

MIPIIM Asia 2016

“Real Estate Disruption: Take A Step Ahead” A Hong Kong Case: Energizing Kowloon East

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The Government of the Hong Kong Special Administrative Region

29 November 2016

Announced in October 2011, Energizing Kowloon East (起動九龍東) represents a new approach to increase office supply to sustain Hong Kong's economic growth.



What is Energizing Kowloon East?



1960s

Kai Tak Airport and industrial areas in the vicinity in **1960s**



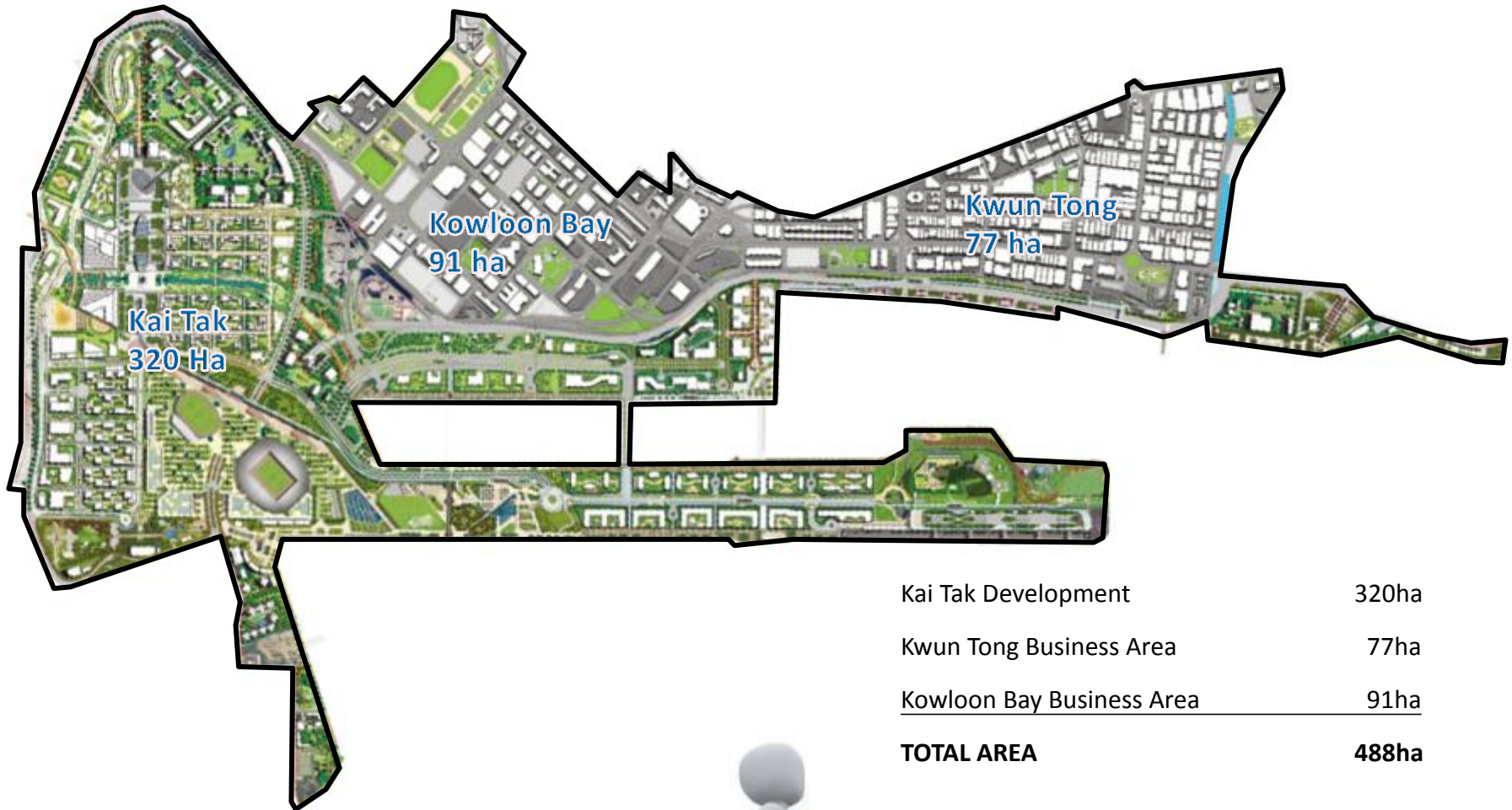
2011

Kowloon East
(Kai Tak Development Area, Kwun Tong and Kowloon Bay)



Today

What is Energizing Kowloon East?



Working Population

2012: 246,000

2016: 270,000

What is so “disruptive” about Energizing Kowloon East?

- A **visionary**, **co-ordinated** and **integrated** approach with **strong policy advocacy** adopted by Government (whilst upholding free market economy) to expedite the transformation of Kowloon East into Hong Kong's 2nd CBD



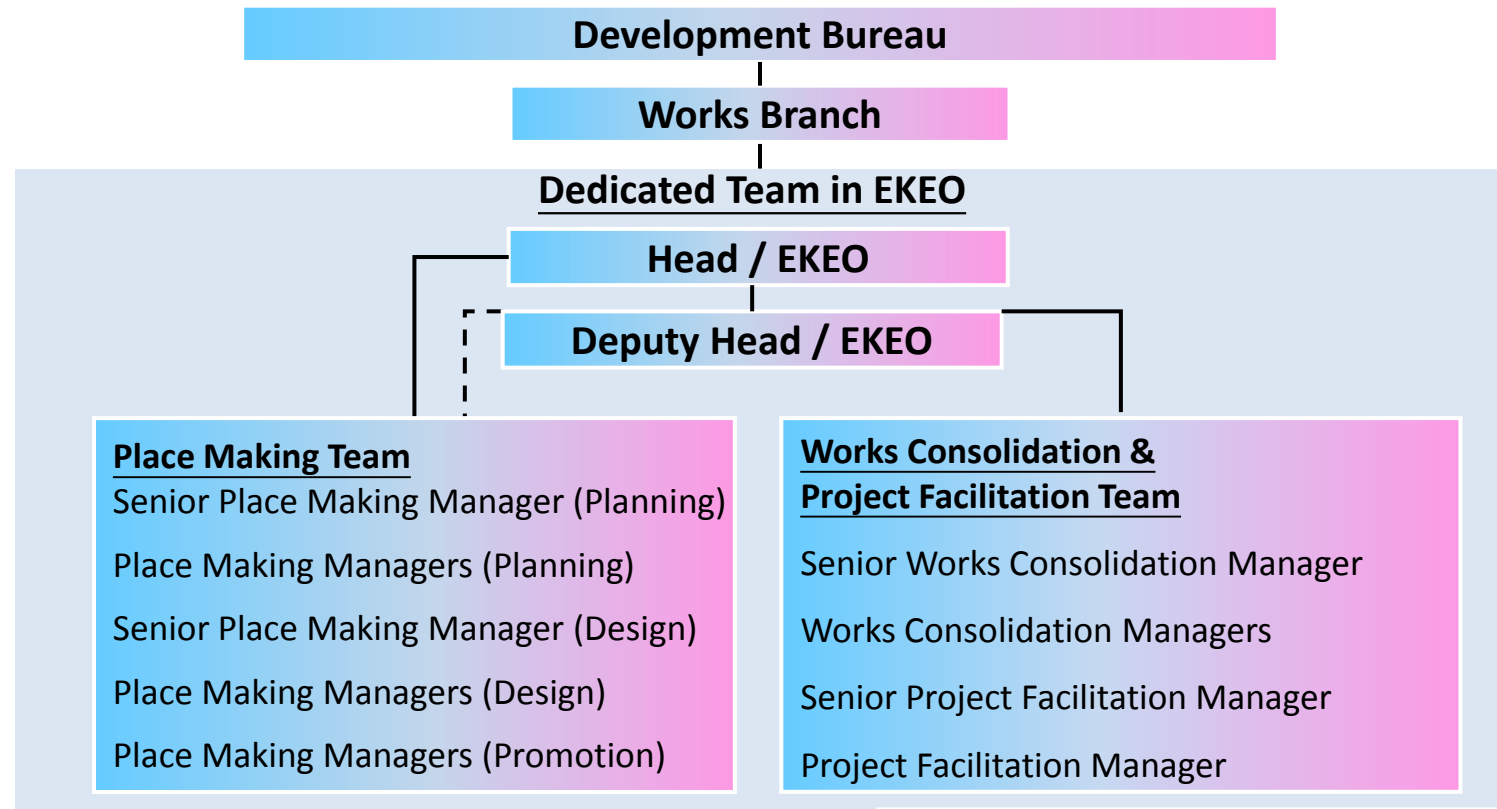
What is so “disruptive” about Energizing Kowloon East? (cont'd)

- A **holistic**, **innovative** and **creative institutional framework** that overcomes conventional division of responsibilities in Government
- Energizing Kowloon East Office (EKEO) –
A multi-disciplinary team established in June 2012 to steer and facilitate the transformation



What is so “disruptive” about Energizing Kowloon East? (cont'd)

- A **holistic**, **innovative** and **creative institutional framework** that overcomes conventional division of responsibilities in Government



Town planners, architects, engineers, landscape architect, surveyors, supporting technical & administrative staff

- Policy formulation & refinement
- Land use reviews
- Urban design
- Infrastructure
- Building development
- Smart City development
- Project facilitation

What is so “disruptive” about Energizing Kowloon East? (cont'd)

- A **willingness** and **capacity** to **facilitate private sector development** in line with EKE's vision



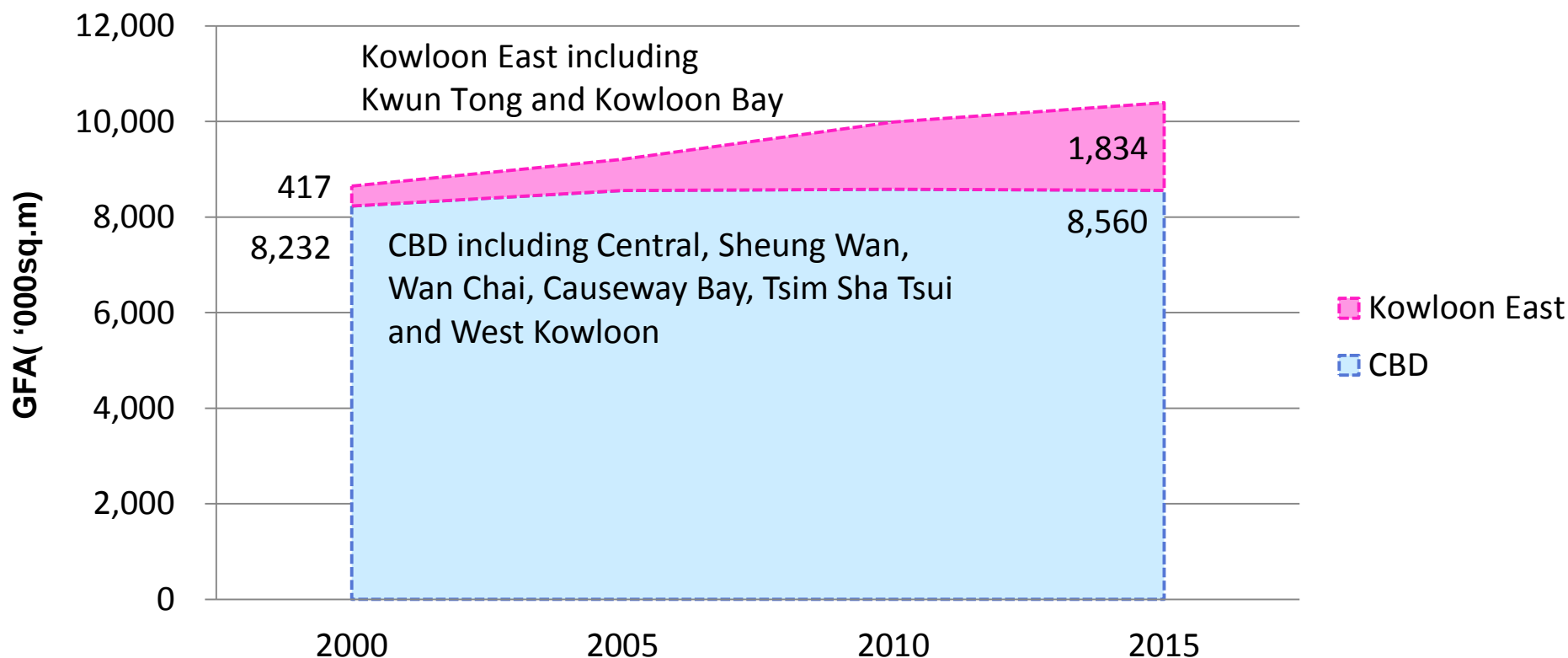
What is so “disruptive” about Energizing Kowloon East?(cont'd)

- A **mandate** to deliver “**quick wins**” to instil **confidence** and involve the community to create
 - Quick-wins: enhancing connectivity and improving walking environment



Office Supply in CBD and Kowloon East

- Between 2000 and 2015, CBD office stock rose from about 8.2 million m² to 8.6 million m² **(+ 4%)** whereas **Kowloon East stock rose** from about 0.4 million m² to 1.8 million m² **(+340%)**
- Between 2011 and 2015, CBD office stock (m²) in **Kowloon East increased** from 1.4 million m² to 1.8 million m² **(+29%)**



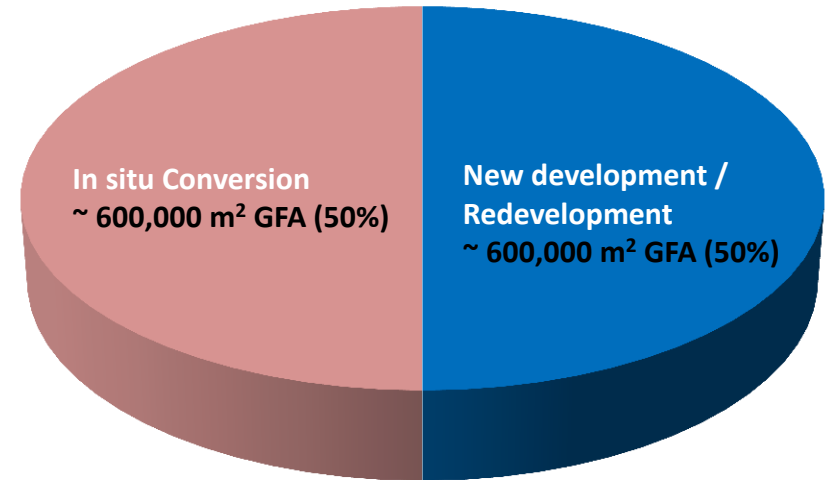
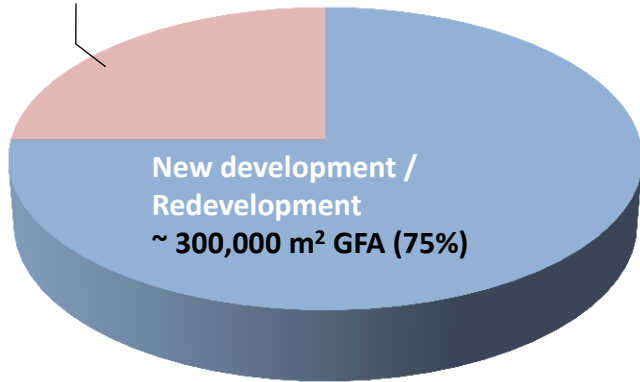
(Source : Property Reviews of Rating and Valuation Department)

Office Supply in CBD and Kowloon East (cont'd)

From 2011 to 2015,
Kowloon East office stock rose
from 1.4 million m² to
1.8 million m² (**+0.4 million m²**)

By end 2021,
Kowloon East office stock is estimated
to reach 3 million m² (**+1.2million m²**
from 1.8 million m²)

In situ Conversion
~ 100,000 m² GFA (25%)



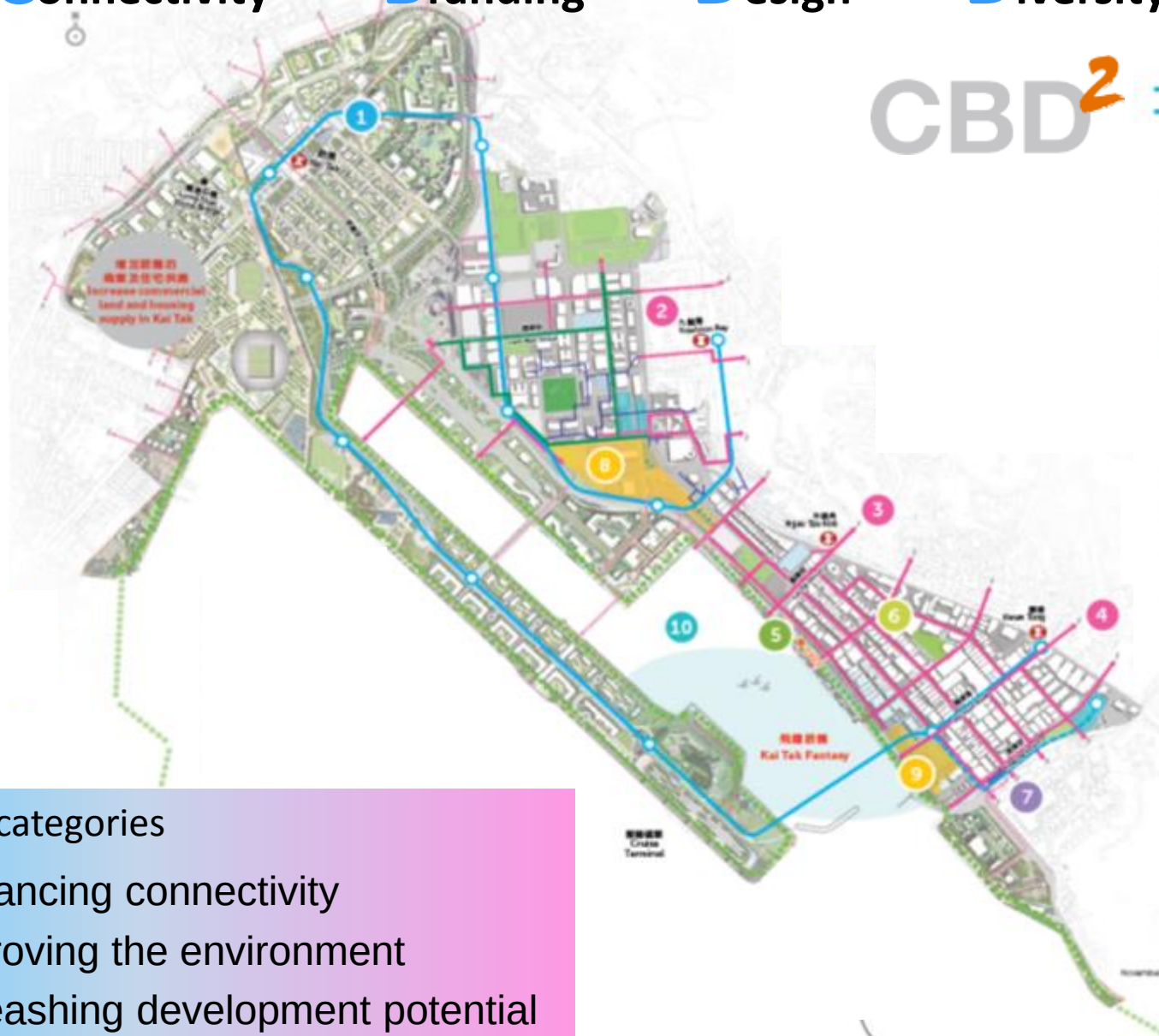
KE has the **potential** to provide additional commercial/office
floor space of **about 5 million m²**

Connectivity

Branding

Design

Diversity



Three main categories

- (1) Enhancing connectivity
- (2) Improving the environment
- (3) Unleashing development potential

Enhancing Connectivity

- Comprehensive Pedestrian Networks
 - Walkable Kowloon East



建議主要走廊
Proposed major corridors

現有行人天橋/行人隧道
Existing footbridges / subways

現有經大廈的行人通道
Existing passageways through buildings

建議行人天橋/行人隧道
Proposed footbridges / subways

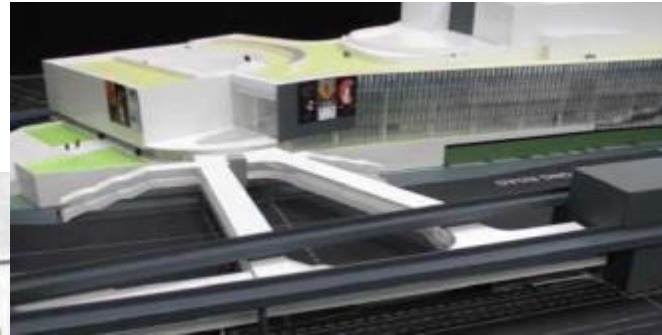
建議經大廈的行人通道
Proposed passageways through buildings

現有後巷
Existing back alleys

綠化空間
Green space

Enhancing Connectivity (cont'd)

- Medium- and Long-term Improvements
 - Using Kowloon Bay and Kwun Tong Business Area as pilot area to encourage private developers to provide pedestrian links through waiving the land premium for lease modification



Conceptual Master Plan of Kowloon East



Promenade Planning & Design



Cycle Track Network



Improving the Environment

- Greening & face-lifting
 - Energizing Hoi Bun Road – Green Operation
 - Green Trail



Improving the Environment (Cont'd)

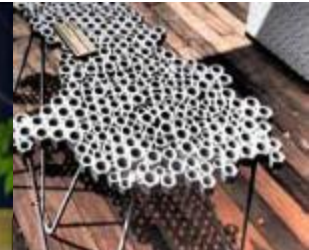


Face-lifting of Tsun Yip Street Playground

Tsui Ping River & Garden



Industrial culture design elements

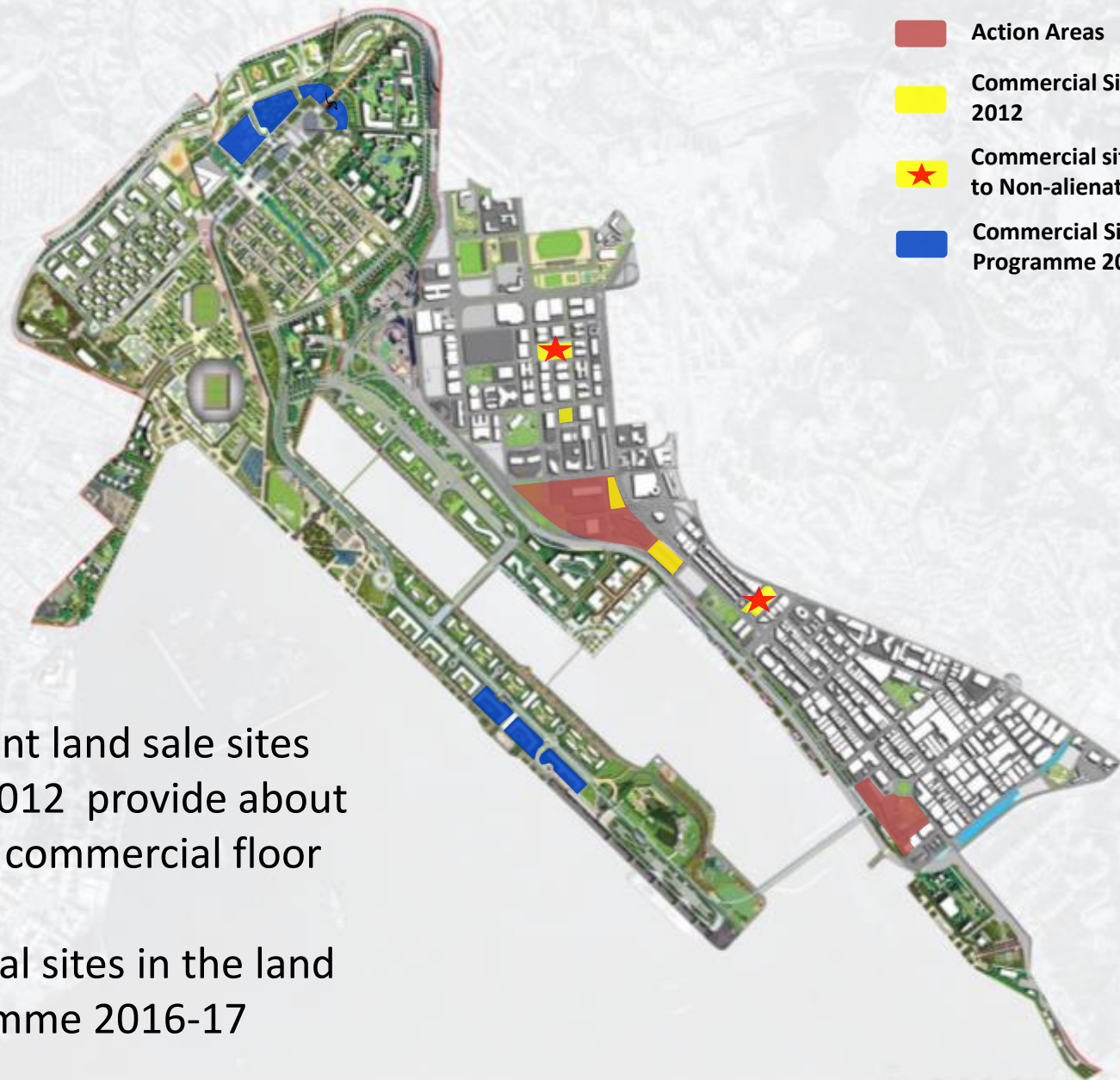


Improving the Environment (Cont'd)

- Promotion of low-carbon and green buildings



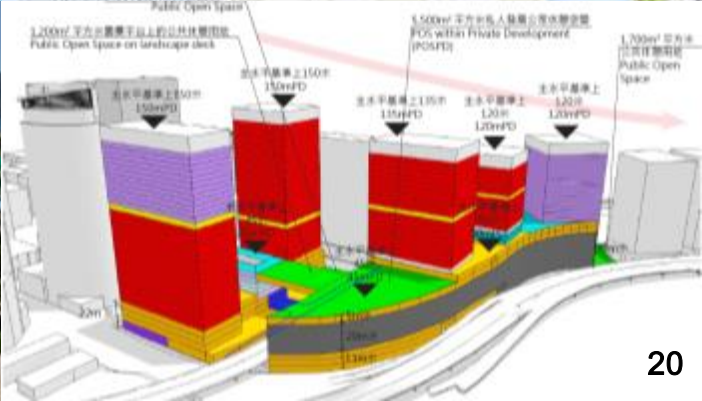
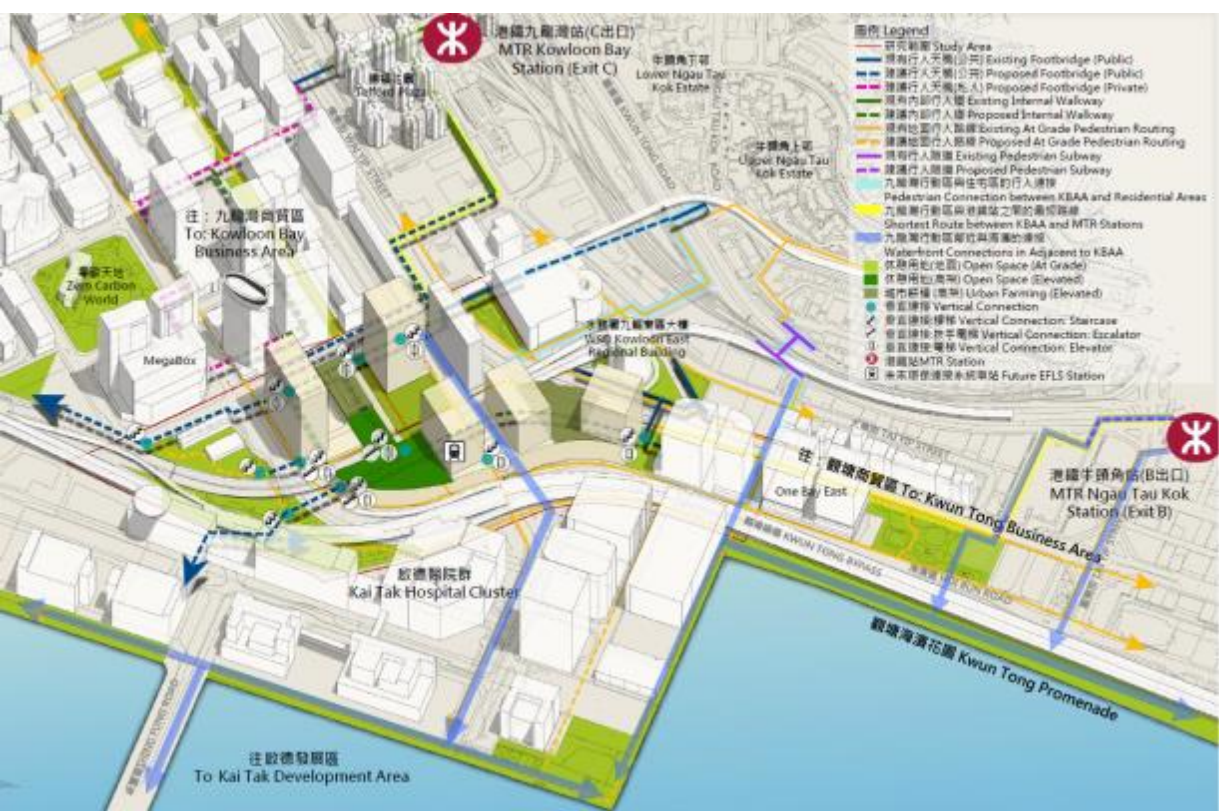
Unleashing Development Potential



- 5 government land sale sites sold since 2012 provide about **270,000 m²** commercial floor space
- 6 commercial sites in the land sale programme 2016-17

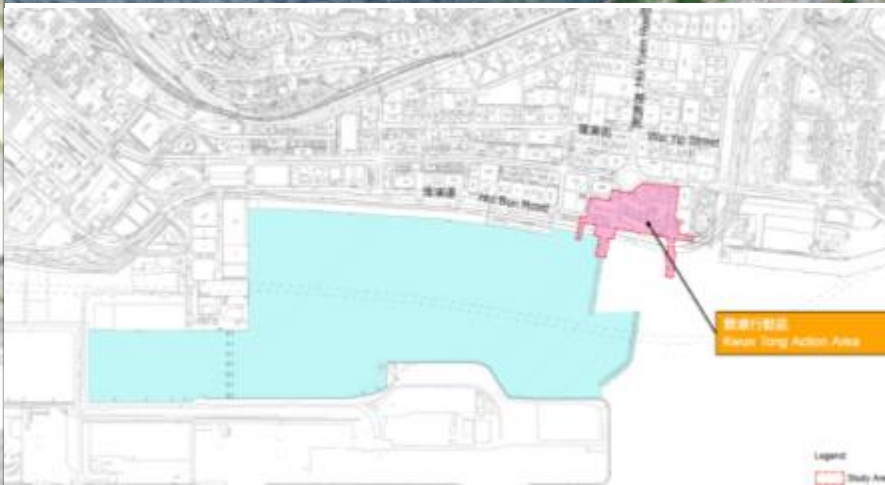
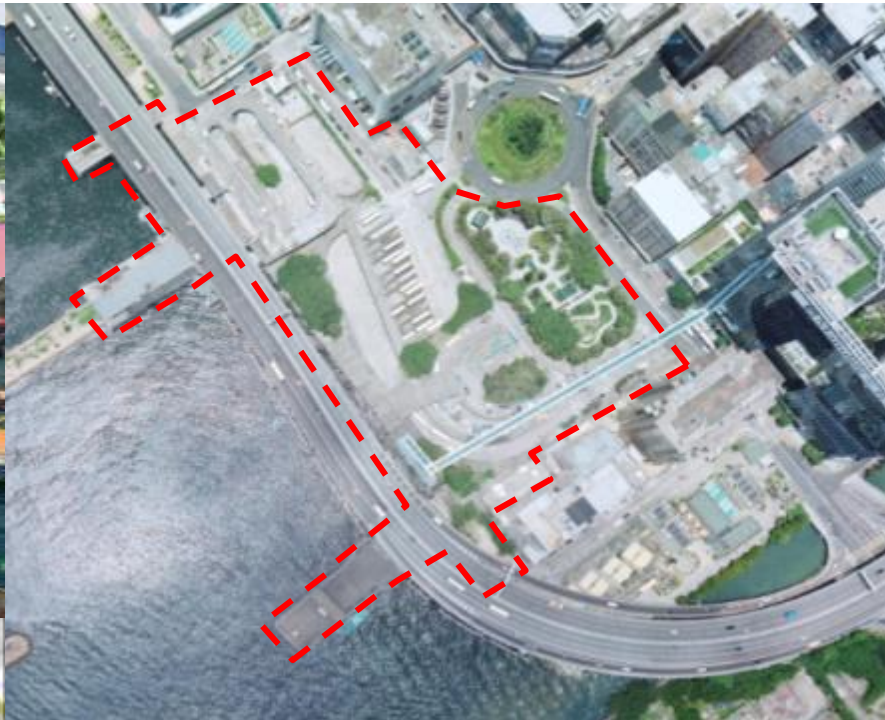
Unleashing Development Potential (Cont'd)

- Kowloon Bay Action Area



Unleashing Development Potential (Cont'd)

- Kwun Tong Action Area



Unleashing Development Potential (Cont'd)



Runway Tip



Quick-wins



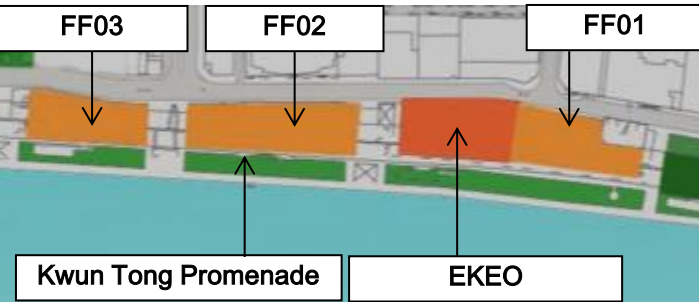
The “Unexpected”: Adding Value to Energizing Kowloon East

- Place-making
 - Over **175** community-organised events since 2013
 - Over **550 000** participants
 - Wide variety of events: performances, exhibitions, family fun days, running and carnivals



The “Unexpected”: Adding Value to Energizing Kowloon East

- Place-making (cont'd)
 - "Fly the Flyover Operation"



The “Unexpected”: Adding Value to Energizing Kowloon East

- Local and Overseas Engagement



The “Unexpected”: Adding Value to Energizing Kowloon East

- Local and Overseas Engagement (Cont’d)
 - Over **440** briefings, seminars, workshops, forums, conferences, exhibitions and visits organised since June 2012
 - Over **12 500** participants
 - Visitors/delegations from the **Mainland** and **24 countries**



The “Unexpected”: Adding Value to Energizing Kowloon East

- Moving towards Smart City : Challenges & Constraints

CBD2



Kai Tak
Development area



Creation of synergy



Blending of
old and new



A tourism hub



Opportunities in KE

Traffic congestion



Frequent Curbside activities



Environmental pollution



Crowded pedestrian environment



The “Unexpected”: Adding Value to Energizing Kowloon East

- Moving towards Smart City : Concept Trials Being Considered



Endorsers

“We appreciate that it takes time to fully transform this area, and we take pride in being one of the first to set foot here.”

- Weber Lo, Citi Country Officer & Chief Executive Officer,
Hong Kong and Macao, November 2016

「自從政府於2011年10月公布『起動九龍東』 至今接近4年，東九龍面貌逐步轉變，朝著另一個核心商業區目標邁進。」

- 香港商報 - 九龍東甲廈身價漲升（2015年5月13日）

“Kowloon East will therefore become an increasingly important and viable location for large companies looking to secure large office spaces for their operations.”

- HK Infrastructure Outlook - When East Meets West published by CBRE, July 2015

「政府提出的『起動九龍東』計劃，是回歸以來僅見具備長遠思維的大型城市規劃，視野之廣闊、計劃之周詳、工作之效率，同屬罕有。」

- 信報 - 優越核心商業區亟待拓展（2011年10月14日）

“Kowloon East is becoming an increasingly enticing office location for tenants as the real estate market continues to diversify, encouraged by the government's policy on energising Kowloon East.”

- Gavin Morgan, Chief Operating Officer & Head of Leasing at JLL Hong Kong, May 2015

Kowloon East

An Ideal Place to Live, Work and Play



My Association with MIPIM Asia



MIPIM Asia 2008



MIPIM Asia 2009



MIPIM Asia 2010



MIPIM Asia 2011



MIPIM Asia 2011



MIPIM Asia 2013



MIPIM Asia 2015