

**“New Thinking, Sensible Balance”
Urban Renewal in Hong Kong**

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Part 1: Urban Decay: A Fact in Hong Kong

Ladies and gentlemen,

The rather turbulent Sixties saw the emergence of a talented folk singer named Bob Dylan. Many of us here will recall his waxing lyrical about how ‘The Times They Are A- Changing’. That refrain has stayed with us, and today, we are witnessing dramatic changes all around us. Not just in Hong Kong, but also globally. Some of the changes, especially those affecting capital markets, we would prefer not happen. But -- Change, I think we all accept, is a constant.

At the URA, we recognise this new reality too. Which is why we have adopted new thinking, and what we hope is a sensible approach to all that we do.

So, thank you for allowing me this opportunity to share with you, the URA’s vision for a better Hong Kong, and some of the Authority’s challenges.

I will begin by talking about urban decay and the dreadful living conditions it creates, followed by an explanation of the URA’s mission and the way we try to adopt a sensible, balanced approach in meeting our clients’ needs. And how we try to take proper account of the community’s wishes and aspirations at the same time.

I would like to note here too that in all that we do, we of course need to work closely with, and secure the services of professionals such as yourselves. That is why our outreach and engagement programme readily includes professional groups such as Project Chambers, and those representing other affiliations.

Let me start with urban decay. We are all familiar with Hong Kong as a metropolis that’s sophisticated, glossy and modern. However, we also know there is a much darker side.

Indeed, Hong Kong suffers badly from urban decay. We have approximately 110,000 citizens living in dangerous and dilapidated slum housing. These buildings are not maintained or repaired, are often unsafe, usually filthy and yet are home to thousands of families.

For example, Mr Tong's 'home' is literally a space below the ceiling, to which he has to climb by ladder. And his 'home' is barely a mile or so from The Landmark in Central. It is in Staunton Street, in the heart of the now-thriving SoHo area.

And conditions are no better on the other side of the harbour either -- in Kwun Tong, for example.

Kwun Tong is a key part of the URA's vision.

Our goal is to help transform the living conditions as well as the environment of this district.

I will provide project details later, but let me touch on a few points here first, especially with regard to urban decay.

With Kwun Tong, we have taken on the responsibility for redeveloping 24 buildings that were erected in the 1960s, but are now worn out and no longer fit for human habitation.

For example, in one building, the air-well floods every time it rains. There is no management committee, and so there is no maintenance of the building, no repairs, and no hope for improvement unless the URA intervenes.

So it is understandable that the majority of Kwun Tong residents are very anxious for urgent action to be taken. Just last month, on 16 June, my colleagues and I held a town hall meeting with around 400 residents of the district. One of the earnest pleas from the audience was for the URA to expedite the redevelopment of the area. 'Sooner rather than later' was the clear call from the community.

Sham Shui Po

Next, in Yee Kuk Street in Sham Shui Po there are 17 buildings that need to be redeveloped because they are decaying rapidly.

Here, the URA will provide new homes for 308 households.

We can see from just these few examples that urban decay is a serious threat to the well being of many unfortunate families and individuals. With them, especially the older folks, the near-desperation on their faces can be truly upsetting.

Part 2: URA's Mission: Tackle Urban Decay

Which leads us to the role of the URA.

The Hong Kong government set up the URA in May 2001. Our mission is very simple: tackle the problem of urban decay that is so widespread despite Hong Kong's prosperity, and despite our status as one of the world's most modern and efficient cities.

But the URA cannot adopt solutions which disregard amenities vital to the well being of the community as a whole. So the Government drew up an Urban Renewal Strategy.

The Government has since announced that the Strategy will be reviewed, but the existing strategy document does lay down strict guidelines on our obligations to the wider community on such issues as heritage preservation and community retention.

In addition, each URA project involves a complex list of factors and considerations. And many of them are open to interpretation and debate, with no simple answers. 'Fair value assessment', for example, can involve very different points of view. And 'local character preservation' could cover people, buildings, air quality, the environment and other possibilities.

In any case, and the review of the URS notwithstanding, the URA has a lot of urgent work to do. Several of its projects are long term, and they involve complex and time-consuming procedures.

Incidentally, we see the review of the Urban Renewal Strategy as very timely, and the URA is fully supportive of it. As announced by the Government, the review will involve extensive public consultation and engagement. That should be beneficial to the community as a whole.

On our part, and in order to ensure objectivity, the URA specifically requested that the body not be included in the steering committee that has been formed for the review exercise.

Let us now look at what the URA has been trying to achieve over the years.

First, we have a 4Rs approach that covers Redevelopment, Rehabilitation, pReservation and Revitalisation. This helps to remind us of our obligations.

In terms of projects, the URA has embarked on 37 projects that have assisted, or are aimed at assisting, more than 18,000 people to improve their living conditions.

In the last five years, we have assisted with the repair, improvement and general rehabilitation of about 430 old buildings. Those initiatives benefited owners of some 35,000 residential units.

We have also implemented programmes to revitalize entire neighbourhoods, bringing new life to rundown areas in Sheung Wan, Mong Kok, Tai Kok Tsui and Tsuen Wan.

And looking ahead, one of the URA's most important heritage achievements will be the preservation of 28 pre-war buildings and Cantonese-style verandah houses. Buildings of this type are very precious because they are all that remain of the architecture in which the story of our modern, sophisticated society began.

Indeed, I believe no other organization in Hong Kong has made as large a commitment to saving and preserving such buildings, as that of the URA.

Recently, encouraged by the call that was made by the Chief Executive in his Policy Address of October last year, and heeding the wishes of the community, we announced the expansion of our conservation strategy. For this financial year, we have now set aside a sum of \$1.5 billion to conserve some 30 shop houses of historical significance. This is perhaps the most ambitious initiative of the URA in terms of preserving the heritage of our city, and we are all enthusiastic about the opportunity and the challenge. The news was also very well-received by the community.

Part 3: Balanced Approach & Solution: Quality of Life / Heritage preservation

Let us now turn to the need to balance quality of life with the need for heritage preservation.

Here, our approach is best illustrated by a few of our projects.

Johnston Road, Wan Chai

Our Johnston Road project involved buildings that are part of Hong Kong's diminishing stock of unique pre-war Cantonese-style verandah houses. There is a pawnshop in this neighbourhood that is the oldest in Hong Kong. So we felt it was important to save this part of Wan Chai's heritage.

In doing so, we also wanted to ensure that the residents were looked after, so they have been rehoused to modern, safe and healthy environments.

The re-developed building is now attracting crowds by day and by night. The two restaurants in the building, one called The Pawn, and the other OVologue, have become very popular destinations for locals as well as overseas visitors.

Indeed, we would very much welcome Project Chambers to host small-group events and functions at either of the two restaurants -- which, by the way, are not owned nor run by the URA. They have been leased out to very enterprising young people.

So this pReservation example and outcome, is definitely one that all of us can be proud of. In this instance, we believe the URA has also been successful in meeting all competing needs -- the need to alleviate the misery of people living in abject conditions, the need to preserve our heritage and, just as importantly, the need to balance the books. Not to make a profit nor to maximize funds -- that is not the URA's objective. We just need sufficient funds from our projects to be able to compensate the owners and tenants of these buildings.

Next, we have Number 18 Ship Street, a four-storey shop house built in the 1930s. We wanted to preserve it for its distinct architectural features, including its unusual wrought iron balconies and French windows.

Today, the shop-house looks very different.

Part 4: Clients' Needs / Community Aspirations

We have had a look at the pressing issue of urban decay, and how the URA has been tasked with dealing with it. I have also covered the URA's efforts to maintain a balanced approach in terms of quality of life and heritage preservation.

This next section will look more closely at how the URA tries to find the balance between our clients' needs and the wishes and aspirations of the community.

Let me start by emphasising that the URA shares the community's various concerns for Hong Kong. We all agree that the quality of life of the community depends on our ability to achieve sustainable development, to eliminate pollution, to protect the environment, and to create a legacy for future generations by preserving our physical as well as our cultural heritage.

These are aspirations that are also very important to me personally. At the same time though, I am deeply aware of the no less valid claims of the thousands of families whose lives are blighted by slum housing and who deserve better.

Unfortunately, the two sets of needs can sometimes be pulling in opposite directions. For those whose everyday reality is grim, depressing and unhealthy, their priorities are very immediate. But the time scale and priorities of those whose focus is on heritage or the environment can be very different.

Because we recognize these differences, the URA's critics, in terms of heritage preservation and other issues, are important to us. They are a constant reminder of the URA's continuing challenge to find the proper balance between ending the slums that remain a disgrace to this wonderful city and our responsibility to preserve vital historical links with the past.

The URA will continue to try and engage its critics constructively on heritage issues. We have a long-standing commitment to the preservation of Hong Kong's past. I think it would also be fair to say that the URA has done more to preserve our buildings heritage than anyone else in Hong Kong. And we undertook this task long before the concept of preservation became fashionable.

So let me assure you that the URA remains committed to constant dialogue while we also remain the voice — sometimes the only voice — for the 100,000 men, women and children who live in totally unacceptable conditions.

At another level, the community also wants the URA to be a fair and transparent organization in all its business dealings. We support that, as we have done so all these years. For example, our Kwun Tong Town Centre Project will be guarded by our policy of full transparency and a level playing field for all. In fact, later today, community leaders and affected residents will participate in a balloting process for the selection of 11 surveyors for the valuation assessment.

In case some of you may not be familiar with the Project, allow me to provide some quick details. The Project includes two sites that occupy more than 53,000 square metres. And as mentioned earlier, a total of 24 buildings will be affected. The plans and changes will impact 1,788 households, approximately 5,000 people, and 523 shops and hawker stalls. Just as important, more than 1,600 property interests will also be affected.

As we proceed carefully with such a large-scale project, the URA will ensure that best practices and an open policy are maintained. For example, our website invites submissions from any party that may be interested in participating in the URA's projects as and when they come on-stream.

Before I conclude, I would like to move quickly to two other projects that demonstrate our thinking and our attempts at a balanced approach.

Wedding Card Street

First, Lee Tung Street, which is also dubbed Wedding Card Street.

Last December, we announced an initiative to create a Wedding City in our Lee Tung Street project. All wedding card shops formerly operating in Lee Tung Street would be given priority to return to operate their businesses in the Wedding City. We also plan to launch a social enterprise pilot scheme that would help preserve and strengthen social networks in the district. In the same area, we plan to preserve the core elements of the Wan Chai Market building -- including the entire exterior and façade, the main interior structural elements, and a good portion of the original floors.

Mongkok: Sai Yee Street

Next, in Mong Kok, as part of the redevelopment of Sai Yee Street and two adjoining streets, we are planning a Sports Retail City that is designed to enhance the unique local character of the sports retail trade in the area. It will include a feature that allows for public recognition of Hong Kong's sportsmen and sportswomen, an initiative that Lee Lai-shan, Hong Kong's Olympic gold medalist, has expressed enthusiasm for.

Street-level shops that face the outside, a departure from previous designs, will encourage pedestrian flow and a vibrant street life.

And this sort of streetscape, with its sports theme, will also link the retail city with the nearby Macpherson Playground and the proposed Macpherson Indoor Stadium. That would help form a Sports Activity Zone.

Conclusion

Let me conclude here by saying that we know the task ahead will continue to be challenging. It will also be of great importance to our city's future.

As we continue to go forward, the URA will remain open and proactive with all the individuals and groups who are affected directly, as well as indirectly, by our projects. I believe this new thinking that we have adopted, reflects our community's rising expectations and their increasingly sophisticated aspirations.

The URA also recognises the need for change, and we know how to bring that about through policies and project management that are efficient, cost-effective, and, above all, sensitive to two values that are of special importance to our community: concern for people and respect for both our historical and contemporary environment.

The URA further respects another feature of our Hong Kong culture: public debate. We will therefore continue to respond to our critics and to seek support through open-minded dialogue.

Last but not least, we will do our utmost to ensure that our balanced approach works well. We want to help achieve an urban renewal programme that gives vulnerable families decent homes. It should also at the same time protect the well-being of the wider community -- by preserving our architectural and cultural heritage, and protecting the quality of the environment in which we live.

Indeed, as “The Times” continue to change, we will try, with our new thinking, to achieve a sensible balance for all.

Thank you.