**Housing Rehabilitation and Redevelopment in the Urban Renewal Process - A Cost Benefit Analysis in the Context of Hong Kong**

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**Research project funded by Public Policy Research Institute (PPRI) of The Hong Kong Polytechnic University**

**Background**
For decades Hong Kong has been facing massive problem of urban decay. In the face of rapid deterioration of urban fabric, with the exception of public housing sector, government involvement in urban renewal had been neglected until the establishment of the Land Development Corporation (LDC) in 1988 and the Urban Renewal Authority (URA) in 2001 to replace LDC (Ng et. al., 2001). In a more affluent society like Hong Kong, people started to concern more about their quality of life. As a result, the demand for a better quality of living has risen. In response to this demand the URA is committed to create quality living to enhance quality of life by urban renewal. But the trend in urban renewal during the past decades suggests mainly profit-driven and physical change oriented approach, without given much attention to the existing community well being. Over the past few years, there have been some major changes in the direction of urban renewal. To make a decision whether a building should be redeveloped, or otherwise, one has to figure out the possible profit level that can be obtained. This is the most important topic for any redevelopment decisions. However, there are a number of things which are likely to be neglected. The social-political effects usually lie on the reactions of people, in particular, those who would be affected, towards such projects. What redevelopment brings to the environment would be another topic to consider as well. To facilitate the review of the Urban Renewal Strategy (URS), a research study on the cost benefits of housing rehabilitation and redevelopment is required. Therefore, this research will provide a comprehensive picture of the costs and benefits of building rehabilitation and redevelopment in the urban renewal process of Hong Kong.

**Significance of the Project**
This study looks into the subject about urban renewal in Hong Kong thoroughly and seeks to provide an overview of factors affecting the choice of housing rehabilitation and redevelopment in Hong Kong. By adopting both qualitative and quantitative assessment, the study will contribute to a better understanding of the key issues that determine the success of the rehabilitation and the redevelopment in the urban renewal process and provide insights into the future direction of urban regeneration in achieving urban renewal objectives.

**Aims and Objectives**
The aim of this project is to provide a comprehensive picture of the costs and benefits of housing rehabilitation and redevelopment in Hong Kong as well as analyse the costs and benefits of these two different modes. The objectives can be summarized as follow:

1. To explore and investigate the factors affecting housing rehabilitation and redevelopment in the urban renewal process.
2. To assess the social-political, financial, economic and environmental costs and benefits of housing rehabilitation and redevelopment.
3. To assess the effectiveness of housing rehabilitation and redevelopment in achieving urban renewal objectives.
4. To compare the costs/benefits/contributions of rehabilitation work and those of redevelopment work.

**Outcome and Deliverables**

By making comparisons between, mostly, costs and benefits of rehabilitation work and redevelopment, it gives a clearer idea of the decision-making process of developers. The research will help to work out under what circumstances redevelopment work is better, than rehabilitation work or vice versa. Since age does not seem to be a prominent determinant in deciding whether redevelopment or rehabilitation work should be done, then what are the reasons behind the different choices? Such comparisons would provide some insights into the selection process, from a financial standpoint.

**Benefits to Community / Government**

The research output will facilitate the government in Hong Kong in decision making based on the cost benefit analysis of the two different modes of the urban renewal process as well as assist private developers when considering redevelopment projects. Moreover, the study will help to provide general guidelines in the area of the urban renewal process and facilitate a more comprehensive approach for urban renewal in Hong Kong.