



Urban Renewal

90. Everyone has a stake in using cultural and creative industries to spearhead economic restructuring. Successful overseas experience underscores the importance of rejuvenating old districts in cities to create a cultural atmosphere, thereby attracting talent, fostering cultural and creative industries and developing local community economy. The city itself becomes a brand. Renewing old districts and rehabilitating old buildings can be a major force for economic growth. It will also increase employment for the construction and related industries.

91. In view of Hong Kong's growing problem of urban decay and building dilapidation, urban renewal has become a matter of great urgency. The Urban Renewal Authority has played a vital role in Hong Kong's urban renewal process. It works through a holistic 4"R" Strategy comprising "redevelopment", "rehabilitation", "revitalisation" and "preservation". The Authority is a public body charged with a mission to improve the living conditions of the residents and promote social and economic development. Fully endorsing the importance of the work of the Authority, bureaux and departments will continue to work hand in hand with the Authority, in order to speed up urban renewal and building maintenance. In carrying out its work, I believe the Authority will co-operate closely with various stakeholders, including the District Councils, professionals in urban design and town planning, district organisations and developers. I also believe that urban renewal will seek to strengthen the cultural characteristics of the districts, reinforce residents' sense of belonging and meet public expectations as far as possible.

92. We will also speed up the maintenance of old buildings. In this regard, we are pleased to have the support of the Hong Kong Housing Society in introducing a "one-stop" Assisted Building Management and Maintenance Scheme. The Housing Society will set aside \$3 billion for the implementation of the Scheme for the next 10 years. On the strength of its experience and expertise in proper upkeep of buildings, the Housing Society will provide technical advice, incentives and interest-free loans to help owners improve their living conditions through proper management and maintenance of their buildings. This Scheme will complement the Urban Renewal Authority's building rehabilitation efforts. About 800 buildings will benefit from this Scheme annually. We are working out the details with the Housing Society with a view to announcing the implementation arrangements shortly.

93. In view of the upgrading in building conditions and property value of old buildings which have been rehabilitated with the assistance of the Urban Renewal Authority, the Hong Kong Mortgage Corporation Limited announced earlier the extension of its Mortgage Insurance Programme to well-maintained old buildings so that potential buyers of these buildings can secure a higher loan-to-value ratio, a longer repayment period and more favourable mortgage terms. This market force will be an incentive for owners to ensure proper maintenance of their buildings.

94. Enhancing the distinctive characteristics of our districts will be conducive to the development of local community economy. Our efforts over the past years to promote local community economy have achieved significant results. The Tsuen Wan Jewellery and Goldsmith Square, the computer shopping centres in Sham Shui Po and the positioning of Sai Kung as the "Leisure Garden of Hong Kong" are successful examples that have brought economic benefits and vitality to their communities. But there have been cases, such as the Sheung Wan Gala Point, where we have not achieved our objectives. We will draw on the experience gained when taking forward other projects to promote local community economy. For instance, we will adopt pragmatic measures to make the Wong Tai Sin Bazaar a success.

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