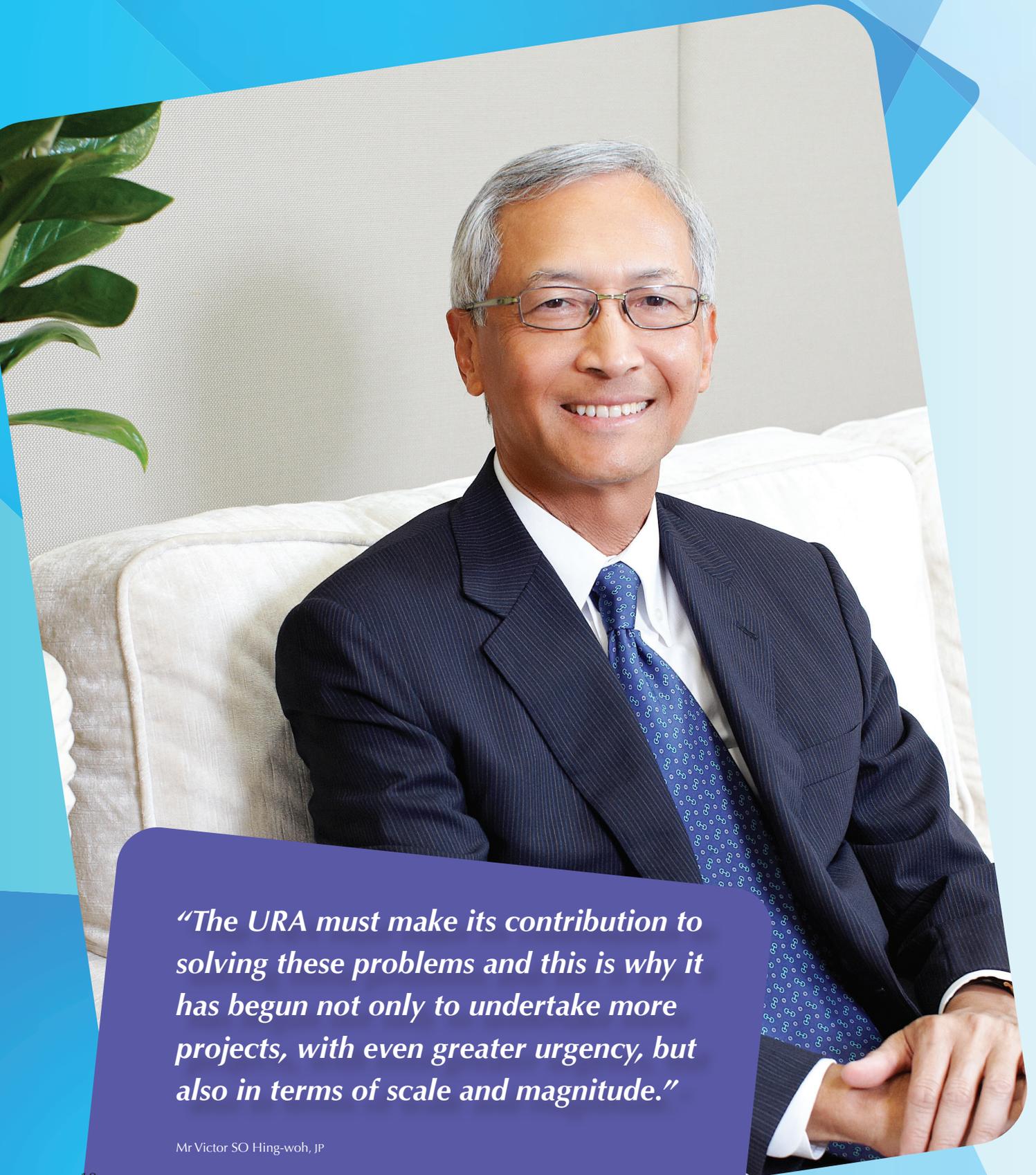


Message from New Chairman



“The URA must make its contribution to solving these problems and this is why it has begun not only to undertake more projects, with even greater urgency, but also in terms of scale and magnitude.”

Mr Victor SO Hing-woh, JP

As the newly appointed Chairman of the Urban Renewal Authority (URA), I must firstly offer my heartfelt gratitude to the outgoing Chairman Mr Barry Cheung Chun-yuen for his exemplary leadership and guidance to the Authority over the past six years, as well as the other members of the Board for their contributions.

Since the establishment of the URA taking over the work of the former Land Development Corporation, the Authority has gone a long way towards improving the city fabric of Hong Kong and helping tens of thousands of Hong Kong people to enjoy much better living environment.

However, urban decay and the associated problems that it brings along remain a daunting task to deal with. Within the framework of the Urban Renewal Strategy promulgated in 2011, the Authority formulates

its Five-year Corporate Plan and Annual Business Plan laying out the strategic direction and effective work programmes. The broader mandate requires the URA to ensure that it has the resources and capacity to deliver on our commitments.

In addition, I will seek to build further on the excellent partnerships that the URA already enjoys with the Government and our stakeholders. In this, I have no doubt I can count on the support of the Board and URA's dedicated management team.

Urban decay remains a major problem

In Hong Kong, buildings over 50 years will increase by four folds in 2030 to 16,000 blocks. According to the most recent report commissioned by the Government, some 170,000 people are still living in sub-divided units. There is therefore a pressing need to increase the supply of flats for Hong Kong's growing population



Mr Victor So visits a sub-divided unit resident in Sham Shui Po before taking up his appointment.

and changing demographic profile. According to a recent opinion survey conducted by a local university, redevelopment is regarded as the most desired means to increase flat supply in urban areas.

The URA must make its contribution to solving these problems and this is why it has begun not only to undertake more projects, with even greater urgency, but also in terms of scale and magnitude.

I would like to see redevelopment picking up a quicker momentum and will push for an early start on the URA's two largest projects to date: the Kwun Tong Town Centre project, which will provide 1,700 flats, a public transport interchange and a number of public facilities; and the Hai Tan Street project in Sham Shui Po, which will deliver another 800 flats.

In order to achieve its ambitious goals, the URA needs the support of a wide variety of stakeholders. With my many years of experience working in the land and housing sector, in both public and private organisations, I know that securing such support needs great patience, but I believe it can be achieved.

Near-term challenges

I am also very conscious that as the URA's work expands to meet the growing challenges of the current decade, we will have to carefully manage our resource needs, covering areas such as project management, financial planning, training and process re-engineering. In particular, we should develop our human resources, not



Mr Victor So is briefed on the conceptual design of the Central Oasis.

only taking on new talent as needed, but also providing adequate training for the URA team to carry out more complex projects.

There are also financial challenges. In the near future, our projects may be clouded by a downturn in the property market caused by the possibility of a gradual end to the loose monetary conditions that have prevailed over the five years since the global financial crisis. Given that URA projects typically offered minimal plot ratio gains yet require substantial compensation outlay, more would become financially non-viable. It is of

paramount importance to manage our cash flow with prudent financial planning.

Our prime concern will always be to arrest the problem of urban decay, which we will pursue to the best of our ability. I will stay as dedicated as ever to make sure we deliver on our commitments. We are ready to stand up for the challenges ahead.

Victor SO Hing-woh

Chairman

15 June 2013



Mr Victor So and URA management attend a meeting of the Development Panel of the Legislative Council.