

The First Five-Year Plan of the HKSAR
and
The CE's 2026 Policy Address

Submission
by
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Submission on The First Five-Year Plan of the HKSAR and The Chief Executive's 2026 Policy Address

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I Introduction

Hong Kong is entering a pivotal stage of development. With the continuous transformation of our ageing urban districts and the Northern Metropolis emerging as a new engine of growth, the way we plan, build and manage our urban environment over the next five years will have a profound impact on Hong Kong's long-term prosperity.

REDA had had the opportunity to participate in an engagement session with the Development Bureau on Hong Kong's First Five-Year Plan. We exchanged views on the following key themes:

- optimising the dual strategy of building maintenance and urban renewal to transform old districts into more liveable new urban areas;
- achieving both speed and quality in the planning and delivery of the Northern Metropolis; and
- introducing new approaches in planning, land administration and building control to stimulate creative and innovative building designs and facilitate development.

From our perspective, the three themes are closely interrelated. The success of urban renewal depends not only on revitalising old districts but also on creating quality living environments that remain attractive to future generations. The success of the Northern Metropolis should be measured not only by the speed at which land, housing and infrastructure are delivered, but more importantly by its ability to become Hong Kong's foremost growth engine and driver of technological progress. Finally, both objectives require us to continuously upgrade and perfect our planning framework, land administration mechanisms and building regulations so that they can respond effectively to changing economic conditions, technological advances and evolving community needs.

In this context, we would like to present our observations and suggestions in the attached submission. We hope these suggestions can contribute to the formulation of a forward-looking and implementable Five-Year Plan that will enable Hong Kong to position itself strategically in the National 15th Five-Year Plan, to further integrate into and serve the overall national development growth, and to enhance the quality of life for all Hong Kong residents. We trust these suggestions would also be helpful in the formulation of the Chief Executive's 2026 Policy Address.

II Urban Renewal with New Strategy – how to optimise the dual strategy of building maintenance and urban renewal to transform old districts into more liveable new urban areas

It was reported that in 2025, over 56%¹ of Hong Kong's population are living in the urban areas and more than 27% of the domestic buildings there are over 50 years old. Urban space is a valuable land resource and to arrest the insidious trend of its dilapidation, proactive and timely actions should be undertaken to expedite the pace of regeneration and recreate a smart, green and liveable urban environment for the community.

1. Challenges of Urban Renewal

- 1.1 Limited incentives for new investments due to restrictions in building height and fully exhausted plot ratio gains; as a result, all economically-viable cases have virtually been used up, leaving only the less attractive ones in a state of continuous degeneration.
- 1.2 Protracted project development process, stemming not only from site amalgamation but also administrative procedures, such as application for compulsory sale orders and inter-departmental negotiations on new configuration (e.g. Transport Department's requirements on egress / ingress, parking) that have significantly increased the cost and the uncertainties for investment.
- 1.3 House restrictions under LAO PN No. 3/2000A, which imposes an excessive control on sites not affected by the CFA Fully Profit judgment, effectively locking up many cases for site assembly being stalled within the approval regime.
- 1.4 Despite the enhancements introduced in 2024 through amendments to Cap. 545 Land (Compulsory Sale for Redevelopment) Ordinance ("L(CSR)O"), the compulsory sale mechanism remains under-utilised. While the Government's designation of seven "Designated Areas" aims to concentrate resources and expedite redevelopment of older buildings with more pressing needs, this approach has inadvertently eclipsed investment interest in land assembly within

¹ Census and Statistics Department: Urban district population including Kwai Tsing and Tsuen Wan, with the latter being one of the seven "Designated Areas".

Rating and Valuation Department: Hong Kong Property Review 2026

the non-Designated Areas. Since 2024, only two out of the seven compulsory sale applications were from non-Designated Areas.

2. Our Proposals to Revitalise Urban Cityscape

- 2.1 Promote redevelopment through a more facilitative approach towards land assembly and amalgamation by allowing transfer of plot ratio; provision of bonus plot ratio and reinforcing financial incentive measures such as tax concessions; optimise the approval system for urban renewal by introducing a one-stop shop for redevelopment approvals and expediting processing of compulsory sale orders.
- 2.2 Relax relevant building planning regulations to allow redevelopment projects to build up to the plot ratio of the former buildings on the site if it is higher than that permitted under the current regulations in order to maintain a sustainable mass of floor space for urban development.
- 2.3 Increase judiciously development density and allow greater flexibility in building heights under planning and regulatory control with the support of new infrastructure. Embrace the conception that tall, high-density buildings can coexist with a vibrant, pedestrian-friendly streetscape (please refer to *Appendix 1-Review of Development Density and Building Height Control*).
- 2.4 Support heritage rejuvenation by integrating conservation with development, so as to ensure both economic and cultural value.
- 2.5 Implement practices to enliven streetscape, such as reinstating the C/R zoning; encouraging amenable improvement initiatives by the private sector, such as the surrender of portion of site from setback in exchange for a higher plot ratio and adoption of non-government-standard designs and procurement of provisions for streets and open space. Undertake a major review of the urban streetscape on aspects including paving, lighting, street furniture, railings, signage, etc., to bring them up to the standards expected of our renown as “Asia’s World City”.
- 2.6 Adopt new model of street management to beautify streets, provide thoughtful green landscaping and weather-resilient environment, maintain timely upkeep, ensure pedestrian-friendly open space, and improve accessibility. Scattered responsibilities should be avoided and partnership with the private sector

should be encouraged wherever possible, to enable community-led initiatives for elevating maintenance standard and facilitating enhancement programmes.

- 2.7 These measures will strengthen the upgrading of public spaces within neighbourhoods through improvements in pedestrian streets, street facilities and urban leisure areas, thereby enhancing the overall environment of old districts.
- 2.8 In addition, the revitalisation and upgrading of traditional commercial-retail districts by creating better open space and optimising pedestrian flow will complement the Government's initiatives to develop cultural tourism and mega-events, thereby driving the transformation of retail spaces.
- 2.9 Reform the Town Planning Board framework to turn it into a more facilitative body. Instill a facilitative mindset across departments, such as the Transport Department ("TD"), Planning Department ("PlanD"), and Buildings Department ("BD"), to adopt a pro-redevelopment approach, supporting project compliance through performance-based assessments.
- 2.10 Review the LAO PN No. 3/2000A on House Restriction to remove the over-interpretation of the Fully Profit Judgment on innocent sites, thereby revitalising the momentum for site assembly.
- 2.11 Expand the scope of the Designated Areas under L(CSR)O to include other districts such as Hung Hom, Quarry Bay and Shau Kei Wan, where the ageing buildings warranting quick intervention through redevelopment are located. These areas should also be made eligible for all existing and future incentive schemes, such as transfer of plot ratio and bonus plot ratio, to facilitate and accelerate urban renewal. In addition, a mechanism should be established to consider applications for buildings not falling within the Designated Areas which nevertheless have strong and justifiable grounds for redevelopment.

3. State Council's Urban Renewal 15th Five-Year Plan – the Reference of Our Proposals

- 3.1 In formulating the above proposals, we have drawn close reference to the Urban Renewal 15th Five-Year Plan (2026–2030) circular issued by the State Council in May 2026, which serves as a comprehensive blueprint for urban renewal at all

levels of city governments on the Mainland. Guided by the principles and the directions set out in this blueprint, we have arrived at the firm conviction that:

- 3.2 Stock-taking exercise should be undertaken systematically from the micro level of individual buildings to the macro-level of districts and regions, to ensure that no buildings or regions will be left out from the coverage of action plans and be blighted, and that urban renewal targets will be assigned, monitored and accomplished;
- 3.3 The vision and the outcomes of urban renewal should be clearly defined – buildings should be upgraded to intelligent buildings while districts should become smart, green and low-carbon, resilient to safety risks and challenges of climate change. Despite the inevitable process of ageing, our city will be capable of rejuvenation when endowed with a system that will be able to self-correct, improve and regenerate;
- 3.4 That no implementation model and approach should be considered too bold – one-stop service platforms, multi-department parallel approval and joint supervision, office dedicated to specific project implementation, all should be regarded as feasible and actionable to create a pro-development environment facilitating the private sector and expediting project developments; and ultimately
- 3.5 That our urban renewal strategy should deliver tangible results for the benefit of our citizens and our city, supporting sustainable economic growth and fostering preservation and enrichment of our urban culture.

III Developing a High-quality Northern Metropolis – how to achieve both speed and quality in the planning and delivery of the Northern Metropolis

The Northern Metropolis must adopt a pilot-driven development strategy and infrastructure investment must be judiciously prioritised. The role of NM is a new economic driver and it should be able to benefit all walks of business community, engendering a more robust business environment. Private sector developer's participation should be encouraged and facilitated. The development of Northern Metropolis University Town should closely follow the concept of "one town, five elements".

4. Focused Development of Pilot Zones

- 4.1 The most effective way to accelerate the Northern Metropolis ("NM") is through strategic concentration of resources and a prudent, well-timed land/projects disposal programme. Rather than dispersing financial and administrative capacity across numerous New Development Areas and infrastructure projects simultaneously, focus should be put on one to two key areas, such as San Tin and Hung Shui Kiu, and the Hong Kong Park of the Hetao-SZ-HK Co-operation Zone (as already referenced in the 15th Five-Year Plan positioning for Hong Kong) as the pilot locations to spearhead the first phase of NM development.
- 4.2 Ensure these zones achieve prominent, early success in housing, employment clusters, and cross-border integration and build replicable development models for implementation in subsequent stages of NM development and extension to other planning areas.
- 4.3 The CE in C achieved a major breakthrough in enhancing the speed and efficiency of NM development by integrating the Main Line and Spur Line of the Northern Link Project into a single project package and entrusting the MTRC with the development right and the responsibility for the timely delivery of both railway lines. In addition to the Government's Large-scale Land Disposal Pilot Schemes, the MTRC will be another primary source of land supply in NM, contributing significantly to the availability of development land in the market.
- 4.4 To allow investors to undertake prudent financial planning and manage the competition arising among different sources of land supply, we believe that a clear programme should be provided showing the timetable of land disposals,

housing supply and mix, completion of key infrastructure and amenity facilities, and the phases for intake of population and industries/enterprises. We would also emphasize the importance of taking the following consideration into account:

- 4.5 The Government, through the Development Bureau, should work closely with the MTRC to coordinate land disposal programmes, and having regard to prevailing market conditions and absorption capacity, carefully manage the timing and scale of land supply through MTRC tenders. This approach would help establish a well-timed development programme, enabling private-sector developers to allocate resources more effectively and phase their investments in a balanced and orderly manner, and eventually foster a sustainable cycle of investment, profit return, and reinvestment, thereby supporting the long-term development and success of the NM.
- 4.6 In addition, to nurture balanced participation of all market players of different sizes and to tap in the specialised expertise of developers in niche sectors, e.g., development / management of hotels, youth hostels, retail-cum-entertainment complex, which will be required at different stages of NM's development, the Government should take proactive steps to facilitate broader market involvement such as adopting more flexible land premium payment arrangements (more on section 8), in order to lower entry barriers, ease upfront financial burden, and give developers more confidence in devoting manpower and resources in NM projects, thereby promoting a more diverse and competitive economy.
- 4.7 We believe that this approach would avoid fragmentation of capital allocation, prolonged timelines due to overextension and under-delivery of economic impact in the early phases. A "proactive, objective-driven" strategy will create momentum, investor confidence, and public support, all of which are critical ingredients for a multi-decade development.

5. Northern Metropolis University Town – One Town, Five Elements

- 5.1 The Northern Metropolis University Town (NMUT) is the key part of Northern Metropolis Development and as announced by the Chief Executive in June, the NMUT will be expanded into an integrated development, comprising 300 hectares of core campus areas and elevating into a 1,000-hectare campus-community that will lead Hong Kong to further integrating into and serving the

National 15th Five-Year Plan. NMUT is no longer a standalone concept but an organic part and forerunner of NM Development.

- 5.2 No efforts should be spared to transform the CE's vision of One town, Five elements - ***education, technology, talent, industry and urban development*** - into a showcase of Hong Kong's can-do spirit and strengths. To achieve it, proactive actions should be centered on the three principles of prioritize, concentrate and accelerate.
- 5.3 **Create a critical mass** by prioritising a key area to build a successful, recognizable and repeatable ecosystem, to be copied in other UTs. The theme of industry-led, industry driven should be closely followed, a coalescence and collaboration of academia and industry, so that fruits of researches can be put to new industry productivity to further economic growth.
- 5.4 **Consolidate and mobilize financial resources** by prioritizing university funding to NMUT-oriented development schemes, encourage local universities to seek greater collaboration with international and Chinese Mainland universities to build research basis in NMUT, attract private sector donations and investments from relevant I&T, life science and medical sectors to their NMUT-related projects in order to deepen and broaden extent of researches.
- 5.5 **Expedite implementation** by setting up subcommittees under the Working Group on Planning and Construction of the University Town (chaired by the CS) to liaise with various educational institutions to prioritize NM for their future development. Locate key Government departments and quasi-government institution in NMUT to provide investors and stakeholders with an easy access to policy and administrative framework to move forward their development schemes.
- 5.6 **Nurture campus-community growth** by attracting talents to form cluster and community. While campuses in the HSK, NTM and NTN each has its distinct themes and fields – I&T, life science, arts and culture, they should be nurtured as an integrated ecosystem with shared facilities and spaces amongst various institutions. The closely-knit network will promote inter-disciplinary researches and synergies to usher in more innovations and new knowledge. Moreover, to foster a sense of pride and solidarity as a campus-community, signature events in the form of carnivals, marathons, outdoor concerts, even mega-events such

as F1 race, can be organized to strengthen community bonding and attract international visitors.

- 5.7 As a start to demonstrate its determination to drive the speedy development of NMUT, the Government should not only encourage local universities to place their extension plans, especially those plans involving Government grants and subsidy, at NMUT, but also facilitate local universities' partnership with overseas and Chinese mainland universities in setting up new campus and collaborative programmes in NMUT, to live up fully to Hong Kong's role as the "super-connector". With commitment, devotion and involvement, NMUT can become a key driver of the social-economic growth of Hong Kong.

6. Talent Policy

- 6.1 For the long-term economic growth of Hong Kong, the positioning of NMUT as a coordinated development promoting collaboration among industry, academia and research must be supported by a complementary population policy and talent strategy. Such strategy should aim to attract, develop and retain talents in the NM over the longer term, starting with tertiary education, progressing through research engagement and ultimately leading to participation in industry and production.
- 6.2 A strategic starting point would be to develop an education throughway from secondary education, undergraduate studies to eventually postgraduate programmes. The student intake of universities should be correspondingly expanded by 3 to 4 times to catch up with other international education hubs like London, New York and Singapore. As well, a broad spectrum of academic disciplines should be developed with adequate supportive funding to attract top students and teaching and research staffs.
- 6.3 A range of incentive measures should be considered, including scholarships, career pathway guidance, one-stop service platforms, and tax concessions. In addition, timely delivery of diversified accommodation supply, with an appropriate mix of private flats, public housing, timeshared hostels and hotels, should be prioritised to cater for the needs of students, faculty staff, international talents and visitors, in order to attract talents to the NM and encourage them to establish it as a base for long-term personal and professional development.

- 6.4 In addition, with the facilitation of the Government, universities should also make an early start by implementing comprehensive strategies to enhance their standing, especially their NMUT campuses, in international accreditation and ranking systems. Action plans should include strengthening teaching quality, expanding high-impact research, fostering partnership with international universities, establishing faculties for new knowledge and disciplines, attracting students for undergrad and postgrad studies, and implementing internal mechanism to oversee academic and research quality.
- 6.5 Echoing the theme of “industry-led, industry-driven strategy”, a mutually-beneficial collaboration with the private sector should be forged to set the scope of new researches, improve graduate employability and career prospect, turn research achievements into new productivity quickly, and attract more investments in researches of different fields. Events like academic conventions and study tours should be organised to make our research achievements more prominent internationally.
- 6.6 By improving academic excellence and reputation, universities can attract talented students, teaching and research staff from around the world. The formation of a critical mass of high-calibre talents, together with strong professional networks, will engender the vibrancy needed for a prosperous NM from education, research to innovation in new industries and increased productivity, contributing to a sustainable economic growth.

7. Infrastructure: Priorities of Implementation

- 7.1 Transport infrastructure must align with the above strategy. Priority should be given to projects that directly unlock the NM value and strengthen cross-boundary integration.
- 7.2 The following should be expedited as
Top Priority Projects
- **Northern Link (“NOL”) and NOL Spur Line** – it is the backbone of NM internal connectivity and will enable integration of major development nodes
 - **Hong Kong–Shenzhen Western Rail Link** – it will enhance cross-boundary commuting and economic integration, thereby strengthening Hong Kong-Shenzhen innovation corridor

- **Northern Metropolis Highway (San Tin Section)** – it is critical for freight, logistics, and regional mobility.
- **Central Rail Link (2039+)** should be brought forward as it would provide direct access between NM and urban Kowloon, alleviate the current congestions in the Tuen Ma Line, especially Kam Sheung Road–Tsuen Wan West which is nearing full capacity, and address the pressure posed by Tuen Mun and Yuen Long as population growth intensifies.

IV Multiple Innovative Implementation Tools – how to adopt new approaches in planning, land administration and building control to stimulate creative and innovative building designs and facilitate development

To ensure efficiency in project developments, both in renewal initiatives in the urban areas and new projects in the Northern Metropolis, significant policy adjustments are required.

8. Flexible Premium Payment Models and Building Covenant (“BC”) to Attract Investment

- 8.1 We welcome the promulgation of LAO PN No. 2/2026 “Pay for What you Build” which provides developers with a mechanism to flexibly vary the development intensity and timeframe of their projects.
- 8.2 Further flexibility and new ideas of premium payments should be considered to attract greater participation, such as a zero-land premium model with profit sharing upon project completion. Additional measures should also be considered for improving developers’ cashflow, such as Government reimbursing developers for site formation costs, or allowing successful bidders to sell the site, or part of it, during the BC period to other developers.
- 8.3 Government should adopt a more flexible attitude with the BC in order to allow developers sufficient room to adjust their development programme in response to changing market conditions; establish a mechanism to finetune the BC period, allowing it to be automatically extended at nil premium in accordance with changes in market conditions.

9. Enabling Innovation in Construction Methods and Building Designs

- 9.1 We support the adoption of innovative construction technologies and modern building materials from the Chinese Mainland and other advanced regions in order to reduce construction costs and timelines, encourage Modular Integrated Construction (“MiC”), green materials, and smart infrastructure while maintaining safety and quality standards. These reforms are essential to making the development projects in NM as well as other planning areas more affordable, efficient, and globally competitive.

- 9.2 More can be done to enhance the statutory control framework to enable the development of more creative, iconic, and sustainable buildings. This would help Hong Kong live up to its reputation as a world-class city. While our vigilant building regulations should not be compromised, it can well afford to coexist with a more open-minded regulatory framework that allows justified deviations from rules when supported by good designs. The building approval regime can maintain prescriptive statutory controls on the fundamental parameters and at the same time adopt a performance-based approach towards matters requiring flexibility and variations.
- 9.3 The implementation of the proposals we put forward in *Appendix 2-Proposals to Upgrade Hong Kong Building Design and Development* will enhance the building approval regime and engender better, more iconic building designs.
- 10. Reflect on the role of the Lands Department as an administrator of land (as a public good) vs a Private Landlord**
- 10.1 Under Hong Kong's leasehold system and affirmed by the Hang Wah Chong Case, the Government is entitled to act as a private landlord whose rights, including control on lease modifications and the imposition of premiums, could not be challenged, thereby making it prone to imposing conditions and premium that may at times be out of touch with the market in lease modifications.
- 10.2 One example of this is Kowloon Tong which has become a blighted area devoid of new development due to the very restrictive interpretation applied by the Lands Department ("LandsD") to the land leases in this area. The result is a direct contradiction of the Government's policy of providing new and improved housing throughout the urban area.
- 10.3 While we respect the right of the Government as a private landlord, we trust it is never the Government's intention to exercise those rights without bounds. But there are departments that have been imposing unreasonable conditions, resulting in excessive costs for development and compliance.
- 10.4 While the departments have been encouraged to adopt a facilitative mindset, applicants would still be facing these hurdles if LandsD relegates itself to the role of a coordinator and be reluctant to exercise its rightful duty of reining in unreasonable conditions requested by these departments.

- 10.5 An overly rigid and revenue-driven mindset has more often than not frustrated development initiatives that may be fully compliant with BD's and PlanD's requirements but have to be abandoned due to the prospect of a long-drawn-out lease modification process and a hefty premium. This is a "lose-lose-lose" situation with no new development for the community, no business for the developer and no revenue for the Government. The potential social costs, in terms of loss in economic growth, job opportunities, housing supply, and public revenue cannot be underestimated.

11. Modernise land administration policies

- 11.1 Ensure that there is a consistent and equal treatment between existing and new leases so that existing leases will be able to enjoy the same incentives provided to new leases by way of simple granting of consents or waivers.
- 11.2 Simplify lease conditions by including only those crucial conditions governing the obligations between the lessor and the lessee and the essential development parameters. Conditions which are already covered by statutory controls should be removed, and where controls on the development parameters have already been imposed by way of a planning approval, the same should also be deleted from the lease.
- 11.3 Development proposals in compliance with the Hong Kong Planning Standard and Guidelines, for example, carparking provisions, should be accepted with the carparking requirements now imposed in leases removed or waived automatically, because they are too rigid and require lease modification and payment of primum even for a very minor change in the provision.
- 11.4 For each subject of control, a single approval authority should be designated and the approval granted by the subject authority should be deemed as compliant with the lease. At the same time, LandsD should take on a more proactive role in enhancing efficiency of departments in case processing and ruling out matters that are irrelevant to the case.
- 11.5 In addition, terminologies relating to matters of control should be standardised, with their definitions and interpretations aligned with the practices of the designated approval authority, consistently applied, and recognised by other departments throughout the approval process.

- 11.6 Increase the transparency of processing of lease modifications with clear time pledge for monitoring and of premium assessments with a practical reference to prevailing market condition and an honest exchange of valuation reports. More Joint Practice Notes should be issued to provide greater clarity and transparency on the established practices in the approval process. Consideration should be given to establishing measurable KPIs such as the number of cases comprising significant amount of GFA production being successfully completed for lease modification in order to quantify the efforts in facilitating land supply.
- 11.7 To enhance certainty in land ownership and streamline property transfer procedures, the Government should step up efforts to expedite the conversion of existing land, currently comprising the majority of entries in the Land Register, to the title registration system introduced in 2024 and operating on a “new land first” basis. A mechanism should also be established such that landowners can opt for voluntary conversion to the title registration system, particularly in cases of redevelopment projects having their titles reconsolidated by compulsory sale orders.

V Consolidate Hong Kong's Status as an International Finance Centre and Advance RMB Internationalisation

Under the country's 15th Five-Year Plan, clear support is given to Hong Kong in consolidating its status as an international financial centre and continuously enhancing its competitiveness. Hong Kong can also support the 15th Five-Year Plan by playing a part in advancing the internationalisation of RMB.

12. Respecting Market Operation and avoid interventionist measures

- 12.1 We support the overarching principle of fostering a free, efficient and orderly world-class business environment and give full play to the advantages of Hong Kong's free market economy, as highlighted in the opening section of the Consultation Document. Government should strive to maintain a balanced budget and stimulate increase in revenue through expansion of business activities and economic growth rather than introducing new taxes that may risk undermining Hong Kong's simple and competitive tax regime.

13. Consolidating Hong Kong's status as an international financial centre

- 13.1 Set up a **Northern Metropolis one-stop service centre** in Hong Kong, where various government departments can operate under one roof to improve the efficiency of local public administration, and also a **Greater Bay Area one-stop service centre** in Shenzhen, inviting departments and personnel from cities across the Greater Bay Area to station there, providing unified services for cross-border travel, business collaboration, and livelihood-related matters.
- 13.2 Advocate for the relocation of the Bank of China Headquarters to Hong Kong. This will demonstrate to the world the Central Government's firm support for Hong Kong and further strengthen its global financial influence.
- 13.3 Advocate for the establishment in Hong Kong of a **Greater Bay Area Development Bank**, constituted by the five major stated-owned banks, in Hong Kong. This bank will focus on serving regional development and industrial upgrading, providing financing support to the market and facilitating the high-quality development of the Greater Bay Area.
- 13.4 Advocate for the Asian Infrastructure Investment Bank (AIIB) to set up a regional headquarters in Hong Kong (in addition to its Beijing headquarters) to leverage

Hong Kong's strength as an international financial centre and an offshore RMB hub to better connect global capital and attract Belt and Road countries and enterprises to invest in Hong Kong.

14. Advance RMB Internationalisation

- 14.1 Strengthen Hong Kong's role as a global offshore Renminbi hub by expanding RMB-denominated investment products. Attract international capital seeking RMB exposure, reinforcing Hong Kong's position as a gateway to China, and enhance talent development to support financial innovation and sustain long-term growth in RMB-related activities.

Appendix 1

Review of development density and building height controls

The issue / regulatory hurdle

The rigid control of development density and building height under the current regulations may result in under-utilisation of valuable land resources in Hong Kong.

Relax development density

A judicious increase in development density may be considered for both established urban districts and emerging development areas, as it leverages existing and planned transportation networks, infrastructure, and amenities. This can ensure the optimal use of valuable land resources.

A comprehensive review and reform of town planning, land use policies, and building regulations is essential to ensure that the development potential of building sites is fully optimised.

Permit redevelopment up to the existing bulk

In the redevelopment of buildings constructed pursuant to the previous building regulatory regime, there are instances where the plot ratio of the existing building exceeds the limits stipulated under the prevailing Building (Planning) Regulations. This restriction results in a reduction in the permissible gross floor area upon redevelopment, making some urban renewal projects financially infeasible. To facilitate urban regeneration, it is proposed that the relevant regulations be amended to permit redevelopment based upon the prevailing, higher plot ratios of existing buildings.

Allow greater flexibility in building heights

Relaxing building height controls can allow buildings to be constructed with a smaller footprint (site coverage), while achieving the same total gross floor area (plot ratio) by appropriately increasing the number of storeys. The reduction in building footprint (site coverage) can free up space at the ground level for open spaces, landscaping and amenity facilities, which will enhance the public realm and provide significant social and environmental benefits.

An evaluation of the relaxation of building height controls under planning regulations and guidelines is therefore recommended.

Appendix 2

Proposals to Upgrade Hong Kong Building Design and Development

Introduction

Hong Kong is now a world class international city that demands first class architecture. Our society is civilized, transparent; our professionals and developers are disciplined and law-abiding. The statutory control should foster well designed, creative buildings to enrich our city vetting building on performance and design merits. To secure public safety, hygiene and building control can rest on self-checking compliance mechanism by professionals, contractors and real estate practitioners.

Creative, iconic, sustainable, and historically significant architecture shapes cityscapes and enhances the quality of life for citizens. Thoughtfully designed buildings tell compelling stories that captivate, inspire and engage emotional connections amongst both locals and visitors. Iconic landmark buildings define skylines and give cities their unique identities. They transform ordinary places into global destinations, attracting tourists from around the world.

Such architectures also play a vital role in maintaining Hong Kong's reputation for excellence in professional practice and construction, keeping our industry at the forefront of building innovation and sustainable technology.

While cities across the Greater Bay Area, China, the Middle East, and beyond are flourishing with dynamic, creative, and economically viable architectural developments, Hong Kong is falling behind, overshadowed and lacking vibrancy.

In leading international cities across our region – such as Singapore, Tokyo, Macao and Shenzhen, non-permanent resident construction labour force is systematically sourced through well-regulated frameworks, complemented by purpose-built support facilities. This structured approach to workforce importation effectively addresses domestic labour shortage, expedites project delivery timelines, and reduces the financial burden of infrastructure and building developers. Adopting a similar policy in Hong Kong could yield significant public value: enhancing fiscal efficiency, minimizing prolonged urban disruption from construction, and ultimately delivering projects more swiftly and cost-effectively to the benefit of both citizens and the public coffer.

Against a history of over ten decades of building development and with the accumulation of experience and veteran industry practitioners and professionals, Hong Kong's building approval regime remains less than dynamic, and fails to mature into a system of proactive facilitation rather than rigid regulation. What we would advocate for is a building approval regime that will combine the respective and complementary merits of 1) prescriptive statutory controls for those fundamental parameters, 2) performance-based approach for matters requiring flexibility and variation for the sake of innovative building designs, and 3) self-certification by building professionals to streamline approval process. In the spirit of collaboration between project proponents and government departments, we would like to share a few key points for consideration.

Our Recommendations

We have analysed ordinances relating to planning, lands and building matters and have the following suggestions which are by no means exhaustive:

1. Building Height and Massing Flexibility

- 1.1 Adopt more liberal and flexible controls to allow variation in building heights from defined limits.
 - As a general approach, abandon the spot-zoning policy in high density areas; for harbourfront and view-sensitive areas, adopt a judicious and open-minded approach in assessing building height impacts to balance the quest for more dynamic building designs and the protection of view-paths and ridgelines.
- 1.2 Use sky gardens as incentives to
 - Relax maximum building height restrictions.
 - Exempt them from Gross Floor Area (GFA) calculations.
- 1.3 High Headroom Entrance Lobbies to count GFA for 1 level only.

2. Site Coverage and Building Form

- 2.1 Apply a more flexible interpretation of site coverage to support
 - Innovative architectural forms (e.g.: inclined or twisted buildings).
 - Architectural features that enhance visual interest.
- 2.2 Consider a judicious relaxation of projection restrictions under APP-19 and related statutory regulations for ground-floor retail canopies. The current stringent controls limit the canopy projections over pedestrian interfaces, which often hinder the creation of comfortable, weather-resilient outdoor spaces for

street-front retail activities. Adopting a more flexible, design-led approach would allow well-integrated structures that shelter the public realm, thereby enhancing street-level vibrancy and enabling citizens to truly enjoy open-air environments.

3. Windows and External Wall Features

- 3.1 Permit prescribed windows in recessed or setback external walls (not facing the street), provided that they are of similar magnitude.

4. Communal and Open spaces

- 4.1 Allow covered communal open spaces at various levels, including the ground floor, with GFA and site coverage exemption.
- 4.2 Expand GFA and site coverage exemption for communal podium gardens and covered landscaped areas beyond domestic towers, provided that they are not for direct commercial use (e.g.: F&B).
- 4.3 Site coverage of greenery for large sites
 - To reduce minimum site coverage of greenery for site area $\geq 20,000\text{m}^2$ to 10% for primary zone and 20% for overall (same as those for site area of $20,000\text{m}^2$ for overall (same as those for site area of $1,000\text{m}^2 - 20,000\text{m}^2$) under APP-152 in order to allow more outdoor hard-paved landscaped areas for general benefit of residents.
- 4.4 Larger lift shaft
 - To increase allowable GFA/SC exemption for lift shaft for better lift services for general benefits of residents.

5. Covered Areas and Environmental Features

- 5.1 Covered Areas under Large Projecting / Overhand Features (APP-19)
 - Current restrictions (e.g.: 1:8 width-to-height ratio, 7.5m clear height, accessibility limits) discourage creative features like overhangs and bridge decks.
 - Recommend relaxation of these requirements where floor area abuse is unlikely, to support design innovation.

6. Sustainable Building Design Guidelines (APP-152)

- The current SBDG requirements are overly complex and rigid, limiting flexibility in building massing.
- Recommend that the SBDG be streamlined and simplified, allowing for greater design flexibility.
- Support the ongoing review by the Buildings Department and encourage

practical, performance-based approach.

7. Balcony and utility platform provision (JPN-1 & JPN-2)

- Current GFA exemption for balconies ($1\text{m}^2 - 3\text{m}^2$) is too narrow, leading to monotonous and disproportionate designs.
- Recommend reviewing and increasing the current 2.5% exemption factor to better suit varied unit sizes
- Aim for a more balanced and flexible approach to balcony design.
- The 0.8m^2 exemptible area of AC Platform connected to Balcony and Utility Platform is too small to accommodate larger models of AC outdoor units together with the maintenance areas and protective barriers/screens, making the area calculation complicated and reduces usable floor area of the balcony and utility platform.
- Balconies are key to hotel experience and good environment solution in sub-tropical Hong Kong climate. Under well managed hotel operators and licensing authority, these are not easily exploited; hence, we suggest balconies for hotels to be GFA exempted.

8. Design Flexibility for Sloped Residential Sites in Hong Kong

Residential developments on sloped terrain face significant challenges, particularly in site formation, foundation design, and structural works. These constraints often result in high construction costs and complex engineering solutions. While earlier approvals may have allowed more efficient spatial arrangements, evolving regulatory interpretations—especially regarding potential space abuse—have increasingly limited design flexibility. To support sustainable and innovative development, statutory bodies could consider adopting a more performance-based and context-sensitive regulatory framework. This could include:

8.1 Gradient-Aligned Building Levels

- Permitting building levels to follow natural contours to reduce excessive excavation or decking, while maintaining safety and accessibility.

8.2 Selective Relaxation of Cut-and-Fill Restrictions

- Assessing soil works based on environmental and structural impact rather than applying blanket limitations, particularly for low-density developments.

8.3 Flexible Ramp and Access Design

- Allowing alternative configurations for EVA and vehicular access that respond to site-specific topography.

8.4 Dead-End and Coverage Assessments

- Applying a more nuanced approach to dead-end EVA conditions and coverage calculations, especially where site constraints hinder conventional compliance.