Minutes of 1364th Meeting of the
Town Planning Board held on 21.8.2026

Present

Permanent Secretary for Development (Planning and Lands) Ms Doris P.L. Ho	Chairperson
Mr Stephen L.H. Liu	Vice-chairperson
Ms Sandy H.Y. Wong	
Mr Daniel K.S. Lau	
Mr Vincent K.Y. Ho	
Mr Ben S.S. Lui	
Mr Timothy K.W. Ma	
Ms Kelly Y.S. Chan	
Dr C.M. Cheng	
Mr Daniel K.W. Chung	
Dr Tony C.M. Ip	
Mr Ryan M.K. Ip	
Professor Simon K.L. Wong	
Mr Simon Y.S. Wong	
Mr Derrick S.M. Yip	
Mr Eric C.B. Chan	
Professor Janet K.Y. Chan	

Mr Vincent K.C. Cheung

Dr Chris K.T. Lam

Dr Kelvin K.Y. Leung

Mr Wilson H.K. Shum

Chief Traffic Engineer/Kowloon
Transport Department
Mr Vico P. Cheung

Chief Engineer (Works)
Home Affairs Department
Mr Bond C.P. Chow

Assistant Director (Environmental Assessment)
Environmental Protection Department
Mr Gary C.W. Tam

Director of Lands
Mr Maurice K.W. Loo

Director of Planning
Mr Anthony K.O. Luk

Deputy Director of Planning/District Secretary
Ms Donna Y.P. Tam

<u>Absent with Apologies</u>

Professor Bernadette W.S. Tsui

Mr Rocky L.K. Poon

Professor B.S. Tang

Professor Herbert P.K. Chia

Mr Gary X.Y. Zhang

<u>In Attendance</u>

Assistant Director of Planning/Board
Ms Caroline T.Y. Tang

Chief Town Planner/Town Planning Board
Ms Katy C.W. Fung

Senior Town Planner/Town Planning Board
Mr Kenny C.H. Lau

Agenda Item 1

[Open Meeting]

Confirmation of Minutes of the 1363rd Meeting

[The item was conducted in Cantonese.]

1. The draft minutes of the 1363rd meeting held on 17.7.2026 were confirmed without amendment.

[Professor Simon K.L. Wong joined the meeting at this point.]

Agenda Item 2

[Open Meeting]

Matters Arising

[The item was conducted in Cantonese.]

(i) Approval of Draft Outline Zoning Plan

2. The Secretary reported that on 7.7.2026, the Chief Executive in Council approved the draft Sha Tin Outline Zoning Plan (OZP) (renumbered as S/ST/40) under section 9(1)(a) of the Town Planning Ordinance. The approval of the OZP was notified in the Gazette on 17.7.2026.

(ii) Reference Back of Approved Outline Zoning Plans

3. The Secretary reported that on 23.7.2026, the Secretary for Development referred the approved Kwun Tong (South) Outline Zoning Plan (OZP) No. S/K14S/28 and the approved Sha Tau Kok OZP No. S/NE-STK/2 to the Town Planning Board for amendment under section 12(1A)(a)(ii) of the Town Planning Ordinance. The reference back of the OZPs was notified in the Gazette on 31.7.2026.

(iii) Hearing Arrangement for Consideration of Representation on Draft Outline Zoning Plan

4. The Secretary reported that the item was to seek Members' agreement on the hearing arrangement for consideration of representation in respect of the draft Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan (OZP) No. S/K11/32. She briefly introduced that the draft OZP was exhibited for public inspection under section 5 of the Town Planning Ordinance on 15.5.2026. During the 2-month exhibition period, one valid representation was received. The hearing of the representation was recommended to be considered by the full Town Planning Board (the full Board). To ensure efficiency of the hearing, a maximum of 10 minutes presentation time would be allotted to the representer in the hearing session. Consideration of the representation by the full Board is tentatively scheduled for October 2026.

5. The Board agreed to the hearing arrangement in paragraph 4 above.

(iv) Update on Judicial Review Application

The Court of First Instance's Dismissal of Judicial Review Leave Application (HCAL 517/2026) against the Decisions of the Town Planning Board and the Chief Executive in Council in respect of the Draft Wan Chai Outline Zoning Plan No. S/H5/32

6. The Secretary reported that a judgment was handed down by the Court of First Instance (CFI) dismissing the application for leave to apply for judicial review (JR) lodged by Lam Kin Chung Morning Sun Charity Fund (the JR Applicant) against the decision of the Town Planning Board (TPB/the Board) not to amend the draft Wan Chai Outline Zoning Plan No. S/H5/32 (the draft OZP) to meet the opposing representations and the Chief Executive in Council (CE in C)'s decision to approve the draft OZP. The draft OZP was to take forward the decisions of the Metro Planning Committee of the Board on two section 12A (s.12A) applications No. Y/H5/7 and Y/H5/8 to rezone the site at Sau Wa Fong and St. Francis Street (i.e. the SWF Site) for a residential development with commercial uses (Item A); to rezone the site at Nam Koo Terrace (NKT) and adjoining land (i.e. the NKT Site) for a comprehensive residential development with in-situ preservation of the historic building of NKT for adaptive reuse for cultural and commercial facilities, and provision of open space open to the public

(Item B1); and to rezone a strip of government land on the stairs of Ship Street for an elevated walkway to Hopewell Mall and Hopewell Hotel (Item B2). Members were informed under Matters Arising at the Board's meeting on 24.4.2026 regarding the JR application. The following Members had declared interests on the item:

Mr Simon Y.S. Wong	-	both he and his spouse owning properties in Wan Chai; and
Mr Eric C.B. Chan	-	being acquainted with the JR Applicant and having previous discussions on the JR application.

7. As the item was only to report the judgment on a JR leave application, Members agreed that Mr Simon Y.S. Wong and Mr Eric C.B. Chan could stay in the meeting.

8. A copy of the CFI's judgment was sent to Members on 19.8.2026. The Secretary reported that on 6.8.2026, the CFI dismissed the JR leave application on the consideration that the JR Applicant failed to identify any reasonably arguable public law ground of review with any realistic prospect of success and none of the JR Applicant's grounds was reasonably arguable for the following reasons:

(a) Ground 1 – Process irrationality and breach of *Tameside* duty:

(i) the CFI held that the assessment of the pedestrian traffic and safety was the exercise of planning judgment, and it did not identify a logical gap in the reasoning;

(ii) the CFI considered that it was for the decision-maker (i.e. TPB) and not the Court to decide the manner, extent and intensity of the inquiry; and

(iii) the approach adopted by TPB was not *Wednesbury* unreasonable or irrational for breach of any *Tameside* duty.

(b) Ground 2 – Unlawful failure to impose limit on residential units:

(i) the CFI rejected the JR Applicant's argument that the failure to impose a limit on the number of units for the development sites would affect its estimate of the increase of population in the area as the sites were subject to various development restrictions, such as building height and plot ratio restrictions, which impose constraints on what ultimately could be built;

(ii) the JR Applicant failed to demonstrate the necessary evidence which would materially alter the traffic or pedestrian aspects as presented to the Board; and

(iii) the issue of the control of unit numbers for the Item B1 Site (i.e. the NKT Site) was discussed at the TPB hearing.

(c) Ground 3 – Credibility of discussions about Alternative Proposal:

(i) the JR Applicant alleged that TPB breached its duty of inquiry by failing to investigate the credibility of the 1st, 2nd and 3rd Putative Interested Parties' (i.e. the applicants of the s.12A application No. Y/H5/7 (Item A Site)) accounts of events at the TPB hearing concerning the proposal of having a footbridge over St. Francis Street (known as the "Alternative Proposal" in the previous JR, i.e. the *Hostford* case). The CFI considered that this was a re-run of the same argument which was dismissed in the *Hostford* case;

(ii) in any event, the conflict concerned only the "Alternative Proposal" (i.e. the footbridge option), which was not part of the draft OZP; and

(iii) an administrative body was not required to resolve every conflict of submissions between those making representations.

(d) Ground 4 – Unjustified departure from TPB's own policy:

(i) the JR Applicant argued that participation of a member (the Chief Traffic Engineer/Hong Kong) from the Transport Department (TD) in the TPB hearing was a breach of TPB's practice;

(ii) the relevant provision of TPB's published Procedure and Practice (P&P) provided only that non-member departmental representatives should leave the meeting, after which the TPB would deliberate on the representations in private; and

(iii) the TD member's attendance and his presence in the deliberation session were consistent with TPB's P&P.

(e) Ground 5 – Tainted CE in C decision and failure to provide reasons:

(i) the JR Applicant argued that the CE in C's decision was tainted because it approved the draft OZP on the basis of a legally flawed TPB process;

(ii) the CFI held that the duty for the CE in C to give reasons did not arise in this case because this was not a case where the decision was likely to have lasting relevance for the application of policy and any future cases. Instead, the CE in C approved a draft OZP submitted as part of the ordinary statutory process; and

(iii) the materials provided to the CE in C identified the planning basis on which approval was sought and granted. Since there was no arguable flaw in the TPB process, there was nothing which the CE in C was required to explain or cure.

9. A notice of appeal dated 19.8.2026 was submitted by JR Applicant, which was subject to the formal acceptance by the Court of Appeal. Members <u>noted</u> the CFI's judgment dismissing the JR leave application, and <u>agreed</u> that the Secretary would act on behalf of the Board in dealing with the appeal in the usual manner.

[Messrs Vico P. Cheung and Timothy K.W. Ma and Ms Sandy H.Y. Wong joined the meeting during the above reporting.]

(v) Town Planning Appeal Decision Received

Town Planning Appeal No. 1 of 2024
Proposed House (New Territories Exempted House – Small House) in "Agriculture" Zone, Lot 623 R.P in D.D. 8, Ma Po Mei Village, Lam Tsuen, Tai Po, New Territories
Application No. A/NE-LT/762

10. The Secretary reported that the subject appeal was against the Town Planning Board (TPB/the Board)'s decision to reject on review an application (No. A/NE-LT/762) for a proposed house (New Territories Exempted House (NTEH) – Small House (SH)) at the application site (the Site) zoned "Agriculture" ("AGR") on the Lam Tsuen Outline Zoning Plan (OZP). A copy of the Summary of Appeal and TPAB's decision were sent to Members before the meeting.

11. The review application was rejected by the Board on 26.4.2024 for the reasons that (i) the proposed development was not in line with the planning intention of the "AGR" zone; and (ii) land was still available within the "Village Type Development" ("V") zone of Tai Mong Che Village (TMC Village) and Ma Po Mei Village (MPM Village) for SH development.

12. The appeal was heard by the Town Planning Appeal Board (TPAB) on 7.5.2025 and 10.12.2025. On 3.8.2026, the appeal was unanimously dismissed by TPAB and the reasons were summarised as follows:

(a) TPAB considered that land was still available within the "V" zone of MPM Village to cater for (two) outstanding SH applications and the Appellant's demand for (one) SH development. At the appeal stage in June 2025, the land available for SH development was of 1.27 hectares, equivalent to 50 SHs;

(b) the Appellant could not provide sufficient evidence to prove that there was a shortage of land available in the "V" zone for SH development in MPM

Village, therefore criterion (B)(a) of the ‘Interim Criteria for Consideration of Application for New Territories Exempted House/Small House in New Territories’ (the IC) could not be met;

(c) TPAB noted the planning intention of the “AGR” zone and that the Agriculture, Fisheries and Conservation Department considered the Site possessed potential for agricultural rehabilitation. In that regard, TPAB agreed that the Site should be retained for agricultural purpose and the application should not be approved based on criterion (B)(f) of the IC, as the proposed SH development should not frustrate the planning intention of the “AGR” zone; and

(d) while the Site was covered by a previous planning permission, the Site was not an infill site among existing NTEHs/SHs, and there was no SH application received by the Lands Department. Therefore, it did not constitute specific circumstances that warranted sympathetic consideration under criterion B(d) of the IC.

13. Members noted the decision of TPAB.

(vi) Appeal Statistics

14. The Secretary reported that as at 12.8.2026, two cases were yet to be heard by the Town Planning Appeal Board and one appeal decision was outstanding.

15. Details of the appeal statistics were as follows:

Allowed	46
Dismissed	182
Abandoned/Withdrawn/Invalid	215
Yet to be Heard	2
Decision Outstanding	1
Total	446

General

Agenda Item 3

[Open Meeting]

Innovative Measures to Incentivise Urban Renewal
(TPB Paper No. 11070)

[The item was conducted in Cantonese.]

16. The following government representatives were invited to the meeting:

Development Bureau (DEVB)

Mrs Elina T.T. Chan	-	Deputy Secretary (DS)
Miss Crystal S.C. Yip	-	Principal Assistant Secretary
Mr Kelvin K.H. Chan	-	Assistant Secretary

Planning Department (PlanD)

Miss Winnie B.Y. Lau	-	Assistant Director/Metro (AD/M)
Mr Steven Y.H. Siu	-	District Planning Officer/Tsuen Wan and West Kowloon (DPO/TWK)
Mr Matthew H.H. Law	-	Senior Town Planner/Tsuen Wan and West Kowloon
Ms Sharon S.N. Kan	-	Town Planner/Tsuen Wan and West Kowloon

17. The Chairperson extended a welcome and said that the innovative measures included the Bonus Plot Ratio (PR) Pilot Scheme and the cross-district transfer of plot ratio (TPR), both aimed to expedite urban renewal work. The former was announced in a press release on 19.8.2026 and would come into effect on 1.9.2026, and the discussion today would focus on the latter which necessitated revision to the current Town Planning Board (TPB/the Board) Guidelines on TPR. She then invited DEVB's and PlanD's representatives to brief Members on TPB Paper No. 11070 (the Paper).

18. With the aid of a PowerPoint presentation, Mrs Elina T.T. Chan, DS, DEVB and Mr

Steven Y.H. Siu, DPO/TWK, PlanD briefed Members on the Bonus PR Pilot Scheme and the proposed revision to the TPB Guidelines No. 43 for ‘Application for Transfer of Plot Ratio under Section 16 of the Town Planning Ordinance’ (TPB PG-No. 43) to implement cross-district TPR respectively, as detailed in the Paper.

19. The Chairperson remarked that under the existing TPR mechanism implemented as a pilot in Mong Kok and Yau Ma Tei districts since 2023, transfer of permissible gross floor area (GFA) from an unlimited number of “sending sites” (SSs) to at most two “receiving sites” (RSs) within the same Outline Zoning Plan (OZP) was allowed. Taking into account the market response, various enhancements were proposed including allowing cross-district TPR to inject more flexibility in pairing up SS(s) and RS(s). Under the revised TPR scheme, RS(s) could be covered by OZPs different from that/those of SS(s) and in different districts such as the Northern Metropolis (NM) or other new development areas (NDAs), which generally had larger area and infrastructural capacity to take on additional developments. This in turn might help alleviate the development intensity of the old and congested urban areas. Coverage of SSs would be extended to the remaining five designated areas (*viz.* the planning scheme areas of the Tsuen Wan, Ma Tau Kok, Cheung Sha Wan, Sai Ying Pun & Sheung Wan and Wan Chai OZPs) with more pressing redevelopment needs under the Schedule to the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Cap. 545A) in addition to the Mong Kok and Yau Ma Tei OZPs. Requirements for RSs would be relaxed, such as removing the limit on the number of RSs per application and reducing the site area requirement from 1,000m^2 to 700m^2, which was in line with that of the Bonus PR Pilot Scheme, taking into account market feedback on difficulties in site amalgamation. To provide added incentive, cases fulfilling specified circumstances which would benefit the local community could be provided with certain land premium-free GFA within the SS as bonus GFA after full transfer of PR/GFA from the SS, in order to support the ongoing management and maintenance (M&M) of the SS. The specified circumstances included conversion of SS into public space for public enjoyment, conservation of graded historic building at SS where members of the public could gain reasonable access, and provision of GIC facilities or socially beneficial facilities of the applicant’s choice at the SS. The Government would also relax the land premium assessment arrangement for TPR cases to allow the land premium assessment for the SS(s) and RS(s) to be combined even when they were covered by separate land transactions. Each planning application for TPR covering both SS(s) and RS(s) should be made under section 16 (s.16) of the Town Planning Ordinance. Applicants should present the details of the proposal and

demonstrate its technical feasibility and planning gains, and the Board would consider each application on a case-by-case basis according to the individual merits of the proposal. The Chairperson then invited questions and comments from Members.

Role of the Board

20. While supporting the need to expedite urban renewal, a Member enquired whether the Board would assume the role of gatekeeper or facilitator in the implementation of the innovative measures, and the key considerations in assessing the s.16 applications. In response, Mrs Elina T.T. Chan, DS, DEVB said that the innovative measures were introduced to encourage the private sector to undertake urban redevelopment projects and to make good use of new land including land in the NM to help drive redevelopment of old urban districts. Same as other s.16 applications for increasing PR/GFA, the applicant should conduct technical assessments to demonstrate that there would be no adverse impact on the surrounding areas for the Board's consideration. The Board would continue to act in the capacity of both gatekeeper and facilitator in considering each application based on the individual circumstances and merits of the proposal. While seeking Members' support for the new measures to speed up urban redevelopment with benefits brought to the community, if the s.16 application involving the Bonus PR in kind for in-situ redevelopment was not favourably considered by the Board, there was also an encashment option under the Bonus PR Pilot Scheme. The bonus PR could be translated into land premium value for offsetting the land premium payable for in-situ redevelopment at the eligible site or other land transactions, including Government land sale or lease modification in the NM/NDAs.

Innovative Measures

21. Noting that more than 90% of the redevelopments in areas covered by the District Study for Yau Ma Tei and Mong Kok (the YM Study) were not financially viable according to earlier analysis of the Urban Renewal Authority (URA), two Members raised the following questions:

(a) the effectiveness of the new policy measures and whether this had been assessed by financial modelling; and

(b) whether information on approved schemes would be made easily accessible to the market to facilitate interested parties, such as developers and social enterprises, in considering their participation.

22. In response, Mrs Elina T.T. Chan, DS, DEVB and Miss Winnie B.Y. Lau, AD/M, PlanD made the following main points:

(a) with the innovative measures in place, it was subject to developers' assessment and market decision whether to proceed with the redevelopment project. As reflected in the YM Study and other in-house research, there were ageing dilapidated buildings totaling a site area of $700m^2$ in the seven designated areas requiring site amalgamation. Nonetheless, insufficient market appeal deterred the private sector from initiating acquisition to consolidate the land titles for redevelopment. The Bonus PR Pilot Scheme was a pilot scheme to offer incentive to private redevelopment projects by increasing the PR by 20% either for in-situ redevelopment or through encashment. Positive responses from stakeholders were received during earlier consultation. The Government would maintain dialogue with various parties and, subject to market response, evaluate the effectiveness and introduce adjustments where necessary; and

(b) developers might partner with social enterprises or non-governmental organisations (NGOs) to provide socially beneficial facilities of their choice. The publicly available Social Enterprise Directory compiled by the Hong Kong Council of Social Service could be a source of reference for developers.

23. Noting that there was a concentration of 'three-nil' ageing buildings in Shek Wu Hui, Luen Wo Hui, Tai Wai, Ping Shan, Hung Shui Kiu, etc., a Member enquired whether the coverage of the innovative measures could be expanded to include these areas in the New Territories, providing a greater incentive for land exchange in the NM. Another Member followed up and enquired whether a regular review of the measures would be conducted such as reviewing the site area requirement of RS, and the effectiveness of the measures on the development of the NM or even Hong Kong as a whole in response to market demand. In response, Mrs Elina T.T. Chan, DS, DEVB said that the innovative measures were introduced as one step forward and put to the market for testing. The Bonus PR Pilot Scheme was a pilot scheme set to be reviewed within 5 years. During the course of the review, various stakeholders would be consulted. The Government might, in light of views to be collected, consider expanding the coverage of both

schemes to other applicable locations and further relaxing the eligibility criteria, such as the site area requirement, in due course.

24. Some Members enquired whether an RS under TPR could also participate in the Bonus PR Pilot Scheme and, if allowed, what the combined effects of the innovative measures on the development would be; whether other GFA concessions would be included in the 30% cap, and if not, whether the resultant GFA, including the grandfathered GFA and other GFA concessions, would be excessive; and how the Board should assess the overall impact. In response, Mrs Elina T.T. Chan, DS, DEVB and Miss Winnie B.Y. Lau, AD/M, PlanD, with the aid of a PowerPoint slide, made the following main points:

(a) a redevelopment site might be a RS or SS under a TPR scheme and could also meet the eligibility criteria for other schemes, such as the Bonus PR Pilot Scheme or the Revitalisation Scheme for Industrial Buildings. To avoid excessive development intensity, any additional GFA arising from the aforementioned schemes might be included in the site provided that the overall development would not exceed the 30% cap of the RS. Nevertheless, concessionary GFA such as GFA exemption pertaining to compliance with the Sustainable Building Design Guidelines would not be counted towards the 30% cap. There were caps on GFA concessions/exemptions under different initiatives such as a maximum 10% of the total GFA exemption for specified green/amenity features under the Buildings Ordinance (Cap. 123); and

(b) if the GFA of the existing building at the RS exceeded the highest PR/GFA restriction as specified in the Notes of the OZP, such exceedance (or grandfathered GFA) might be accommodated at the same RS and need not be counted towards the 30% cap. Whether the resultant building bulk and height of the redevelopment resulting from the innovative measures together with other GFA concessions/exemptions was acceptable would be subject to the scrutiny of the Board under the s.16 application. Notwithstanding the encashment option under the Bonus PR Pilot Scheme, the applicant might choose to increase the PR of the in-situ redevelopment by a lesser extent, e.g. less than 20%, in order to secure planning permission from the Board.

Development Timeline

25. Noting that the overall time needed for development would affect the cash flow of the property development, especially for small developers, some Members raised the following questions:

(a) how long it would take to go through the required procedures in particular when s.16 application was required, and whether there would be any measures to streamline the process; and

(b) whether a 10-year period allowed for the development under the Bonus PR Pilot Scheme was relatively long.

26. In response, Mrs Elina T.T. Chan, DS, DEVB and Miss Winnie B.Y. Lau, AD/M, PlanD made the following main points:

(a) it was specified in the draft revised TPB PG-No. 43 at Appendix II of the Paper that full ownership of the SS and RS by the project proponent was not a prerequisite for making s.16 application or for granting of planning permission. Same as the current practice, when submitting the application, the applicant should obtain owners' consent or give notification to the owners of the SS and RS. For a general s.16 application, a 4-year period was usually granted in the permission for the commencement of the development. In granting the planning permission for a TPR proposal, a longer validity period could be considered on a case-by-case basis depending on the complexity of the submitted TPR scheme; and

(b) it was understood that time was of the essence in redevelopment projects for developers. Applicants interested in joining the Bonus PR Pilot Scheme might submit a lease modification application to the Lands Department (LandsD) within 5 years starting from 1.9.2026. The lease modification letter should be executed within 3 years from the date of receiving a valid lease modification application. The applicant would be bounded by the lease condition to complete the redevelopment within a building covenant period, amongst other requirements. The “10-year period” mentioned in the presentation material referred to the validity period of any unused land premium value under the encashment option. Under this option, the land premium value of the bonus PR for the eligible redevelopment site would be calculated based on standard rates issued by LandsD to simplify procedure and enhance certainty. Any unused land premium value would remain valid within 10 years from the date of the lease modification letter for the eligible redevelopment site and there would be no redemption, compensation or alike for any unused land premium value after expiry of the 10-year validity period. To facilitate processing, LandsD would provide an enquiry service whereby prior to submission of a lease modification application, applicants might enquire about the eligibility of sites concerned and the estimated value of the bonus PR under the encashment option for reference. Applicants might also seek advice from PlanD if the application involved planning application matters.

Climatic Concern

27. Noting that the innovative measures would inevitably result in more GFA, particularly for in-situ redevelopment, two Members enquired whether urban heat island effect or other extreme weather circumstances, particularly in the urban area, would be worsened by the cumulative impact of intensified redevelopment. In response, Miss Winnie B.Y. Lau, AD/M, PlanD said that in terms of environmental impact, the materials and design of new buildings would generally be better, and modern building codes relating to building gap and separation coupled with higher green coverage would also be applied. While the preference was for transferrable GFA to be channelled to RS(s) in the NM/NDAs, open space or low-density development retained at SS would contribute to enhancing the liveability of the old urban areas.

Building Rehabilitation

28. Since some current measures, including the Operation Building Bright (OBB) and joint property management, aimed to assist owners in maintaining and managing the ageing private residential buildings, a Member enquired whether the innovative measures would encourage demolition rather than the upkeep of buildings in good condition as owners of rehabilitated buildings could not share the benefits of the proposed measures, and whether residual GFA of the

rehabilitated building could be transferred under TPR so as to maintain/preserve the existing low-rise building. In response, Mrs Elina T.T. Chan, DS, DEVB said that the problem of urban decay was becoming more and more acute. The number of buildings aged 50 years or above was projected to grow at an ever-increasing rate while it was understood that not all buildings aged 50 years or above had to be demolished and the conditions of some old buildings could be improved through proper building maintenance and rehabilitation. Redevelopment and rehabilitation were options under the multi-pronged strategy in urban renewal to arrest urban decay. In partnership with the URA, a number of building rehabilitation subsidy schemes including the OBB 2.0 had been introduced to help support owners in carrying out major building maintenance works. The proposed innovative measures presented to the Board at this meeting mainly focused on redevelopment. Review of various policy measures to expedite urban renewal including enhancing measures on rehabilitation was ongoing, taking into account the responses from the trade. There were suggestions to give bonus PR to incentivise those undergoing building rehabilitation while further consideration might be needed concerning the acceptability of the degree, extent and sustainability of the rehabilitation works.

<u>Bonus PR Pilot Scheme</u>

Bonus PR

29. Two Members raised the following questions:

(a) whether the entitlement to the bonus PR belonged to the parent company or its subsidiary, and whether the entitlement could be transferred by selling the subsidiary to another company;

(b) if the PR/GFA of the existing building exceeded the specific PR/GFA restriction in the OZP, whether the determination of the bonus PR could be based on the existing building bulk; and

(c) how the land premium of the in-situ redevelopment involving the bonus PR would be calculated and when the standard rates for calculating the premium value of the bonus PR would be reviewed.

30. In response, Mrs Elina T.T. Chan, DS, DEVB made the following main points:

(a) for developer opted for the encashment option, the validity period of any unused land premium value was 10 years from the date of the lease modification letter for the eligible redevelopment site. The land premium value of the bonus PR was non-transferable. However, sale of company shares and ownership, and transfer to associated companies within the meaning of the Companies Ordinance (Cap. 622) were allowed. This would provide incentive to the private sector to participate in urban redevelopment;

(b) for buildings with an existing PR/GFA far exceeding the OZP control, e.g. Man Wah Sun Chuen (八文樓) with a PR of about 17 to 18, it was not desirable to calculate the bonus PR based on the existing building bulk. To avoid excessive density, the determination of the bonus PR would generally make reference to the maximum domestic or total PR/GFA restriction as specified in the relevant OZP. If such building was eligible under both the cross-district TPR scheme and the Bonus PR Pilot Scheme, the financial viability of its redevelopment might be enhanced due to the concurrent measures; and

(c) the land premium for the entire in-situ redevelopment approved by the Board would be assessed in accordance with the prevailing assessment arrangement, i.e. based on the land value under existing lease conditions and its value under modified conditions. The land premium so assessed would then be deducted by the land premium value of the bonus PR calculated at standard rate which would be updated annually by LandsD. There would be one standard rate for each designated area. It was deemed a clear and transparent financial arrangement for consideration by the project proponent.

<u>Proposed Revision to TPB PG-No. 43</u>

Precedent Case

31. Two Members raised the following questions:

(a) even though a proposed development might not generate adverse visual and air ventilation impacts, whether approving a TPR application would set a precedent for neighbouring sites to follow suit, such as sites in the NM where the PR restriction of 6 to 6.5 would then be exceeded, leading to further intensification of development in the area; and

(b) how to strike a balance between the various factors of consideration and maintain the approval standards as other s.16 applications when considering the TPR application.

32. In response, Miss Winnie B.Y. Lau, AD/M, PlanD made the following main points:

(a) in the old urban areas, sites occupied by buildings with residential element and aged 50 or above were relatively small, say, $100m^2$ to $200m^2$ in area. Sites in the NM, by contrast, were usually much larger. For example, for an RS with a site area of 1 hectare, there was no need to increase the PR to the full 30% to accommodate the transferrable GFA if the SS only had a small site area of $200m^2$. Under the circumstances, it was envisaged that the impact on the RS in the NM would not be significant. In any case, with a permitted PR of 6 under OZP in the NM, an increase of 30% would result in a PR of 7.8, which was lower than the general PR restrictions in the old urban areas, notwithstanding that cases involving an increase to the full 30% were unlikely; and

(b) approval granted for the TPR application should not constitute a precedent for non-TPR applications given the underlying policy support as an important factor of consideration. Besides, as per established practice, each application for minor relaxation of development restriction(s) would be considered on a case-by-case basis having regard to its individual merits, and technical assessments should be conducted to demonstrate that there would be no adverse impacts on the surrounding area.

Incentive for Urban Renewal

33. Some Members raised the following questions:

(a) as GFA was anticipated to be transferred from low-valued SS(s) to high-valued RS(s), whether there would be sufficient incentive to transfer GFA to the NM with a lower land value under the revised TPR mechanism;

(b) noting that the permissible GFA could be transferred across districts and split into several RSs with minimum site area requirement each, whether the site area of SS should be defined and the 30% cap of RS should be lowered as the RS might be located in new towns which had been developed for decades;

(c) whether the planning gain was a mandatory requirement in applying for cross-district TPR;

(d) as redevelopment projects were instigated by the booming market in the past, there could be the scenario that the RS would be located in high-valued areas with limited infrastructural capacities, e.g. Mid-levels West on Hong Kong Island, thereby exacerbating the shortfall in provision of government, institution and community facilities in the district;

(e) whether GFA should be transferred to the NDAs as a priority so as to facilitate a better restructuring of the old urban area and hence improve liveability and boost the living space per person; and

(f) whether the maximum limit of 30% could be relaxed to 35% if the RS was located in the NM where the population density was lower and the site area and infrastructure were generally adequate to accommodate the transferrable GFA.

34. In response, Miss Winnie B.Y. Lau, AD/M, PlanD, with the aid of some PowerPoint slides, made the following main points:

(a) under the revised TPR scheme, the premium of the land transactions would be assessed collectively and was equivalent to the difference between the total value of the SS(s) and the RS(s) under the original lease conditions and the total value of the RS(s) (including the transferred GFA) and SS(s) (excluding bonus GFA, if any) under the modified lease conditions. This would enable the values of both the SS(s) and the RS(s) before and after the transfer of GFA under the proposed cross-district TPR to be jointly assessed and offset against each other, even if the SS(s) and RS(s) were governed by separate land instruments executed at the same time. This would resolve the issue of pairing SS(s) and RS(s) of different land values in different areas/districts;

(b) there could be a variety of combinations of SS(s) and RS(s) in a proposal. While there was no site area requirement for SS, favourable consideration might be given to an SS if redevelopment on its own would likely result in pencil-type development and there would be difficulties in complying with modern building codes and providing car parking and amenities. SS might also be occupied by existing building with excessive development intensity, rendering in-situ redevelopment up to the existing bulk infeasible, e.g. Man Wah Sun Chuen with an existing PR of about 17 to 18. For such example, it could be possible for SS with excessive GFA to transfer part of its GFA to more than one RS (each subject to the 30% cap) while keeping part of its GFA at the SS for redevelopment up to the prevailing OZP restrictions. As for the RS, the 30% cap had been adopted in the existing TPR mechanism since 2023. For a relatively large RS in the NM, the transferrable GFA might only account for 10% to 20% increase in PR of the RS, as it would be difficult to amass large quantities of transferrable GFA from SSs to trigger the 30% cap of a large RS. Where the PR/GFA control on the OZP for the RS was equivalent to the maximum permissible PR under the First Schedule of the Building (Planning) Regulations (B(P)R), e.g. for most development zones in Wan Chai, the SS was required to come from the same district (i.e. within the coverage of the same district council) so as to prevent overstraining community facilities and infrastructure capacity in the dense urban district due to further intensification of the site by way of receiving GFA from other districts. It was up to the applicant to demonstrate that the proposals on both SS(s) and RS(s) were technically feasible and complied with the draft revised TPB PG-No. 43;

(c) expediting urban renewal through redevelopment of ageing dilapidated residential buildings with low redevelopment potential would generally be considered as a planning gain for TPR application. Same as the current TPR mechanism, favourable consideration would be given if the proposals on RS and SS as a whole could demonstrate additional planning merits as listed in paragraph 6.2 of the draft revised TPB PG-No. 43 including provision of community facilities or public open spaces, providing opportunity for vehicular and pedestrian traffic improvement, providing better streetscape/good quality street level public space (e.g. provision of setback and canopy), and providing opportunity to unblock important vista, etc.;

(d) the amount of resources devoted to redevelopment was subject to changes in market conditions. Since the existing TPR mechanism was launched in 2023, some enquiries had been received but the RSs in question were far below the existing requirement of 1,000m^2 or even the lowered requirement of 700m^2 under the draft revised TPB PG-No. 43. It was not easy to acquire and assemble a site with an area of 1,000m^2 or 700m^2 in the old urban areas. During earlier consultation, some stakeholders proposed further relaxing the requirements on site area of the RS to 400m^2 or 500m^2. As the redeveloped building on the RS with the increased PR should be able to meet modern building standards, with provision of ancillary facilities and amenities, the site should not be too small. Due to difficulties in site amalgamation, it was not expected that too many RS(s) would be forthcoming from within the old urban areas. As the permissible PR of most of the sites on Hong Kong Island was up to the maximum limit of B(P)R (either no restriction was stipulated under the OZPs or the restriction was the same as B(P)R), the SS had to fall within the coverage of the same district council as the RS(s) to maintain the capacity of each district under this circumstance;

(e) there were pull and push factors embedded in the revised TPR mechanism. For the pull factors, the key objective of the cross-district TPR was to channel development potential to more sizeable sites with area of at least 700m^2 that were more suitable for higher development intensity with adequate infrastructure such as in the NM/NDAs, in which it would be easier for the developers to find eligible RSs to accommodate PR/GFA transferred from SSs and to demonstrate that such transfer was technically feasible in terms of infrastructure provision. For the push factors, there was an additional requirement that the SS and RS should fall within the coverage of the same district council if the RS was under no PR/GFA control on the OZP or the control was equivalent to the maximum permissible PR under the First Schedule of the B(P)R. For instance, to transfer GFA to an RS at Mid-levels West where the RS was not subject to PR/GFA control under the OZP and/or the PR/GFA control was equivalent to the maximum permissible PR under the B(P)R, the SS(s) had to be located within the Central and Western District. In other words, the SS(s) should come from the planning scheme area of Sai Ying Pun and Sheung Wan OZP, which was the only designated area within the same district council district. There was also a general presumption against accepting sites located within well-recognised low-density areas with distinct built environment character to be RS(s), such as Kowloon Tong, Kadoorie Hill and the Peak, so as not to subject these areas to further intensification in development intensity for preservation of prevailing neighbourhood character. In contrast to the current TPR mechanism to transfer GFA either within the Mong Kok OZP or the Yau Ma Tei OZP, the innovative cross-district TPR to transfer GFA from seven designated old areas to the whole territory would provide more opportunities for pairing up sites, and hence increase the likelihood that those structurally deficient buildings in the urban area (as SS) would be demolished with their development potential transferred to RS at the NM/NDAs with improved living environment; and

(f) as an example, to trigger the 30% cap for an RS with an area of 5,000m^2 and a permissible PR of 6, it would require SSs totalling a site area of 1,000m^2 (which would likely comprise multiple lots) at a permissible PR of 9. Given that development sites were generally larger in the NM and assembling a number of SSs was challenging, it was thus considered not necessary to raise the cap to 35% for the NM. Moreover, as stated in the draft revised TPB PG-No. 43, minor exceedance of the 30% cap was allowed at each RS to provide greater flexibility for pairing RS(s) and SS(s) subject to justifications provided by the applicant for the Board's consideration.

35. The Chairperson supplemented that the ups and downs in the property market would inevitably affect the market appetite for investment in redevelopment projects. But even in face of same market situation, redevelopment might appear less commercially attractive to developers than other development options. For example, securing a greenfield site in the NM through land sale or land exchange without having to spend much effort for say title consolidation might be easier and with greater certainty. Conversely, more effort was required for acquisition to consolidate land titles for urban redevelopment. There might be a need to go through the process of compulsory sale application before demolition, design and construction of the development could set in. Without any policy intervention, private sector participation in redevelopment would be dampened and diminished. As the private sector had been assuming an important role in redevelopment, the need for stronger policy push to expedite urban renewal work was warranted. While there could be RSs located in districts of higher land value, since the s.16 application for TPR would be submitted to the Board for consideration, the Board would examine the details of the proposal including its technical feasibility and consider the application based on its individual merits.

36. A Member asked why standard rates were not applied in the revised TPR mechanism. In response, Mrs Elina T.T. Chan, DS, DEVB said that standard rates under the Bonus PR Pilot Scheme were confined to land premium value of the bonus PR in the seven designated areas, to be deducted from the land premium assessed in respect of the in-situ redevelopment under the Scheme and/or in respect of other land transactions under the encashment option of the Scheme. As the circumstances of SS(s) and RS(s) might differ vastly across various districts, it was virtually impossible to adopt standard rates for cross-district TPR.

37. Another Member enquired whether bonus PR or transferrable GFA could be traded in the market, which would be conducive to redevelopment by smaller developers or rehabilitation by individual property owners. In response, the Chairperson said that there was no restriction on the transfer of ownership of the company which had obtained planning approval for the TPR application. In other words, the transferrable GFA of the approved scheme could change hands in the market with a corresponding change in land ownership. Miss Winnie B.Y. Lau, AD/M, PlanD supplemented that trading of TPR credits would necessitate relevant supporting implementation measures, including legislative backing and identification or setting up of

appropriate organisation/agency to oversee the market operation. She remarked that this would be much more complicated than the current proposal.

SS(s)

38. Some Members raised the following questions:

(a) noting that the coverage of SS(s) was confined to the designated areas with more pressing redevelopment needs, whether the proposed measures could be extended to the whole territory to specifically cover graded historic buildings for the purpose of providing incentive to heritage conservation;

(b) noting that a hypothetical scheme would be formulated to demonstrate the transferrable PR/GFA of the SS for zonings without PR/GFA control on the OZP, why the PR of the existing building was not used for calculating the transferrable GFA;

(c) whether the public space created at the SS would be managed by the private developer or individual flat owners of the RS or surrendered to the Government and whether the graded historic buildings at the SS would be revitalised; and

(d) how the ongoing M&M of the public space/facilities and the preserved buildings, as well as the design of the public space/facilities for public access, would be ensured, and whether public access to the preserved buildings would be defined.

39. In response, Miss Winnie B.Y. Lau, AD/M, PlanD made the following main points:

(a) the coverage of SS(s) followed the seven designated areas as defined in the Schedule to the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Cap. 545A), which were areas with a greater concentration of old and dilapidated buildings with more pressing redevelopment needs. The suggestion to extend the eligibility to cover historic buildings in other districts might be separately considered;

(b) for SSs without PR/GFA control under OZP, the GFA of the existing building might be smaller than the maximum permissible PR/GFA under the B(P)R. Under the circumstances, there would be little incentive for redevelopment if transferrable GFA was linked to the existing GFA. Alternatively, should the GFA of the existing building at the SS be larger than the maximum permissible PR/GFA under the B(P)R, the project proponent might claim the existing GFA as the basis for calculating the transferrable GFA subject to any other development restrictions specified under the OZP for the consideration of the Board. The applicant should engage an Authorized Person to confirm the calculation prior to the submission of s.16 application;

(c) unless the Government agreed to take over the public facilities and services, the developer had to manage and maintain the buildings, facilities and services and fulfil the obligation to allow public access to such buildings and facilities. The ongoing M&M obligations could be tied to the commercial portion at RS in the land lease to avoid such obligations being transferred to individual flat owners. The developer could also collaborate with NGOs or charitable funds to support the operation/M&M of the buildings/facilities/services. Planning incentive was provided allowing bonus commercial GFA equivalent to PR 0.4 or 200m^2 (whichever was the less) to be built within the SS as land premium-free bonus GFA for supporting retail, eating place or other commercial uses, etc., to fund the long-term M&M of the public space by the applicant. For proposals involving public facilities such as public space for public enjoyment or public open space in private developments, the long-term M&M arrangements should be clearly stated in the s.16 application. For proposals involving building preservation, conservation management proposals should also be provided in the s.16 application; and

(d) to ascertain timely realisation of the proposal and the subsequent arrangement, relevant approval conditions would be attached to the planning permission granted by the Board, including requiring execution of lease modification and/or land exchange of the SS and RS for the proposed development before approval of general building plans for the proposed development on the RS. For the conservation of graded historic building at the SS(s), provided that members of the public could gain reasonable access to part/whole of the building, land premium-free GFA equivalent to that of the existing graded historic building might be provided as bonus GFA at the SS. For buildings that had not yet been graded by the Antiquities Advisory Board but were demonstrated to have heritage conservation value worthy of conservation by district-based study and agreed by relevant authorities, the building could be retained at the SS but would be accountable for GFA calculation.

40. A Member followed up and enquired about the consequence if the company responsible for the M&M of the public space/facilities was liquidated. Upon the Chairperson's enquiry, Mr Maurice K.W. Loo, Director of Lands, responded that upon the dissolution of a company, any property held by the company would become bona vacantia property and would vest in the Government under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or the Companies Ordinance (Cap. 622). If such bona vacantia properties were land properties, LandsD would manage them on behalf of the Government. The Member also opined that the public space/facilities at SS might be fee-charging for public access, which might result in limited public use.

Implementation

41. Two Members enquired how the Board should conduct its meeting to consider a cross-district TPR application involving sites in both the metro area and the New Territories. In response, Miss Winnie B.Y. Lau, AD/M, PlanD said that in consultation with the Secretariat, cross-district TPR application involving sites within both the metro area and the New Territories was proposed to be submitted to the full Board for consideration.

42. A Member raised the following question:

(a) whether there would be a register accessible to the public recording those sites involved in TPR scheme; and

(b) whether the project proponent could apply to upzone the SS/RS before the s.16 application for TPR.

43. In response, Miss Winnie B.Y. Lau, AD/M, PlanD made the following main points:

(a) as s.16 applications for TPR would be submitted to the Board for consideration, TPB documents including relevant papers and minutes would be available for public inspection. Furthermore, SS(s) proposed to become open space, GIC facilities, preserved historic buildings or low-density development would be rezoned to appropriate zonings when opportunity arose to reflect the completed development; and

(b) the draft revised TPB PG-No. 43 did not preclude the upzoning of potential SS/RS prior to the application for TPR proposal. Each rezoning application would be considered on its individual merits at the material time.

44. At the request of a Member, the PowerPoint presentation would be sent to Members.

[Post-meeting note: The PowerPoint presentation was sent to Members after the meeting on 21.8.2026.]

45. The Chairperson concluded that Members generally supported the innovative measures to incentivise urban renewal and agreed with the proposed revision to TPB PG-No. 43. Regarding Members' concerns on the effectiveness of the policy measures, the Government had to implement innovative measures incrementally in response to the market feedback. Judging from the initial responses from stakeholders, including developers and professionals, the 20% bonus PR offered under the Bonus PR Pilot Scheme would pique interest in urban redevelopment projects. Since launching the TPR mechanism in 2023, the Government had been listening to the responses from the development trade. The proposed revision to the TPB PG-No. 43 had taken the concerns of the trade into consideration. In line with the property market cycle, periodic evaluation and adjustment would be made to the proposed measures, say, around 2 years after implementation. The Government was open to the suggestion of putting more emphasis on encouraging development to disperse from old areas to the NM/NDAs. For this, the encashment option under the Bonus PR Pilot Scheme would allow the bonus PR to be translated into land premium value for offsetting the land premium payable for other land transactions including Government land sale or lease modification in the NM. Under the cross-district TPR, the RS(s) could come from districts different from SS(s), such as those in the NM/NDAs. In practice, the

NM development would help advance the cause of urban renewal. Complemented by the new space offered in the NM/NDAs, the amenities and liveability of urban areas would be enhanced. As small and medium-sized developers engaging in urban redevelopment might not be able to deploy sufficient resources to undertake large-scale development in the NM, it was decided that the proposed measure should not confine transfers to the NM/NDAs alone in order not to deter them from participation. In the forthcoming First Five-Year Plan for Economic and Social Development, both the NM development and pursuing old district renewal would likely be the priorities of DEVB. In considering future planning applications, the Board would need to strike a balance in playing the role of both a facilitator and a gatekeeper. On the one hand, the Board should take into account the policy background including ageing of buildings outpacing the speed of redevelopment and the need to leverage the resources in the market to support urban renewal. On the other hand, the Board had to consider a variety of factors, e.g. whether a 30% increase in GFA would be acceptable at the RS, whether the proposal at the SS would be beneficial to the community and whether the implementation arrangement was practicable, etc. In the course of the review of the innovative measures, Members' comments and suggestions were welcomed and would be further considered.

46. After deliberation, the Board noted the details of the Bonus PR Pilot Scheme and agreed that the draft revised TPB PG-No. 43 (to be renumbered as TPB PG-No. 43A) at Appendix II of the Paper should take effect upon promulgation and uploading to TPB's website.

[Post-meeting note: TPB PG-No. 43A was promulgated and uploaded to TPB's website on 21.8.2026, with a press release issued on the same date.]

47. The Chairperson thanked DEVB's and PlanD's representatives for attending the meeting. They left the meeting at this point.

[Messrs Vincent K.Y. Ho, Derrick S.M. Yip and Ryan M.K. Ip, Ms Kelly Y.S. Chan and Professor Simon K.L. Wong left the meeting during the question and answer session.]

Agenda Item 4

[Open Meeting]

Any Other Business

[The item was conducted in Cantonese.]

48. There being no other business, the meeting was closed at 12:35 p.m.