



Key takeaways from the Policy Address – Northern Metropolis and more

19 Nov 2021

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Northern Metropolis Development Strategy

Report
6 October 2021

1 Overview of Northern Metropolis

2 Northern Metropolis Policy Analysis

3 Short-to-Medium Term Housing Supply



The Making of the Northern Metropolis



Conceptual Boundary

- Yuen Long and North Districts
- Total area: **30,000 ha**

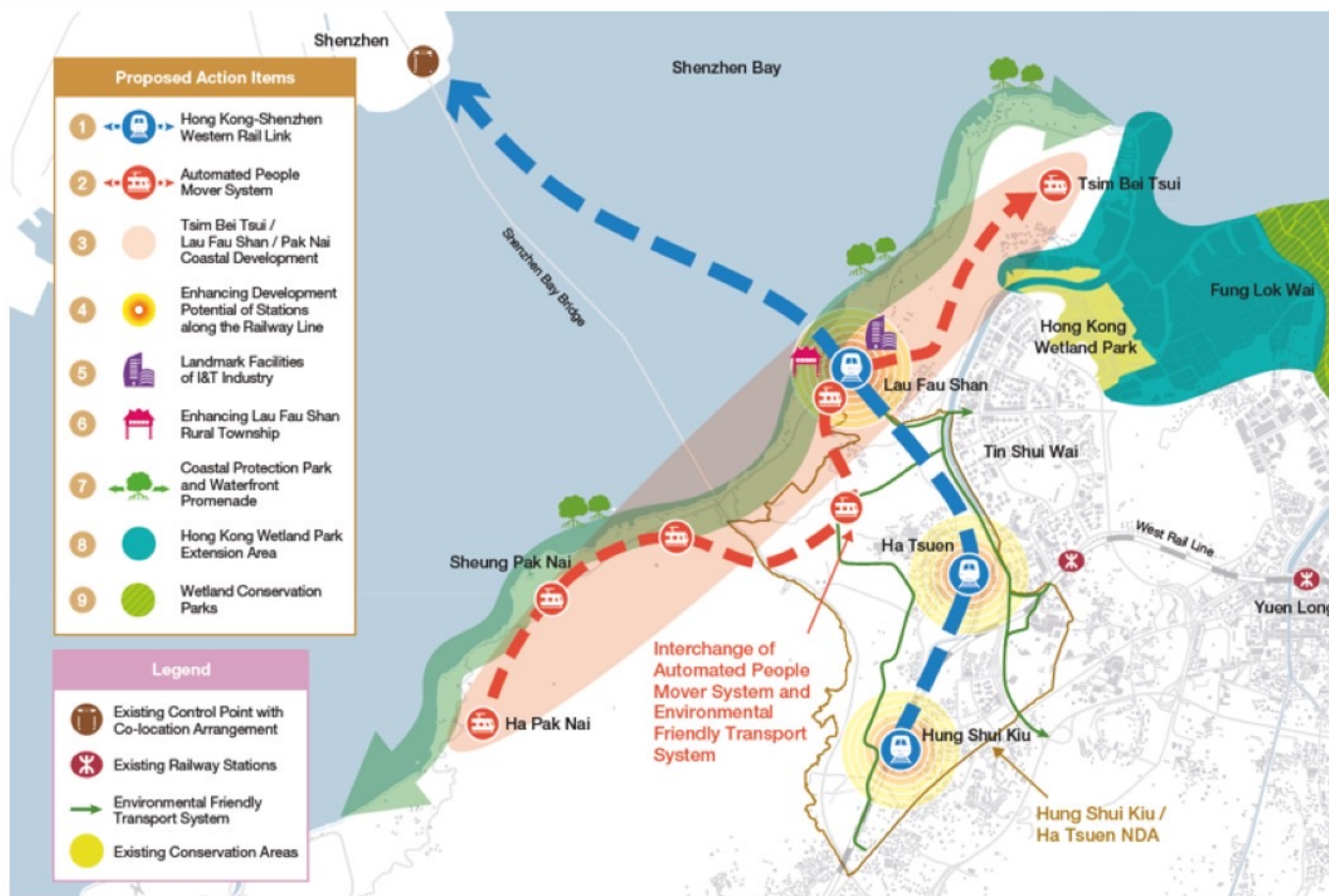
Planned Population

- Residential population: **2.5m**
- Job opportunities: **650,000**
(~150,000 in I&T industries)

Development Scale

- **600 ha** for residential and industry purposes
- Providing **160,000 to 180,000** residential units

Upgrading HSK NDA to NT North Central Business District



Key Development Projects:

1 Expanding HSK NDA

- Expanding HSK/HT NDA to cover Lau Fau Shan and Tsim Bei Tsui, providing **47,000 to 52,500 additional residential units**
- Building sizeable landmark I&T industry facilities in Lau Fau Shan, creating **6,000 to 8,000 related jobs**, equivalent to the scale of Cyberport

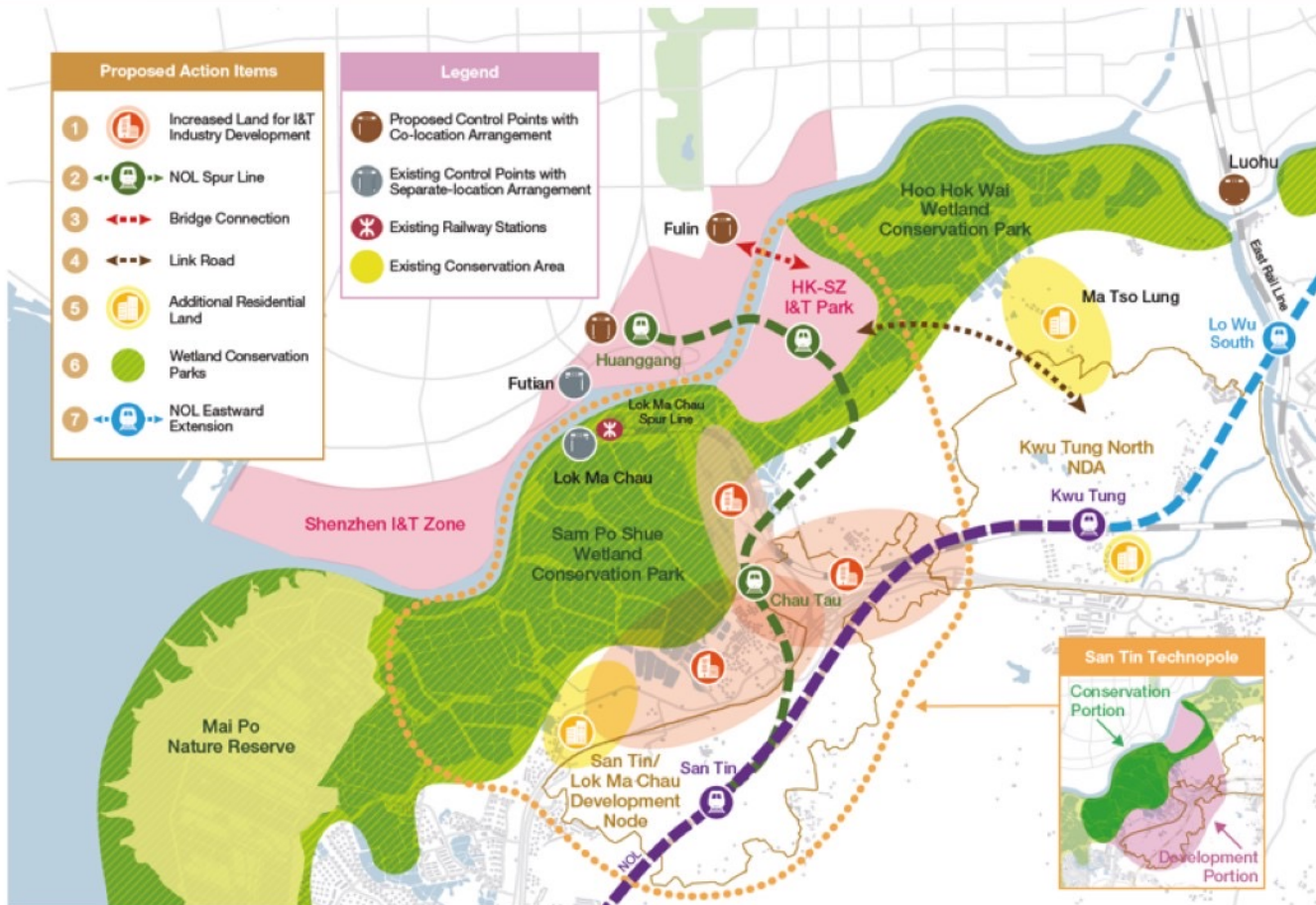
2 HK-SZ Western Rail Link

- Constructing the HK-SZ Western Rail Link to link up the HSK/HT NDA and Qianhai Co-operation Zone, and explore implementing Co-Location Arrangement in Qianhai

3 Tsim Bei Tsui-Pak Nai APM System

- Promote development along the coast of Tsim Bei Tsui to Pak Nai, and to connect with stations along the HK-SZ Western Rail Link

Developing Hong Kong's Silicon Valley – San Tin Technopole



Key Development Projects:

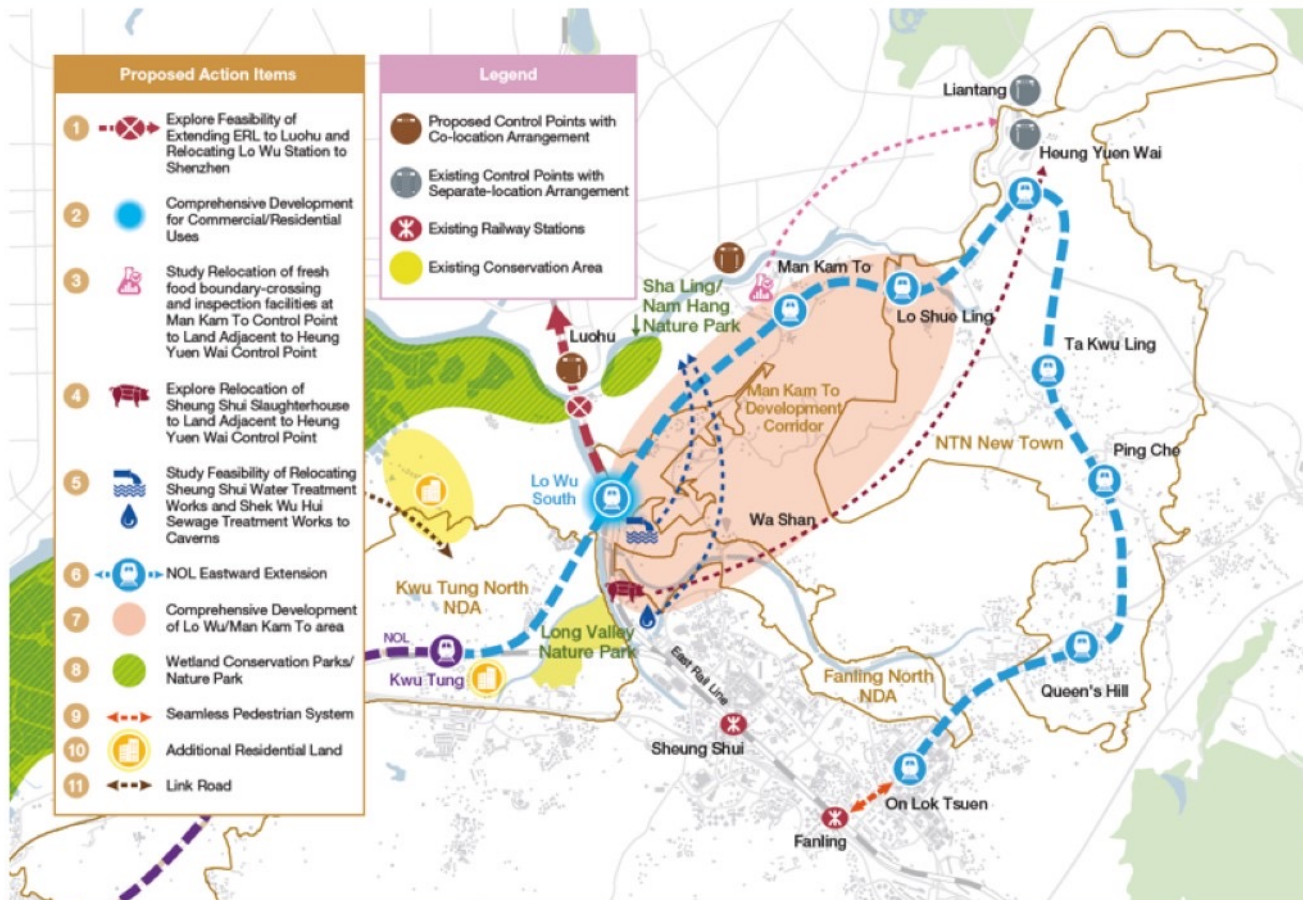
1 Substantially Increasing I&T Industry Land Supply

- Increase of about **150 ha of I&T land supply** through relocation of the Lok Ma Chau Control Point and the adjacent fishponds and rural land, bringing the total GFA of San Tin Technopole to 16.5 times of Hong Kong Science Park
- The San Tin Metropole has an estimated area of 1,100 ha, broadly divided into two halves of conservation and development portions, providing about **46,000 residential units** and **150,000 I&T posts**

2 Constructing Northern Link Spur Line linked to Huanggang

- Promote the planning study of Northern Link Spur Line running through San Tin, Chau Tau, HSITP and linking the new Huanggang Border Control Point, where Co-Location Arrangement will be implemented

Developing the Lo Wu/Man Kam To Comprehensive Development Node



Key Development Projects:

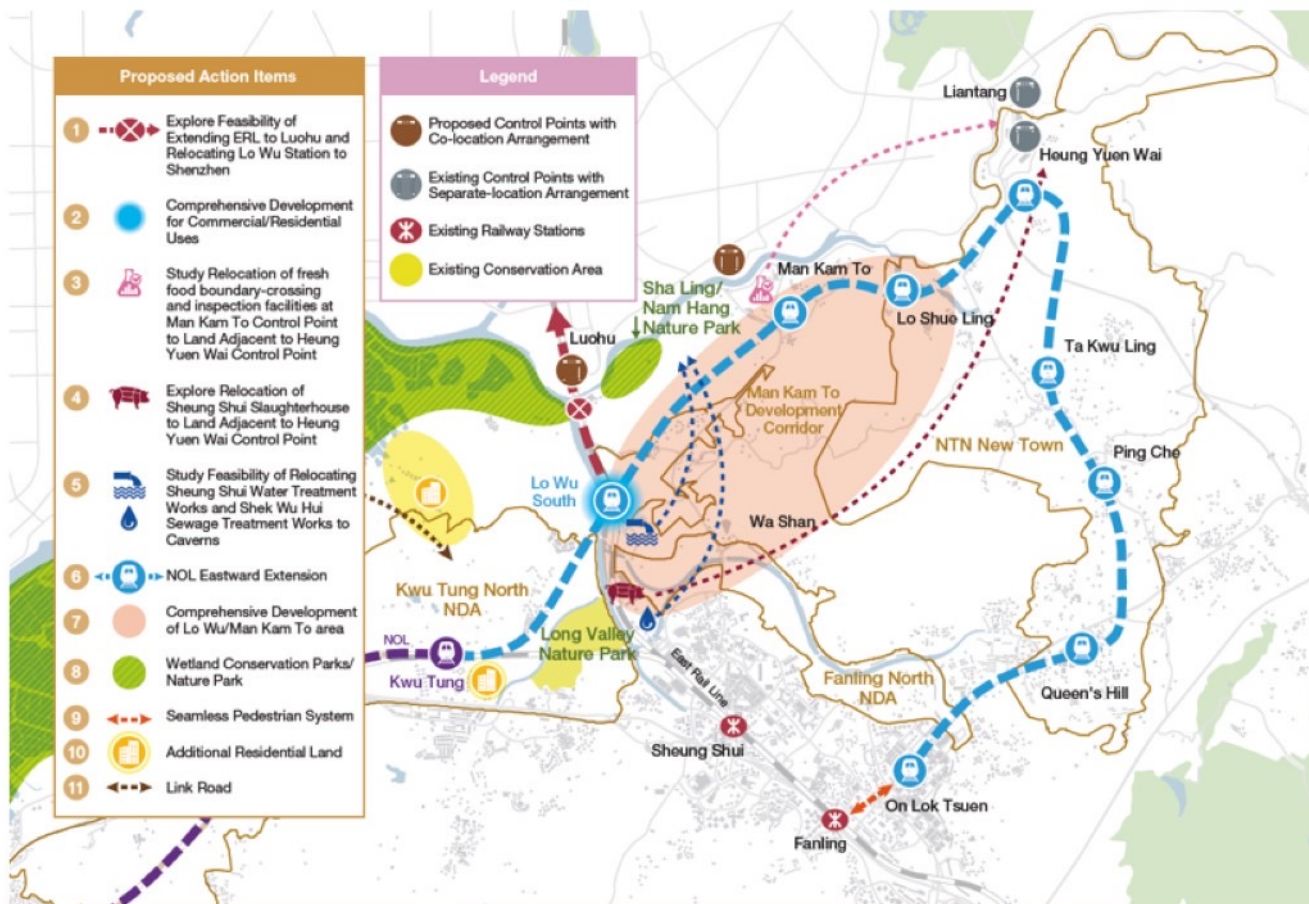
1 Developing Ma Tso Lung

- Include agricultural land and slope areas in Ma Tso Lung in KTN NDA to serve as an intersection linking the HSITP and the KTN NDA
- Estimated to increase an additional **12,000 to 13,500 residential units**

2 Exploring NOL Eastward Extension to Promote Development

- Constructing a railway extending to the northeast from the Kwu Tung Station to connect with areas in Lo Wu and Man Kam To on the Hong Kong side and various development nodes in the NTN New Town
- Providing a station at the On Lok Tsuen Industrial Area in Fanling connected to the Fanling Station by seamless pedestrian system

Developing the Lo Wu/Man Kam To Comprehensive Development Node



Key Development Projects:

- ### Lo Wu South Station

 - Extending the ERL to Luohu in Shenzhen and implement Co-Location Arrangement
 - Providing Lo Wu South Station and develop LW/MKT CDN for development
- ### Comprehensive Development of the Lo Wu/Man Kam To Area

 - Adjusting the functions of MKT Control Point with Co-Location Arrangement on the Shenzhen side, driving development from MKT to Lo Shue Ling via the eastward extension of NOL
 - Relocate public facilities including Sheung Shui Slaughterhouse, Sheung Shui Water Treatment Works and Shek Wu Hui Sewage Treatment Works to release more development land
 - About **75,000 to 85,000** residential units can be provided together with Lo Wu South Station Property Developments, which are about six times that of Taikoo Shing

1 Overview of Northern Metropolis

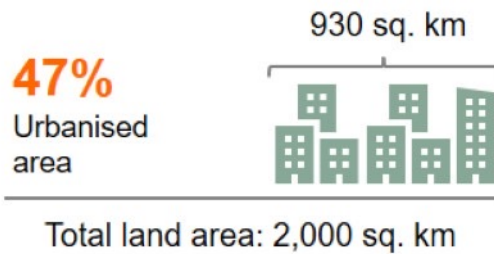
2 Northern Metropolis Policy Analysis

3 Short-to-Medium Term Housing Supply

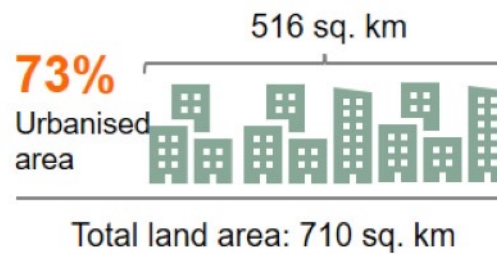
Hong Kong only has 20% of its land area built-up, which is much less than Shenzhen and Singapore



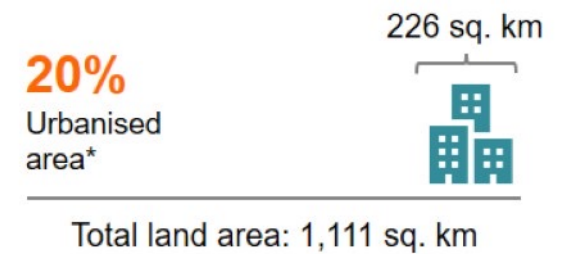
Shenzhen



Singapore



Hong Kong



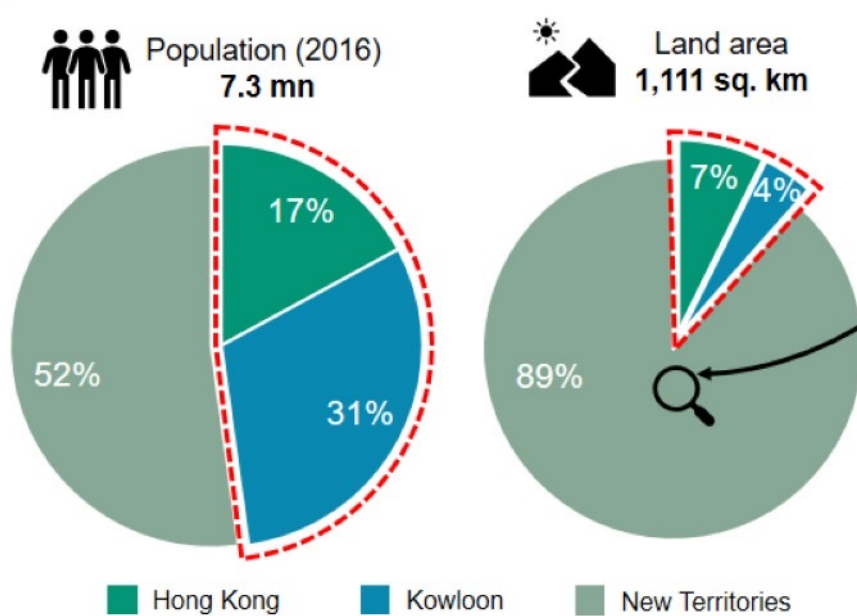
Remark: (*) Urbanised area in Hong Kong refers to land of high-density urban development and excludes land of village type development and brownfield

Sources: Task Force on Land Supply, *China Urban Construction Statistical Yearbook 2018*

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An opportunity for developing New Territories

Hong Kong Island and Kowloon are **11% of Hong Kong's land mass** only but house **48% of the population**



Plenty of **under-utilised** lands in the New Territories...

Agriculture Land



Brownfield Land



Greenbelt



Village



Can these lands be better utilized? Is it possible to develop them cohesively with their surrounding sites?

From Central Perspective to GBA Perspective

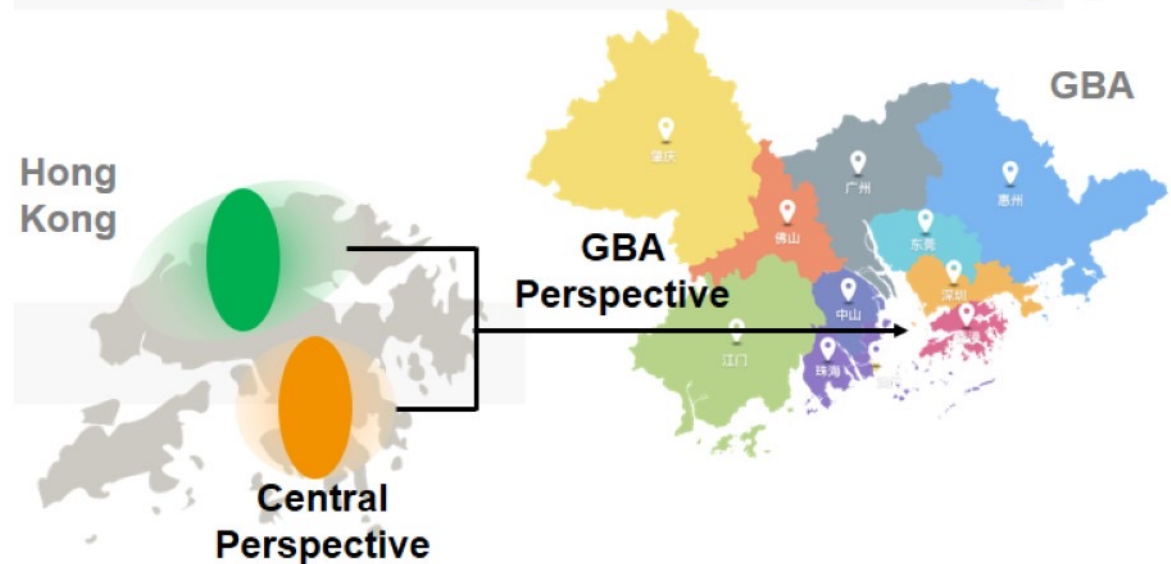
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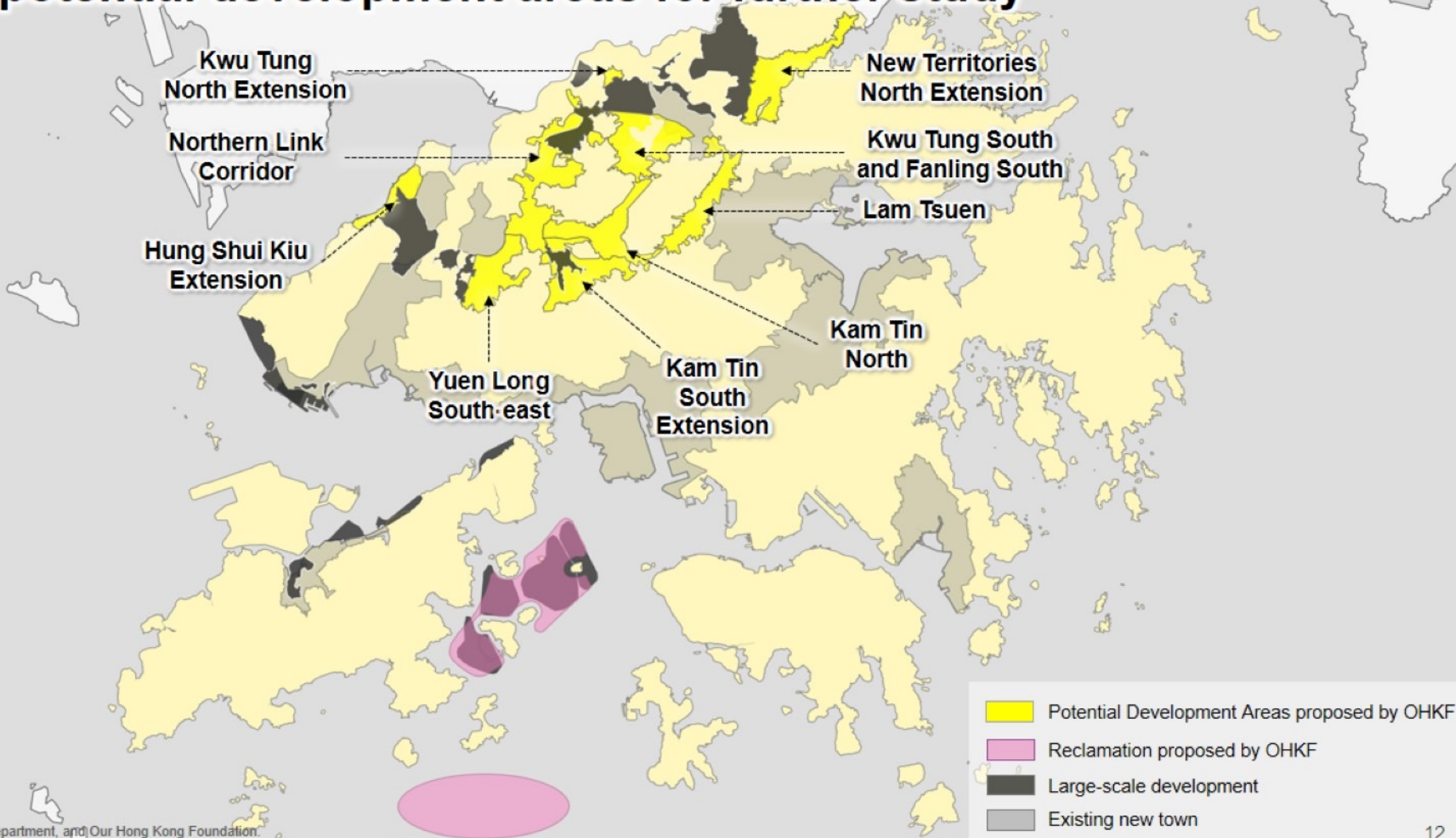
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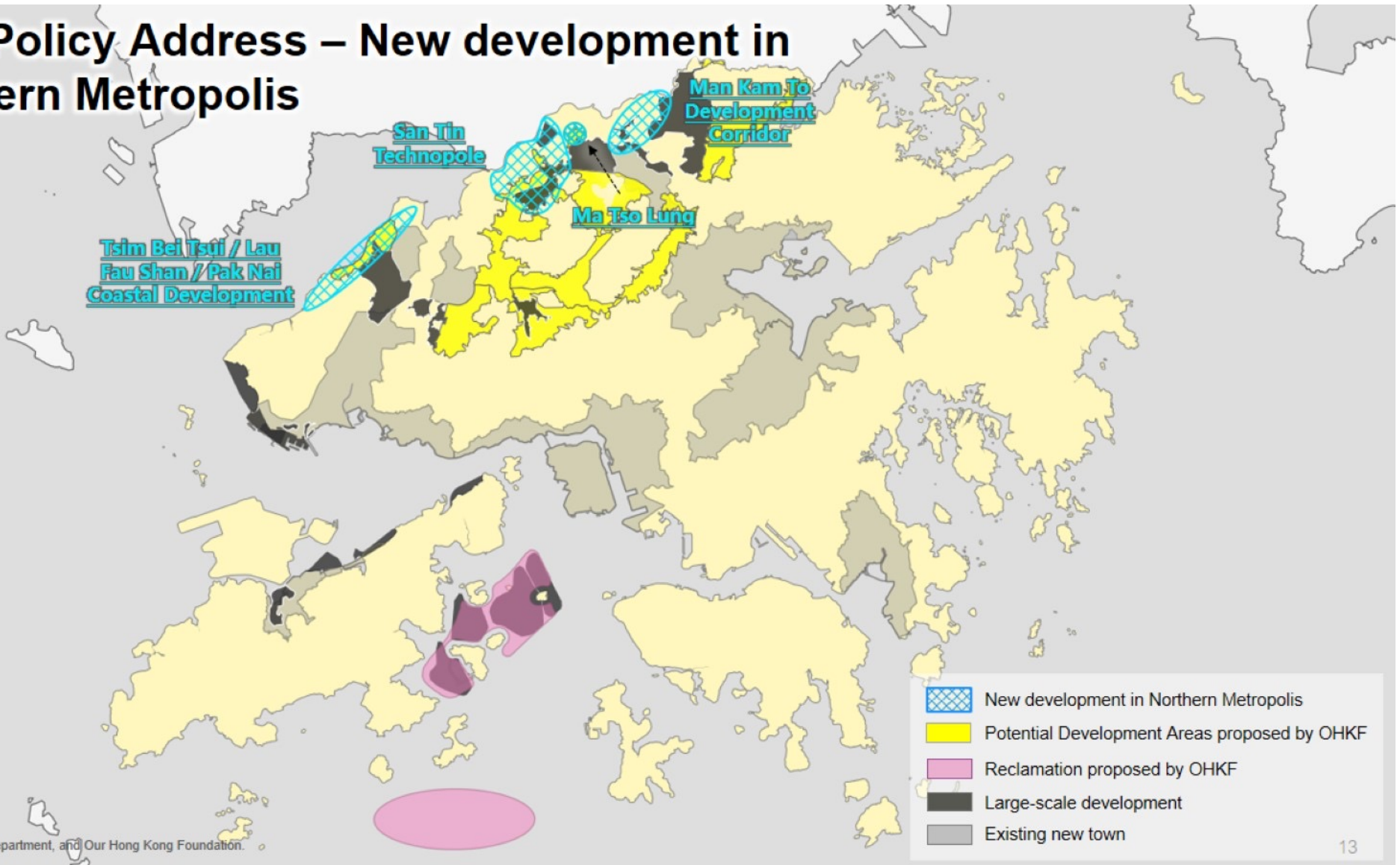
“To lift our Central Perspective to GBA Perspective, and envision sustainable urbanisation of the New Territories”



Nine potential development areas for further study



2021 Policy Address – New development in Northern Metropolis



Steering HK-SZ Biotech Collaboration in the GBA



Substantial investment into R&D



R&D Investment to GDP Ratio in Chinese Cities, 2019

Complete supply chain

Tops the nation for value-added of strategic industries to GDP Ratio
2020: 37.1%

Renowned basic research by stellar universities



Three QS Top-50 universities

Frequently tops the world for IPO financing

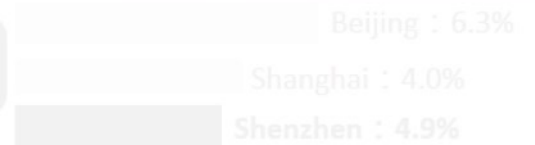


Steering HK-SZ Biotech Collaboration in the GBA



Substantial investment into R&D

R&D investment to GDP Ratio in Chinese Cities, 2019



Biomedical industry has the fastest growth



Complete supply chain

Tops the nation for value-added of strategic industries to GDP Ratio 2020: 37.1%



Three QS Top-50 universities

Renowned basic research by stellar universities
Medical research by HKU and CUHK listed as global top 50

Frequently tops the world for IPO financing
Second largest biotech financing center in the world



Four Biotech Collaborative Areas

Drugs and Vaccines



Coordinate in the Loop to achieve all-stage and multifactored collaboration that encompasses drug development, production and product launch

Genetic testing and therapies



With collaborative development in the Loop, teams in Hong Kong and Shenzhen will focus on different markets

Advanced medical devices

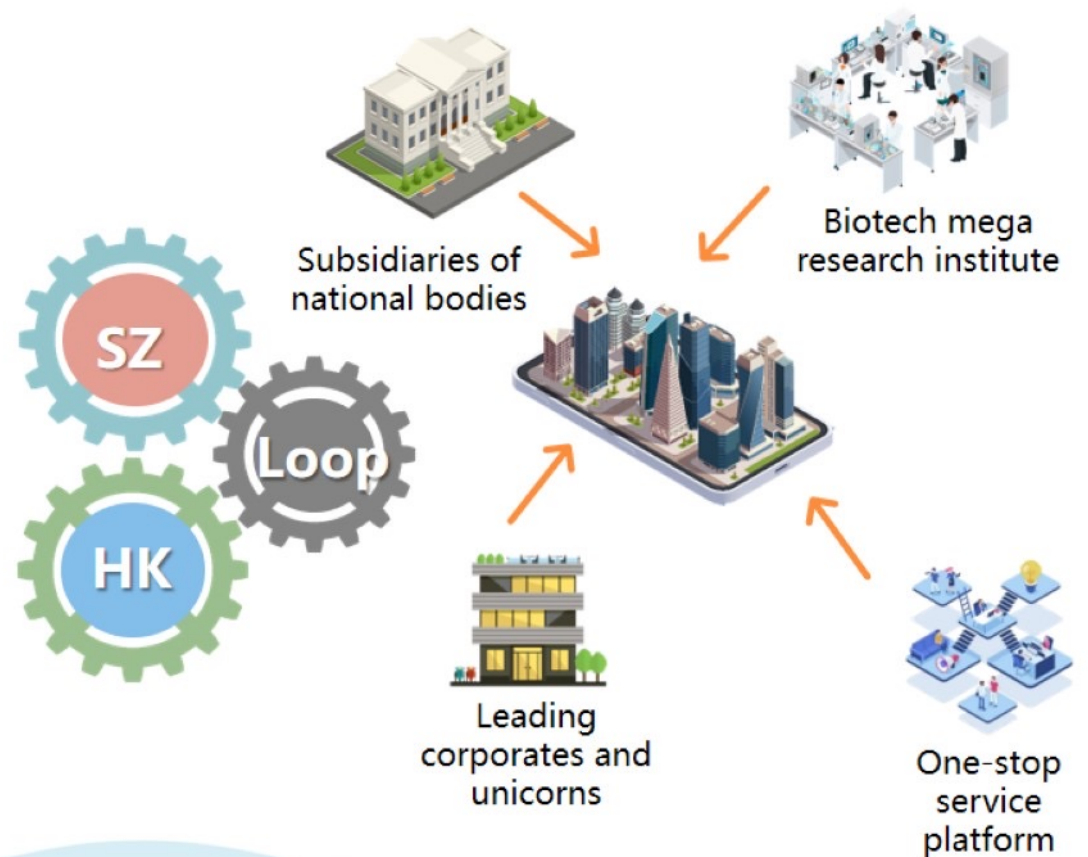


Corporates establish themselves in the Loop to leverage Hong Kong's strengths in medical research and clinical trials and Shenzhen's expertise in AI and mechanical manufacturing

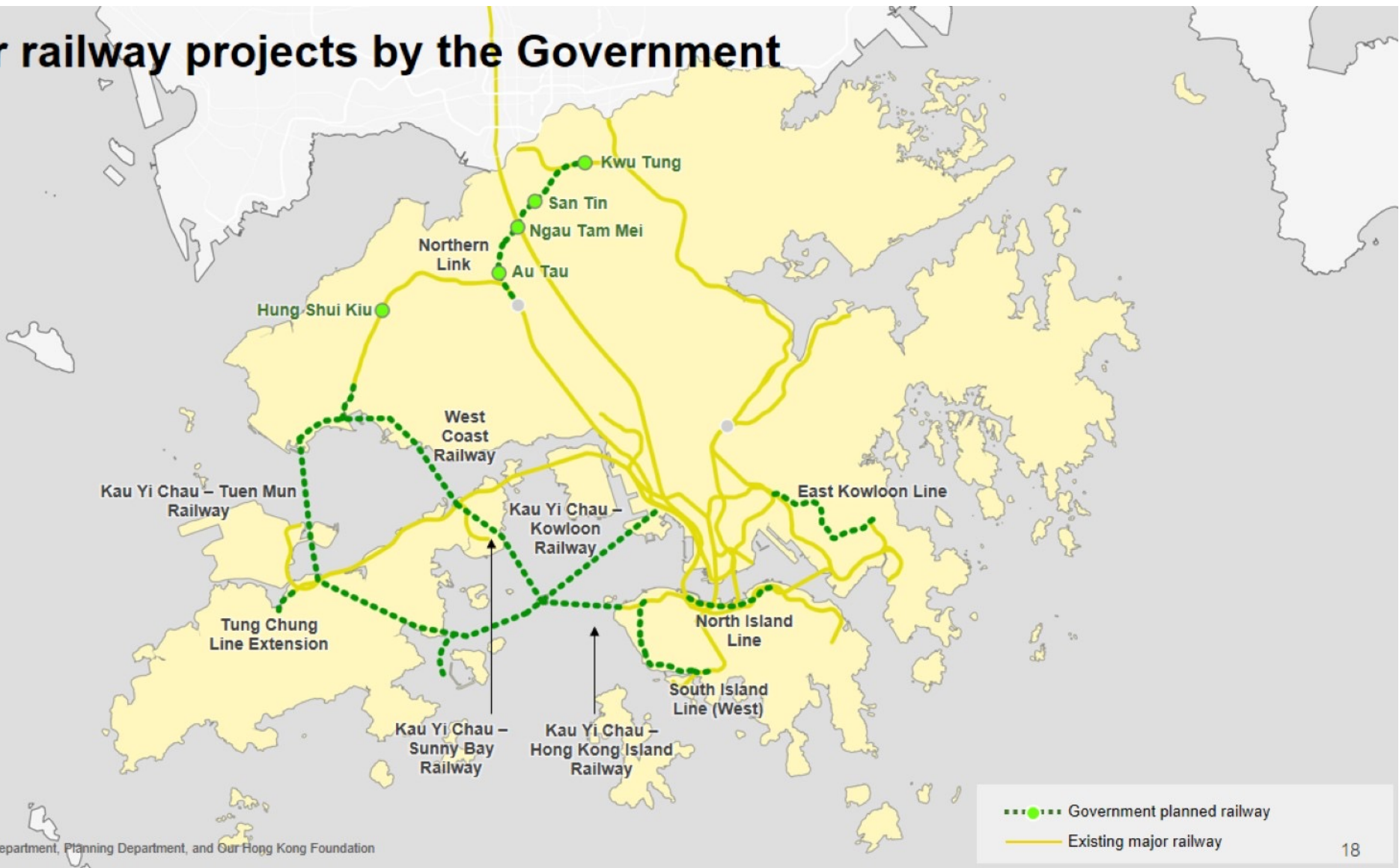
AI and Biotech



Balanced and Coordinated Development as the Key

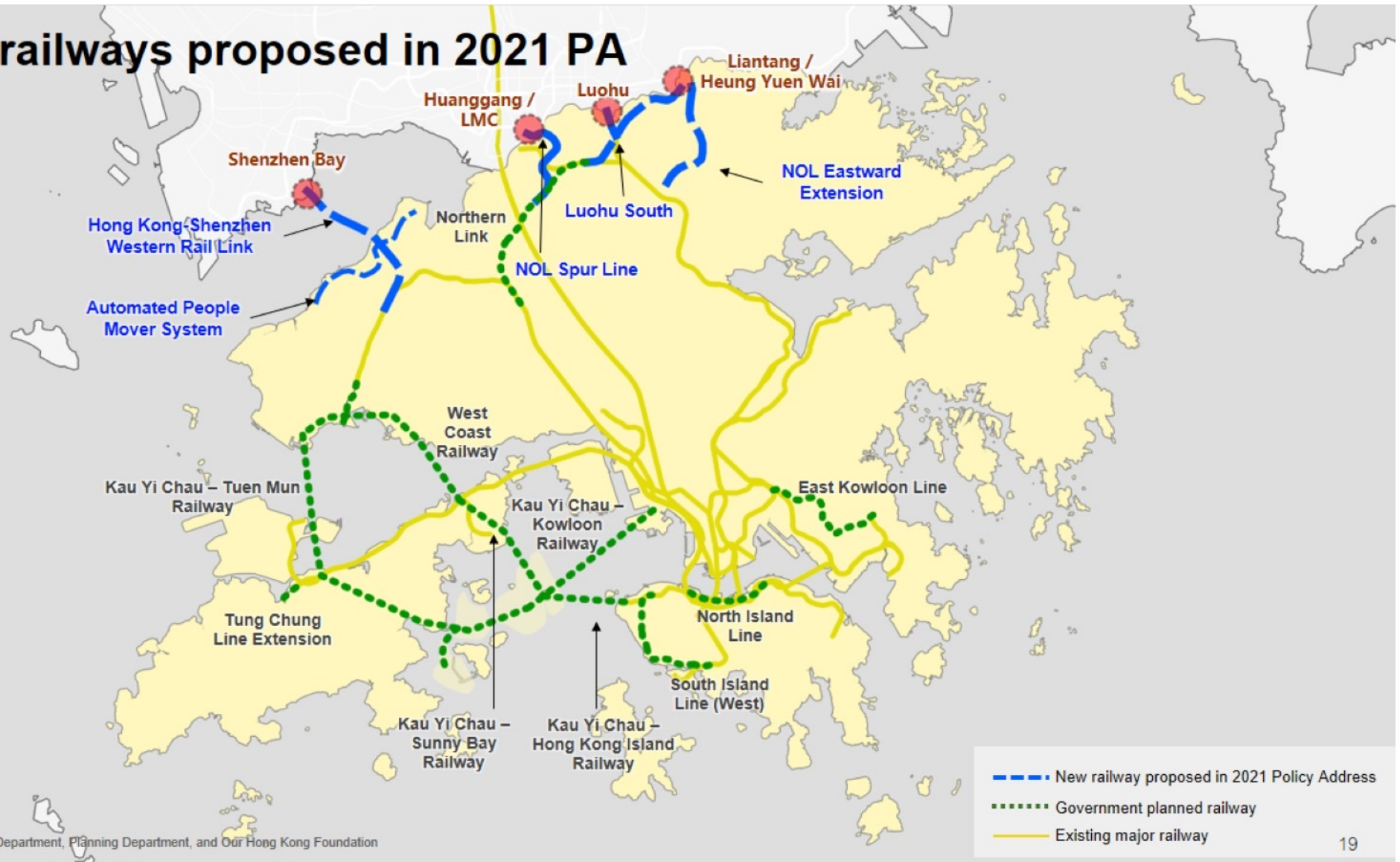


Major railway projects by the Government

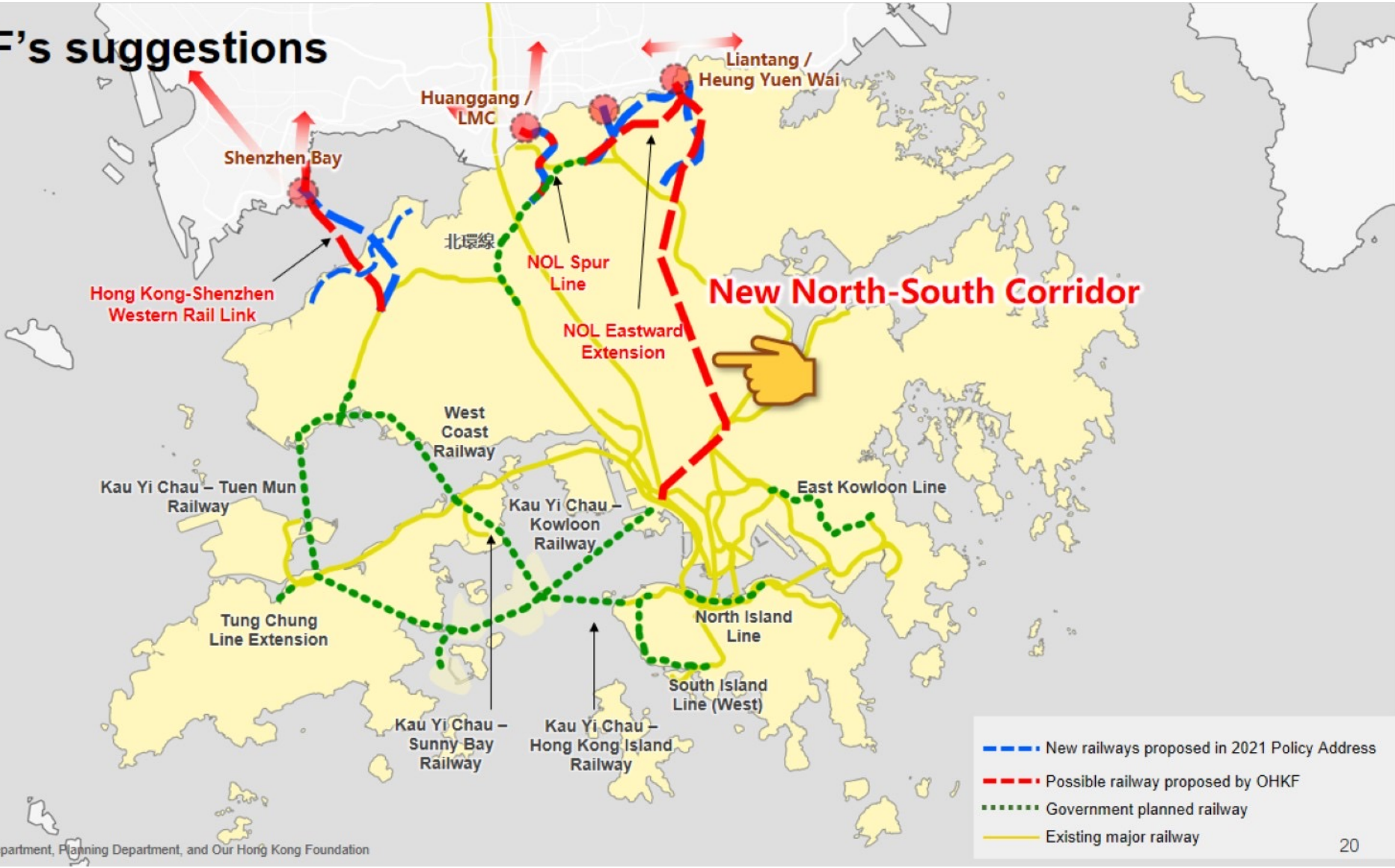


Sources: Transport Department, Planning Department, and Our Hong Kong Foundation

New railways proposed in 2021 PA

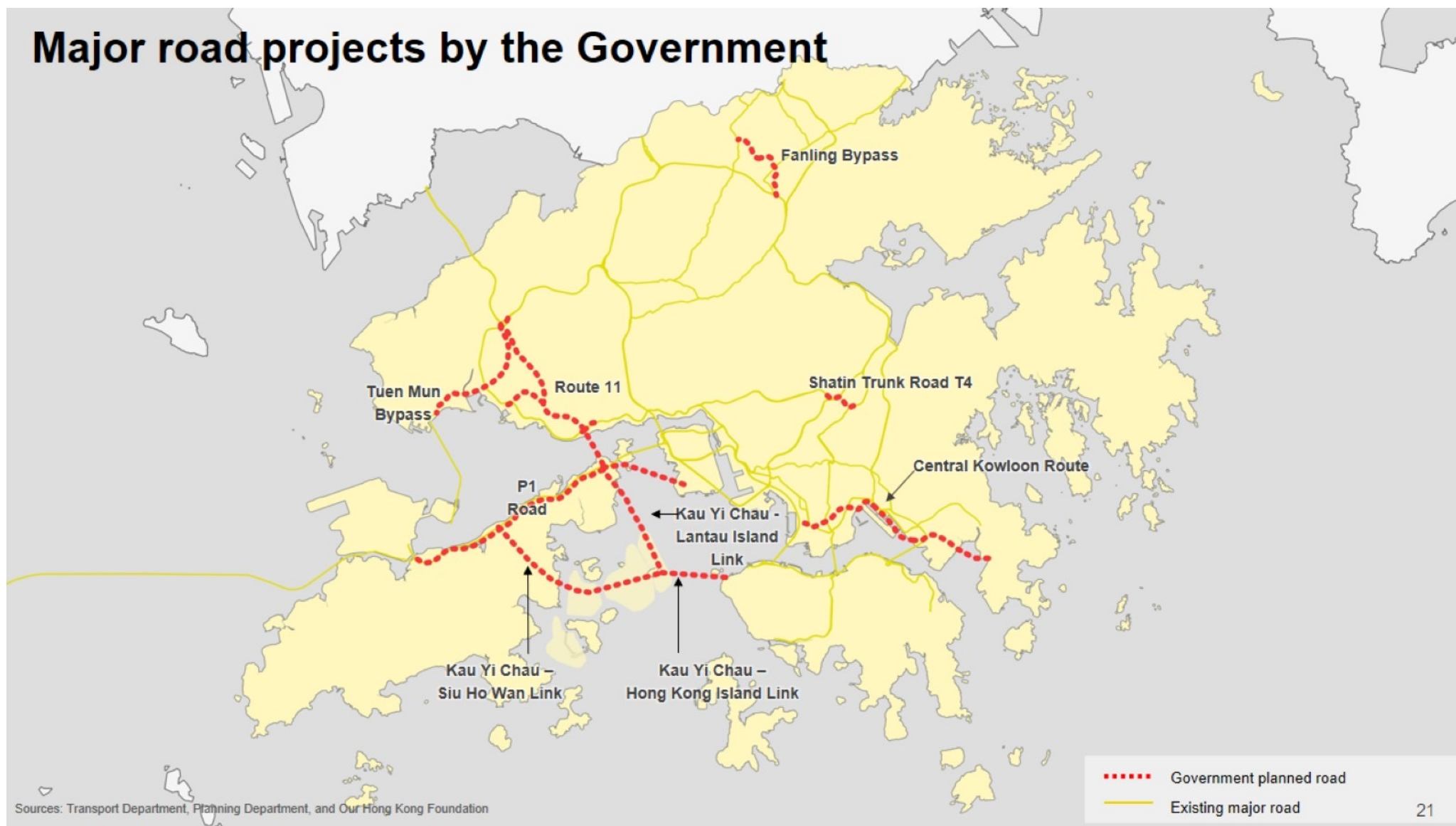


OHKF's suggestions

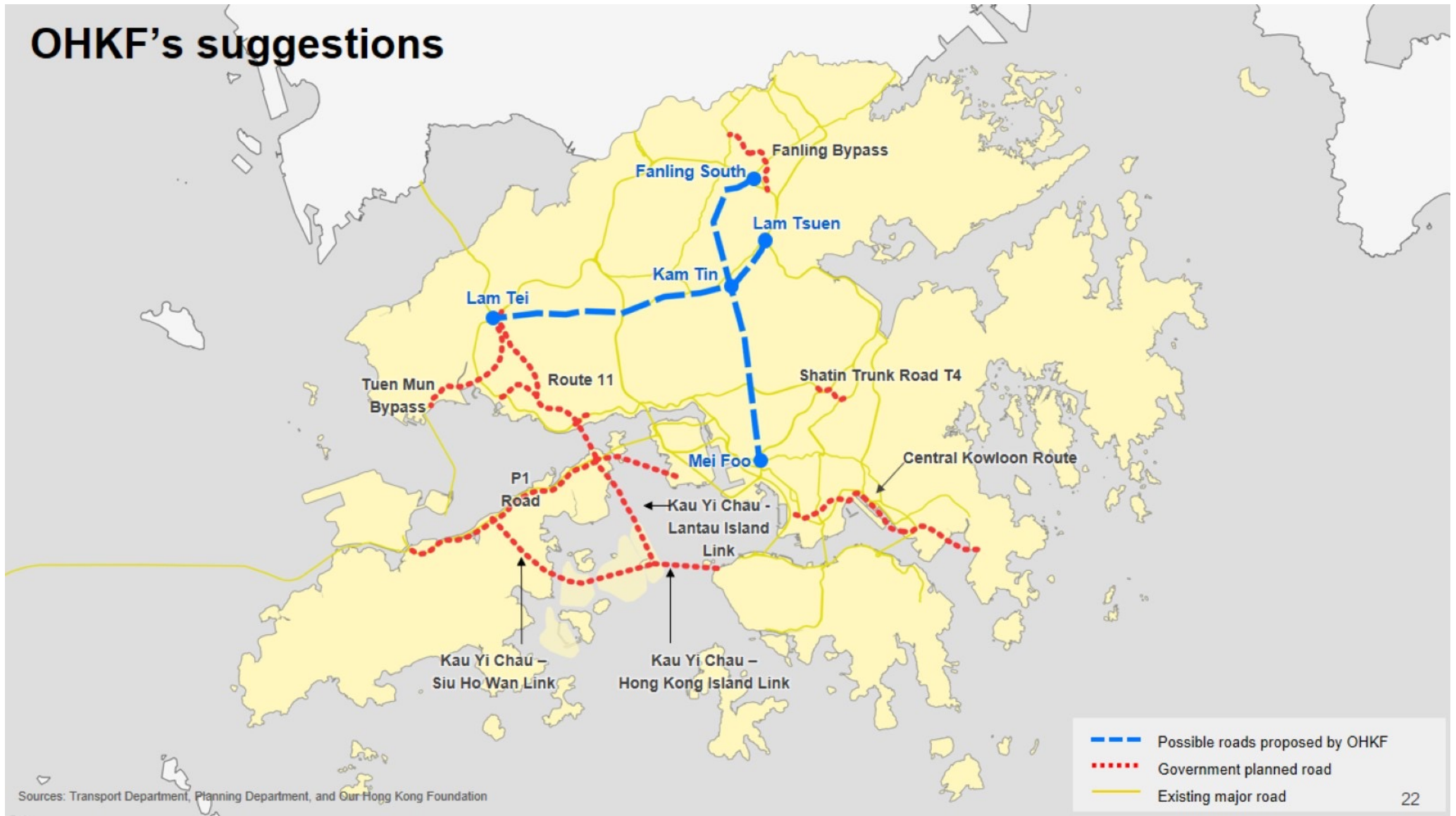


Sources: Transport Department, Planning Department, and Our Hong Kong Foundation

Major road projects by the Government

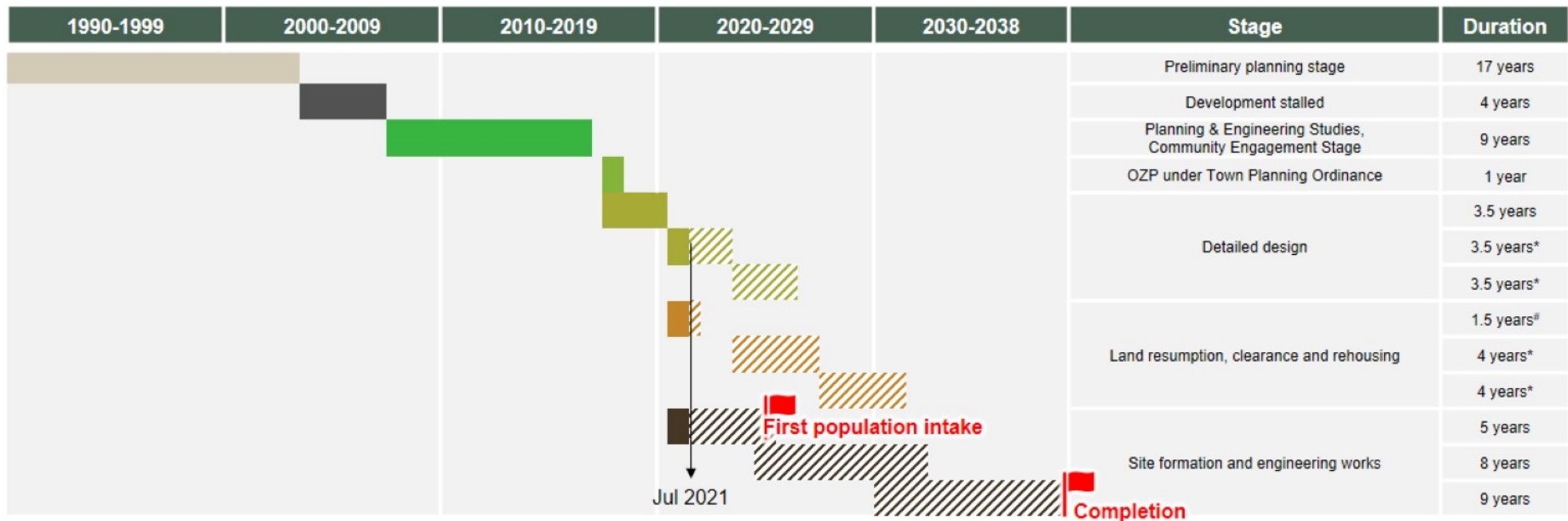


OHKF's suggestions



It takes decades from proposal to completion of NDAs

Development timeline of Hung Shui Kiu NDA



In total (1990–2038): 48 years

Notes:

* No timetable for detailed study (Phase 2-3) and land resumption (Phase 2-3) have been published. It is suggested by the Planning Department that detailed study generally requires 38 months while land resumption and clearance generally requires 48 months for each phase.

This is only the duration for land resumption. The time needed for clearance is not reflected.

Source: Legislative Council

Three major challenges facing the urbanisation of New Territories

Provision of Infrastructure

Transport network

New transport corridor is required to resolve congestion and facilitate additional development in the New Territories

Other strategic infrastructures

Under-provision of infrastructures such as sewage and drainage system limit development in the New Territories

Stakeholders' interests

Existing occupants

Strong resistance from squatter households, brownfield operators and farmers for land development

Landowners

Development of New Territories by market force is in effect prevented as landowners lack channel to participate

Policies and administration

Development control

Current development control is not flexible enough in respond to the changing environmental and economic needs

Administrative support

Lack of a clear accountability system and administrative red tapes prolong land development cycle

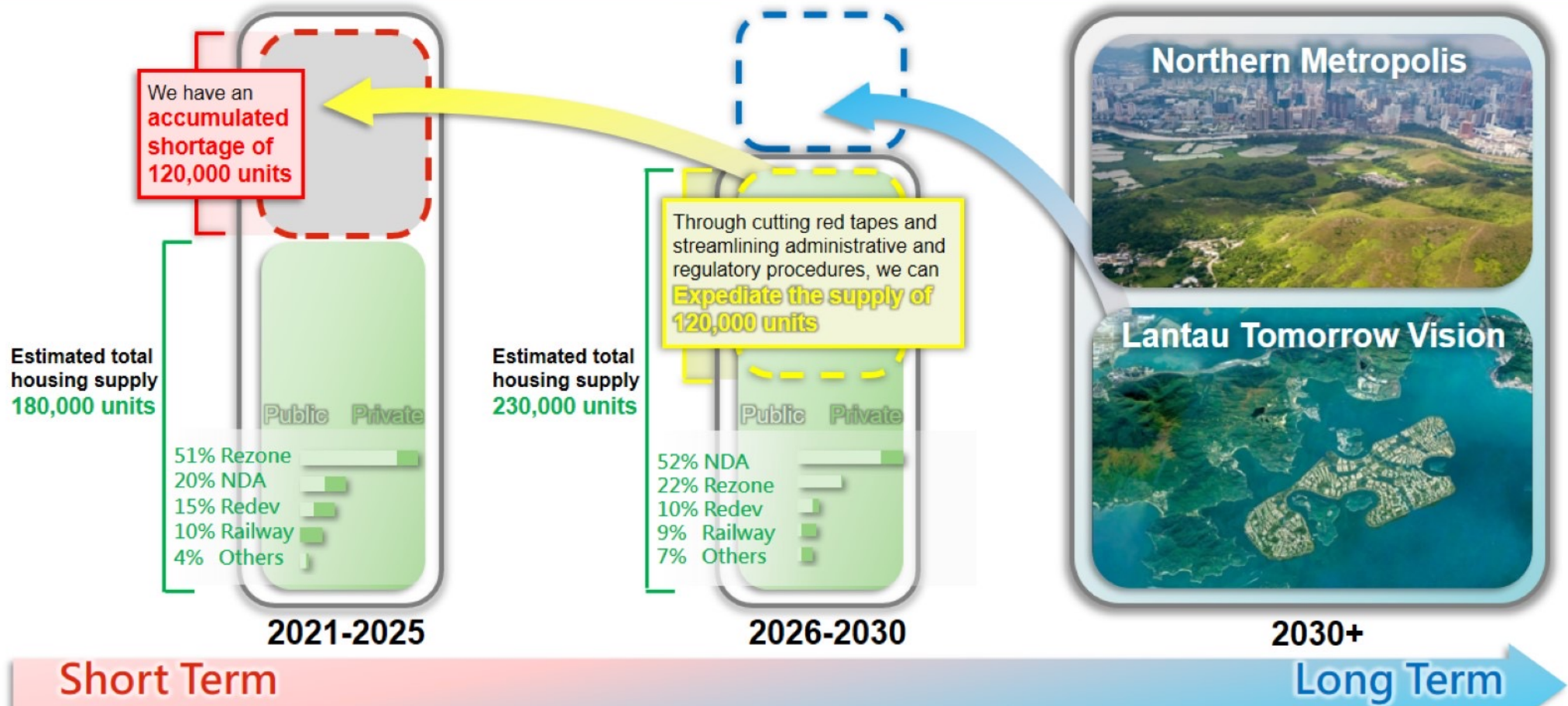
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How to increase supply options in the short to medium term?



Specific proposals from various sectors to streamline administrative procedures

Overall Land & Housing Planning

- Redesign the planning guidelines for the Wetland Buffer Zone
- Review the suitable proportion of green lands in HK
- Introduce the “white zone” planning concept
- Increase urban area and NT plot ratios
- Update the Planning Standards and Guidelines to reflect current land and housing demand

NDA

Project Delivery

- Streamline public engagements, environmental impact assessment, land resumption and administrative procedures for road works
- Boost efficiency of land resumption, with simultaneous detailed design and site formation works for different development phases
- Commission private developers to deliver a portion of public infrastructure works
- Concurrent reclamation and town planning procedures

Government Structure

- Establish high-level leadership with clear accountability systems
- Set up dedicated department to lead NDA projects

Public Housing

Planning & Approval

- Housing Authority should proceed with the design in accordance with the approved layout plan, without the need to seek support from the District Council regarding the detailed design

Project Delivery

- Housing Authority should lead both the site formation and construction works of all public housing projects, with overall accountability
- Disclose key construction progress
- Introduce private developers for market competition to boost construction efficiency

Private Housing

Planning & Approval

- Regular reviews by PlanD on land suitable to be rezoned as residential, with targets for successful rezoning
- Streamline approval process for CDA sites, and quantify performance pledge for approvals
- Lower the threshold for compulsory sale of old buildings and allow transfer of plot ratio
- Allow developers to increase residential development density under a prescribed time period through “temporary waivers”
- Allow developers to incorporate part of “Green Belt” into development areas
- Introduce “Professional Self-Examination” as far as possible, while the authorities can focus on the necessary supervision and regulation

Land Administration

- Set annual targets in number of residential site application approvals for LandsD
- Set statutory timeframe for review / approval of all types of plans
- Simplify land lease
- Improve the land premium assessment mechanism



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