns of the local population. We have also appointed four social service teams to provide counselling and practical assistance to residents affected by our projects, in particular the elderly.

市建局主席劉華森博士（左）於市建局資訊中心開幕典禮上致送紀念品予房屋及規劃地政局局長孫明揚。

URA Chairman Dr Lau Wah-sum presents souvenir to Secretary for Housing, Planning and Lands Michael Suen during the opening ceremony of the URA Information Centre.

What is perhaps less apparent to the outsider, but no less demanding on the Management is the on-going task of organisational transition from LDC to URA with its new mission, values and strategy. Understandably, this has entailed extensive staff re-training and job re-engineering. Substantial progress has been made in this respect and we shall step up our efforts further this year to ensure that the organisation is fully fledged and staff equipped with adequate skills to cope with our 4Rs Strategy and the much expanded tasks that come with it.

New Process for Land Assembly

When we launched our pilot package consisting of three redevelopment projects in Wan Chai, Tai Kok Tsui and Sham Shui Po last year, we set for ourselves the

居民的生活來說，快速完成徵集土地程序的重要性，是不言而喻的。

四大業務（4Rs）策略

成功解決徵集土地的困難，可算是一個好的開始，但我們絕不可以因此而自滿。解決徵集土地，只是完成了一半的工作，另一半是如何貫徹本局的目標和使命，善用徵集得來的土地，這是更具挑戰性的任務。

從經驗中我們早已明白，土地發展公司在舊法例下推行的「拆卸重建」策略，對於舊區注入生命力，只能產生有限的作用。重建發展必須全面配合樓宇復修、文物保育及舊區更新，才能完全發揮市區重建的潛力。

四大業務策略的運作模式，是把大型的重建項目作為重點，然後在周邊進行其他形式的市區更新的工作，以達致相輔相成的作用。舉例來說，我們可以重建一組群的殘破住宅樓宇，並在鄰近地方復修一些仍可使用的舊樓，翻新具有特色的建築，保育有歷史價值的文物，以及更新區內的購物、消閒及社區活動地點。

在我們的業務策略中，樓宇復修將會變得愈來愈重要。為求及早改善舊樓居民的生活，樓宇復修是較為快捷可行的辦法，更可以遏止市區老化問題不斷惡化的趨勢。

至於更新舊區方面，本局初步會擔當「培育者」的角色，為改善區內的社區設施及環境條件，出一分力。我們亦會與當地社區，特別是商界 手合作，持續推動區內的經濟商機、社區活力及環境生機。

未來的路向

以地區為基礎的發展方向

為了加快發展規劃的過程，以及由二零零三 / 零四年起全面落實四大業務（4Rs）策略，



4Rs是本局策略的四大支柱。
The 4Rs are the pillars of our strategy.



aim to complete the land assembly process within a time span of 24 months. The new URA Ordinance and the vigorous implementation of a new set of procedures have enabled us to achieve a tight but realistic timetable for compensation, land resumption and site clearance. Of particular importance in the Ordinance is a trigger point for the Authority to seek Government's resumption action within 12 months after the commencement of a project. This is a far cry from the old LDC Ordinance that contained no such provision, as a result of which the land assembly process was unavoidably bogged down in the never-ending bargaining between the LDC and the property owners.

So far, the new acquisition and resumption procedures have proved to be realistic and workable, and we are reasonably confident that the 24-month aim is within reach. I cannot over emphasise the importance of a speedy land assembly process if the Authority is to succeed, as quickly as possible, in improving the livelihood of people living in the urban decay areas.

The 4Rs Strategy

Although we have made a good start by overcoming the land assembly problem, there is little room for complacency. Smoothing out the land assembly process is only half of the work. The other half, which is even more challenging, is how to put the land to the best use in accordance with our corporate goals and mission.

We have come to learn that the "demolish-and-build" strategy, which was the mandate given to the LDC, only has very limited impact in bringing new life to a local area. Redevelopment must go hand in hand, in a holistic manner, with rehabilitation, preservation and revitalisation to unlock the full potential of urban renewal.

Under this 4Rs Strategy, redevelopment at a project site is used as an anchor around which other complementary modes of urban renewal will take place. For instance, this might involve the redevelopment of a cluster of rundown residential buildings. In the nearby areas, efforts will be made to rehabilitate the old but serviceable buildings, conserve buildings of special interest, preserve historic architecture and revitalise the shopping, leisure and local community activities.

Rehabilitation, as a strategic tool, may become increasingly important because of, if nothing else, its potential to produce early improvements to dilapidated buildings, which is exactly what we need if we are to arrest the worsening trend of urban decay.

Inssofar as revitalisation is concerned, the Authority will adopt a 'facilitator approach' initially by contributing to the improvements of the local infrastructure

局將採用以地區而非個別地盤為基礎的發展方向，在界定為「行動區」(Action Area)內，定下整體規劃及發展目標。每個行動區將包括一組群的重建發展地盤，再靈活配合樓宇復修、文物保育及舊區更新的工作。

以地區為基礎的發展方法，必須結合多元化的規劃和實施過程。有見及此，本局現正將組織架構發展成為以地區為基礎的管理隊伍，由具備專業知識的隊伍就各自負責的行動區，根據四大業務策略，規劃、實施及完成所有功能的工作範圍。每個地區管理隊伍將自行為負責的行動區釐定最合適該區的重建模式組合，訂定工作的優先次序，善用本局分配予該區的資源，並要全權負責各自地區的成敗。本局會為這些地區管理隊伍提供支援，例如規劃、建築、法律、市場推廣和社區關係。

以地區為基礎的發展方向長遠是否成功，關鍵在於地區管理的概念。重建區不單需要定期保養及改善，更重要的，是要持續進行市場推廣及宣傳，為該區傾注新活力，因此我們需要建立一個地區管理機制，負責管理行動區內的更新過程。這個管理機制可能涉及公共及私人街道、行人區及休憩用地的商業管理，透過向因設施改善而受惠的商業機構收取費用，從而取得投資回報。

策略合作伙伴

二零零二年十二月，本局與香港房屋協會（房協）建立了策略合作伙伴關係，就加快市區重建跨前了一大步。根據雙方簽署的合作備忘錄，房協初步會在未來五年內負責實施七個市建局的重建項目。對本局來說，此類策略伙伴關係是一項新的嘗試，可以令投入的資源增加，加快市區重建步伐。我們將繼續尋求建立其他策略伙伴關係的機會，範疇會由重建發展延伸至樓宇復修及更新舊區。



市建局與香港房屋協會祝賀雙方機構結成策略伙伴。（左起）市建局行政總監林中麟，主席劉華森博士，房協主席鍾瑞明及執行總幹事王麗珍。URA and Hong Kong Housing Society propose a toast to the strategic partnership of two organizations. (From left) URA Managing Director Billy C L Lam, Chairman Dr Lau Wah-sum, HKHS Chairman Chung Shui-ming and Executive Director Wong Lai-chun.

and urban environment, and working with the local community, especially the business sector, to set in motion a sustained, organic process of economic, social and environmental enhancement in the area.

Road to the Future

Area-based Development Approach

To speed up our development planning process and put the 4Rs Strategy fully into practice from 2003/04 onwards, we will adopt an area-based, rather than an individual project site based, development approach by setting our sight, from the outset, on the overall planning and development of clearly marked Action Areas. With this approach, we will plan for each Action Area to include a cluster of redevelopment sites that will dovetail with a judicious mix of rehabilitation, preservation and revitalisation measures.

The area-based development approach necessitates an integrated, multi-disciplinary process of planning and implementation. To this end, the Authority is gearing up its organisational development towards the formation of Area-based Management Teams that are professionally equipped to plan and follow through all multi-functional tasks under the 4Rs Strategy for their respective Action Areas. Being ultimately responsible for success or otherwise in its own area, each Management Team will identify the most appropriate renewal "mix", set the work priorities and optimise the URA's resources to be allocated to that area. The Management Teams will be backed up by URA resources such as planning, architectural, legal, marketing and community relations.

Critical to the long-term success of the area-based development approach is the concept of area management. A redeveloped area needs not only regular maintenance and improvements, but, more importantly, a sustained marketing and promotion operation to bring it to life. This requires the establishment of an area management mechanism that is empowered to manage the regeneration process in the Action Area over a sustained period. This could involve, for instance, the commercial management of public and private streets, pedestrian precincts and open spaces within an Action Area with a view to generating commercial revenue through fees and charges to be collected from commercial users who benefit from the improved facilities.

Strategic Partnership

The Authority took an important step to speed up urban renewal in December 2002 when it entered into a strategic partnership with the Hong Kong Housing Society. A Memorandum of Understanding was signed between the two organisations so that the Housing Society would undertake to implement, initially, seven URA redevelopment projects over the next five years. For the Authority,

檢討市區重建策略

二零零一年十一月，政府公佈了市區重建策略，整體上為本局的策略方向提供了首個的框架。市區重建策略中訂明於公佈後的兩至三年進行檢討。由於近年本港的社會環境及物業市場出現了頗大的轉變，因此，進行有關檢討是切合時宜的。來年，本局將會作好準備，等待配合政府進行檢討的決定。

市建局工作的理念

作為本港主要的市區重建機構，我們抱著三個基本理念去履行責任。第一是社會責任。市區老化是本港當前首要的社會問題之一，我們的目標是協助無力擺脫困境的居民脫離殘破的生活環境。事實上，我們一直抱持的「以人為本」宗旨，亦是以社會責任為大前題。為了協助居民改善居住環境，我們提供自置居所津貼、公共房屋或推動樓宇復修。對於長者，我們會加倍努力，配合他們的居住需要。至於在搬遷上遇到個人或家庭問題的個案，我們的社區服務隊會隨時提供輔導及實質協助。

第二是我們對改善市區環境的責任。市區重建應不是「拆舊樓，起新樓」如此簡單。市區重建應是透過不斷改善地區及社會經濟環境，從而令舊區回復健康成長。在這方面，我們要確保重建項目提供必需的社區設施、街道美化，以及休憩用地，從而提昇居民的外在生活質素。為達致這個目標，我們的地區管理隊伍需要與地區人士保持合作關係，並能靈活配合社區的需要。例如本年三月，本港爆發非典型肺炎疫潮，令公眾廣泛關注樓宇及環境衛生。有見及此，我們已盡快作出決定，在興建中的住宅發展項目，採用改良的排污水管設計，防範病毒擴散。

第三個同樣重要的理念，是財務暨經濟責任。本局的資金來自公帑，政府承諾在五年內向本局注資一百億元。此外，本局亦從金融市場以借貸形式籌措資金。因此，本局的財務責任，是要善用政府的注資和我們的借貸，並在長遠而言達致自給自足。本局的目標不是在於謀取利益，因此，我們必須以審慎理財的態度，在履行社會及環境責任的同時，在營運上做到財務可行，並在兩者之間取得平衡。

在宏觀經濟方面，只要本局的市區重建計劃在財政上得以持續推行，我們的投資將會對房地產市場的有效運作發揮作用，亦會令商業活動增添生機，創造就業機會，以及最終有助推動香港的經濟復蘇。



this strategic partnership is the first of its kind and enables us to pool our resources to expedite the urban renewal process. The Authority will continue to look for strategic partnerships not only for redevelopment but also for rehabilitation and revitalisation work.

Review of the URS

The Government's Urban Renewal Strategy (URS), published in November 2001, provides the first general framework for the Authority's strategic direction. The URS is open for review two to three years after publication. Indeed, the review will be timely as both the social environment and the property market have seen their fair share of changes during this period. In the coming year, we will fully prepare ourselves for the review if and when the Government decides to make a start.

Tenets of URA's Work

As the primary urban renewal agency in Hong Kong, the Authority discharges its responsibilities with three basic tenets. The first tenet is social responsibility. Urban decay is first and foremost a social problem and our principal objective must lie in relieving the plight of those who are unable to extricate themselves from a dilapidated neighbourhood. Indeed, the "people-oriented approach" which is the cornerstone of our corporate philosophy is premised on our social responsibility. For residents aspiring to a better home, we will provide assistance by way of a home purchase allowance, public rehousing or rehabilitation of their buildings. For the elderly, we will make extra efforts to cater for their dwelling needs. For those who encounter personal or family problems in home relocation, our social service teams will be always ready to offer counseling and practical assistance.

The second tenet is our responsibility for the wider urban environment. Urban renewal does not end with the erection of new residential buildings to replace old ones. It is a process of community growth by continuous improvements to the physical and socio-economic environment. In this respect, we will ensure that our redevelopment projects provide the necessary communal amenities, street beautification and open space that help enhance the residents' immediate living environment. To achieve this, our Area-based Management Teams need to maintain a partnership with the local communities and respond flexibly to their needs. A case in point is the outbreak of SARS in March this year, giving rise to public concern for building and environmental hygiene. In response, we will introduce two new drainage designs for the residential flats in our on-going development projects to help prevent the spread of the disease.

The last tenet, which is by no means the least, is financial-cum-economic

市建局的帝后華庭住宅項目內，設有以中草藥為主題的公園。

Chinese herb theme garden at Queen's Terrace, a feature of a URA residential development.





旺角朗豪坊為市建局與私人發展商聯營項目，室內連接大型商場及寫字樓的中庭，樓高超過六十米。

A 60-metre-tall atrium connecting the retail complex and the office block at the Langham Place, Mong Kok, which is a URA joint venture with a private developer.

總結

過去一年，管理層及全體員工上下一心，努力不懈，令市建局取得豐碩成果，本人謹此衷心致謝。此外，本人藉此機會，感謝董事會及各委員會所有成員，在過去一年對本局作出睿智的領導，以及特區政府對本局工作的全力支持。

二零零二至零三年是本局宏圖初展的一年。雖然我們有了良好的開始，但距離成功尚有一段遙遠的路途。在未來的一年，市區重建的工作將會全面向前邁進，我們會開展嶄新的工作範疇，面對更多和更大的挑戰。然而，本局現已汲取了豐富的經驗、制訂了完善的策略，及定下更清晰的路向，因此我們充滿信心，並且相信有足夠能力應付未來的挑戰。

主席

劉華森博士

二零零三年七月三十一日



市建局主席劉華森博士（左）與鷹君集團副主席兼董事總經理羅嘉瑞醫生主持旺角亞皆老街項目「朗豪坊」的命名儀式。

URA Chairman Dr Lau Wah-sum officiates at the naming ceremony of Argyle Street project as Langham Place together with Deputy Chairman and Managing Director of Great Eagle Holdings Limited Dr Lo Ka-shui.

responsibility. The Authority is funded by the public purse as the Government has committed a capital injection of \$10 billion to the Authority over five years. In addition, the Authority raises further capital funding by way of loans from the financial markets. With this background, the Authority's financial responsibility is to make the best use of the \$10 billion capital from Government and achieve a self-financing position in the long run. It is, therefore, imperative that the Authority, whilst not aiming to make profits, to operate prudently according to commercial principles. It follows that the Authority must strike a balance between fulfilling its social and environmental responsibilities and justifying the commercial viability of its operation.

So long as the Authority's urban renewal programme remains viable and sustainable, our work will contribute to the efficient operation of the real estate market, will revitalise businesses, will create job opportunities and, ultimately, will help to promote the economic well-being of Hong Kong.

Conclusion

Before closing, I must pay tribute to the Management and all staff members of the Authority for the excellent effort they have put in to making the past year a fruitful one. To all my colleagues on the Board and its committees, I am deeply grateful for their wise counsel and time spent during this period. Also, the Government's strong support for the work of the Authority has been indispensable.

2002/03 was a ground-breaking year for the Authority. We have made a good start but success is still a long way off. In the coming year we will be advancing into new and unfamiliar territories as we move towards the full spectrum of urban renewal. The challenge ahead will be formidable. However, we are now equipped with more experience, a sound strategy and a more clearly defined road map. We are confident in taking up the challenge.

Dr. LAU Wah-sum
Chairman
31 July 2003