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MANAGING DIRECTOR'S STATEMENT

“ Our pursuit of operational excellence across all areas is underpinned by a “people first” approach, with the aim of advancing urban renewal and delivering tangible benefits to the community. ”



Advancing with Agility and Innovating for Social Benefits

In June 2025, I took up the position of Managing Director of the URA. Moving from the private sector to public service, and taking on the responsibility of advancing urban renewal in Hong Kong, I am deeply conscious of the important mission entrusted to me. I also recognise that every aspect of our work must be guided by a “people first” approach and a commitment to delivering tangible benefits to the community.

Unlike property developers, the URA’s decisions are not driven solely by commercial considerations. Our core mission is to create a better living environment for Hong Kong and enhance the quality of life of its residents. In planning and implementing urban renewal initiatives, we seek to balance the needs and well-being of the community with our long-term objective of maintaining self-financing. This is essential to safeguarding financial resilience and ensuring the sustainable delivery of urban renewal over the long term.

Over the past year, volatility in the economic environment and property market has placed pressure on our cash flow. These challenges have prompted us to move beyond resource constraints and established approaches, and to adopt more agile, innovative and forward-looking strategies to sustain the momentum of urban renewal while continually improving the way we work.

In response to changing market conditions, the URA has strategically leveraged planning tools to enhance design flexibility and strengthen the financial viability of its projects. We have also dynamically adjusted the pace of project implementation, seized appropriate opportunities to advance preliminary works and enhanced engagement with private developers before tenders are launched. These efforts have helped improve the attractiveness of our projects and maximise the prospects for successful tender outcomes. In the area of building rehabilitation, the tragic fire at Wang Fuk Court in Tai Po heightened public expectations for further enhancements to the support to building owners, which we take very seriously. A comprehensive review has been conducted to enhance and refine the services, supported by strengthened measures to provide building owners with more targeted, robust and professional technical support.

We also undertake place-making and community-making initiatives in old districts, applying creative approaches to highlight distinctive local characteristics, revitalise ageing neighbourhoods, attract footfall and stimulate local economic activity. At the former Mong Kok Market Building, the URA carried out comprehensive adaptive retrofitting and upgraded the building’s structural elements and building services installations. The project has not only extended the service life of the building, but has also repurposed it as an interim District Health Centre, supporting the Government in delivering primary healthcare services for the benefit of residents in the district.

To enhance the quality and effectiveness of our work, we have actively applied innovative technologies to support the formulation of urban renewal proposals and to streamline business processes through automation. Our pursuit of operational excellence across all areas is underpinned by a “people first” approach, with the aim of advancing urban renewal and delivering tangible benefits to the community.

Forward-looking Planning: Agility in Project Design and Implementation

To navigate market shifts effectively, the URA adopts an agile and responsive approach to project planning and implementation. By embedding flexibility into planning and aligning project parameters with market demand, we enhance financial viability and project attractiveness. This, in turn, strengthens tender outcomes and generates essential resources to support the implementation of other urban renewal initiatives.

In particular, the URA has applied the versatile planning tool of “interchangeability of domestic and non-domestic plot ratio” to selected projects. This enables an increase in the maximum domestic plot ratio within the approved maximum Gross Floor Area (GFA), providing greater flexibility in project design. Under the Shantung Street/Thistle Street Development Scheme, the maximum domestic plot ratio has been relaxed from 7.5 to 8.5, yielding more than 14,000 square metres of residential GFA and providing 356 residential units. We will continue to apply this planning tool to other suitable projects to unlock their development potential.

In parallel, we regularly review project designs to ensure that ancillary facilities appropriately meet the needs of individual districts. For the projects in the Lung Shing area of Kowloon City, for example, we evaluated the feasibility of reducing the number of public parking spaces in light of findings from the latest local transport demand survey. Such an adjustment would shorten the time required for, and reduce the costs associated with, basement construction. It would also expedite project implementation, support the regeneration of old districts and facilitate their earlier integration with the adjoining Kai Tak Development Area.

In project implementation, the URA adopts a dynamic development management strategy, adjusting acquisition timelines in response to cash-flow projections and prevailing economic conditions. To expedite implementation, the URA also undertakes preliminary works for redevelopment projects to address uncertainties at an early stage. This reduces the time required by successful developers upon site handover, enabling them to focus on building design and construction to complete projects sooner and improve district environments more efficiently.

For the Kai Tak Road/Sa Po Road Development Scheme in Kowloon City, the URA commenced a series of preliminary works in March 2026, including foundation construction and basement excavation, to expedite basement works. The URA is currently pursuing the project under a self-development model and will determine the future development approach at a later stage, subject to market conditions. For the final phase of Kwun Tong Town Centre 2.0 (KTTC 2.0), the URA has also commenced various preliminary works in phases. While implementing road closures at Tung Yan Street and Yue Man Square in June 2026 to facilitate underground utilities diversion works, design plans were submitted to the Buildings Department and MTR Corporation for early approval of the footbridge connecting KTTC 2.0 and the MTR's elevated platform.

To refine tender preparation, the URA has enhanced its forward-looking planning by introducing the Development Facilitation Services (DFS). Under the DFS, private developers are provided with detailed information on development parameters, lease terms, and planning and design requirements. This initiative enhances information transparency and gives developers sufficient time to conduct initial design assessments and financial estimates, thereby facilitating their subsequent participation in tender exercises. During the year, the URA rolled out the DFS for four projects and received positive feedback from the industry.

Innovative Thinking for Revitalising Old Districts and Fostering Long-term Community Development

The renewal and revitalisation of old districts should extend beyond the planning and construction of physical infrastructure. In addition to delivering the physical components of our projects, we adopt a district-based approach that creates diverse benefits through functional enhancement and district revitalisation. This approach provides communities with sustained momentum and supports the development of sustainable, liveable environments over the long term.

The Sai Yee Street/Flower Market Road Development Scheme illustrates this approach. Although the project involves only a small proportion of old buildings and shops within the Flower Market, we seek to improve its overall environment and enhance its urban value through comprehensive land-use restructuring, urban spatial enhancement, road network replanning, and community facility upgrades. Through place-making initiatives, we will further reinforce the Flower Market's distinctive character, increase footfall, and foster collaboration among local shop operators to stimulate the district economy and strengthen its long-term business ecosystem.

Guided by our "people first" and "public participatory" principles, the URA commissioned a consultant to engage with Flower Market operators before project commencement. The engagement highlighted structural district challenges, including inadequate parking provision, traffic-pedestrian conflicts, and ageing infrastructure, which hinder business operations and long-term district development.

To address these challenges, the URA has adopted a "Single Site, Multiple Use" model for the Sai Yee Street/Flower Market Road Development Scheme. A multi-purpose complex will be developed with a spacious underground car park. The project will also provide additional shop frontages and at-grade spaces for floral displays, widen pavements to improve the shopping experience, and consolidate land resources to create a sizeable public Waterway Park for community enjoyment. The URA will also revitalise the back lane of the Prince Edward Road West/Yuen Ngai Street Project and transform it into a pedestrian street featuring the distinctive character of the Flower Market.

These forward-looking initiatives will increase footfall and commercial activity, address long-standing local bottlenecks, expand the Flower Market's development potential and promote more diversified district development. It will also help shop operators in responding to changes in the business environment and meeting their long-term development needs.

Throughout project implementation, the URA places strong emphasis on preserving business continuity and the distinctive identity of the Flower Market. To support the affected operators, we provide relocation proposals and decanting arrangements, encouraging them to maintain a business presence within the Flower Market during and after redevelopment.

A Flower Market 2.0 Pilot Space (the Pilot Space) will be developed at the heart of the Flower Market using Modular Integrated Construction (MiC), enabling shops to continue operating during the redevelopment period. In addition to front-of-shop display areas, the Pilot Space will include car-stopping areas to facilitate the loading and unloading of goods. The URA will also explore the organisation of activities in the public spaces to attract visitors, sustain district vibrancy and promote the local economy.



- Adjacent to Mong Kok Stadium and the future Waterway Park, the Pilot Space will provide versatile open spaces for diverse events to infuse community vitality and drive foot traffic and economic vibrancy, ensuring business continuity for florists throughout redevelopment.

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Our relocation and decanting arrangements have received recognition and support from flower shop operators. Construction of the first phase of the Pilot Space is scheduled to commence in the first quarter of 2027 and is expected to be completed as early as in 2028, enabling a seamless operational transition for participating flower shops.

Furthermore, our community-making consultant continues to strengthen stakeholder engagement in order to better understand operators' needs. Through workshops, consumer reward schemes and cross-sector promotional activities, we build mutual trust, reinforce community cohesion and foster greater collaboration among local shop operators. These efforts encourage local merchants to initiate and participate in district regeneration, helping to ensure that the Flower Market remains vibrant over time.



Through workshops, the URA and its community-making consultant seek to understand local stakeholders' needs, building trust and fostering collaboration to support the sustainable development of the Flower Market.

In the historic Central and Sheung Wan district on Hong Kong Island, the URA has established a "3B" district revitalisation framework to promote organic synergy among the "**B**uilt environment", "**B**usiness environment" and "local **B**onding". This framework reinforces local characteristics, attracts visitors, stimulates economic activity and advances sustainable urban renewal.

In conjunction with redevelopment projects in the district, the URA has enhanced surrounding streetscapes and subsidised building owners to commission artists to create large-scale murals that highlight the district's cultural character. We also organised activities for the century-old Graham Market. In March 2026, we partnered with over 100 market vendors, nearby shop operators and local organisations to host the Graham Festival, showcasing the market's unique history while increasing visitor traffic and business opportunities. Through the "Touring Central with Locals" programme, local residents serve as volunteer docents, connecting heritage preservation with revitalisation initiatives and sharing authentic district stories with local and overseas visitors.



A visit to stall operators during the Graham Festival to understand how creative product packaging and promotion activities help boosting the market's vitality.

Innovating for Progress and Enhancing Services

A safe and stable living environment forms the bedrock of a liveable city. Against the backdrop of Hong Kong's rapidly ageing building stock, one of the URA's key responsibilities is to encourage and facilitate building owners in maintaining their properties properly, thereby creating safer homes.

The tragic fire at Wang Fuk Court in Tai Po last year drew public attention to systemic issues in the building rehabilitation sector and heightened calls for the enhancement of support services for building owners. In response, the URA and the Government jointly conducted a comprehensive review of the Smart Tender Scheme, with a view to establishing a new and enhanced owners support services framework underpinned by strengthened measures and implementation arrangements. These include the establishment of more stringent "pre-qualification lists" for works consultants and contractors, as well as arrangements under which the URA conducts tendering and tender assessments on behalf of building owners, thereby assisting them in selecting suitable works consultants and contractors.

Of the HK\$300 million allocated by the Government, up to HK\$100 million will be used as start-up funding to establish a dedicated subsidiary, recruit a professional team and develop an "AI-first" automated workflow system for in-depth data verification and precise analysis. The remaining funding will be used to subsidise building owners who use the enhanced owners support services.

However, it is important to emphasise that the maintenance malpractices exposed by the fire stem from long-standing systemic shortcomings and entrenched vested interests within the building maintenance sector. These issues cannot be resolved by the URA or the enhanced support services alone. Preventing similar tragedies requires concerted efforts by the Government, regulatory authorities, industry participants, relevant stakeholders and building owners to address these issues at both institutional and operational levels.

Over the longer term, it remains essential to enhance building owners' awareness of and participation in building maintenance, strengthen technical support, and build their capacity to monitor the performance of works consultants and contractors. Building owners should also embrace preventive maintenance to preserve building conditions so as to mitigate the substantial costs and potential risks associated with large-scale repair works arising from prolonged disrepair.

The URA will adopt a multi-pronged approach to promote building rehabilitation and preventive maintenance, deepen technical support and assist owners in extending the service life of their buildings. These efforts will also help alleviate the pressure for redevelopment.

Leveraging Technologies to Enhance Operational Efficiency and Decision-making Accuracy

In the face of growing challenges arising from urban decay, technology is a powerful enabler for the URA to enhance quality, improve efficiency and pursue continuous improvement.

To strengthen operational and project management efficiency, the URA utilises data analytics to assess urban renewal needs across different districts and formulate practicable response strategies. We are also actively exploring the application of generative artificial intelligence (AI) tools powered by large language models. These tools can simulate and automatically generate various feasible master building layout options under a range of scenarios, enabling our teams to conduct rapid, data-driven evaluations and select options that optimise planning gains. This technology significantly shortens preliminary design cycles while reducing consultancy costs. The first phase development of the AI tools has been completed and is now being rolled out for planning and design work relating to Master Layout Plans.

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The URA is also developing an AI-enabled streetscape assessment and design-generation tool to further strengthen our place-making and community-making capabilities. The tool is designed to identify streetscape related issues automatically and generate instant visual renderings of proposed improvements. It will serve as an interactive platform for public engagement, enabling residents to understand revitalisation measures more directly and concretely, while providing feedback on proposed improvements. This tool has been applied in community design activities in partnership with the Hong Kong Institute of Architects. During the year, we also organised a series of AI training programmes to enhance employees' digital skills and foster an innovative corporate culture.



As part of our digital transformation, we attach great importance to information security. We are planning to develop a centralised AI tools platform to centralise AI data management and safeguard data security, ensuring that technological applications comply with rigorous compliance and safety standards.

At the construction stage, we actively promote MiC in residential development projects to streamline construction processes, enhance site safety and minimise impacts on the surrounding environment. Looking ahead, we will continue to leverage technology to improve quality and efficiency, with a view to accelerating urban renewal in a more precise and cost-effective manner.

Deepening Communication and Collaboration to Build a Liveable Future Together

Urban renewal is a complex and highly challenging social undertaking that requires substantial resources. Its successful implementation depends on the concerted efforts of all sectors of the community. Over the past year, we have worked closely with Government departments, professional bodies, councils at different levels, developers and district stakeholders. These collaborative experiences have provided me with invaluable insights and reinforced the importance of partnership in advancing urban renewal.

I also firmly believe that internal cohesion is fundamental to organisational progress, making open and transparent communication indispensable. During my tenure, I have actively listened to stakeholders and frontline colleagues and established multiple internal communication channels. During the year, we held two Townhall Meetings for all staff, fostering constructive dialogue and transforming colleagues' professional aspirations into a driving force for the URA's advancement.



➊ Fostering organisational progress through sincere communication and positive interaction with URA staff.

Over the past year, the Board's outstanding leadership, together with the dedication and close collaboration of all colleagues, has been instrumental in supporting the URA's steady development and the orderly implementation of urban renewal initiatives. I extend my sincere gratitude to each of them.

Looking ahead, challenges and opportunities will continue to arise in parallel. As the URA reviews its operational strategies and undertakes business reforms, we will further strengthen public communication and seek the understanding and support of the public and relevant stakeholders. I will continue to lead the URA team in upholding the professional spirit of "Advancing with Agility and Innovating for Social Benefits", maintaining an innovative mindset to drive urban renewal. Together with the community, we will strive to build a higher-quality and more liveable Hong Kong.

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Managing Director

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