HKIS Annual Conference 2011

Central Business Districts in Hong Kong: Today and Tomorrow

Decentralization of CBD in Hong Kong -- Why? What? How? and When?

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Central Business District

Definition

- Central district of a city
- Business and financial center
- Commercial and geographic heart
- Grade A office buildings
- High-end retail

Differentiation

- Central Business District
  - Central, Wanchai and Admiralty

- Commercial Business District
  - Causeway Bay, Mongkok

- Secondary Business District / Sub-CBD
  - Small business district developing
  - Close to the central business district
  - Quarry Bay, Kowloon East

Central Business District

Major Characteristics

- High accessibility
- High land cost
- High development density
- High living cost
- Presence of tall buildings
- Major commercial activity
  - Bank headquarters
  - Financial firms
  - Multi-national corporations
  - Professional services

Central Business District

Secondary Characteristics

- Large public buildings
- Town hall and government buildings
- Specialist shops and high end shops
- Small resident population
- Office buildings
- High pedestrian movement
- Maximum parking restrictions.

Case Study -- London

- Central Activities Zone and Canary Wharf
- 1.5 million jobs
- 2% London's land space
- job size = whole of Greater Manchester
- Global financial centre
- 43% of UK Financial Services
- Top global law firms
- Home to 300k residents

Case Study – New York

- Financial capital
- Home of NY Stock Exchange
- Trading activities since 1640s
- Global hub of commerce, finance, art, fashion, technology, education, media
- United Nations Headquarters
- Trading activities since 1640s
- Highest mass transit use in U.S.

Case Study -- Beijing

- Eastern part of city centre
- Planned area of 4 sq km
- Multi-service central business district
  - Finance, information, consulting, commerce, cultural, business office
  - Along East Third Ring
- Evolution of tenant mix in past decade
  - 50% prime offices
  - 23% high end apartments
  - 16% five star hotel
  - 11% prime retail property

Case Study – Hong Kong

- Trade and financial activities since 1840s
- Multinational financial services
- Financing, consulting, accounting, law
- Government headquarters

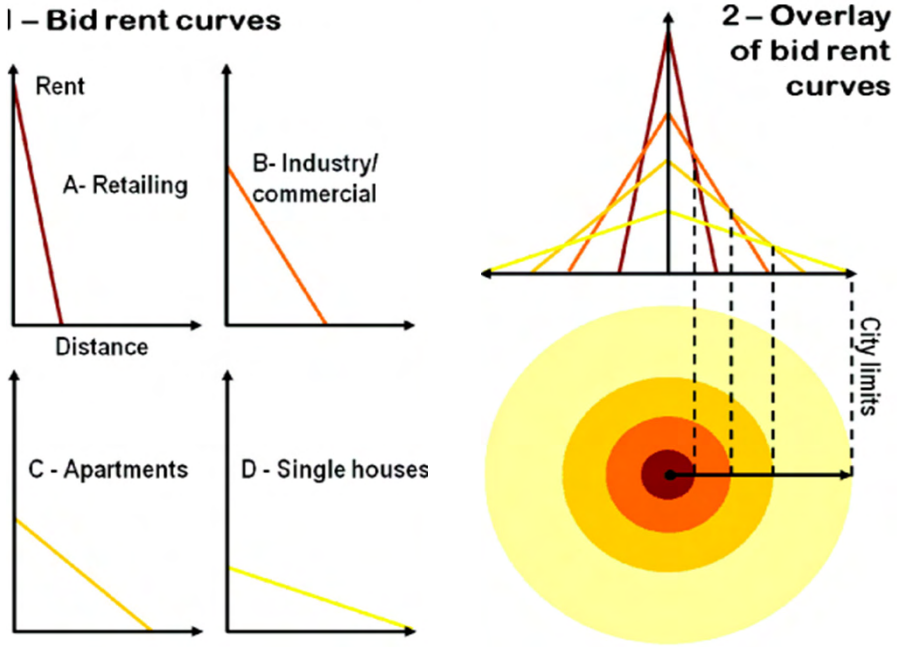
- Financial hub
  - Exchange Square
  - International Finance Center

- Bank headquarters
  - Bank of China
  - HSBC
  - Bank of East Asia
  - Hang Seng Bank

Bid Rent Theory

- Bid Rent
  - the amount land users willing to pay

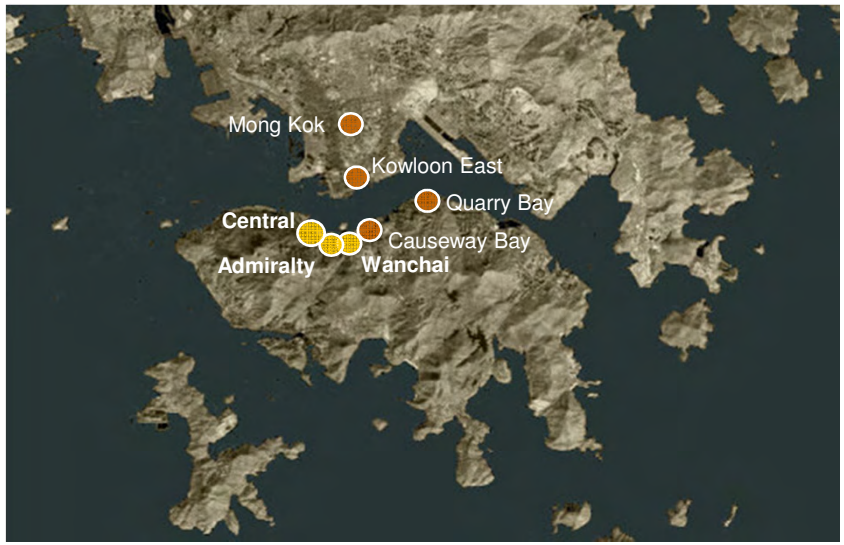
- Bid Rent Curve
  - the more accessible the land
  - the more expensive is the land



Distribution & Location of Hong Kong CBD

- Historical CBD
  - Central
  - Admiralty and Wanchai extension

- Secondary CBD/Sub-CBD
  - Quarry Bay
  - Causeway Bay
  - Mongkok
  - Kowloon East



Transformation of Hong Kong CBD

- Tenant mix
  - Only finance, insurance, consulting still stay in Central

- Spatial structure
  - Affect land use and zoning plan
  - Zoned as commercial area
  - More open space
  - GIC introduced

- 12-24 hours operation
  - Entertainments provide a high-end, all-day active CBD
  - Lan Kwai Fong, Lockhart Road etc

Historical CBD

- Reflect city's history
- Formed from early British Settlement
- Known as part of Victoria City

- Tall office buildings and high end retail
  – Landmark, IFC Mall, Prince's Building.

- Extension
  - Admiralty and Wanchai
  - Restaurants & pubs in Lan Kwai Fong and Soho

- Financial institutions and headquarters
  - HSBC, BOC, Standard Chartered Bank

- Government headquarters
  - Government Hill

- 5-star hotels
  - Mandarin, Landmark, Conrad

- Open space and community facilities
  - Statue Square, City Hall

Historical CBD – Kwun Tong

- Major industrial area since 1950s
- Transportation Hub
- Major redevelopment

- Extension
  - Lion Rock on north
  - Lei Yu Mun on south

- Local attractions
  - Yue Man Square
  - apm Millenium Mall

- Public housing estates
  - Ngau Tau Kok Estate
  - Ping Shek Estate
  - Tsui Ping Estate
  - Wan Hon Estate

New CBD – West Kowloon

- Response to HK economics growth
  - Mainland connection
- Transportation and accessibility with Mainland XRL
- XRL Terminal
  - linked to Airport
  - Airport Express Rail
  - Highways

New CBD – West Kowloon

- Long-term development
- Marked by tall building ICC

- High end retail store
  - Elements

- Extension
  - merge with TST area retail, hotel, and restaurants

- High-end restaurants
  - TST and Element retail centre

- Financial institution and headquarters
  - Deutsche Bank, Morgan Stanley

- High end residential building and hotels
  - W-Hotel and Ritz Carlton Hotel

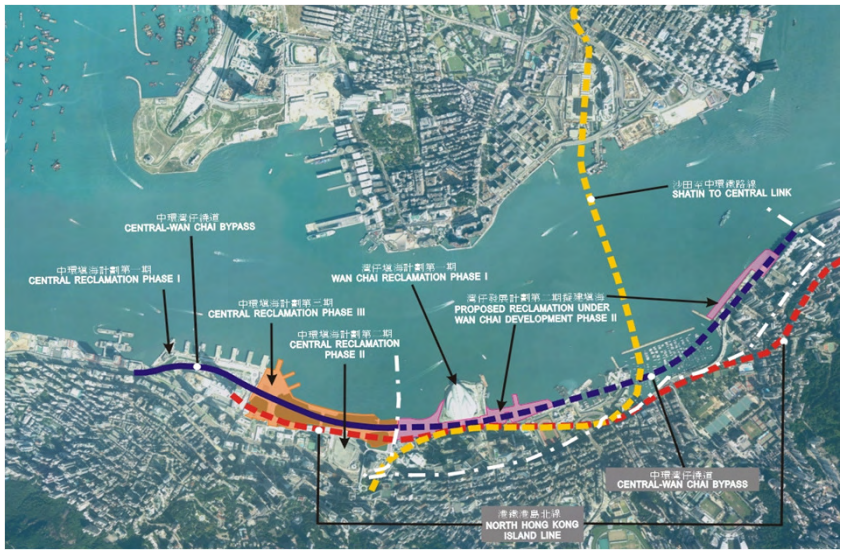
- Open space and community facilities
  - Future West Kowloon cultural complex

Development of Historical CBD – Brown Land

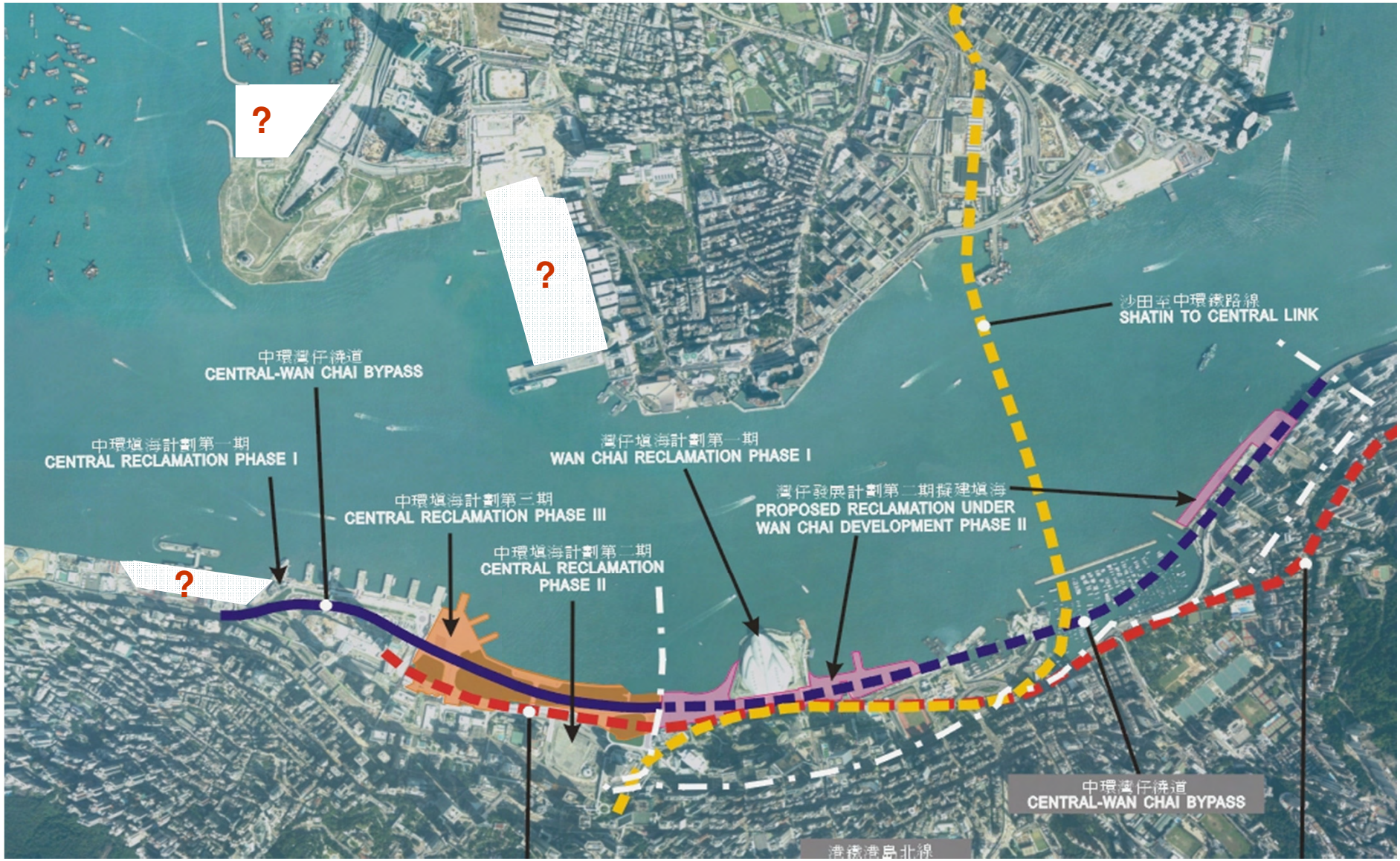
- Limited by supply of new land
- Rely on “Brown Land’
- Extension by urban renewal
- Re-development of existing site

CBD Development – White Land

- New CBD rely on new land
  -- “White Land”
- Reclaimed from the Victoria Harbour
- Well planned transport system
- Zoning of land use can be controlled



CBD Development – White Land



Urban Renewal – Wan Chai Re-Development

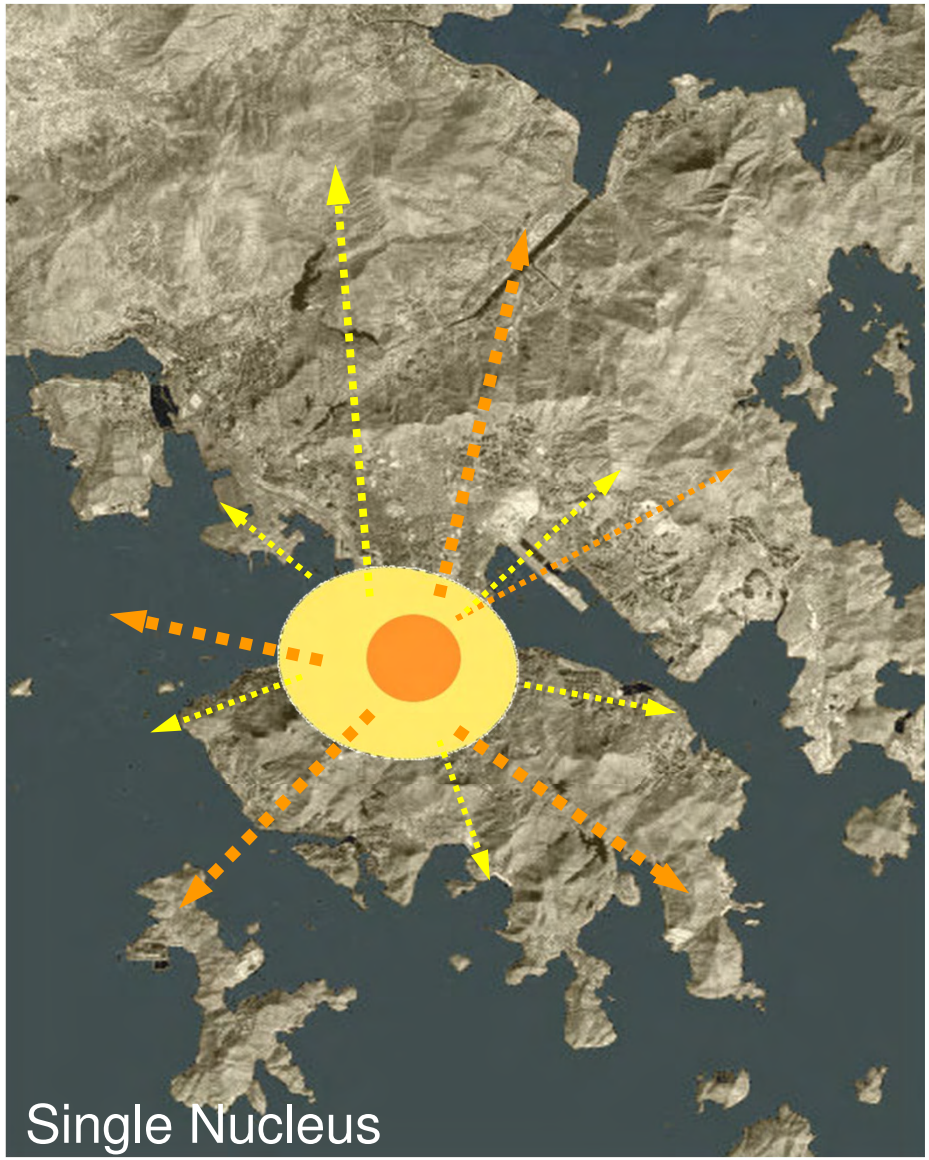
- Consolidating historical CBD
  - Make available sites by redevelopment
  - Proposed sites at new Central harbourfront through reclamation
  - To redevelop inefficient site
    e.g. Bus terminal, car park, etc.
  - Upgrade quality of existing facilities to meet the current demand

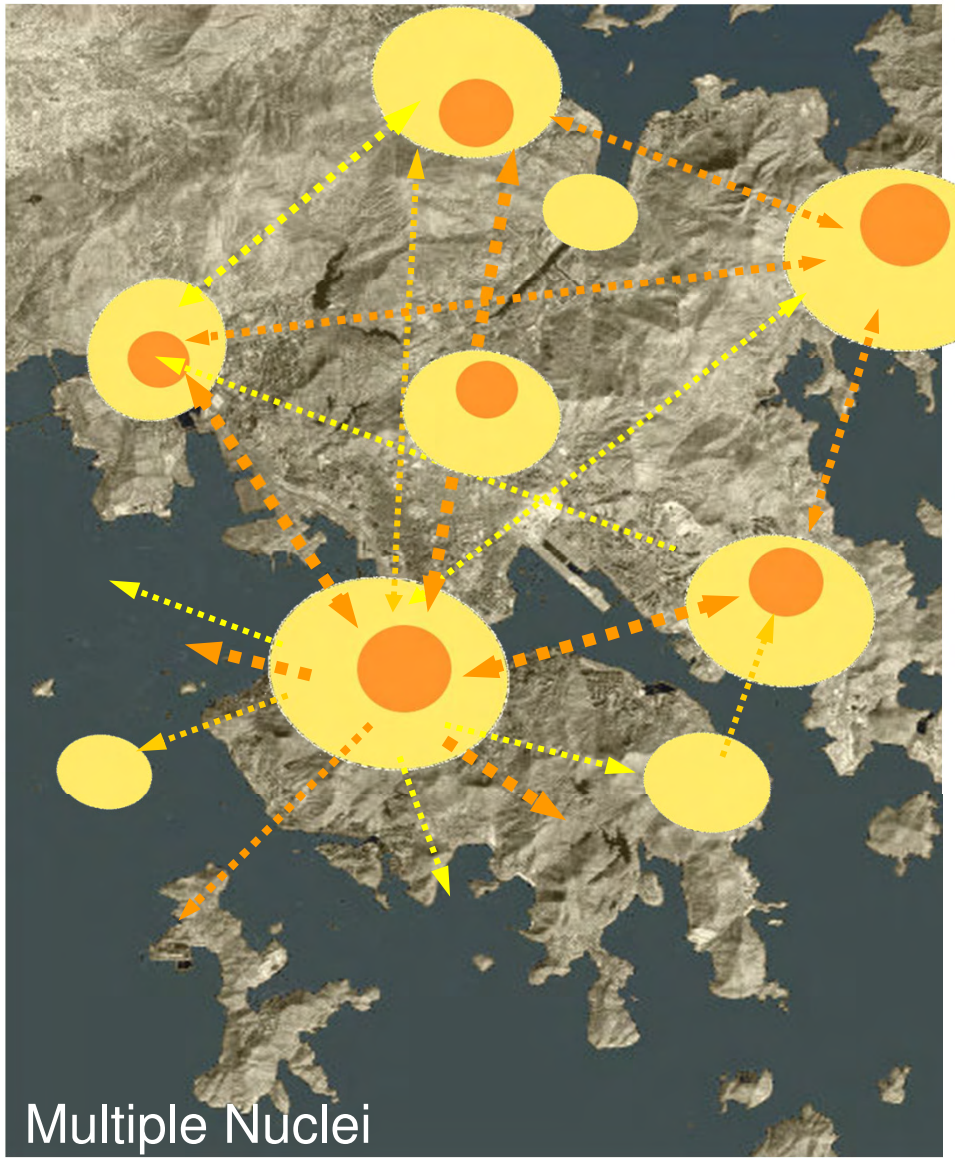
- Free up space not requiring prime location. Propose government accommodation in Sub-CBD.

Nodes Outside CBD

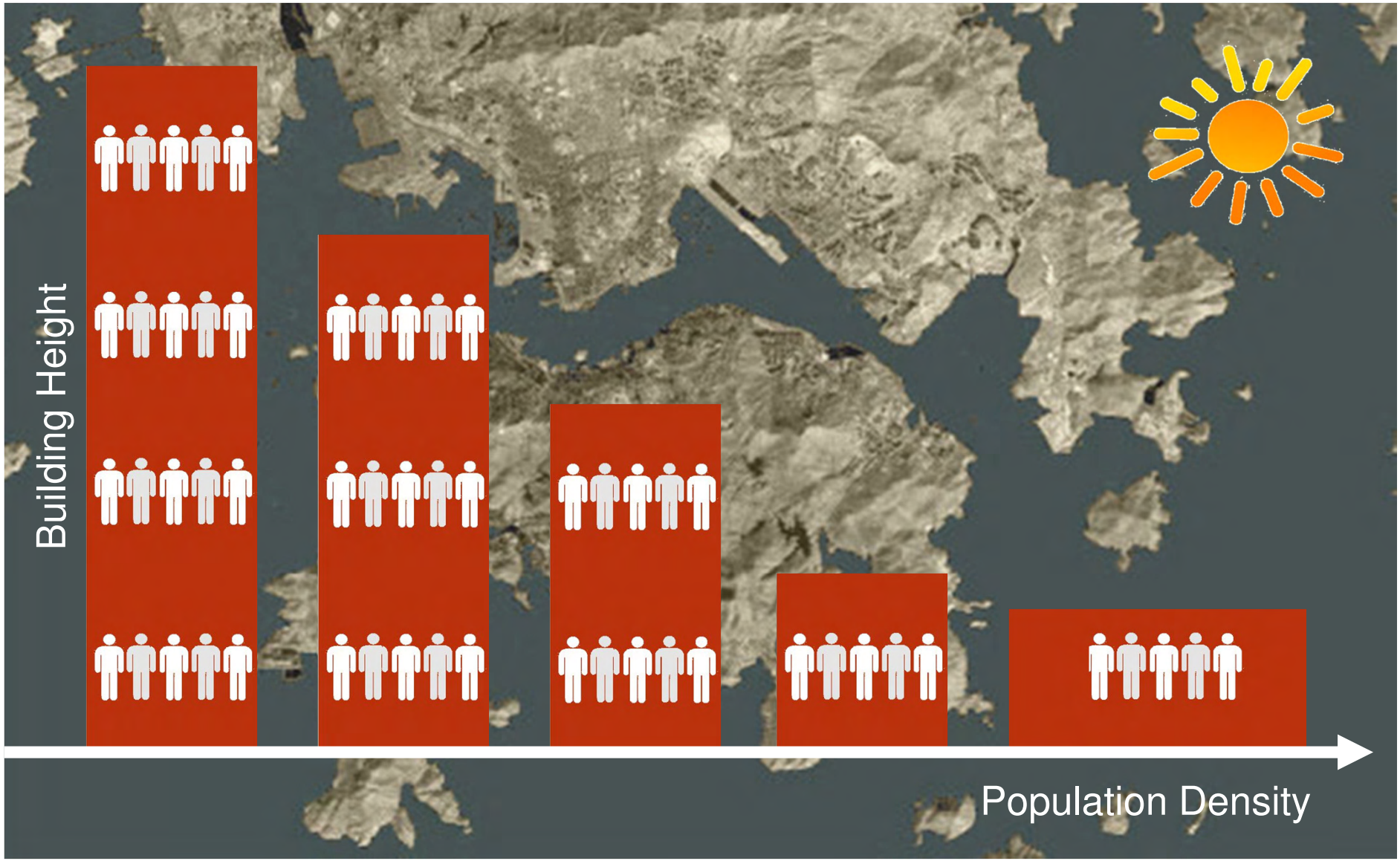
- One “center” → Multiple “nuclei”
- Develop property in Tsimshatsui, Kwun Tong, Kowloon Bay, Quarry Bay into Office Nodes
  - Enhance cluster communications
- Located at transportation hub
  - convergence of three existing and planned railways
  - Appeal to companies with strong business ties with Mainland
- Reclamation provides opportunities to turn into another CBD.

New Era of CBD – Multiplication

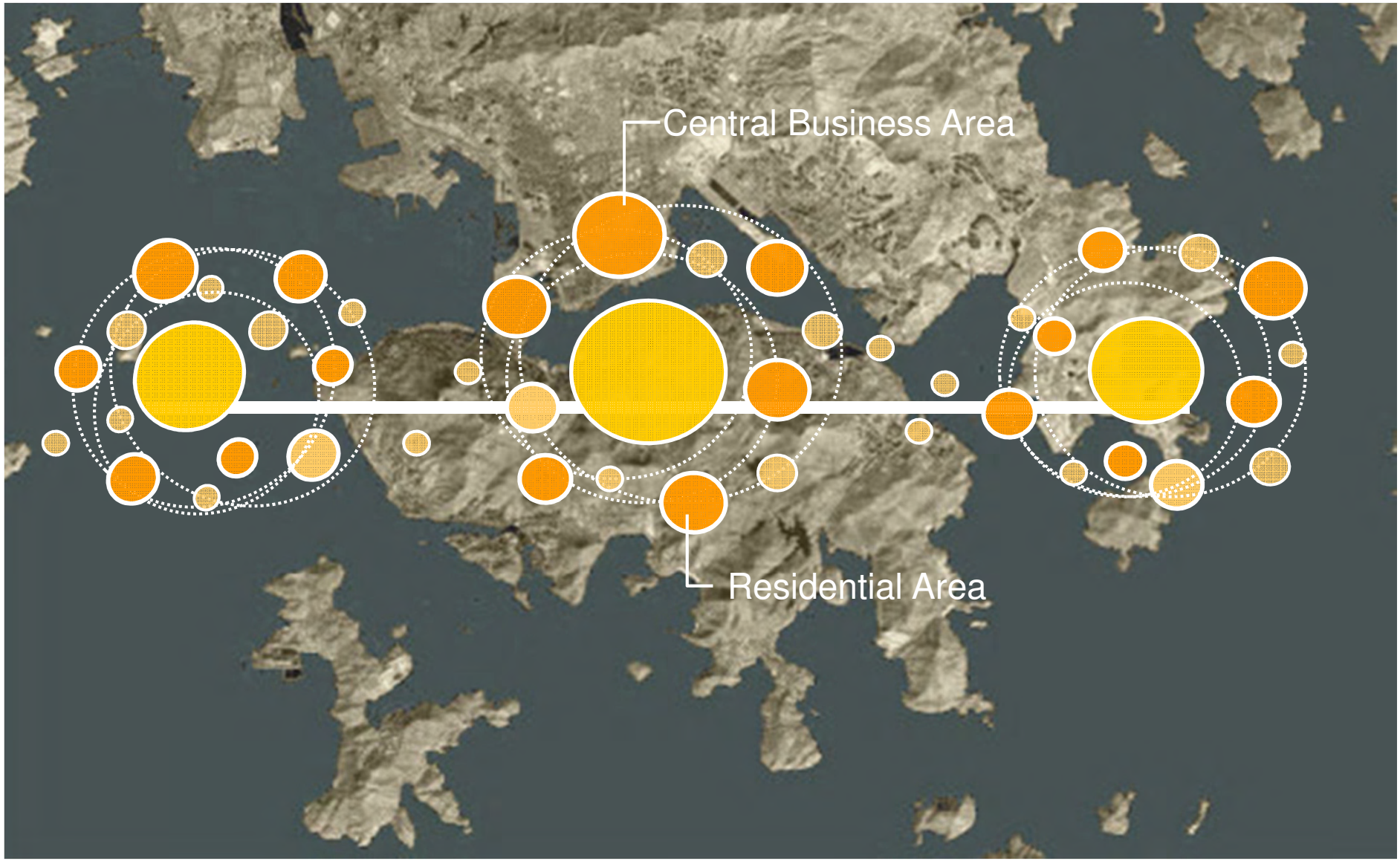




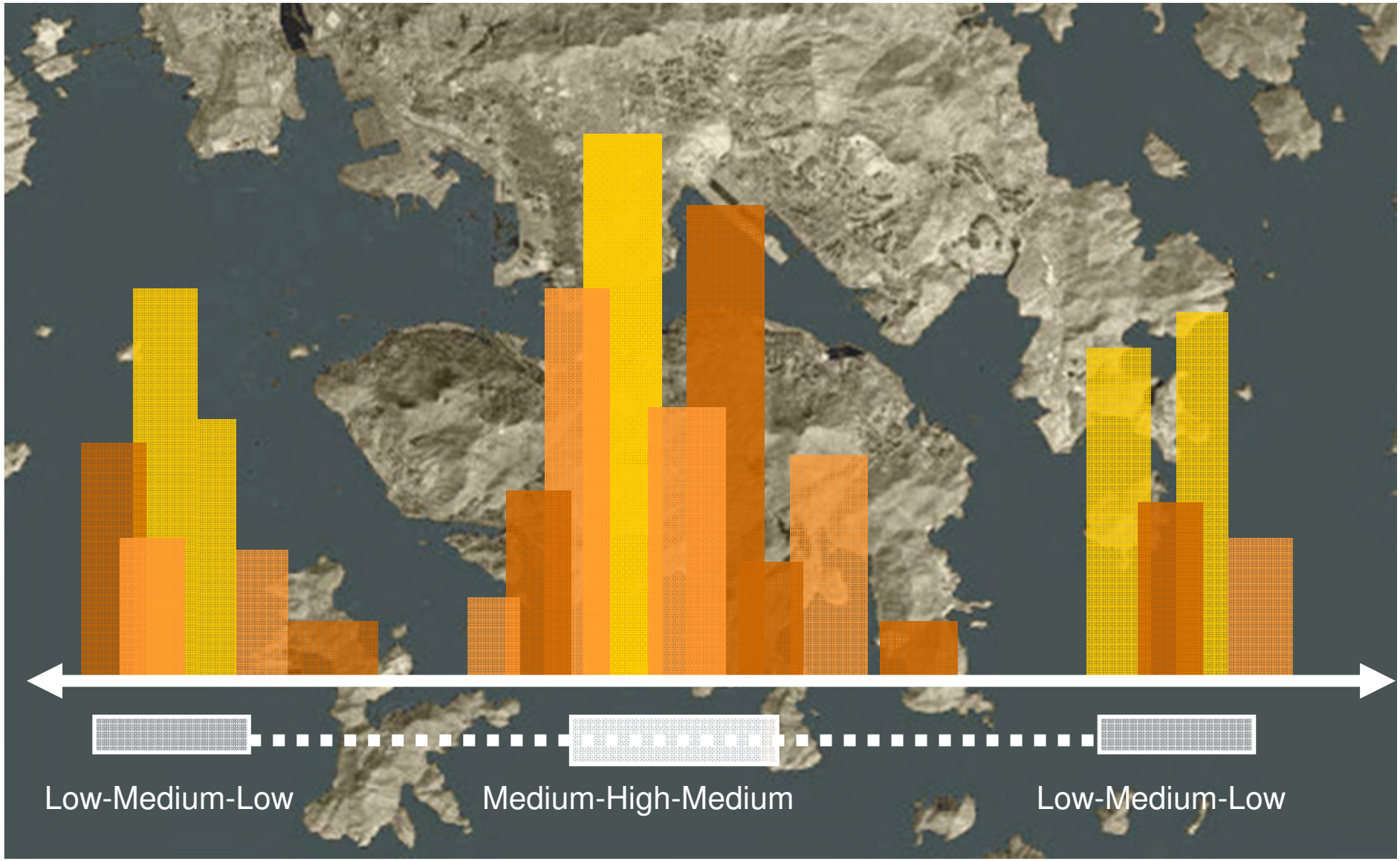
New Era of CBD – Density Re-thinking



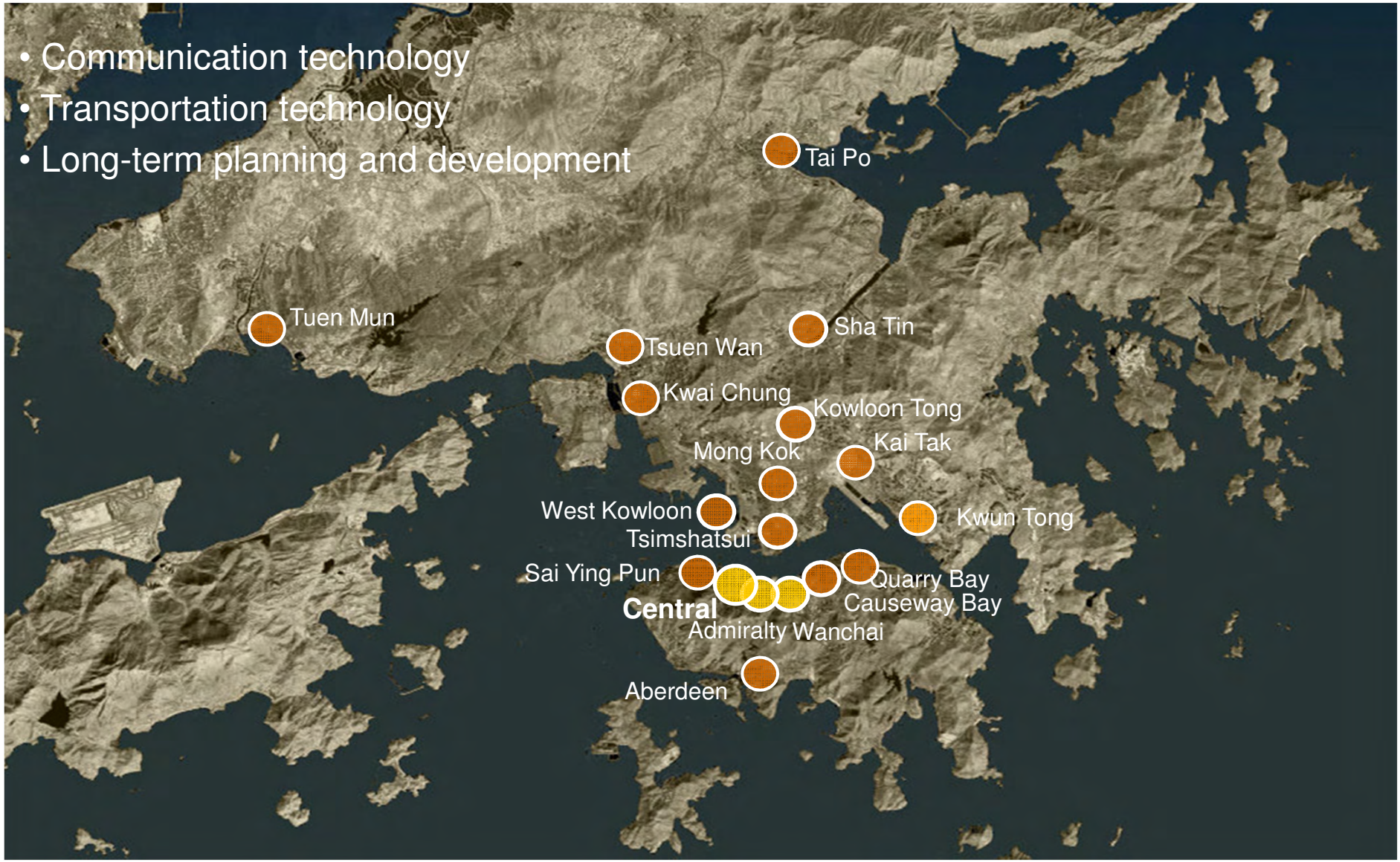
New Era of CBD – Work Life Balance



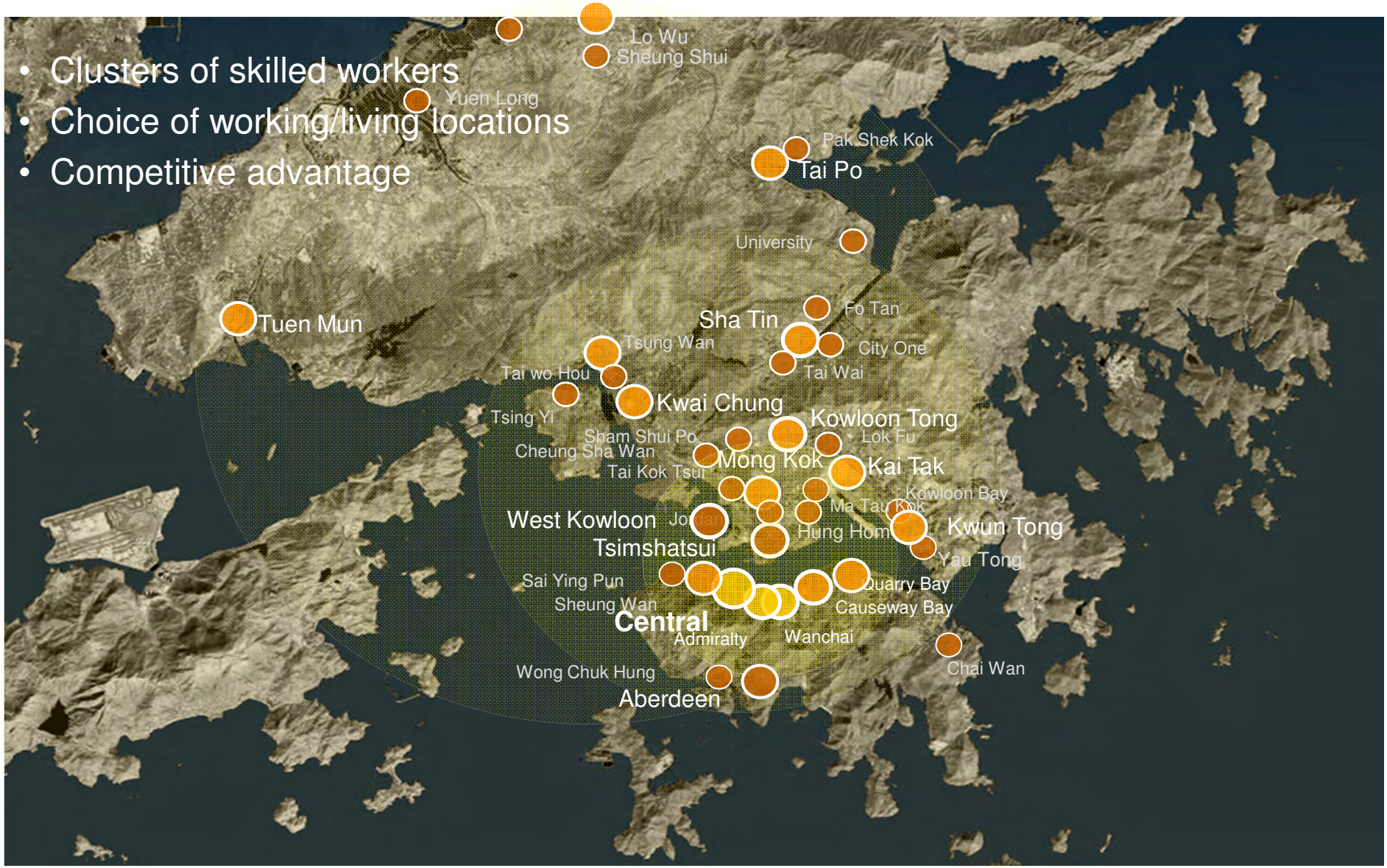
New Era of CBD – Plot Ratio



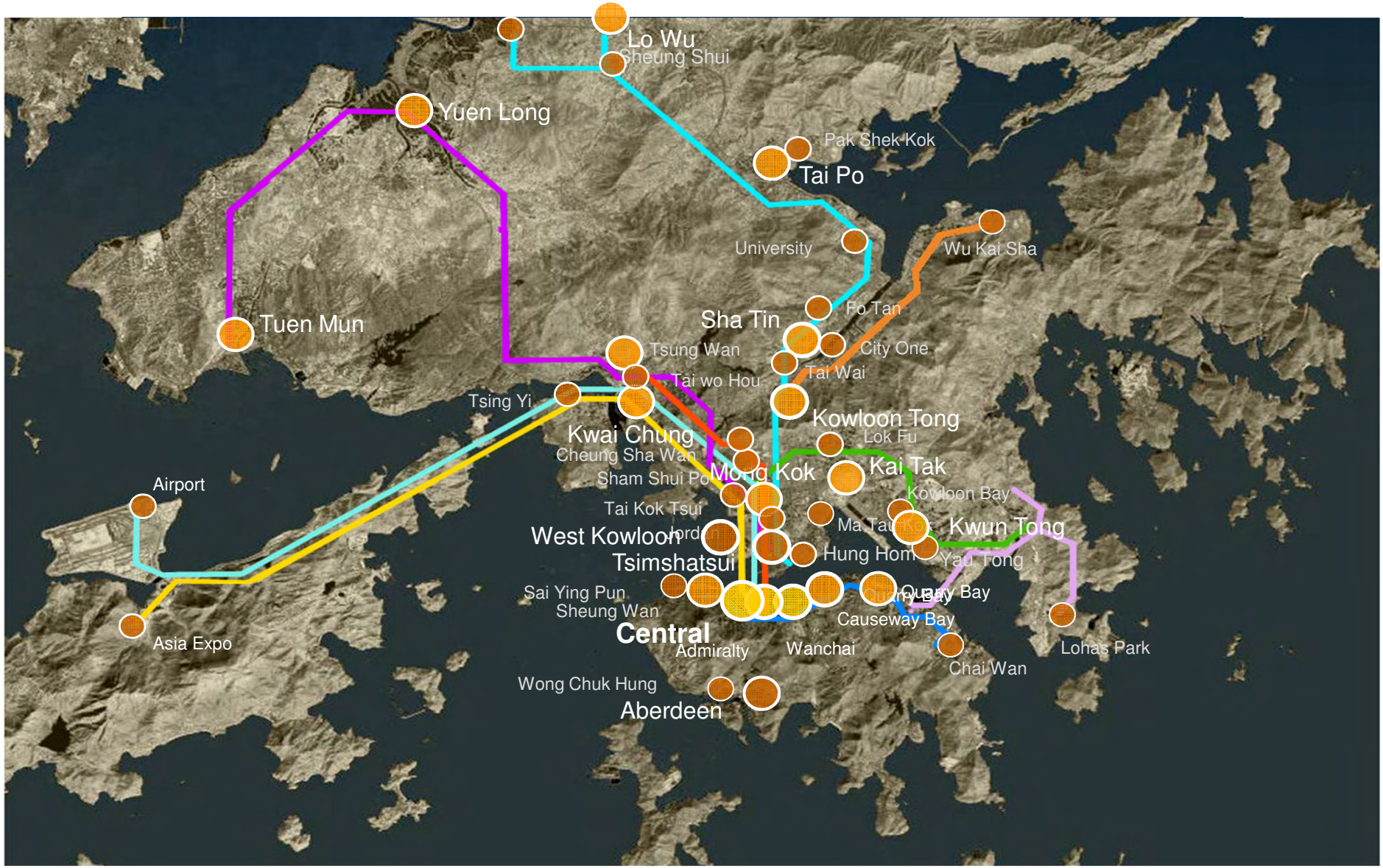
New Era of CBD – New CBDs



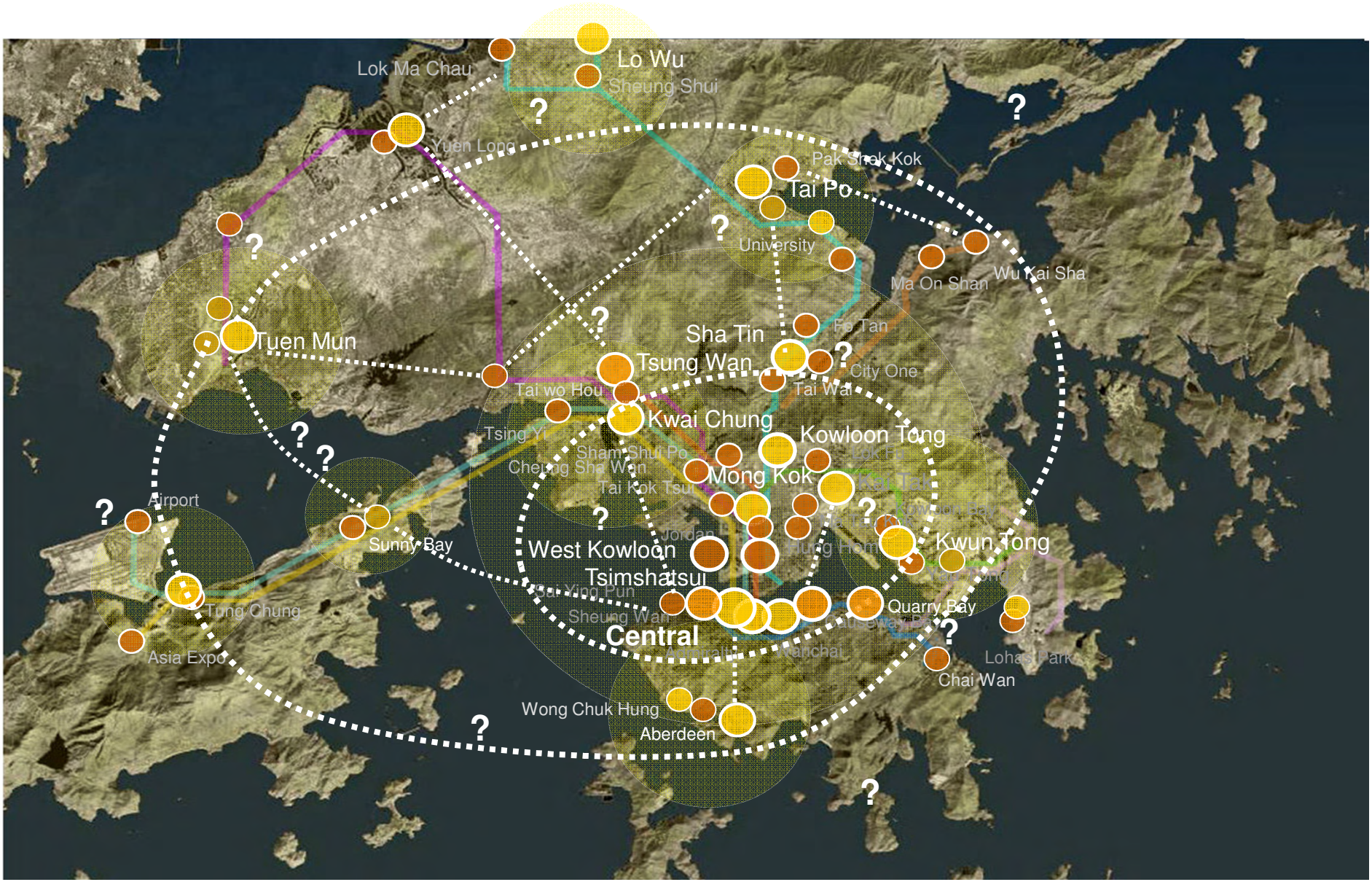
New Era of CBD – Extension



New Era of CBD – Mobility



New Era of CBD – Future Decentralization



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Thank You