

**ASSESSMENT**

6 November 2024



**Contacts**

**Alfred Hui**  
Sustainable Finance Analyst  
alfred.hui@moodys.com

**Jiahuan Liu**  
Sustainable Fin Associate  
jiahuan.liu@moodys.com

**Jeffrey Lee**  
VP-Sustainable Finance  
sukjoonjeffrey.lee@moodys.com

**CLIENT SERVICES**

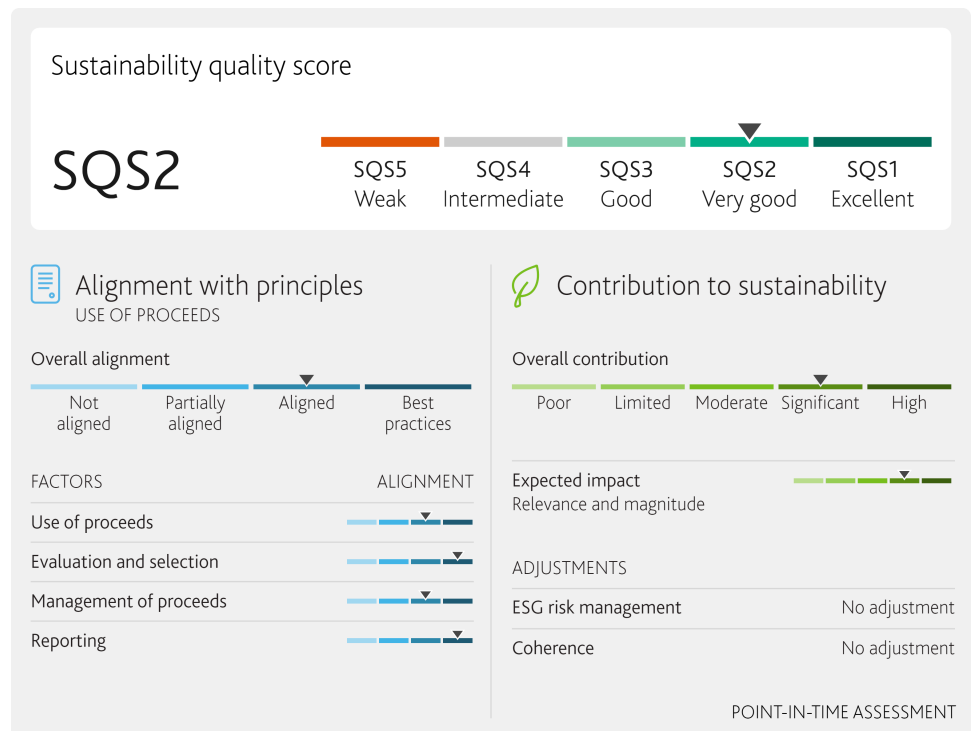
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# Urban Renewal Authority

## Second Party Opinion – Sustainable Finance Framework Assigned SQS2 Sustainability Quality Score

**Summary**

We have assigned an SQS2 sustainability score (very good) to the Urban Renewal Authority's (URA) sustainable finance framework, which we received on 5 September 2024. URA has established its use-of-proceeds framework with the aim of financing projects across one eligible green and four eligible social categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1), Social Bond Principles (SBP) 2023 and Sustainability Bond Guidelines (SBG) 2021, and the Loan Market Association, the Asia-Pacific Loan Market Association and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLP) 2023. The framework demonstrates a significant contribution to sustainability.



## Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of URA's sustainable finance framework, including the framework's alignment with ICMA's GBP 2021 (including June 2022 Appendix 1), SBP 2023 and SBC 2021, and the LMA/APLMA/LSTA's GLP 2023 and SLP 2023. Under its framework, URA plans to issue use-of-proceeds sustainable financing instruments to finance projects in one green category and four social categories, as outlined in Appendix 2 of this report.

Our assessment is based on the last updated version of the framework we received on 5 September 2024, and our opinion reflects our point-in-time assessment<sup>1</sup> of the details contained in this version of the framework, as well as other public and non-public information provided by URA.

We produced this SPO based on our [Framework to Provide Second Party Opinions on Sustainable Debt](#), published in October 2022.

## Issuer profile

Established under the Urban Renewal Authority Ordinance in May 2001, Urban Renewal Authority (URA) is the statutory body to undertake, encourage, promote and facilitate the regeneration of the older urban areas of Hong Kong SAR, China. It is governed by the URA board, members of which are appointed by the Chief Executive of Hong Kong.

In carrying out its core business of redevelopment and rehabilitation (including heritage preservation and revitalization), URA adheres to the guidelines in the Hong Kong government's Urban Renewal Strategy<sup>2</sup> in executing its urban renewal initiatives with the "people first, district-based, public participatory" approach. URA also adopts the long-term objective of "Self-Financing Principle" in its financial management.

URA targets to achieve carbon neutrality by 2050, in line with the Hong Kong government's target. It also integrates carbon reduction targets in its business planning and operations, with the URA Sustainability Framework that includes measurable performance indicators (KPIs) to assess urban renewal performance in five domains, namely "Economy", "Environment", "Society", "Process" and "People".

## Strengths

- » All benefits are measurable and quantified for project categories, with the issuer committed to ensuring the same in future impact reporting
- » Transparent project evaluation and selection process, including clear exclusion criteria and screening for potential controversies associated with eligible projects
- » Commitment to obtain an independent third-party review on the allocation of proceeds to eligible projects and the associated environmental impact

## Challenges

- » Environmental and social (E&S) objectives are not explicitly stated in the framework
- » No commitment on the lookback period in case of refinancing
- » No commitment on maximum allocation period

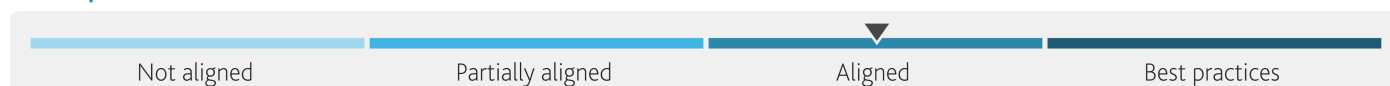
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## Alignment with principles

URA's sustainable finance framework is aligned with the four core components of ICMA's GBP 2021 (including the June 2022 Appendix 1), SBP 2023 and SBL 2021, and the LMA/APLMA/LSTA's GLP 2023 and SLP 2023.

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Green Bond Principles (GBP)  | <input checked="" type="checkbox"/> Social Bond Principles (SBP)      | <input checked="" type="checkbox"/> Green Loan Principles (GLP)       |
| <input checked="" type="checkbox"/> Social Loan Principles (SLP) | <input type="checkbox"/> Sustainability-Linked Bond Principles (SLBP) | <input type="checkbox"/> Sustainability Linked Loan Principles (SLLP) |

## Use of proceeds



### Clarity of the eligible categories - ALIGNED

URA has communicated to us that proceeds will be used for capital spending. The eligibility criteria on some of the categories, such as the target population for affordable housing, is defined broadly. All the projects will be located in Hong Kong.

### Clarity of the environmental and social objectives – ALIGNED

Although the E&S objectives are not explicitly stated in the framework, URA confirms that all the eligible categories are identified with reference to the ICMA's GBP 2021 and SBP 2023. The issuer has also communicated with us the environmental or social objectives for each of the individual eligible categories. All eligible categories are relevant to the respective E&S objectives to which they aim to contribute.

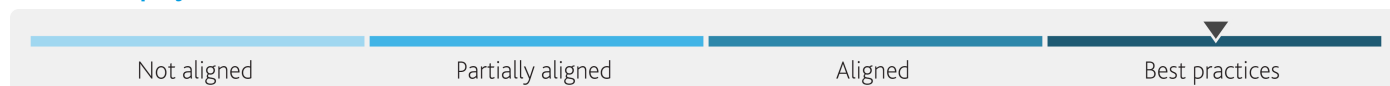
### Clarity of the expected benefits – ALIGNED

URA has identified relevant expected environmental benefits for all the eligible categories. The benefits identified are measurable and will be quantified in the impact reporting. URA is committed to communicating the estimated share of refinancing, where applicable, before a debt transaction. However, URA is not committed to a maximum lookback period, although it will prioritize recent/newer eligible green or social projects, or both.

### Best practices identified - use of proceeds

- » Relevant benefits are identified for all project categories
- » Benefits are measurable and quantified for all project categories, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Commitment to transparently disclose the share of proceeds used for refinancing where feasible

## Process for project evaluation and selection



### Transparency and quality of the process for defining eligible projects – BEST PRACTICES

URA has defined the decision-making process for the evaluation and selection of projects, which is disclosed to the public. URA has set up an Executive Committee to oversee, govern and implement the project evaluation and selection process. The Executive Committee is chaired by the Managing Director, and is comprised of the Head of Divisions including Finance, Planning and Design, Property and Land, and Works and Contracts. The roles and responsibilities of relevant departments for project evaluation and selection are defined and relevant expertise is included. The project evaluation and selection team will also be responsible for the monitoring of continued compliance of selected projects, with the eligibility criteria defined in the framework throughout the life of the bonds/loans. URA has shared with us that the process for evaluating, selecting and monitoring projects will be traceable through internal documentation. In the event a project no longer fulfills the eligibility criteria, URA will reallocate the proceeds to other eligible projects.

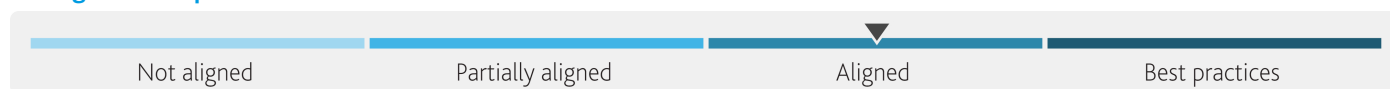
### Environmental and social risk mitigation process – BEST PRACTICES

URA will follow the guidelines stated in the Urban Renewal Strategy, which has outlined the procedures for executing the redevelopment and rehabilitation projects, and the document is publicly available. Throughout the tenor of the Sustainable Financing Instruments, URA will conduct regular monitoring of the asset pool to identify perceived environmental and social risks of the associated eligible projects. If any risks of negative environmental and/or social impacts from the selected eligible projects are identified, URA shall recognize suitable mitigation measures.

#### Best practices identified - process for project evaluation and selection

- » The roles and responsibilities for project evaluation and selection are clearly defined and include relevant expertise
- » There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- » The process for project evaluation and selection is traceable
- » Material environmental and social risks for most project categories are identified
- » Presence of corrective measures to address environmental and social risks across projects
- » ESG controversies are monitored

### Management of proceeds



#### Allocation and tracking of proceeds – ALIGNED

The proceeds from sustainable financing instruments will be deposited in URA's general funding accounts and will be allocated to eligible green or social projects, or both, under different business units. All proceeds will be earmarked until allocation to eligible green or social projects, or both. URA will adjust the balance of the tracked proceeds to match allocation to eligible projects at least annually. However, URA prefers not to commit to a maximum allocation period.

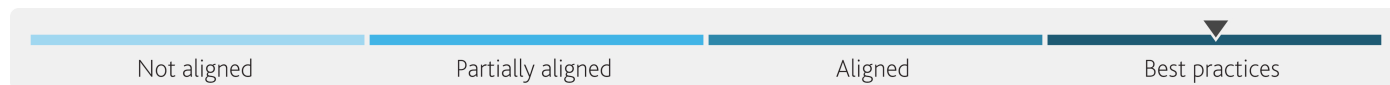
#### Management of unallocated proceeds – BEST PRACTICES

Temporarily unallocated proceeds may be placed in green deposits or invested into green fixed-income products, or held in cash or cash equivalents. URA is committed to not allocating proceeds to fossil fuel-related electric power generation projects and other highly polluting projects. In case of any significant change of eligible projects, or if an eligible project no longer meets the eligibility criteria, URA will replace any ineligible green and social projects with new eligible ones promptly on a best effort basis.

#### Best practices identified - management of proceeds

- » Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders; bondholders or lenders at a minimum
- » Disclosure on temporary placement and presence of exclusion criteria toward environmentally or socially harmful activities
- » Commitment to reallocate proceeds to projects that are compliant with the framework

## Reporting



### Transparency of reporting – BEST PRACTICES

URA will report annually on the use of proceeds under its framework, until the full allocation of the proceeds and on a timely basis in case of material developments, and this report will be made publicly available on URA's official website.

Allocation reporting will be done at the category level and will contain information about the amount of proceeds allocated to each eligible green and social project category, the aggregate amount of proceeds of sustainable financing instrument allocated that has been earmarked to eligible green and/or social project(s), the remaining balance of unallocated proceeds yet to be earmarked, types of temporary investments, share of financing and refinancing, and a detailed description of major eligible green and social projects subject to confidentiality and data availability.

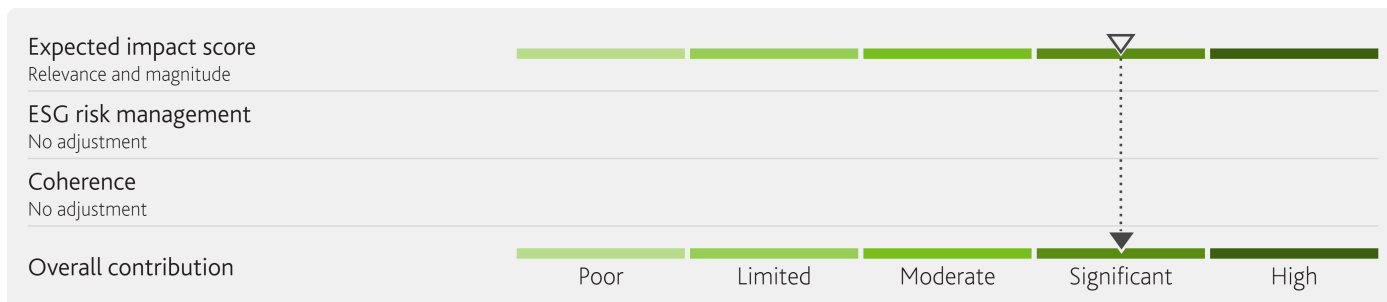
Impact reporting will be done at the category level, and URA has identified clear and relevant impact reporting indicators for all eligible categories. The methodologies and underlying assumptions used for the impact indicators will be disclosed to the public. Moreover, URA will seek independent and external verification of proceeds allocation and impact reports on an annual basis until full allocation or in case of any material development of the sustainable financing instruments.

### Best practices identified - reporting

- » Reporting until full bond maturity or loan payback
- » Reporting covers material developments and issues related to the projects or assets
- » Reporting on allocation of proceeds and benefits done at least at eligible category level
- » Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs refinancing
- » Clear and relevant indicators to report on the expected environmental/social impact of all the projects, where feasible, or eligible categories
- » Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum
- » Independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes
- » Independent impact assessment on environmental benefits by a qualified third-party reviewer at least until full allocation and in case of material changes and/or case studies to report on the social impact/benefits

## Contribution to sustainability

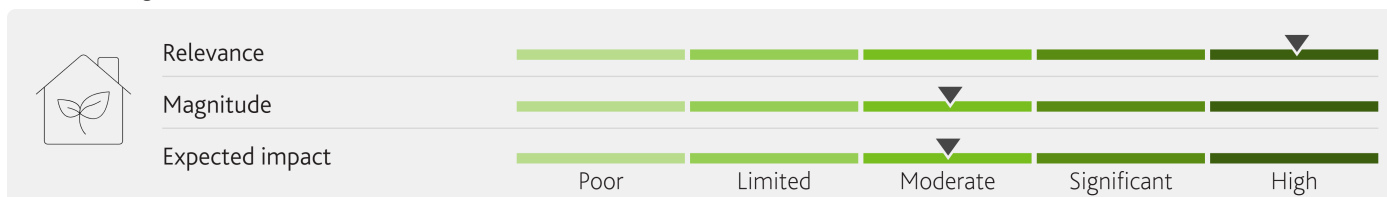
The framework demonstrates a significant overall contribution to sustainability.



### Expected impact

The expected impact of eligible projects on sustainability objectives is significant. We assigned lower weights to the “Employment Preservation and Promotion of Productivity” and “Promotion of Rehabilitation in Combatting Urban Decay” categories based on our expectation of lower capital spending needs on these two categories. We have assigned equal weights to the remaining three categories. A detailed assessment by eligible category is provided below.

### Green buildings



Projects financed under this category are highly relevant. The building sector is one of the largest energy consumers and greenhouse gas (GHG) emitters, accounting for 30% of global final energy consumption and 26% of global energy-related emissions in 2022<sup>3</sup>. In Hong Kong, the building sector is one of the largest energy consumers and GHG emitters. Based on Hong Kong’s Climate Action Plan 2050 report published in 2021<sup>4</sup>, more than 60% of Hong Kong’s carbon emissions come from electricity generation for the building sector. The report also highlights that Hong Kong is targeting to reduce total carbon emissions from the 2005 level by half by 2035 and achieve carbon neutrality by 2050, with Energy Savings and Green Buildings being one of the four main decarbonization strategies. This category is also highly relevant to URA because building and district redevelopment is one of URA’s core business.

The overall magnitude is moderate, as we have limited visibility into the contribution to the environmental objectives from the eligible projects.

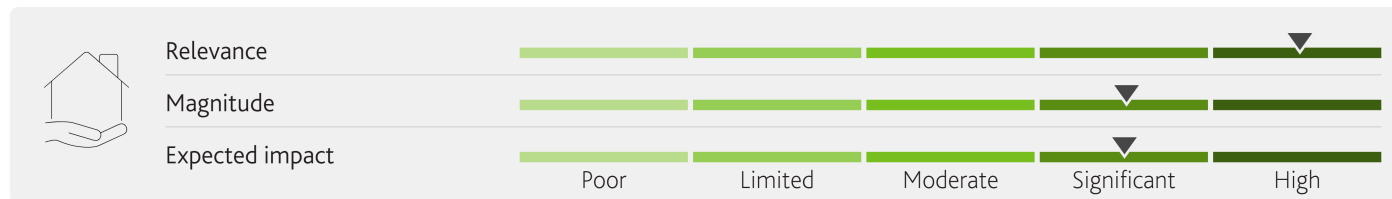
URA expects a larger portion of the proceeds to be allocated to new buildings. For new buildings, the proceeds will be allocated to projects with Hong Kong BEAM Plus (BEAM Plus) certification or will be BEAM Plus-certified. It is unclear on the contribution to the environmental objectives from the certification level alone in the absence of additional energy efficiency thresholds because BEAM Plus is a score-based certification that also considers other factors, such as water, waste and building materials, in the evaluation process. Besides, we believe new buildings would potentially entail more environmental and social risks in the construction phase as compared to retrofitting buildings. That said, we expect these risks to be monitored and controlled, as environmental and social impact assessments will be conducted to identify the risks and implement mitigation measures.

The magnitude from eligible projects under the existing buildings sub-category is also moderate. Based on eligibility criteria, URA will target green certifications or at least 30% improvement in primary energy demand, energy consumption or direct GHG emissions against the building’s historical average performance. If the eligible projects can meet the energy efficiency or GHG emission criteria, we believe the eligible projects will carry higher contribution to the environmental objective. If the eligible projects can only meet the criteria on green certifications, the magnitude will likely be lesser, due to similar considerations on new buildings. As communicated with the issuer, URA does not have a particular preference in using the primary energy demand, energy consumption or direct GHG emissions performance criteria over the green building certifications in the project selection process.

Although URA may incorporate Hong Kong Taxonomy considerations on energy use criteria during the selection process, these considerations will only be applied if data is available. Therefore, there is no firm commitment to align with the Hong Kong Taxonomy

in the framework. If Hong Kong Taxonomy-aligned sustainable financing instruments are issued under this framework, we expect the associated eligible projects will generate greater contribution to the environmental objectives on account of more clarity on energy efficiency criteria.

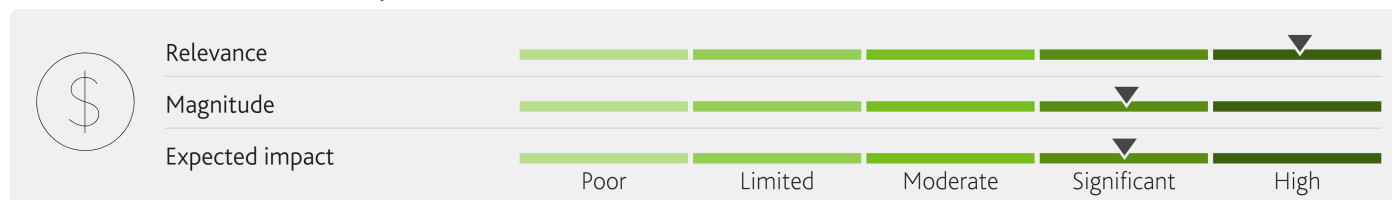
**Affordable housing**



In Hong Kong, housing affordability concerns stemming from high property prices have been one of the most pressing social issues and one of the Hong Kong government's top priorities. According to Demographia International Housing Affordability report published in 2024<sup>5</sup>, the Hong Kong property market ranked as the world's most unaffordable property market for 14th consecutive year. In the report, Hong Kong's median house price/median household income multiple stood at 16.7x in 2023, much higher than Sydney's (ranked second) 13.3x and Vancouver's (ranked third) 12.3x. The Chief Executive's Policy Address also acknowledges the need to increase housing supply, and proposes various measures to enhance the quantity, execution efficiency, and quality to shorten the waiting time for public rental housing allotment. This eligible category is highly relevant to URA because its core business of redevelopment and rehabilitation also includes the provision of residential housing to the general public with some discount to the market price.

The magnitude of this category is significant. Although the eligible projects do not target the most vulnerable population in the city, the projects specifically target Hong Kong's permanent residents who are not eligible for public rental housing and Home Ownership Scheme properties, and who also do not have sufficient financial resources to purchase a home in the private market. Although the income and asset level of this population basket are not generally viewed as vulnerable population in the society, we believe this group of population is the underserved population in the field of affordable housing in Hong Kong considering the very high property price relative to the income and asset levels. Particularly, the projects are only available to those who do not own a property and cannot afford to purchase a home in the private market, with a cap in the eligibility criteria on the income and asset levels of potential homebuyers. We also believe that these projects can address the housing issues of this target group because the properties will be offered with at least a 20% discount to the assessed market value at the time the sale is open for application. We also see this could be a long-term solution to address the housing affordability issue, given the projects will be offered at a discount to the market price to the target population. We also expect the quality will be good as the properties need to fulfill the regulatory standards.

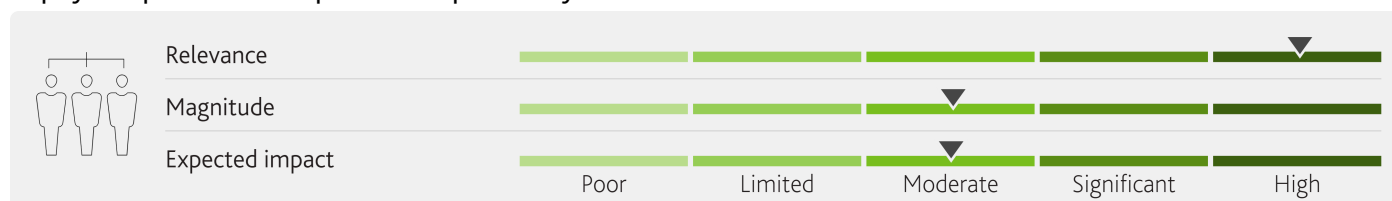
**Socioeconomic advancement and empowerment**



Public spaces are essential to address the recreational needs of and improve the access to public services for the general public. We believe this category carries high relevance in Hong Kong, considering that Hong Kong is one of the most densely populated cities in the world (ranking fourth) with scarce land resources, which makes it difficult for citizens to find quality and convenient common areas for relaxation, especially in urban areas. The "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" strategic study published by the government in October 2021<sup>6</sup> also highlights the need to enhance livability in a compact high-density city. Particularly, the study also recommends to increase the land ratio for open space to not less than 3.5m<sup>2</sup> per person from 2m<sup>2</sup> per person. This category is also highly relevant to URA because its core business of redevelopment and rehabilitation also aims at improving the well-being of the citizens. Particularly, URA's redevelopment projects are mostly located in the more densely populated areas in the city, which also supports the relevance of this category.

The magnitude of this category is significant, as we believe these public facilities are part of URA's Redevelopment Scheme and Integrated Projects Focus Area with important social functions in the overall urban planning. While the eligible projects do not exclusively target the most vulnerable or underserved population, we expect the facilities will essentially cater to their social needs as we consider the project locations and the mechanism in URA's Redevelopment Scheme and Integrated Projects Focus Area projects. Generally these projects are located in old urban areas where the more vulnerable population live in. Prior to the execution of these projects, URA has to pass through a series of procedures (such as environmental and social impact assessments, public consultation and request for government approval) to ensure the proposals have incorporated the needs of various stakeholders, particularly the local residents who are affected by the Redevelopment Scheme and Integrated Projects Focus Area projects. This also underpins the quality of the eligible projects and ensures the public facilities will address the social need of the underserved population. Particularly, these facilities can create synergies with other facilities and infrastructures in the plans by better connecting the redevelopment area to the more recently developed urban area with better infrastructure. This can in turn better promote socioeconomic activities and contribute to the social objective. The target population can also enjoy the facilities for free without any entry requirement.

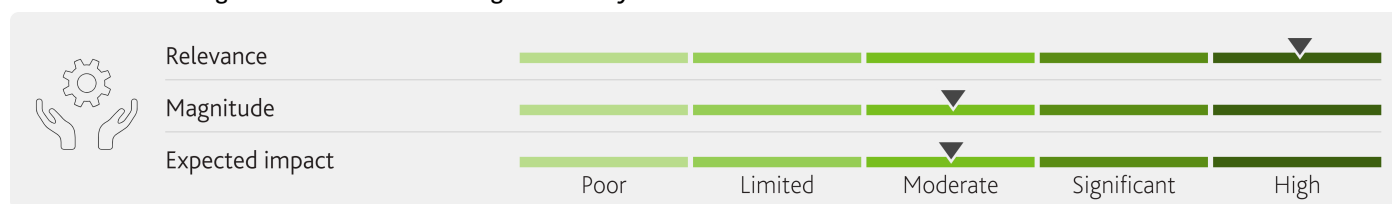
**Employment preservation and promotion of productivity**



The relevance of this category is high. Small and medium enterprises (SMEs) and non-profit organizations (NGOs) are potentially one of the key stakeholder groups heavily impacted by redevelopment plans, on account of the change in the physical business environments and local customer base in the area. We believe this category can address the need of the SMEs and NGOs affected by redevelopment plans in looking for quality locations to continue their operations after those redevelopment plans are completed. This category is also relevant to URA given it will consider the impact of urban renewal projects on employment opportunities in its "Economy" Sustainability Pillar when assessing the sustainability performance of its urban renewal projects.

The magnitude of this category is moderate because the more vulnerable SMEs and NGOs, which are usually financially weak, may not benefit meaningfully from the eligible properties. These projects are generally located in good business locations in Hong Kong where the rent is relatively high. Accordingly, the more financially weak SMEs and NGOs may not have a high incentive to operate in these properties. Although URA can provide rental concessions to SMEs and NGOs and the concessions can potentially fully cover the rent value, the approval is on a case-by-case basis, subject to URA's assessment on the social value of these entities. As such, we are unable to assess the coverage of these rental concessions. While the tenants can receive operational assistance from URA such as workshops on the use of digital technology for marketing and pre-decorated leasing space, this operational assistance may not sufficiently address their key business challenges such as access to funding and high operating cost.

**Promotion of building rehabilitation in combating urban decay**



Aged buildings without proper routine maintenance could lead to a deterioration in living conditions, and may potentially lead to safety and hygiene concerns over time. Given the long history of these buildings, some of the facilities or equipment, such as fire doors and water pipes, are outdated and are in need of repair or replacement. The issue of aged buildings is also one of the most imminent housing issues in Hong Kong. According to the Ratings and Valuation Department, as of year-end 2023, around half of the private domestic housing units were already 30 years or older<sup>2</sup>. There were also past incidents of safety concerns in old buildings such as falling concrete. In the 2023 Policy Address, the Chief Executive also expressed concerns about the dilapidation of aged buildings. This category is also highly relevant to URA considering one of its main responsibilities under the URA ordinance is to promote the



maintenance and improvement of the individual building conditions to combat urban decay. URA also plays an important role in providing owners with technical and financial support for comprehensive maintenance works, including the administration of various subsidy schemes.

The magnitude of this category is moderate. The subsidy schemes can also encourage the property owners to conduct necessary maintenance works in common areas to mitigate potential issues arising from ageing of buildings. However, the target beneficiaries of these projects are not specifically the most vulnerable group considering that the subsidy programs are exclusively targeting private residential or composite (commercial and residential) building owners. Although the total renovation cost can vary widely depending on specific building conditions and the scope of repair and replacement, affordability for private property owners is a secondary consideration, as the eligible projects are only targeting private property owners and the owners can also look for other subsidy programs to fund the renovation, subject to the respective eligibility criteria of those programs. We expect some of these renovation, repair or replacements works to help improve the living conditions of residents in old buildings and mitigate public safety concerns around suboptimal building structure conditions. Technical support will also be provided under the schemes, and the renovation work will also need to adhere to regulatory standards.

### ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. The redevelopment projects in the eligible categories require assessments and approvals from the government, which helps control the negative ESG externalities in carrying out these projects. In executing redevelopment projects, URA will also seek comments or suggestions from the public for additional considerations in redeveloping the areas to cater to the needs of different stakeholders. Besides, the Hong Kong government's Urban Renewal Strategy also provides guidelines and includes some control mechanisms (such as budget approval and social impact assessments) to execute relevant projects.

### Coherence

We have not applied a negative adjustment for coherence to the expected impact score. Projects to be financed are closely in line with the business and sustainability objectives of URA, which also align with the Hong Kong government's policies in tackling climate change and social issues.

## Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The five eligible categories included in URA's sustainable finance framework are likely to contribute to two of the United Nations' (UN) Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 11: Sustainable Cities and Communities	Green Buildings	11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management
	Affordable Housing	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Promotion of Building Rehabilitation in Combatting Urban Decay	
	Socioeconomic Advancement and Empowerment	11.7: Provide universal access to safe and inclusive green and public spaces for all
GOAL 8: Decent Work and Economic Growth	Employment Preservation and Promotion of Productivity	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs

The UN SDGs mapping in this SPO considers the eligible project categories and associated sustainability benefits documented in the issuer's sustainable financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

## Appendix 2 - Summary of eligible categories in URA's sustainable financing framework

Eligible Category	Eligible Criteria & Description	Objectives	Impact Reporting Metrics	
Green Buildings	<p><b>New Buildings</b> Acquisition, development and/or construction of new residential, commercial, or industrial buildings that have received (final or provisional), or targeted to receive based on its design, construction and operational plans, regional or international green building certification standards below ("Minimum Green Building Certification Standards"):</p> <ul style="list-style-type: none"> <li>o Hong Kong Green Building Council BEAM Plus – Gold or above; or</li> <li>o U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above.</li> </ul>	<p><u>Additional Hong Kong Taxonomy Criteria*</u> <b>Achieve either of the below:</b></p> <ul style="list-style-type: none"> <li>o Energy Use component of applicant's BEAM Plus Certification should meet at least a minimum of 10 credits under EU2 (Reduction of CO2 Emissions) and a minimum score of 70% in Energy Use category and, either:               <ul style="list-style-type: none"> <li>a. For projects certified under BEAM Plus 1.2: 30% energy saving against the BEC 2018 baseline, or</li> <li>b. For projects certified under BEAM Plus 2.0, 20% energy saving against BEC 2021 baseline</li> </ul> </li> <li>o Buildings certified at least Extra Low in EUI or level 2 improvement (i.e. 25% reduction) in Energy Performance under the Hong Kong Zero-Carbon-Ready Building Certification Scheme</li> </ul>	<p>Climate change mitigation</p> <p>Natural Resource Conservation</p>	<ul style="list-style-type: none"> <li>• GFA (sqft) or Number of Eligible Green Building(s), by type and level of green building certification</li> <li>• Energy efficiency improvements (MWh or % vs. baseline)</li> <li>• Estimated reduced/avoided GHG emissions (tCO2eq)</li> <li>• Annual energy savings (MWh pa)</li> </ul>
	<p><b>Existing Buildings</b> Construction, renovation, upgrade or building services system overhaul on existing residential, commercial, industrial or commercial part of a composite building that satisfies either of the below:</p> <ul style="list-style-type: none"> <li>o Received (final or provisional), or targeted to receive any of the Minimum Green Building Certification Standards</li> <li>o Demonstrates a reduction of primary energy demand, energy consumption or direct GHG emissions of at least 30% against the building's historical average performance</li> </ul>	<p><u>Additional Hong Kong Taxonomy Criteria*</u> <b>For commercial buildings:</b></p> <ul style="list-style-type: none"> <li>o The reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average; or</li> <li>o at least Extra Low in EUI or Level 2 improvement (i.e., 25% reduction) according to Zero-Carbon-Ready Building Certification Scheme</li> </ul> <p><b>For residential buildings:</b></p> <ul style="list-style-type: none"> <li>o The reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average</li> </ul>		
<p>* Additional Hong Kong Taxonomy Criteria will be applied only if data is available during the project selection process</p>				
Affordable Housing	<p>Residential Projects related to the provision of affordable housing to dedicated target population in concession price.</p> <p><u>Target Population:</u> o Hong Kong permanent resident that cannot afford private housing and ineligible to enjoy any other housing subsidies offered by the Government or other related organisations, and subject to affordability test.</p> <p><u>Concession Price:</u> o The concession price shall be set at no more than 80% of the Assessed Market Value ("AMV") at the time the sale is open for application. The AMV shall be assessed by an independent surveyor.</p>	Access to Affordable Housing	<ul style="list-style-type: none"> <li>• Number of applicants supported</li> <li>• Number of affordable housing units provided</li> </ul>	
Socioeconomic Advancement and Empowerment	Projects under any of the URA's Development Schemes/Projects or Integrated Project Focus Areas that provide barrier-free, free-for-access, and easily accessible public facilities (e.g. Parks) with the aim to promote social integration.	Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> <li>• Eligible community area provided (Sqft)</li> <li>• Beneficiaries of minimum benefits</li> </ul>	

Eligible Category	Eligible Criteria & Description	Objectives	Impact Reporting Metrics
Employment Preservation and Promotion of Productivity	Non-residential projects aimed at employment preservation and reactivation of businesses, with no less than 70% of the total number of tenants are Small and Medium Enterprise(s) ("SME(s)"), and Non-profit Organization(s) ("NGO(s)") in Hong Kong.	Employment Preservation	<ul style="list-style-type: none"> <li>• Number of SMEs and/or NGOs supported</li> <li>• Number of jobs maintained / generated</li> </ul>
Promotion of Building Rehabilitation in Combatting Urban Decay	<p>Subsidy schemes that are provided to owner(s) of Eligible Building(s) to carry out comprehensive maintenance works in building common areas, with the aim to promote building rehabilitation for combatting urban decay.</p> <p><u>Eligible Building:</u>            An Eligible Building shall satisfy all criteria as stated below:</p> <ul style="list-style-type: none"> <li>o Private residential or composite (commercial and residential) building, as referred to the Occupation Permit issued by the Buildings Department;</li> <li>o The average annual rateable value of all the domestic units in the building should not exceed relevant applicable limit.</li> <li>o Not in single ownership;</li> <li>o Aged 30 years or above; and</li> <li>o Comply with other applicable eligibility criteria as stated in the URA Common Area Repair Works Subsidy.</li> </ul>	<p>Access to Essential Service</p> <p>Socioeconomic Advancement and Empowerment</p>	<ul style="list-style-type: none"> <li>• Number of building maintenance projects supported</li> <li>• Amount of earmarked funding (\$HKD)</li> </ul>

## Endnotes

- 1 Point-in-time assessment is applicable only on the date of assignment or update.
- 2 [Urban Renewal Strategy](#), February 2011
- 3 [Buildings](#), International Energy Agency, July 2023.
- 4 [Hong Kong's Climate Action Plan 2050](#), October 2021.
- 5 [Demographia International Housing Affordability report 2024 edition](#), 2024
- 6 [Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030](#), October 2021.
- 7 [Hong Kong Property Review 2024](#), Rating and Valuation Department, HKSAR, April 2024

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