

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

Comments on the Stage 2 Community Engagement on Planning and Engineering Study for Housing Sites in Yuen Long South-Investigation

by The Real Estate Developers Association of Hong Kong

1. Introduction

- 1.1 The Planning and Engineering Study for Housing Sites in Yuen Long South-Investigation is currently undertaking its Stage 2 Community Engagement, and is inviting public comments in response to the Preliminary Outline Development Plan.
- 1.2 The Real Estate Developers Association of Hong Kong (REDA) has reviewed the Preliminary Outline Development Plan, and would like to comment on some general planning principles and the implementation process.

2. REDA

- 2.1 REDA has raised issues on some general planning principles and the implementation process adopted in the recently released New Development Areas, including Fanling North and Kwu Tung North, and made written submissions. We would like to reiterate some of these issues to ensure that they would be carried through at Yuen Long South.
- 2.2 This submission relates to general matters and principles which we consider to be important in achieving a high quality form of urban development in Yuen Long South. Our submission is made in the broad interests of Hong Kong as a whole, and in the interests of maintaining an efficient and sustainable urban development system.

3. General Comments on New Development Area

We have been raising some general comments on New Development Areas, including:-

(a) Private land holdings should be respected in preparing the layout of the area. More than 80% of the land in the planning area, namely Yuen Long South,



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

is in private ownership. Relating the planning zoning to the private land ownership pattern as far as possible will facilitate the development process.

- (b) Land use mix should facilitate housing choice for the public. There should not be an over-dominant reservation of sites for public housing to avoid the problems identified in Tin Shui Wai, to provide a more varied urban form and to maintain housing prices at a reasonable level.
- (c) Employment opportunities should be provided in parallel with population build up. However, the provision of employment should be largely market driven, and sites should not be reserved for specific uses to cater for economic growth. This should best be left to the market to respond to changes to the economy over time.
- (d) Environmentally-friendly modes of transport are supported. They must be provided in a timely manner in sync with population build-up.
- (d) Preservation of natural and historical heritage is important in the planning of Yuen Long South. However, it cannot be achieved by land use zoning alone and must be supported by adequate funding and effective management.
- (e) There is some concern over the implementation mechanism to be adopted, and this should give due respect to the private land holdings. Coordination of planning proposals with consolidated land ownership will facilitate the implementation process through private sector participation.

While we acknowledge that Yuen Long South is not technically defined as a New Development Area, with its objective to be redeveloped with increased development intensity and to form an extension and integration with Yuen Long New Town and the proposed Hung Shui Kiu New Development Area, the above principles are equally applicable here.

4. Detail Comments on Yuen Long South

The detail comments on Yuen Long South's Preliminary Outline Development Plan are set out below:

Support for the General Approach



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

4.1 We generally support the approach to the comprehensive planning for Yuen Long South. In general, the Preliminary Outline Development Plan provides the basis for the development of a high quality environment for the future residents of the area with a good mix of land for housing, open space, employment and community facilities. Importantly, this comprehensive plan provides a good basis for the planning and implementation of various forms of public infrastructure. This must be coordinated with the increase of new residents moving to the area.

Unreasonably Low Development Intensity

- 4.2 We consider that the development potential of Yuen Long South should be optimised, given the overall shortage of development land in Hong Kong, the large public costs in providing infrastructure and the potential for achieving a high quality well planned urban environment.
- 4.3 According to the Preliminary Outline Development Plan, about 26,100 flats will be generated from the creation of new housing sites at Yuen Long South. This figure, however, will merely meet about half of the annual housing production target as proposed in the Long Term Housing Strategy.
- 4.4 In light of the considerable public costs, the requisite provision of infrastructure to serve the planning area, and the potential disruption to existing communities, one has to wonder whether such a moderate housing production could be described as justified. To fully tap the potential of planning area, greater production of flats by an increase in the proposed plot ratio should be considered to address its strategic context for providing housing land for Hong Kong in the medium to long term.

Unreasonably Low Plot Ratio

4.5 The Hong Kong Planning Standards and Guidelines (HKPSG) provides the following plot ratio for residential developments in New Development Areas:

	Maximum domestic plot ratio
R1	6.5 ⁽ⁱ⁾⁽ⁱⁱ⁾
R2	5.0
R3	3.0



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

General: The Table only gives an indication of the maximum plot ratio which may be allowed for a particular area. However, where there are significant constraints on development capacity (such as transport or infrastructure limitations, or environmental, topographical or geotechnical conditions), or special design considerations, a lower plot ratio may be specified when considered appropriate and possible.

- (i) For New Development Area and CDA for Tsuen Wan, Kwai Chung & Tsing Yi, the maximum plot ratio is normally 5.
- (ii) Any non-domestic plot ratio component may be in addition to the domestic plot ratio, up to the maximum permitted by the B(P)R composite building formula or those of the OZPs.
- 4.6 The proposed plot ratios for the R1, R2 and R3 in Yuen Long South between 1.5 to 5 are below the HKPSG standards and are considered unreasonably low development intensity, especially when considering the following:
 - i. In relation to the footnote of the table, the maximum 5 plot ratio at Tsuen Wan, Kwai Chung and Tsing Yi is not relevant in this case.
 - ii. The "significant constraints on development capacity", in terms of transport or infrastructure limitations, are by no means insurmountable but can be alleviated by technical improvement. The forthcoming Draft Recommended Outline Development Plan should include mass transport facilities and traffic improvement measures to cater for the optimum potential, instead of restricting the development capacity.
 - iii. The urban design concept to step down development intensity from Yuen Long New Town at the north to the Country Park at the south is appreciated. The gradation respecting the surrounding environment and providing a harmonious transition should not be taken as a deterrent to discourage the provision of plot ratio up to HKPSG standards. A corresponding increase in the plot ratios at R1, R2 and R3 will maintain the urban design rationale.
 - iv. Proximity to the Country Park as an environmental condition would not be grave enough to restrict the development capacity to below the HKPSG standards. The 3x plot ratio on the interface is considered compatible.
 - v. The objective to develop Yuen Long South as an extension of Yuen Long New Town and the proposed Hung Shui Kiu New Development Area should logically relate to their development intensity.
 - vi. Specifically the lower end plot ratio at the northeastern part of the Yuen Long South is not considered justified, nor to have any significant visual amenity merit.



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

- 4.7 In summary, the currently proposed plot ratios have potential to be increased without adversely affecting the quality of the proposed development. Transport and infrastructure limitations could be technically improved at the outset in the planning. The unreasonably low plot ratio below the HKPSG standards is a misuse of the scarce land resources, given the difficulties in land assembly, and a lost opportunity to provide a long term solution to housing land supply.
- 4.8 To meet the strategic context of the Preliminary Outline Development Plan in providing housing land for Hong Kong, the development intensity should be maximised in accordance with the HKPSG i.e. 3, 5 and 6.5 for the respective residential zoning groups with respect to the currently planned stepped development intensity.

The Commercial Plot Ratio

- 4.9 It is unclear as to whether the plot ratio at R1 with commercial uses includes non-domestic floor area. The maximum land use plot ratio alone should be adequate control, and maximum domestic plot ratio should not be specified. This will allow the Building (Planning) Regulations composite building formula to apply. It is considered that the current mixed residential and commercial plot ratios provided in the Building (Planning) Regulations composite building formula offers a good degree of flexibility in design and responsiveness to market forces. Additionally, commercial use at R1 should be allowed flexibly on the lowest three floors (including basements), with a maximum plot ratio of 2, should such restriction be imposed.
- 4.10 The dedicated commercial uses of 2x plot ratio at 2% of the land area are considered inadequate to create vibrancy, to generate employment opportunities and to support the day-to-day living of the local population. Whilst Yuen Long South is to form an extension and be integrated with Yuen Long New Town and the proposed Hung Shui Kiu New Development Area, it should nonetheless be self-sufficient.

The Industrial Land Uses

4.11 Yuen Long South is predominantly occupied by open storage yards, warehouses, rural industrial uses and workshops. The Preliminary Outline Development Plan seeks to consolidate the degraded brownfield to 9% of the land area. There should be adequate land to accommodate the existing open storage and rural industries,



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

and these provisions should be market driven, to respond to changes to the economy over time.

Open Space Design

4.12 Under the Preliminary Outline Development Plan, there are scattered areas for District Open Space, Local Open Space, Industrial Local Open Space, Amenity and Green Belt, for the quality living of the future population. However, they are not considered to be functional recreational space for the health benefits of the population. Instead, they are more like small landscaped areas contributing to the general amenity of these areas, which themselves should be landscaped. They are also of similar character of the country park. Open spaces should be of such dimensions, area and character suitable for community activity to cater for the health benefits of the population.

Connectivity with Yuen Long New Town and the proposed Hung Shui Kiu New Development Area

- 4.13 The pedestrian walkway system, above and under-ground, and cycle track network should be of suitable alignment to encourage and promote their usage, and to reduce vehicular traffic. These networks should also be designed to provide for active frontages and a sense of security. Additionally, cycling parking facilities should be improved not only at the Yuen Long South, but also at Yuen Long New Town and the proposed Hung Shui Kiu New Development Area.
- 4.14 The public transport to serve the area should be studied in detail. Feeder service to Yuen Long New Town will add pressure to the local road network congestion.

Public and Private Housing Distribution

- 4.15 There is an apparent segregation between the public and private housing, where public housing dominates the northern part of the two eastern development areas of Yuen Long South. This will possibly result in concentrated populations of similar socio-economic background and large scale identical buildings with little design differentiation. Public and private housing lands should be interspersed.
- 4.16 With regards to the public and private housing land distribution, the convention previously was 30%/70% to a maximum of 50%/50%. The recently announced 60%/40% approach is of concern. It does not provide for a balanced mix of private



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

housing for social interaction, social mobility, and variety of building design for visual amenity and interest.

4.17 The reduced number of private units for sale will also stifle public aspirations for home ownership. It will result in a long term under supply and high housing costs affecting affordability. Diverse housing types are fundamental so that people may opt for their desirable housing type according to their individual needs.

Implementation

- 4.18 The planning layout should generally align with land ownership patterns to avoid the need for resumption and clearance for a timely delivery of land. It should align with land under consolidated ownership to avoid roads, open spaces and G/IC zones, which require resumption and clearance, to facilitate an efficient implementation.
- 4.19 Little mention was made in the Preliminary Outline Development Plan on implementation. We consider that in the context of the subject planning area the "Conventional New Town Approach" (CNTA) for land assembly is not an appropriate option. Given that more than 80% of the Yuen Long South land area is in private ownership, the CNTA would require substantial land resumption and clearance thereby affecting the delivery of land. A more viable proposal is one that will encourage and facilitate the development of private land by the private sector.
- 4.20 In the past, the government would only plan and construct public facilities when the population had reached a minimum threshold. This arrangement is considered inadequate as public facilities should be made available prior to the population's arrival. Given the various government departments involved in the implementation of Yuen Long South, all with different levels of resources and priorities, an overarching taskforce should be formed to ensure a coordinated and fast tracked implementation.

5. Conclusion

5.1 Infrastructure capacity should not be taken as an absolute constraint to the development potential at Yuen Long South. Adequate capacity should be provided at the outset in the planning process so as to accommodate a large population.



THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19 號環球大廈1403 室 1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong Tel 2826 0111 Fax 2845 2521 www.reda.hk

5.2 Inadequate design rationales are restricting the development intensity in the Preliminary Outline Development Plan, leading to underutilisation of the development potential of the area and misusing of the scarce land resources available to address the land shortage in Hong Kong. An increased development intensity is necessary and desirable to achieve the strategic planning intention of the area in providing housing land for Hong Kong in the medium to long term.

The Real Estate Developers Association of Hong Kong July 2014