



Ir WAI Chi Sing,
GBS, JP, FHKEng

MANAGING DIRECTOR'S STATEMENT

"Our flexible and innovative mindset has enabled us to respond effectively to market changes and challenges, while continuing to advance redevelopment projects in the pipeline and strengthen our self-financing capabilities. As a result, our urban renewal efforts have continued to make steady progress despite the rapidly-evolving environment."



Overcoming Challenges through Unwavering Commitment and Creative Thinking

In mid-June 2025, I concluded my nine-year tenure as Managing Director of the URA. As I reflect on this remarkable journey, I take great pride in having worked alongside the URA team to fulfil the statutory functions set out in the Urban Renewal Authority Ordinance. These responsibilities have included the restructuring and replanning of land resources in Hong Kong's ageing districts, with the objective of improving the built environment and raising housing standards. Over this period, a number of projects were successfully implemented in accordance with our mission of urban renewal. Beyond redevelopment, our efforts in rehabilitation, preservation, revitalisation and retrofitting have enabled us to enhance the liveability of these older districts and create greater benefits for the community.

At the outset of my term, I recognised the need to shift from a project-led redevelopment model to a "Planning-led, District-based" approach that prioritises holistic planning over individual project execution. This strategic shift has enabled us to unlock the full development potential of older districts through replanning and the more effective utilisation of land resources, and hence generate lasting benefits for the community.

One example of the district-based approach is To Kwa Wan, where eight adjacent redevelopment projects were integrated through systematic planning and a coherent design mode. This approach has improved the area's pedestrian and road networks, strengthened connectivity within and beyond the district, and expanded existing green spaces and recreational areas, creating a more attractive urban landscape. Through this district-based planning approach, To Kwa Wan now features a new, more liveable community landscape and neighbourhood, the first of its kind in Hong Kong.

To further advance our holistic planning, we adopted the "Single Site, Multiple Use" model for integrating sites containing obsolete community facilities and Government land in older districts that had been held for temporary uses or remained under-utilised. This model has enabled us to optimise land resources in these districts, expand the scale of redevelopment, and upgrade outdated facilities – all of which contribute to enhancing the built environment. Over the past nine years, the URA has undertaken 18 redevelopment projects, including several large-scale urban renewal initiatives, improving living conditions for more than 4,500 households.

Nevertheless, the challenges posed by ageing buildings continue to intensify, with the number of such buildings increasing by around 500 each year, far surpassing the pace of redevelopment. In response to this pressing issue, I initiated three strategic studies in 2017: the District Study for Yau Ma Tei and Mong Kok (YMDS), the New Strategy on Building Rehabilitation Study, and the Sustainability Study. The objective of these studies was to identify new mechanisms and strategies for sustainable long-term urban development, enabling us to accelerate our urban renewal initiatives, slow down building decay and improve renewal efficiency in older districts.

Through the YMDS, the URA pioneered the development of three Master Urban Renewal Concept Plans, each incorporating different development densities and planning solutions tailored to the characteristics of the two densely built, ageing districts – Yau Ma Tei and Mong Kok. In conjunction with this, we undertook a comprehensive review of our policy framework and implementation mechanisms, enabling us to explore new planning mechanisms, expand development capacity and encourage greater private sector participation. Collectively, these efforts have laid a strong foundation for accelerating and broadening the scope of urban redevelopment.

Furthermore, I recognised that success in urban renewal in older districts hinges on effective building rehabilitation, which maintains and extends building lifespans and thus eases pressure on redevelopment. Throughout my tenure, our team made more concerted efforts to raise awareness among property owners about the importance of building maintenance and strengthen their capability to organise maintenance works. Drawing on the findings of the New Strategy on Building Rehabilitation Study completed in 2020, we developed targeted measures, including stepping up promotions, providing additional support, and offering further incentives, to encourage property owners to undertake maintenance and repairs, as well as to implement preventive maintenance for their buildings.

MANAGING DIRECTOR'S STATEMENT

During my first two terms, the URA had a robust financial position, largely due to project tenders conducted in a buoyant property market. However, I also recognised that this same buoyancy drove up the market values of older properties, which, in the event of a market downturn, could put the URA at risk of a “buy high, sell low” situation, thereby increasing its financial exposure. In recent years, property prices in Hong Kong have fluctuated due to global economic and geopolitical factors, and have undergone a sustained decline since late 2021. This market downturn has placed financial pressure on the URA, including strains on cash flow, as developers have become more cautious in their land bidding strategies and pricing.

The URA team, however, rose to the challenge by taking proactive measures to mitigate risks. Our flexible and innovative mindset has enabled us to respond effectively to market changes and challenges, while continuing to advance redevelopment projects in the pipeline and strengthen our self-financing capabilities. As a result, our urban renewal efforts have continued to make steady progress despite the rapidly-evolving environment.

Work Report 2024/25

Of the three projects put out for tender by the URA in 2023 and 2024, only the Shing Tak Street/Ma Tau Chung Road Development Project in Kowloon City was awarded. Tendered at a price of HK\$1.934 billion, it resulted in a loss of nearly HK\$1.5 billion due to the “buy high, sell low” situation. For the other two redevelopment projects, we decided not to award the tender for the Kai Tak Road/Sa Po Road Development Scheme in Kowloon City due to unsatisfactory tender results, and postponed the tender for the final phase of the Kwun Tong Town Centre Project in light of prevailing market conditions. Consequently, the URA’s ability to generate cash income from upfront payments on its tendered projects was undermined.

Embracing Innovation: Driving Change in a Changing Environment

To maintain the pace of urban renewal amid a volatile market, the URA team adopted a more flexible and proactive mindset, seeking new opportunities despite the challenges of a changing operating environment. Timely decisions were made, and innovative strategies were developed across four key areas: advancing projects, enhancing project attractiveness, securing financial resources and adjusting our urban renewal approaches.

To advance urban renewal projects, the URA team adopted a dynamic management strategy. This involved reviewing the timing of acquisitions and tenders of ongoing projects and flexibly adjusting their progress in response to external factors such as cash flow, the global economy, and local property market. For upcoming projects in our Corporate Plan, we carefully examined project priorities and exercised prudent financial management.

Based on this strategy, we postponed projects that required substantial cash outlays for property acquisition and expedited those that could be cleared for tender more quickly due to simpler property titles. This approach enabled the replenishment of cash, facilitating the acquisition of properties for other projects. One example is the Kau Pui Lung Road/Chi Kiang Street Development Scheme, a pilot project in Kowloon City to redevelop buildings under the Civil Servants’ Co-operative Building Society (CBS) Scheme. Since this project did not involve the property titles of ground-floor shops and residential tenants represented only a very small proportion of the properties, the URA was able to proceed more efficiently. Acquisition offers were issued to property owners in February 2025, and over 90 percent accepted the offers within just three months.

For new projects, we have selected from the Project Reserve those with high development potential and significant planning benefits, yet which do not require large-scale acquisition of property titles. Among these are the Sai Yee Street/Flower Market Road Development Scheme, which commenced in 2024, and the Ma Tau Wai Road/Lok Shan Road Development Project in Kowloon City. In contrast to earlier projects that required the acquisition of several hundred, or even up to a thousand property titles, these two projects are relatively small in scale and did not require substantial cash outlays. By restructuring and replanning of land use, they will maximise planning benefits and improve the environment of the old neighbourhoods where the projects are located.

New Measures to Meet Evolving Needs

For project tendering, we launched our new Development Facilitation Services (DFS) initiative in early 2025, with the Shantung Street/Thistle Street Development Scheme (Shantung Street Project) as a pilot. This initiative not only provided interested developers with ample time to understand the project details ahead of the tender process, but also enabled the URA to collect feedback and refine the tender terms prior to launch, thereby increasing the likelihood of a successful tender.

The Shantung Street Project also adopted a new planning tool proposed under the YMDS, which allows for greater flexibility in interchangeability between domestic and non-domestic plot ratios. Without exceeding the current gross floor area, the maximum domestic plot ratio was relaxed from 7.5 to 8.5, providing greater design flexibility that appealed to private developers. As a result, a total of six tenders were received at the close of the tender, and the project was successfully awarded via a joint venture development agreement.



The Shantung Street Project seeks to enhance community connectivity, create more vibrant public spaces, and elevate the quality of the community's physical and social fabric through the restructuring and replanning of land use aligned with urban design principles.

For the final phase of the Kwun Tong Town Centre Project (Kwun Tong Town Centre 2.0), the URA adjusted the timing of the project tender, taking into account the substantial scale of the development and the market demand, particularly the supply and demand for commercial space in Kowloon East. At the same time, the URA completed the necessary technical studies and prepared preliminary work plans, including road diversions, construction of a platform connecting the project to the MTR station and two footbridges, as well as the diversion of underground utilities. In addition, we reviewed the project's design, including the underground car park, with the relevant Government departments to identify opportunities for optimisation. These measures aimed to reduce project's complexity, lessen the initial work required for future successful tenderers, and minimise uncertainties and risks. We believe this will enhance the project's attractiveness and the likelihood of receiving successful tenders in the future.

During the period, we introduced our planning and design features for Kwun Tong Town Centre 2.0 and highlighted its key role in the eastern part of Hong Kong to both local and overseas developers and investors. In early June 2025, we signed a memorandum of understanding with The Hong Kong University of Science and Technology (HKUST), establishing a co-operative framework for HKUST to expand its off-campus education and research facilities within the non-domestic portion of Kwun Tong Town Centre 2.0. Under this arrangement, we will support HKUST's education and research initiatives, as well as its efforts to promote innovation and technology, aligning the development goals of both parties.

All of these initiatives reflect our team's commitment to excelling through change. By leveraging the project's unique advantages and elevating its urban renewal benefits from the district level to a broader, more visionary perspective, we are able to position it to offer highly flexible spaces that can accommodate the current and future development needs of various industries in Hong Kong. This, in turn, will help reinforce market confidence in the project.

Additionally, building on the experience gained from the pilot DFS in the Shantung Street Project, the team will launch similar DFS initiative for Kwun Tong Town Centre 2.0 in the second half of 2025 to keep developers informed of the latest developments of the project.

Early Planning to Maintain Self-Financing

Currently, the URA has six ongoing redevelopment projects with property acquisitions either underway or set to commence, involving total acquisition expenses of approximately HK\$23.5 billion. To maintain self-financing, we have already put in place financial plans and arrangements to address any potential cash flow shortages, thereby ensuring sufficient funds to meet both our current and future business needs.

In earlier years, we requested an increase in the URA's borrowing limit from the Financial Secretary and co-ordinated with credit rating agencies to make preliminary preparations. Approval to raise the borrowing ceiling to HK\$25 billion was granted in 2023, after which the team initiated a series of external financing activities. In August 2024 and January 2025, we successfully issued triple-tranche public bonds totalling HK\$12 billion and secured HK\$13 billion in five-year bank loan facilities, comprising both a term loan and a revolving credit facility. The external financing has strengthened the URA's cash flow reserves, ensuring we can meet the expenditures required for both ongoing and planned acquisitions of our redevelopment projects.

Meanwhile, we have been engaged in discussions with the Government on providing land resources as a financial means to support the long-term sustainable development of urban renewal in older districts. In early June this year, the Chief Executive in Council approved the granting of two sites – one at Bailey Street, Hung Hom and the other in Tseung Kwan O Area 137 – to the URA, enabling it to maintain the momentum of urban redevelopment.

“Light-Capital” Approach for Urban Regeneration

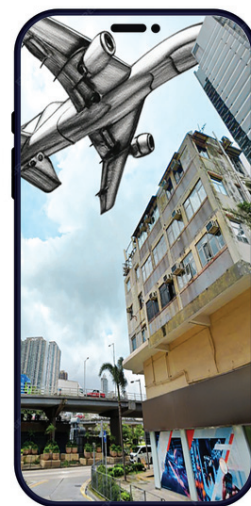
Urban renewal goes beyond the simple act of demolishing and rebuilding old structures. Working with finite resources, we have proactively adopted a new Integrated Approach, which complements redevelopment with building rehabilitation and place-making. This strategy not only addresses the need to redevelop dilapidated buildings but also supports the continued good condition of neighbouring structures that do not require immediate redevelopment. Together with enhancements to public spaces and place-making initiatives, it elevates the environment of the areas surrounding redevelopment projects. The result is a significant shift from traditional building-focused renewal to a holistic process of district regeneration, creating vibrant new urban environments that blend old neighbourhoods with modern developments.

The renewal of the Lung Shing area in Kowloon City is a notable example of how the Integrated Approach works in conjunction with place-making initiatives. Through the trial implementation of the District-based Building Rehabilitation Pilot Scheme, the URA not only encouraged building owners to maintain and repair their properties but also provided financial support for participating owners to beautify the building façades. In addition, we helped owners infuse local cultural character into the neighbourhood by assisting them in commissioning artists to create large-scale murals, injecting a colourful life into old districts.

To achieve an integrated streetscape for buildings and streets in the district, in addition to creating murals on building façades, we also undertook beautification works on the streets within the areas under the District-based Building Rehabilitation Pilot Scheme. To honour the local history and unique characteristics, themed storefront designs inspired by local Chiu-chow and Thai heritage of residents and the former Kai Tak Airport will be implemented. Additionally, augmented reality (AR) technology will be employed to recreate the unique visual of aeroplanes flying low over the Lung Shing area in the old days. These combined efforts are intended to contribute to the revitalisation of the area's environment.

////

To showcase the history and unique characteristics of Kowloon City, the URA plans to use AR technology to re-create iconic scenes — aeroplanes flying over former Kai Tak Airport and Kowloon City. (Design concept illustration)



Last year, the URA launched the "City Walk" programme in Central and Sheung Wan area, which connects its urban renewal projects with the area's iconic buildings, streets and shops alongside place-making and community making initiatives. Leveraging the district's unique character and infrastructure, the "Touring Central with Locals" docent tour promoted community bonding and stimulated the local economy while showcasing the vibrancy and appeal of the neighbourhood.

Preventive Maintenance to Extend Building Lifespans

All the above-mentioned efforts represent responses to the growing urban renewal challenges in today's market environment. To tackle the challenge of ageing buildings in older districts, proper repair and maintenance are necessary, as they are key to extending building lifespans.

Shortly after I took office, we embarked on the New Strategy on Building Rehabilitation Study to understand owners' opinions of building maintenance and repair, as well as the challenges they encounter in carrying out such works. The study identified three common obstacles faced by owners and Owners' Corporations (OCs) in old districts, abbreviated as "KFC": lack of necessary Knowledge, lack of Financial reserves and lack of organisational Capabilities to carry out building rehabilitation works. As a result, we rolled out a series of initiatives to raise awareness among building owners of the need for and obligations related to building rehabilitation works, provide technical and financial support, and improve their capability to organise repair and maintenance works. These efforts are aimed at keeping buildings in a safe and liveable condition, thereby reducing the pressure for redevelopment.

Over the years, the URA has played a key role in advocating and facilitating building rehabilitation, with more than 30 measures and programmes that provide technical support to owners and OCs across Hong Kong. Moreover, we administer five Government subsidy schemes that provide building owners with financial assistance to organise their rehabilitation projects. As of May this year, more than 8,200 buildings have completed or are undergoing repairs, benefitting over 740,000 residential units. Since the launch of the subsidy schemes, more than 27,000 valid applications have been processed, with over HK\$1.5 billion in funding released.

In collaboration with the Hong Kong Institute of Housing, the URA piloted the Joint Property Management (JPM) model in the Lung Shing area. Through this model, we helped owners of "three-nil" buildings in engaging property management companies to enhance the maintenance and management of their building facilities, thereby improving the living environment. The JPM initiative also assisted these owners in establishing OCs for their buildings. We hope that with the support of property management companies, building owners will become motivated to organise repair works that gradually improve their buildings' condition and slow the ageing process. Early this year, the URA summarised its experience in piloting the JPM initiative for Government departments and the property management industry. Following this, the Government adopted the JPM initiative as a formal policy, deploying it in districts including Yau Tsim Mong, Sham Shui Po, Kowloon City and Tsuen Wan as of June this year.



Taking part in the filming of the TV series to raise awareness and promote the sense of responsibility among property owners on building rehabilitation.

A New Milestone for Preventive Maintenance

To effectively address the issue of building ageing, the fundamental approach lies in proactive and pre-emptive preparation for building rehabilitation, before issues emerge. In April 2024, the URA launched the self-funded Preventive Maintenance Subsidy Scheme (PMSS) to provide financial assistance to property owners wishing to carry out preventive maintenance work for their buildings. More importantly, property owners were encouraged to develop maintenance plans at an early stage and establish the necessary financial reserves.

The PMSS also provides subsidies to OCs for appointing Authorised Persons to prepare a maintenance manual and develop a 10-year maintenance plan with estimated expenses. Under the PMSS, owners are encouraged to establish a special fund with regular contributions for future maintenance expenses. For participating buildings that maintain consistent contributions for three consecutive years, the URA will offer a one-off incentive subsidy to promote a proactive culture of preventive maintenance.

The PMSS has now been in effect for approximately one year. As of May 2025, it had received 13 applications covering over 7,500 residential units, with buildings ranging from single-block structures to large estates. Some applicants have recently completed major repairs and are already planning their next maintenance cycle, including setting up financial reserves. This reflects a positive indication that the URA's efforts to promote building repair and maintenance by building owners are gradually taking root.

To further support this effort, the URA has compiled the *Guidelines and Templates for preparing Maintenance Manual for Residential and Composite Buildings* (GTMM) for typical private buildings. The GTMM lists detailed maintenance tasks for buildings' common areas and the corresponding scope of works. It also recommends maintenance cycles and inspection methods for common facilities, and provides templates for financial budgets and other related forms. Designed for owners, OCs and Authorised Persons, Registered Inspectors or structural engineers appointed by property management companies, the GTMM equips owners and other stakeholders with the knowledge and skills necessary to carry out preventive maintenance and to secure the financial resources required for organising regular maintenance and repair works on their own.

Promoting preventive maintenance among property owners marks a new milestone in building rehabilitation. However, these are only administrative measures of a promotional or incentive nature. To achieve fundamental change, a multi-pronged approach is required to encourage owners of both new and old buildings to fulfil their maintenance responsibilities and keep their buildings in good condition.

To that end, the URA decided last year to launch the New Strategy on Building Rehabilitation 2.0 (NSBR 2.0) Study, building upon the first iteration conducted in 2020. The NSBR 2.0 Study will not only review and evaluate the effectiveness of the building rehabilitation measures implemented by the URA in recent years but also examine three key aspects: regulatory requirements, institutional arrangements, and the effective use of innovative technologies. Specific recommendations to step up building rehabilitation and extend the serviceability of buildings will be formulated under the NSBR 2.0 Study and submitted to the Government for consideration next year.

Holistic Planning Studies to Accelerate Urban Renewal

To tackle the challenges of urban decay and building ageing, and in response to the Government's invitation following the completion of the YMDS in 2021, the URA commenced similar district studies for Sham Shui Po and Tsuen Wan. Using the new planning tools proposed in the YMDS, these studies integrate holistic planning with financial and land resources to produce sustainable development blueprints for long-term district renewal. They address the future needs of these two districts in terms of urban renewal, demographic changes and sustainable development, while exploring more flexible mechanisms that encourage private market participation, which in turn accelerate the pace of district regeneration. The studies are currently in the process of refining recommendations and conducting various technical assessments, and we aim to submit Master Renewal Plans (MRPs) to the Government in 2025. Once the recommendations of MRPs are incorporated into the statutory zoning plans, the market will be able to gain an earlier and clearer understanding of the implementation details, thereby facilitating more systematic participation in the renewal of old districts.

Recently in March 2025, the URA broadened and elevated the dimensions of urban renewal by launching the Victoria Cove Area Study (the Study), a forward-looking initiative adopting a macroscopic and holistic planning approach. The study embraces the integrated Water body-Waterfront-Inland concept as the foundation for shaping the future of the Victoria Cove Area on the eastern side of Victoria Harbour, aiming to transform the area into a well-equipped, vibrant, and world-class destination by capitalising on its unique geographic and urban characteristics. While still at the conceptual stage, the Study underscores the area's potential to strengthen Hong Kong's status as a leading international city.



Through the Victoria Cove Area Study, the URA will holistically outline the urban design concepts for the area and make recommendations for the water body, waterfront and inland, for realising the vision of creating a dynamic and world-class "Victoria Cove Area".

Collaboration: The Key to Success

Urban planning of this scale and complexity cannot be accomplished by the URA alone. As outlined in the Urban Renewal Strategy, close collaboration among all stakeholders, including Government departments, District Councils, institutions, developers, building owners and professional associations, is the key to success.

Urban renewal is a long-term mission. Looking back, I am proud to have worked with a dedicated team in carrying out a wide range of urban renewal projects and initiatives, empowered by the Urban Renewal Authority Ordinance. These efforts exemplified our commitment to enhancing the built environment, improving housing standards and combatting urban decay. Throughout the process of urban renewal, it is essential to mobilise the collective strengths of all stakeholders and our entire society. Only by each party fulfilling their respective roles and responsibilities and collaborating closely can we achieve our shared goal of creating a quality urban environment.

It has been a profound honour for me to serve as the Managing Director of the URA for the past nine years – the longest and most mission-driven chapter of my professional journey to create tangible improvements in the lives of Hong Kong residents through meaningful urban transformations. I am immensely grateful to my dedicated URA team for their unwavering commitment to our mission of urban renewal, and to both past and present Chairmen and Board members for their invaluable guidance. I also wish to extend my heartfelt thanks to the Government, the Legislative and District Councils, local representatives, professional institutions and the general public. Their collective support has been instrumental in shaping the URA's accomplishments over the years.

Looking ahead, I believe urban renewal will continue to face evolving challenges in a changing external landscape. I extend my best wishes to Ar Donald Choi, the new Managing Director, and the entire URA team. Under the leadership of the Chairman and the Board, the team will turn adversity into opportunity, pressure into motivation and momentum into meaningful progress. I am confident the URA will guide the city's renewal efforts with resilience, purpose and impact on the journey towards a more sustainable urban future.

Ir WAI Chi Sing, GBS, JP, FHKEng
Managing Director
 14 June 2025