RICS Key Recommendations on Accelerating the Northern Metropolis and Advancing Regional Industry Development

Submitted to the Development Bureau (DEVB) as part of the HKSAR Government's consultation on the First Five-Year Plan for Economic and Social Development (2026–2030)

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Introduction

RICS welcomes the opportunity to contribute to Hong Kong's Five-Year Plan. We would highlight the following recommendations, particularly in relation to accelerating the Northern Metropolis, advancing regional industry development, and strengthening the long-term competitiveness of Hong Kong's built environment.

1. Build on existing park platforms and establish a dual-track tenure model for all the parks

- The Government should scrutinise whether a new San Tin Technopole Company is necessary, or whether extending existing park companies' mandates could achieve the same result with less institutional overhead.
- San Tin Technopole and HSK Industry Park should offer two tracks in parallel: sub-leases for smaller occupiers seeking a managed environment, and renewable private leases/direct Government grants for qualifying larger enterprises.
- The Northern Metropolis presents a rare early-entry window. Enterprises that own their land can capture capital appreciation as the corridor matures, while a sub-lease-only model removes this incentive and limits the programme to occupiers with an operational-only perspective.

2. Adopt a rolling tender model and allow phased development

- Replace fixed-deadline tender cycles for industrial and commercial land with an open, rolling submission process to capture market momentum, reduce void periods between tender rounds and convert current inquiries into commitments.
- Remove the minimum 60% GFA requirement for Northern Metropolis sites. This urban-land standard is incompatible with the campus-scale, phased development model that large enterprises and institutions may require.
- Phased construction tied to market demand should be the governing principle, as demonstrated by Singapore's Marina Bay development, where subsequent phases followed market absorption.

3. Provide a development roadmap with land availability beyond five years and address construction costs

- Publish a development roadmap extending beyond five years, anchored by a comprehensive Northern Metropolis land availability schedule and coordinated information platform, so investors have a clearer picture of what is available, when, and under what terms.
- Address construction cost barriers through special work permits for overseas construction workers, government-borne site formation and levelling costs, and a dedicated cost-reduction task force to close the feasibility gap preventing otherwise committed international and Mainland investors from proceeding.

4. Expand the Northern Metropolis I&T mandate

- Expand the I&T framework to include Web3, fintech and platform technology, sectors directly aligned with Hong Kong's international financial hub status.
- These are primarily desk-based businesses requiring conventional office space rather than specialist laboratories or heavy M&E infrastructure.
- Evaluation criteria weighted towards "total investment sum" often relying on M&E capex may actively exclude them. Broadening the mandate would deepen the Northern Metropolis ecosystem and strengthen Hong Kong's competitiveness against Singapore, Dubai and London.

5. Establish a cross-government Business Incentive and PPP Unit and strengthen major project delivery

- Establish a cross-government Business Incentive and PPP Unit to coordinate public-private partnerships across bureaux, capture institutional knowledge from past successes and failures, and modernise infrastructure funding models.
- The land-as-return model is no longer effective for a growing category of infrastructure operators, and Government should be prepared to offer alternative structures where land development rights are not a viable incentive.
- Major projects should adopt an adapted version of the UK Green Book business case approach, consistently considering the strategic, financial, economic, commercial and management cases, but with a primary focus on financial and procurement model considerations. This could be the consistent tool used by the PPP Unit to make decisions on whether to fund or finance projects**.**
- This would provide a consistent approach to funding, outcome determination, procurement, project delivery management and asset operation.
- Government should also broaden its capabilities for planning and delivering major projects. There is currently heavy reliance on civil engineering expertise, while major projects also require commercial managers, risk managers, schedulers, planners and a full project-controls spectrum of capabilities.
- An adapted Green Book model would help determine the necessary skills for each project and, in turn, the appropriate procurement model to engage with the market effectively.

6. Build a genuinely international and academically diverse University Town

- The Northern Metropolis University Town should invite internationally ranked foreign universities to establish full residential campuses, alongside specialist institutions in sports science, performing arts and design.
- World-class leisure and sporting infrastructure, including a championship-standard golf course, should be planned as part of the precinct from the outset.

7. Give greater strategic priority to Hong Kong's existing built assets

- Hong Kong's Five-Year Plan should accord greater strategic priority to enhancing the long-term productivity and sustainability of the city's existing built assets.

- While new land formation and infrastructure investment remain essential, a significant proportion of Hong Kong's economic and social value is already embedded within its existing building stock.
- Government should adopt a more coordinated policy framework for asset enhancement and the upgrading of ageing buildings, supported by streamlined regulatory processes, appropriate fiscal and financing incentives, and greater use of building performance data.
- This would extend the economic life and improve the operational efficiency of existing assets, strengthen building safety and climate resilience, accelerate Hong Kong's transition towards a low-carbon economy, and enhance the overall competitiveness and investment attractiveness of the built environment.

Conclusion:

The Northern Metropolis can be Hong Kong's most compelling story in a generation. RICS believes its success will depend on making it investable and commercially viable, reducing unnecessary process and cost barriers, broadening the range of industries it can attract, strengthening Government's commercial and project delivery capabilities, and taking a long-term approach to both new development and Hong Kong's existing built assets.

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