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## A study on the acceptability of land readjustment for urban regeneration in Hong Kong

In view of the ever-increasing problem of urban decay in Hong Kong, the authorities have paid huge efforts in renewing the city. Yet, redevelopments are often delayed owing to the thorny and lengthy exercises of land assembly. While compulsory purchase or eminent domain helps to speed up the land assembly process, this approach has been criticized for creating social tensions between the redevelopment agents and those affected homeowners. Other than protection of private property rights, some of the affected homeowners pursue a course of action in order to be entitled to redevelopment gains. Besides all of the above, forced displacement by redevelopment may seriously disrupt the social network system. In light of these predicaments, the technique of land readjustment (LR) has been proposed. In principle, the LR technique can foster a partnering relationship among various stakeholders of a redevelopment project. Although LR has been practised overseas for various purposes, its applica-

bility to redeveloping buildings in Hong Kong's urban is moot. This article aims to explore the acceptability of LR in Hong Kong through a structured questionnaire survey of 356 residents in Kowloon City. Based on this survey's findings, some policy and practical implications are drawn and discussed. On the issue of sustainable urban regeneration, these implications offer valuable insights to public administrators and urban managers.

**Keywords:** urban renewal, land readjustment, redevelopment, stakeholder engagement, Hong Kong

## 1 Introduction

Although urban decay is not a problem unique to the Greater China region, it may impose greater hazards in both physical and social terms in extremely compact cities such as Hong Kong, Shanghai and Taipei. Public administrators in Hong Kong have been fighting with the problem through urban renewal for decades now. In this tiny city with a total area of approximately 1,104 km<sup>2</sup>, there are around 39,000 private buildings territory-wide (Housing, Planning and Lands Bureau, 2005). About one quarter of buildings within this stock are at least twenty years old and are susceptible to dilapidation in varying degrees. In light of the high-density, high-rise development pattern in Hong Kong, not only does building dereliction ruin the cityscape, but also this problem does jeopardize the health and safety of the community as a whole (Yau and Chan, 2008). Against this background, urban renewal has gained momentum in Hong Kong. Rather than a 'slash and burn' process, urban renewal aims to improve derelict or deteriorated structures by various means, ranging from modernization, rehabilitation to clearance and redevelopment (Planning and Lands Bureau, 2001; Prasad, 1989). According to Couch (1990) and Zielenback (2000), what are concerned in urban renewal include revitalization of blighted areas, amelioration of traffic congestions, provision of amenities (e.g. public open spaces and schools), and boosting the local economy.

While redevelopment has been a commonly used approach for urban renewal in Hong Kong, it is often held back by obstacles in land assembly (Hastings and Adams, 2005; Ng, 2002). In this light, a land management technique called land readjustment (LR) has been proposed to solve the problems (Yau, 2008). Yet, while this technique has been extensively used in Western Europe and certain parts of the Asian region, its applicability to Hong Kong, in which more homeowners are involved in a redevelopment project due to the high development density in the city, is still questionable. Whether LR, which is essentially a kind of partnering mechanism, is acceptable in Hong Kong is yet to be found out. In this regard, this study aims to explore the acceptability of the LR technique amongst homeowners in Hong Kong. The author hopes that from findings from this study, some insightful implications can be drawn for the urban regeneration policy in Hong Kong and other places.

The remaining sections of this article are organized as follows: an overview of urban renewal in Hong Kong is

given in Section 2. This is then followed by a brief account of the difficulties encountered in land assembly for urban redevelopment and available solutions in Section 3. Section 4 presents the methodology and findings of the questionnaire used in the survey on LR applicability in Hong Kong. The results are discussed in Section 5, and Section 6 concludes the paper.

## 2 An overview of urban renewal in Hong Kong

### 2.1 Urban renewal in Hong Kong before 1990

Hong Kong's urban renewal processes dates back to the late nineteenth century. As a reaction to the dreadful bubonic plague, which swept through the territory at that time, comprehensive slum clearances were performed in Tai Ping Shan, Lower Lascar Row and Kau U Fong in order to eradicate insanitary living conditions (Adams and Hastings, 2000; Jim, 1994). Besides the plague, many properties were damaged by fires, typhoons and landslides, and thus redevelopment projects were undertaken to re-house the victims. Starting from the 1920s, the colonial-British government adopted a non-interventionist doctrine, relying on the private sector to revive old urban areas. The picture changed significantly in the mid-1960s in response to the rapid population expansion in Hong Kong. The imbalance between the supply and demand of housing services turns into a ramshackle built environment and living conditions (Fong, 1985). To solve the problem, the government designated Sheung Wan as an 'Urban Renewal District' in 1965 and initiated several comprehensive redevelopment projects. And yet, inadequate funding for land resumption and disharmony amongst different government departments eventually held up the projects (Ng, 2003). Starting from 1973, areas in six districts, including Wanchai and Yaumatei, were designated for improvement. In these areas, all existing land lots, held under non-renewable leases were resumed for the provision of community facilities (ibid.).

### 2.2 Urban renewal in Hong Kong in the 1990s

As commented by Ng (1998), urban renewal efforts in the 1970s and 1980s were rather *ad-hoc* and piecemeal. Inspired by British and American models, the Hong Kong Government went for a developmental partnership between the public and private sectors for urban renewal in the late 1980s. The Land Development Corporation (LDC) was established in 1988 as a statutory body to work with the private sector in order to achieve more speedy redevelopments. The LDC was responsible

for assembling sites with high potentials for redevelopment, and working with private developers to plan and develop the sites following prudent commercial principles. Nevertheless, the LDC completed only thirteen redevelopment projects in its first decade of existence (LDC, 1998). The main reason for the slow progress in urban redevelopment by the LDC laid in the lack of direct resumption power of the statutory body. What the LDC could only do was to resort property acquisition to private negotiations which were both time and resource consuming.

A comprehensive review, with public consultation, on urban renewal policy in Hong Kong was launched in 1995. As a result of this exercise, the government proposed to transform the LDC into a new renewal agent with statutory powers of land resumption for redevelopments (Planning, Environment and Lands Branch, 1996). Moreover, to promote redevelopments initiated by the private sector, the Land (Compulsory Sale for Redevelopment) Ordinance was enacted in 1998 to ease the difficulties often encountered by the private sector with respect to land assembly. By virtue of this statute, an individual could seek a compulsory sale order from the Lands Tribunal if he or she had acquired 90 percent of the undivided shares in the lot. The government expected that the problems arising from speculative hoarding could be solved through this process.

### 2.3 Urban regeneration in Hong Kong from 2000 onwards

The Urban Renewal Authority (URA) Ordinance was enacted in 2000, and the URA was set up in May of 2001. However, redevelopments, no matter if they are URA-led or private-sector-led, have proceeded at a slow pace. Hui et al. (2008) summarized that only 353 buildings in the city were redeveloped in the period between 2000 and 2005. Notwithstanding the slow progress of redeveloping old buildings, changes in the execution of urban renewal were quite apparent. In several URA-led redevelopment projects (e.g. the Sai Yee Street Project, Staunton Street cum Wing Lee Street Project, and Lee Tung Street cum Graham Street Project), hot debates on various issues such as whether the buildings within these projects should be redeveloped or rehabilitated, and whether the preservation of the local economy and cultural heritage should be accorded the highest priority within the project agenda were ignited. In light of public concerns, the URA was forced to involve the community in its projects through numerous means such as public forums, focus groups and community aspiration surveys. Palpably, the government's move just follows the global trend of public engagement in urban planning and management.

## 3 Land assembly for redevelopment: Problems and solutions

### 3.1 Why is land assembly so intricate?

From the century-old experiences with regard to urban renewal in Hong Kong, it is a common held view that land assembly has been the most difficult step in redevelopment. Conceivably, the land assembly problem in the city is rooted in the property holding or ownership system. Kent et al. (2002) pinpointed that the majority of multi-storey buildings in Hong Kong are held in a co-ownership arrangement, under which there is no separate property ownership for each co-owner. More preciously, each co-owner has the possession right of the land and building in common with the other co-owners, and what is held by each co-owner is undivided shares of the real property (Kent et al., 2002). In this case, in order to redevelop a building, the consent of all co-owners must be first obtained. Alternatively, the redevelopment can go ahead once all undivided shares of the property are acquired by one single entity, i.e. co-ownership is replaced by sole ownership. In reality, nevertheless, both situations are unlikely as hold-ups in redevelopment projects are very common (Hastings and Adams, 2005). In many cases, the redevelopment agent needs to devote a lot of resources and time in negotiating with each and every co-owner to get his or her consent to the redevelopment proposal, but the efforts are alas in vain. Yau (2008) highlighted that co-owners generally refused to grant consent for the following two reasons:

- the desire for higher purchase prices and compensations offered by the redevelopment agent; or
- the pursuit for resettlement in place, i.e. re-housing in the same site or district.

### 3.2 Approaches to facilitating land assembly

#### 3.2.1 Higher purchase price

To lure the owners to sell their properties, a redevelopment agent, who could either be a public body or private developer, can offer an attractive purchase price in addition to re-housing compensations. Yet, property owners tend to ask for more than what the redevelopment agent offers. In some circumstances, the affected owners even asked for compensations to be calculated based on the full redevelopment potential of the sites. One should bear in mind that the URA has to be prudent and publicly accountable in the usage of public money in the pursuit of property acquisition for redevelopment. Therefore, some hard rules have to be formulated for the URA to adhere

re to in order to calculate purchase prices and compensation pay outs. At present, the URA pays the property price and Home Purchase Allowance to the owner when purchasing a residential property. The property price is the prevailing market value of the existing property, and the Home Purchase Allowance is equal to the difference between the value of a notional seven-year old flat in a similar locality, and the value of the flat under acquisition. In this case, it is unworkable for the URA to offer an amount higher than the one determined by the standard rule.

As far as retail properties are concerned, grievances from retail operators are even greater under the current compensation policy. Lai (2002) argued that the original assets of retail operators were not confined to the selling space itself, but also included the location and accessibility to a local network of suppliers and customers. In general, however, compensation for business losses offered by the URA cannot compensate for the negative effects brought about by redevelopment-led dislocation. Even in the private sector, it is impossible for a developer to offer a very high purchase price, or the profitability of the redevelopment project will then be eroded. The reduced profit margins may be unable to cover the project risks, so the developer hesitates to engage in any redevelopment project.

### 3.2.2 Compulsory purchase or forced sale

If property acquisition by private negotiation is so difficult, the power of compulsory purchase can be installed in the URA through legislation. Given that a redevelopment project is justified toward the public interest, the URA can use the power conferred by the statute to acquire properties, saving time and resources that normally take unduly lengthy negotiations. Nevertheless, there has never been a clear boundary between public and private interests (Krueckeberg, 1995; Salkin and Lucero, 2005; Sax, 1971). Seemingly, the URA has exercised the statutory power with due care so as to avoid the possible allegation for infringing private property rights (Ng, 2003). Therefore, it is common to see that the legal device for compulsory land resumption, or eminent domain in American terms, was used only after the URA's genuine attempt of acquisition by mutual agreement. As a result, the time spent on land assembly cannot be reduced considerably even though compulsory purchase is allowed by the law.

### 3.2.3 A 'flat-for-flat' deal

As mentioned previously, a gap exists between what property owners ask for and what the URA can offer. In some cases, the sums receivable by property owners were inadequate for them to

find similar accommodation in the same area since newer properties are more expensive (Yau, 2008). Therefore, these owners may request in-kind, rather than in-cash, compensation. They would be contented if there was a 'flat-for-flat' option. In point of fact, the pursuit for in-kind compensation is explainable from a social perspective. In old districts, the residents are more likely to have lived in these areas for decades. In Chui's (2000) viewpoint, these residents, particularly those in the high age bracket, are reluctant to move out of the area because they treasure or get used to the existing social networks. Whereas a 'flat-for-flat' deal benefits the property owners affected by redevelopments both economically and socially, re-housing in the same area may not be always feasible due to local fluctuations of the housing supply. Besides these factors, it is somehow very difficult to judge whether one property is equivalent to another, both in terms of its physical attributes or monetary value.

### 3.2.4 A partnering approach with homeowners' participation: Land readjustment

In light of the inherent difficulties of land assembly, a technique called LR has been proposed and adopted in various parts of the world. The United Nations Economic and Social Commission for Asia and the Pacific (1995) suggested that the LR concept was first used by the US President George Washington in 1791. Later in 1902, the first legal framework for LR was introduced in Germany for regrouping properties, mainly on rural land (Müller-Jökel, 2004; Li and Li, 2007). The technique was then imported to Japan, where it was primarily used for farmland consolidation and irrigation improvement projects. Later, LR was extensively applied for rebuilding urban areas ruined by natural disasters (e.g. the Great Kanto Earthquake of 1923) and the Second World War. Sorensen (2000b) reported that approximately 30% of all urban areas in Japan were developed or redeveloped by means of LR up to the end of March 2000.

With over 100-years of history, LR has been used for land management, whereby an agent assembles and merges small land parcels and then into large land parcels in a well-planned manner (Archer, 1992; Ishida, 1987). As illustrated in Figure 1, some of the reconstituted land parcels are returned to the existing landowners after readjustment in a typical LR project. The other land parcels, which are usually called the reserve land, will be sold and the proceeds will be used to finance the costs associated with the provisions of infrastructure and public spaces in the subject area. In other words, each landowner may be required to contribute a portion of his or her land for public use (Archer, 1992; Sorensen, 2000a; Turk, 2008). During the LR process, individual owners may need to move out of the area temporarily.

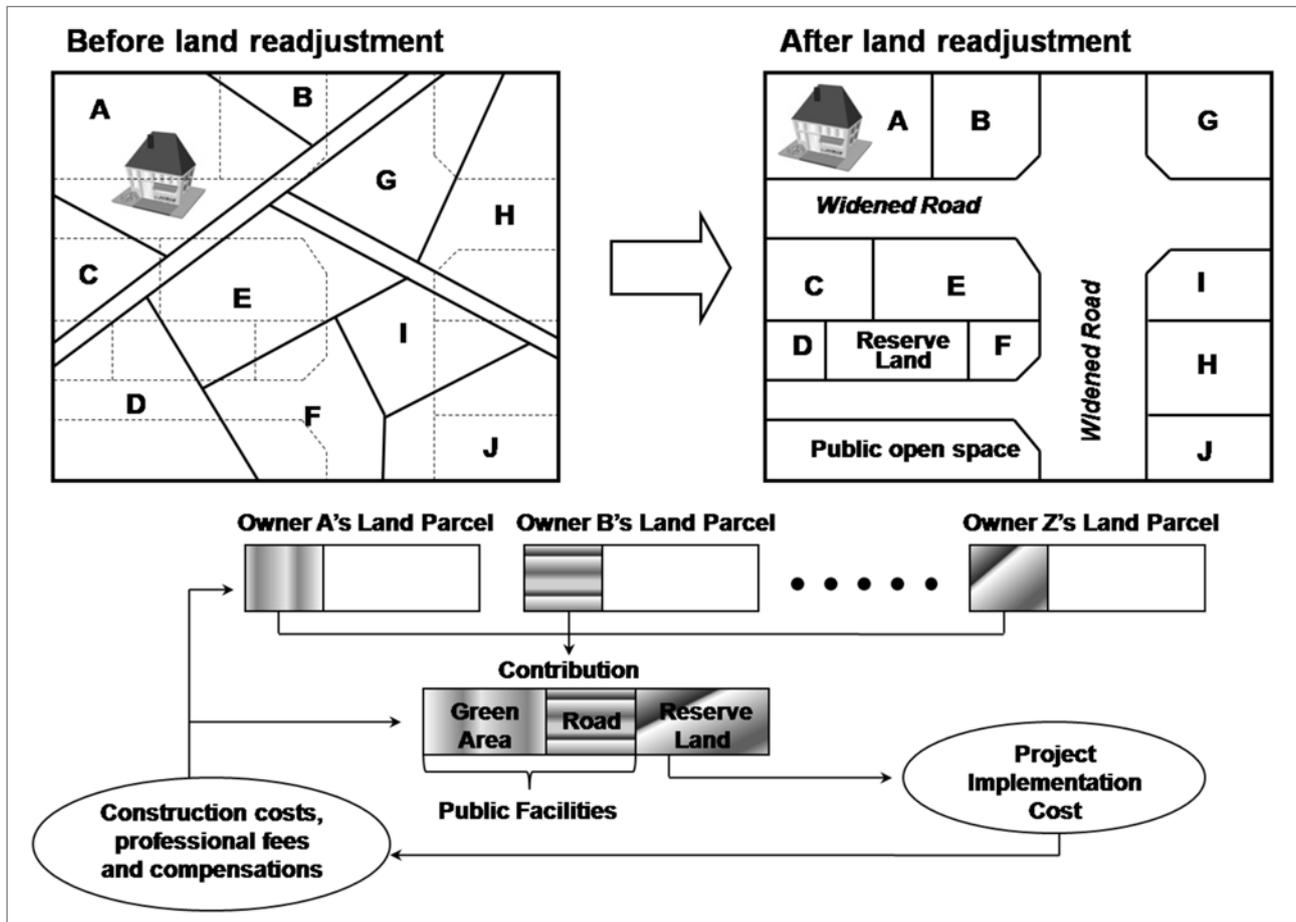


Figure 1: An illustration of the LR process (source: Montandon and de Souza, 2007).

Advantages of applying LR in land management are numerous. One of the most noticeable outcomes of LR is the fairer distribution of redevelopment gains. In addition, LR makes redevelopments without displacement possible (Agrawal, 1999). It helps to ease the social tensions created by redevelopment. From a political perspective, LR allows for more public choices, and thus lessens objections, either from the existing owners or interest groups, in the project planning stage (Choe, 2002; Lin and Lin, 2006). Besides these points above, the required upfront costs, particularly those expenses associated with property acquisition, for a redevelopment project can be reduced with the application of LR. Moreover, financial risks are pooled and shared between the original property owners and redevelopment agent. In cases of conventional land assembly, public agents or developers have to pay large sums of money to acquire properties prior to the inauguration of construction work. Conversely, nothing except re-housing allowances and professional fees are payable to the affected owners in a typical LR project before construction work commences.

Yet, the LR technique is not free from drawbacks. As Schnidman (1988) pointed out, LR may result in an artificial inflation of land and property prices in a project area, which

will eventually reduce the local housing supply for those on low-incomes. Also, inequalities may arise from LR when in some cases, property owners after by the construction of public infrastructure receive substantial subsidies or compensations while, in other cases, these subsidies or compensations are not available for the affected owners in LR projects (Schnidman, 1988). Therefore, it is true for Yau (2008) to say that LR is far from being a panacea to urban regeneration problems. Issues closely interwoven with urban regeneration like gentrification cannot be addressed by LR.

#### 4 Homeowners' views towards land readjustment

As evidenced by the Japanese experience, LR can be used for urban redevelopment apart from consolidating and regularizing rural land. It can facilitate urban redevelopments by making the affected homeowners shareholders, not merely stakeholders of the redevelopment projects. Since the homeowners are given back a property after the redevelopment process, they can share the redevelopment profits with the redevelopment agent. In return, the redevelopment agent can save time and

money in the land assembly process, due mainly to the smaller homeowners' resistance. From the community's viewpoint, LR can speed up the elimination of city eye-sores. Overall, a win-win solution for urban regeneration in the city is achievable by means of LR. Nonetheless, for a successful LR project, the participation of homeowners is indispensable (Hastings, 1996; Sorensen, 2000a; Turk, 2008). Therefore, it is worthwhile knowing how the homeowners perceive the technique. To reiterate, the aim of this study is to explore the acceptability of the LR technique amongst homeowners in Hong Kong.

#### 4.1 Research methodology

To achieve our aim, a total of 356 homeowners living in Kowloon City, Kowloon and Hong Kong were surveyed using a set of structured questionnaires in the summer of 2009. Kowloon City was chosen as the subject area as it's one of the priority areas for urban renewal determined by the URA. The characteristics of the residents in Kowloon City are summarized in Table 1.

A set of questionnaires was predesigned for this survey. It comprised questions that allowed for the collection of the following information from each interviewee:

- particulars (such as age group and income level) of the interviewee;
- the interviewee's preferred mode of redevelopment;
- the interviewee's acceptability to the trade-offs to be faced in an LR project;
- the perceived importance of various types of owners' participation to an LR project; and

- the hurdles or obstacles dissuading the interviewee to engage in an LR project.

#### 4.2 The responses from the homeowners

Of the 356 homeowners interviewed, 219 (62%) expressed that they liked the area they lived in. When being asked what they worried about most, if their buildings were redeveloped, 168 respondents (47%) answered 'compensation issues', with 52 (15%) and 31 (9%) choosing 're-housing issues' and 'missing friends and relatives in the area' respectively. The interviewees were asked which of the following three options they would opt for in case of redevelopment:

- cash compensation, after the acquisition of the property by the redevelopment agent;
- a flat-for-flat deal; and
- a partnership with the redevelopment agent in an LR project.

The partnership approach was the most preferred one, with 154 interviewees (43%) choosing that option. 137 interviewees (39%) opted for a flat-for-flat deal while 65 (18%) for a cash reparation solution. Given the situation that LR would be adopted for redeveloping their properties, 345 interviewees (97%) did not accept the under-valuation of their original properties, as indicated in Table 2. 333 interviewees (94%) found the lack of opportunity for them to participate in or make decisions regarding the project unacceptable. At the other end, 206 (57%), 153 (43%) and 144 (41%) interviewees accepted temporary displacement during the project, lower efficiency ratio of the new flat and smaller size of the new flat respectively.

**Table 1:** The characteristics of residents in Kowloon City.

Characteristics	Kowloon City	The Whole Territory
Population	362,501	6,708,389
Median age	40	36
School attendance rate of population aged 6–18 (%)	97.3	94.2
Proportion of population with tertiary education completed (%)	28.1	15.9
Labour force	190,526	3,437,992
Median monthly income from main employment (HK\$)	10,500	10,000
Number of domestic households	118,271	2,053,412
Average domestic household size (no. of heads)	2.9	3.1
Median monthly domestic household income (HK\$)	20,000	18,705
Number of occupied quarters	118,821	2,015,235
Average number of domestic households per unit of quarters	1.01	1.02
Proportion of domestic owner-occupancy households (%)	59.3	50.8
Median mortgage payment and loan repayment to income ratio (%)	29.8	28.1
Median monthly domestic household rent (HK\$)	2,500	1,500
Median rent to income ratio (%)	20.0	13.9

Source: Census and Statistics Department (2007).

**Table 2:** Surveyed homeowners' views towards LR.

Scenario	Acceptable	Fairly Acceptable	Neutral	Not really acceptable	Unacceptable
Smaller size of new flat	67 (19%)	77 (22%)	87 (24%)	49 (14%)	76 (21%)
Higher population density after redevelopment	43 (12%)	87 (24%)	122 (34%)	62 (17%)	43 (12%)
Lower efficiency ratio of the new flat	55 (15%)	98 (28%)	132 (37%)	27 (8%)	44 (12%)
Moving out of the area during redevelopment	126 (35%)	80 (22%)	81 (23%)	45 (13%)	24 (7%)
Under-valuation of the original property	0 (0%)	0 (0%)	11 (3%)	67 (19%)	278 (78%)
No opportunity for owners' participation or decision making	0 (0%)	0 (0%)	23 (6%)	56 (16%)	277 (78%)

Table 3 displays the interviewees' views regarding owner participation in an LR project. 313 interviewees (88%) agreed that an owners' participation in property valuation was important. This perhaps stresses the point that homeowners are concerned about economic matters the most. This line of thought in fact echoes with the findings above: most surveyed homeowners found under-valuation of their properties unacceptable. Homeowners want to take part in the valuation exercise to make sure that their original properties will not be under-valued, and at the same time that the new properties after redevelopment will not be over-valued. Other than property valuation, the appointment of professionals and contractors was considered the second most important, by no less than (241 or 68%) of interviewees. As a matter of fact, this result is easily understandable using the logic above. With a view to their private interests, homeowners want to appoint professionals who will not lean towards the LR agent, who is usually either a local

authority or private developer. They hope there are professionals who can perform their duties or provide their services independently and prudently.

Besides, there is a chance for the LR agent to take away the spoils from the homeowners' share. The share entitled by each party of a completed LR project is in proportion to the party's input or contribution. Generally speaking, the affected homeowners contribute to the project with their land and properties, while the LR agent provides the capital to cover the development costs (including costs incurred through project administration, demolition of the existing structures on the site, planning applications and/or lease modifications, design and construction of new buildings, and the provision of public infrastructure). For simplicity sake, let us assume that there is one property with one single owner (A) on the subject site. The existing value of the property is  $a$ . The total development cost is  $b$  which is

**Table 3:** The perceived importance of various types of participation for an LR project.

Participation in ... is important.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Valuation of original and new properties	125 (35%)	188 (53%)	41 (12%)	2 (1%)	0 (0%)
Site planning of new development	69 (19%)	97 (27%)	107 (30%)	76 (21%)	7 (2%)
Architectural design of new development	54 (15%)	89 (25%)	123 (35%)	78 (22%)	12 (3%)
Appointment of professionals and contractors	99 (28%)	142 (40%)	81 (23%)	32 (9%)	2 (1%)
Building management after redevelopment	78 (22%)	101 (28%)	142 (40%)	35 (10%)	0 (0%)

borne by the LR agent (B). Upon completion of the project, the two parties (i.e. the LR agent and the original owner) in the project share the value of the new property ( $V$ ) according to the value of their input. Mathematically, property owner A and LR agent B are entitled to shares which are equal to

$$V \times \frac{a}{a+b} \quad \text{and} \quad V \times \frac{b}{a+b}$$

respectively. The new share of property owner A is embodied in the new house returned. He or she is free to choose to either reside in the new house or sell it on the property market. For the property owner to earn a profit in the project, the product  $V \times a \div (a+b)$  has to be greater than  $a$ . The same logic applies to the LR agent's case. In brief, the profit yielded by a party depends on two factors: the value of the new property and the party's input share. As one can see, if the total development cost,  $b$ , increases, the share entitled by owner A will shrink while the share entitled by the LR agent B will inflate. Given that the LR project is profitable, LR agent B can 'cheat' by appointing its subsidiary contractor and paying an above-market project sum. In this case, the total development cost,  $b$ , rises and the agent's share of the project's outcome goes up. Therefore, the original owners have to make sure that a competitive tendering process is in place for contractor selection.

Comparatively speaking, fewer interviewees thought that their participation in site planning and architectural design were important in an LR project. When being asked about the hurdles or obstacles that would dissuade them to participation in an LR project, 231 interviewees (65%) thought that the absence of government support would certainly result in the failure of LR project. In the opinions of 189 interviewees (53%), an LR project will be hindered if the LR agent responsible for the project cannot convince the homeowners that it is credible and has a good faith in the partnership itself. The LR agent should thus be transparent and have effective communication liaisons with its counterparts, i.e. the homeowners.

## 5 Discussion and implications

From the survey findings, it is crystal clear that homeowners were upset by the conventional buy-out approach. Partnership arrangements, in which, the homeowners can have a stake and say is welcomed, indicating that the concept of LR is well-received by the local community. Yet, when the government develops a framework to facilitate LR in Hong Kong, some issues should be considered with due care beforehand. Firstly, other than social concerns, what the homeowners are most interested in are the economic benefits that they can receive

after the project, as indicated from the survey findings of this study. In this case, there should be a set of fair valuation rules and transparent mechanism for valuing properties. Otherwise, they may have a feel of being cheated by the LR agent or government. More preferably, an appeal system should be institutionalized for homeowners who have a grievance towards the LR agent's valuation.

Secondly, the homeowners affected by an LR project should be adequately consulted in various stages of the project. Roadshows and public forums should be organized to give stakeholders information regarding the project and collate views from different stakeholders towards the project. Homeowner representatives should be invited to attend regular meetings with the project team so that the homeowners know what is going on and have a chance to voice their concerns or objections during the course of the project itself. Thirdly, it is very important for the government to provide support such as public education, the establishment of advisory centres and set some rules and guidelines for the smooth running of LR projects. In general, to attract the community to voluntarily participate in LR projects, it is necessary to make people confident in the system.

## 6 Conclusion

LR builds up a participatory partnership between the redevelopment agent and homeowners. Theoretically, not only can LR reduce the homeowners' resistance to a redevelopment proposal, but can also minimize the disturbance to the social fabric of life. In this sense, LR can be regarded as a tool with which sustainable urban regeneration can be achieved. While LR has been extensively applied in different parts of the world, whether this technique can be used for urban redevelopment in Hong Kong has to be studied, as cross-border transplantation of policy or technique does not always work. In this study, the views of 356 homeowners, living in Kowloon City, Hong Kong towards LR were solicited via a structured questionnaire survey. The survey findings suggest the respondents preferred LR to cash compensation and non-in-situ re-housing. Meanwhile, participation by the affected owners in various stages of the LR process was regarded as important. In addition, the implementation of LR cannot be successful unless the government offers adequate support to the homeowners. These findings provide public administrators with valuable insights into how to make urban redevelopment smoother and sustainable in Hong Kong.

Serving as a preliminary investigation of the acceptability of LR in Hong Kong, nonetheless, this study targeted the homeowners in one old district in Hong Kong only. Further studies covering other districts are suggested in order to iron out the

potential location bias. Similarly, opinions were sought from homeowners but in reality, there are many other stakeholders such as building professionals, developers and public administrators, involved in urban regeneration. Furthermore, the extensibility of the results of this study to other cities is perhaps one of the research limitations. Urban systems are complex and dynamic, and thus policies workable in one place have little relevance to the others due to cultural, economic and legal differences (Roberts, 2000). It is therefore worthwhile conducting research to explore the acceptability of LR in other cities.

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