Gentrification and Hong Kong’s Inner Urban Areas

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Abstract

As a consequence of Hong Kong’s rapid economic development and the particular way in which the building stock has been developed / redeveloped in the inner urban areas, it presents as a peculiar case of gentrification. In certain parts of the city, such as our Kennedy Town case study area, gentrification is occurring very rapidly, and is private sector driven, although the area continues to provide for the commercial and retail needs of its remaining original population. Quarry Bay, another study area, is a different example of extensive gentrification; redevelopment has been driven by the private sector, but here it is the result of large scale commercial development and primarily by one major property development company. Mong Kok, the final case study area, is a more complex picture. Redevelopment has been public sector driven and represents primarily one very large commercial project. Yet there appears to have been little acceleration of redevelopment in the surrounding neighbourhood.

Introduction

Hong Kong has a population of about seven million and an area of about 1000km², with most of its population living in a densely populated area of about 100km² (which comprises the main urban areas located around Hong Kong’s harbour and the nine new towns). Redevelopment has been a pressing problem for decades driven by a variety of factors, inter alia: rapid economic development, particularly since World War II, dense urban development since at least this time, multi ownership of medium and high-rise buildings, shoddy construction of a sizeable proportion of the older building stock, and rising real incomes and aspirations of the population. There is a general view in Hong Kong that a well known and understood list of constraints makes it near impossible for the private sector to redevelop the city’s obsolete housing stock at pace and thus government intervention is required in some form. The government has been attempting to facilitate redevelopment for a considerable period. It stepped up its efforts to promote redevelopment by creating the Land Development Corporation (LDC) in 1987, which was expected to facilitate and support private sector-led redevelopment on prudent commercial principles. The LDC was replaced by the Urban Renewal Authority in 2001, with greater statutory powers to expedite urban redevelopment than the LDC it replaced.
Private sector redevelopment projects are of varying sizes, but the larger projects tend to be located on disused industrial or other sites (such as oil depots and large public transport interchanges). Private sector projects in the inner city tend to be small – often single building developments – because of the significant constraints of site assembly (leading to Hong Kong’s so-called ‘pencil buildings’ – single, very high, modern structures surrounded by much lower rise, older, often quite dilapidated buildings). Public sector led redevelopment projects are also of varying sizes, including many smaller projects, but a significant number are extremely large representing the efficiencies of scale that can be applied to larger projects and the institutional and regulatory powers of the state to acquire large numbers of privately owned buildings for demolition and redevelopment – an ability often beyond the capacities of even the largest private sector developers.

Many residents of obsolete buildings welcome inclusion in public redevelopment projects because compensation is generous. Many owners of private buildings targeted for demolition and redevelopment by private sector developers often receive higher prices than if the building was not ‘in play’. However, there are widespread concerns that while redevelopment in general and the implementation of very large projects in particular may indeed be efficient and generate considerable revenue for the public and private sector, they cause considerable problems for the local and wider community, including destruction of local neighbourhoods and sense of social cohesion and social belonging, destruction of clusters of industries that require proximity to each to survive and thrive, a rise of physically inward looking developments and so loss of vibrant street life, replacement of small, family owned businesses with chain stores, and generally quite extensive damage to local character and particularity as well as cultural heritage. With regard to trends to gentrification, one the one hand, gentrification occurs a scale related to difficulties in redeveloping the obsolete building stock and problems associated with large scale refurbishment of buildings. At the same time the greater success of the public and private sector in accelerating redevelopment suggests that, inevitably, processes of gentrification are accelerating in tandem. The quite distinct nature of public and private sector-led redevelopment would likely also impact the nature and scale of gentrification.

The objective of this paper is to present data about redevelopment in three case study areas in order to provide a preliminary assessment of the economic impact on the local neighbourhood of different approaches to redevelopment: Kennedy Town, an area associated with redevelopment of obsolete buildings by a variety of private sector developers, part of the district of Mongkok surrounding the massive public sector-led mixed use redevelopment project of Langham Place, and part of Quarry Bay surrounding Taikoo Place, an area that has experienced significant, primarily commercial redevelopment associated with one large private sector developer that has been active in the area for many years. The paper is divided into five sections. Following the introduction the next part briefly describes redevelopment in Hong Kong and the three case study areas. The next section presents data regarding the economic impact of redevelopment in the case study areas. This is followed by comparison of the three study areas and a brief conclusion.

**Redeveloping Hong Kong**

In spite of Hong Kong’s status as one of the most important financial centres in the world, major parts of the inner city comprise large numbers of dilapidated buildings that are poorly maintained and do not necessarily meet prevailing building regulations, in particular with regard to health and safety. Yet they have desirable locations and form part of a vibrant and lively inner city economy and culture. While quite large parts of Hong Kong may look quite derelict and unkempt, these areas are only several decades old (most of Hong Kong has been built since World War II) and their poor appearance and standard of services and amenity reflect institutional and other constraints in upgrading / redeveloping / refurbishing / renovating / renewing the city’s housing stock at scale rather than limited demand for housing and commercial premises in these areas.
There was little intervention in urban renewal by the Hong Kong government before the 1960s, although a number of small redevelopment project were initiated between 1960 and 1980. By the 1980s pressure for redevelopment had mounted. The first serious foray into promoting redevelopment was the establishment of the Land Development Corporation (LDC) in 1987, which had limited success; the government’s assumptions that the LDC would only have to facilitate rather than subsidize redevelopment turned out to be unrealistic. In 1999 the government produced the Urban Renewal Strategy Study designed to address many of the failings of the LDC and presented a new strategy for urban renewal which aimed to facilitate comprehensive planning over larger areas, provide additional open space, and community facilities and improve road networks while preserving distinctive features of the old districts concerned. It acknowledged that there had been a consistent decline in the supply of private residential flats through redevelopment in urban areas since the late 1980s because much of existing building stock ripe for redevelopment was not profitable for private developers, driven in large part by major site assembly problems and difficulties in rehousing affected owners and tenants. The Study highlighted the urgent need for more active involvement of the public sector in urban renewal. The Urban Renewal Authority was formally established in 2001. It has a more ambitious remit than its predecessor and has implemented a number of large redevelopment projects. State-led redevelopment is gaining significant momentum in Hong Kong.

Methodology

This paper presents three case studies of redeveloping neighbourhoods to identify the extent to which the demolition and redevelopment of buildings since 1981 signifies trends to gentrification of economic activity. The first case study is a gentrifying neighbourhood on Hong Kong Island, Kennedy Town, where the Urban Renewal Authority and its predecessor the Land Development Corporation have not been active. The second case study is part of Mong Kok (Kowloon) and includes the very large, public sector led redevelopment project of Langham Place, comprising the demolition of medium rise older buildings mainly constructed before the 1980s and the construction of a high rise hotel and commercial tower. The third case study area is Quarry Bay on the east side of Hong Kong Island which comprises the private sector commercial development project of Taikoo Place on the site of a previous ship building and sugar refinery enterprise. Kennedy Town may be characterized as a traditional working class area that has become increasingly middle class over the last twenty years. Mongkok is a traditional working class neighbourhood that remains so to a significant extent. Quarry Bay has historically always been quite middle class.

This paper presents a preliminary assessment of economic changes associated with redevelopment in the three case studies. For the purpose of this study redeveloped buildings are defined as those that have been constructed since 1980. Buildings constructed since this date were identified in the data base of the Lands Department and then visually inspected. Of buildings built since 1980 the following data was compiled by visual inspection: physical appearance including evidence of refurbishment; land use; types of shops at street level and types of customers served in these shops. This was complemented by a visual inspection of the physical appearance and evidence of refurbishment of the remainder (the majority) of buildings in the study area for indications that buildings proximate to the redeveloped buildings are being renovated / refurbished as part of a wider trend to gentrification. Buildings built since 1981 were divided into five year periods to reflect the trend to gentrification over time (and also, as part of a wider exercise, to relate to socio-demographic changes in these neighbourhoods as presented in census and by-census data). Thus the two main data sources are the data base of all buildings in Hong Kong provided by the Hong Kong Lands Department and visual inspection of buildings and neighbourhoods.

Age of buildings and number of storeys: data provided by the Lands Department.

Physical appearance: appearance is rated on a scale of 1 to 5 where 1 = very poor exterior and foyer physical appearance with no or limited signs of maintenance and refurbishment and 5 = excellent exterior physical appearance, building is either new or appears to have recently been extensively...
refurbished to modern standards, clear indications of ongoing maintenance and refurbishment as required. Both the exterior and foyer were assessed separately for each building.

Table 1. Criteria Used to Assess Physical Appearance of Buildings

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior Appearance</td>
<td>concrete spalling on external wall, state of paintwork, signs of recent refurbishment / rehabilitation</td>
</tr>
<tr>
<td>Appearance of foyers</td>
<td>Brightness, cleanliness, quality of interior décor, appearance of hallways</td>
</tr>
<tr>
<td>Security</td>
<td>Extent of security – locked doors, touch pads, intercom systems, surveillance cameras, security guards. This applied primarily to residential buildings</td>
</tr>
<tr>
<td>Physical appearance of shops at street level</td>
<td>General quality of interior décor</td>
</tr>
</tbody>
</table>

**Types of Shops:** Shops were investigated to identify if they would likely be serving a gentrifier group of residents. Only shops located on street level with an entrance facing the street were recorded in this study. For those locations marked as ‘no shops’ this means there are either no shops on street level or shops are located in a shopping mall/arcade where the entrances are not facing the street.

Table 2. Types of Shops

<table>
<thead>
<tr>
<th>Code</th>
<th>List of shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware</td>
<td>Hardware &amp; Building Material - Wood &amp; Timber, Window Frame, Indoor Decorative Materials</td>
</tr>
<tr>
<td>Education Centre</td>
<td>Education Centre - Tutorial/ Music/ Arts School,</td>
</tr>
<tr>
<td>Food</td>
<td>Food &amp; Beverage - Restaurants, Cafes, Fast-foods, Bakery, Wine Cellar etc</td>
</tr>
<tr>
<td>Finance &amp; Investment</td>
<td>Finance &amp; Investment - Banks, Financial Institute</td>
</tr>
<tr>
<td>Grocery</td>
<td>Grocery - Grocery store, Supermarket, Convenient Store, Chemist</td>
</tr>
<tr>
<td>Homeware</td>
<td>Homeware, Houseware, Furniture Store</td>
</tr>
<tr>
<td>Laundry</td>
<td>Laundry &amp; Drycleaner</td>
</tr>
<tr>
<td>Medical Centre</td>
<td>Medical Centre/ Clinics, Dental, Chemist, Chinese Medicine,</td>
</tr>
<tr>
<td>Personal Care</td>
<td>Personal Care- Clothing &amp; Footwear, Health &amp; Beauty, Hair Salon, Jewellery, Eyewear</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Real Estate Agent</td>
</tr>
<tr>
<td>Social Welfare</td>
<td>Social Welfare Facilities - Nursing Home, Elderly Centre, Child-care Centre</td>
</tr>
</tbody>
</table>

**Types of Customers:** The types of customers commercial establishments were likely serving were investigated to identify the likelihood that they were serving a gentrifier group. Establishments were categorised on a scale of 1 to 5, where 1 = ‘serving low income customers’ and 5 = ‘serving high status customers’. This was decided based on the appearance of shops (i.e. interior decor) and range and prices of goods/services. (Note that this is not applicable to Real Estate and Finance & Investment establishments.)
Kennedy Town

Kennedy Town is a long established district in Hong Kong close to the city’s urban hub in Central and along the harbour front – some four kilometers from the city centre. The study area is bound by Victoria Harbour to the north and west, Mount Davis Road and Pokfulam Road to the south, and Hill Road to the east. Today the area is primarily a residential area, with some shops located on the ground floor of the buildings. There have been a number of private residential redevelopments in the district over the last three decades. An example of a large-scale redevelopment in the 1980s was Hee Wong Terrace (with 12 blocks of 4-storey buildings), whilst a more recent large-scale redevelopment in 2000s is The Belchers (6 blocks of over 45-storey buildings). Nevertheless, the majority of buildings in the area are medium-rise (about 22-storeys). The neighbourhood is a mix of old and new/refurbished residential buildings in Kennedy Town. It has an extensive public transport system of buses, trams and mini-buses and the underground system will connect to the area in 2014. The major commercial activities are located along Belcher’s Street. Generally shops and other commercial enterprises are at ground level and residential uses above. Some residential developments with two or more blocks have a podium style shopping arcade on the ground floor as well. The Belcher’s has a shopping mall which has over 40 shops.

Extent of Redevelopment

In common with older neighbourhoods on Hong Kong Island Kennedy Town has experienced some degree of redevelopment and gentrification over the last thirty years (and the extent of which is explored further in this paper). A total of 134 buildings have been demolished and redeveloped between 1981-2010. Redevelopment occurred at considerable speed in the 1980s (71 buildings between 1981-1990) although this has declined by about half this number since then (41 buildings between 1991-2000 and 11 buildings between 2001 and 2010). However the number of storeys has increased significantly, from a mean of 22 storeys in the 1980s to a mean of 42 since 2001. In the 1980s most blocks were 21-24 storeys but since the mid-1990s 44 storey buildings have been permitted. This has led to a significant change in the type of development and the density of new structures. Most of these developments are commercial at street level and lower floors and residential above.

Description of Redeveloped Buildings

Physical Appearance: Overall the physical appearance of the redeveloped buildings is good. Nearly all of the 135 buildings were rated between 3 and 5 [good / upmarket appearance], with 40% rated a 4. No buildings were rated 1 and very few a 2 [poor appearance]. Overall buildings constructed since 1980 are modern and well presented (and it is noted that in Hong Kong a thirty year building is regarded as very elderly). There is relatively little evidence of recent, obvious exterior and foyer refurbishment of buildings, but the good state of the older buildings would suggest that routine maintenance and refurbishment is being carried out across the redeveloped building stock.

Appearance over Time: Unsurprisingly, nearly all the buildings constructed in the last fifteen years have been given a high rating for physical appearance (4 or 5). It is further noted that even older buildings (15-30 years old) also have a pleasing physical appearance and are rated mainly 3 or 4 although a small proportion (5%) of older buildings are rated a 2. Of buildings built between 1981-1985 two thirds have a score of 3 and nearly a third a score of 4. This is a further indication that the redeveloped building stock is well maintained and respectable, if not extensively refurbished, with the older stock looking a bit worn out after being refurbished some time ago. This compares to structures built between 2001 and 2006 that look new and upmarket.

Types of Shops: A total of 75 of the 135 buildings (56%) have shops on the ground floor and 60 (44%) either do not have shops on the ground floor or have shops located inside the shopping arcade/mall where their entrances are not facing the street. Of the 75 buildings with shops at street level, there are a total of 257 shops. To refer to the methodology above, a range of different types of shops was identified for this study. Of the 257 shops, 23% are food-related shops including restaurants, bakeries
and fast-food restaurants. The second largest group is personal-care-related shops, such as clothing, health and beauty, hair salon, which accounts for 16%. The third largest group is electrical and mechanical engineering shops (12%), which includes automobile service, electrical and plumbing works and interior design engineering.

*Types of Customer:* More than half (54%) of these commercial establishments were rated ‘1’ or ‘2’ in terms of the type of customers being served. In other words the shops in Kennedy Town serve relatively lower status customers (i.e. the local residents living in the neighbourhood for a long time). This suggests that the gentrifying middle class is shopping elsewhere for much of its purchases. By comparison only 2% of shops are clearly targeted to serve high-income customers.

*Types of Shops and Types of Customers over Time:* In general, food-related shops have been the leading type of shop. In particular, food shops are 50% of shops located in buildings built between 2001 and 2006. Similarly, the proportion of laundries and social welfare facilities (such as aged-care centres and nursing homes) have increased from 5% of establishments in 1996-2000 buildings for both types of enterprises to 25% and 13% of establishments in 2001-2006 buildings although the total number of laundries and social welfare facilities only account for 6% and 4% of the total number of commercial establishments in all redeveloped buildings. By comparison electrical and mechanical engineering enterprises have the largest proportion (26%) of establishments located in the older buildings (1981 – 1985) and this has dropped in new buildings. The proportion of personal care establishments is higher in shops in older buildings (1980-2000) but has dropped sharply in new buildings.

Of the 257 shops on street level a third are located in buildings built between 1981 and 1985 and nearly a quarter are located in 1986-1995 buildings. For shops located in pre-1991 buildings the share rated a ‘2’ for type of customer served recorded the largest share from 37% to 52%, while no shops were assessed as targeted to serve the highest-status customers. Since 1991, the trend has changed significantly, with shops targeted to higher-income customers. A rating of ‘4’ increases significantly for shops located in buildings built between 1996 and 2006, from 10% in the period 1996-2000 to 38% in the period of 2001-2006. Similarly a rating of 3 for shops located in buildings built since 1990 has risen from 29% (1991-1995) to 38% (2001-2006). This fits with major real rises in median household income in Kennedy Town for the same period (1981-2006), which would result in newer shops targeting higher-status customers particularly after 2000.

**Mong Kok and Langham Place**

Mong Kok is at the heart of the Kowloon Peninsula in Yau Tsim Mong District. It is one of Hong Kong’s most crowded districts, and at one time recorded the highest population density area in the world. Mong Kok is a mix of old and new buildings, with shops and restaurants at street-level and commercial or residential units above. It is also a well-known, popular shopping and entertainment district. To the east of Nathan Road there is an array of traditional street markets, such as Ladies Street (Tung Choi Street) and Sneaker Street (Fa Yuen Street). Thousands of locals and tourists visit Mong Kok to shop every day. Mong Kok is easily accessible by all forms of public transport.

The study area is bound by Nathan Road on the west, Argyle Street to the north, Nathan Road to the east, Ferry Street/ West Kowloon Corridor to the west, and Waterloo Road to the south. The main roads are mainly occupied by hardware and mechanical engineering shops. Portland Street is a well-known red-light district, which creates the impression that the area is less safe than other parts of Hong Kong. There are no large parks in spite of the high population although there are about fifteen small open spaces (‘pocket parks’) between buildings. Local residents (often the elderly) chat and spend their time during the day in these little spaces.

The study area includes the LDC’s enormous redevelopment project, Langham Place, which was announced in the late 1980s and completed by the URA in 2005. The project has a site area of
11,976m² and was a joint development between the administration and the Great Eagle Group. It required the demolition of 58 buildings and the relocation of 2,603 people. The redevelopment project also relocated Bird Street (previously Hong Lok Street) to Yuen Po Street, which is about 900m away from its original location. Today, Langham Place consists of a 5-star hotel and a 60-storey Grade-A commercial tower with a 15-storey shopping mall. Around 200 brand name and up-market shops and restaurants are found in the mall. The development seems to have absorbed all demand for brand and up-market shops in the study area.

Extent of Redevelopment
A total of 58 buildings have been redeveloped in the Mong Kok study area between 1981 and 2010. Of these about half were built between 1981-1991, about 40% between 1991-2001 and only two buildings since the grand opening of Langham Place in 2005. With the exception of the extremely tall Langham Place development (42 and 60 storeys) most of the redeveloped buildings since 1981 are 18-22-storeys, reflecting prevailing planning guidelines.

Physical appearance: More than half the redeveloped buildings have an appearance score of 4 or 5 reflecting their age in the first instance but also that there is some emphasis on maintenance. Less than 10% of buildings were given a poor rating (1 or 2) for their exterior. However, overall foyers were given lower ratings suggesting that while the exteriors of buildings are generally being maintained there is less emphasis on maintaining and refurbishing common interiors. A total of 33% and 43% of the buildings built between 1981-1985 and 1986-1990 appear to have been renovated recently; although the appearance scores of this category suggest older buildings are being adequately maintained if not refurbished to high standards. More recent buildings have a better physical appearance and would not yet be in need of extensive refurbishment. All the buildings built since 1996 have a score of 4 or 5.

Types of Shops: Most (86%) buildings have shops on the ground floor, comprising a total of 165 shops. Those that do not are those built since 2001. (About 200 shops are located at the Langham Place shopping mall.) Of the 165 shops, 41% are located in buildings built between 1981 and 1985 and 30% in buildings built between 1991 and 1995. Overall hardware and building materials-related shops account for the highest proportion (28%) of all shops. This category includes shops selling hardware, wood and timber, window frames, interior decorating materials, paint, metal recycling, construction workers' clothing and safety equipment retailers. The second highest proportion is food-related shops, including restaurants, bakery and fast-food outlets (17%). The third is electrical and mechanical engineering shops (14%), including automobile service, electric and plumbing works and interior design engineering, etc.

Types of customers: More than three quarters of the shops scored a rating of 1 or 2 in terms of types of customers being served, i.e. relatively lower status customers. This reflects in part the large number of hardware and E&M engineering shops that have no or minimal interior decoration and seem to depend on a group of loyal customers that probably come from outside the neighbourhood. Only 4% of shops are targeted to serve high-income customers (score of 4 or 5). (It is noted that there are many high end shops in Langham Place).

Types of shops and customers over time: The dominance of certain types of enterprises similarly reflects their dominance in shops of varying ages, although there are variations, for example, the concentration of real estate agencies and financial institutions in buildings built since 1991. Overall the distribution of types of shops and types of customers reflects that the shops do not only serve local residents but tend to be commercially orientated, such as the clustering of hardware/engineering shops in the study area and wider neighbourhood. There are around 200 shops located at Langham Place, from fast-food outlets to more upscale restaurants, from non-brand to high-fashion boutiques and numerous international designer shops. These shops would target higher end customers (4 or 5). Langham Place is clearly intended to attract customers from all over Hong Kong as well as tourists;
however, it is doubtful whether local Mong Kok residents would spend their money in these upmarket shops.

**Quarry Bay**

Quarry Bay is on the eastern side of Hong Kong Island, a small neighbourhood beneath Mount Parker to its south and Victoria Harbour to its north. It is well-served by the MTR and buses, and is at the entrance to the Eastern Harbour Tunnel. In the 1900s, Quarry Bay was one of Hong Kong’s industrial areas and the location of the Taikoo dockyard. Its major land uses were a sugar refinery factory, electricity generating plants and extensive wharves and warehousing. Originally, the area comprised low-end residential housing as well. Following the completion of the Eastern Harbour Crossing and the MTR line in the late 1908s, the government rezoned much of Quarry Bay to encourage the replacement of industrial with commercial activities. In particular, the industrial sites along Westlands Road and Shipyard Lane were rezoned to commercial use, while the industrial site of the Taikoo Trading Estate became a comprehensive development area (i.e. today’s Taikoo Place).

Today, Quarry Bay has gradually been transformed into an upmarket gentrified neighbourhood, with a good balance of residential and commercial buildings. The development of Quarry Bay has been and continues to be greatly influenced by the major developer Swire Properties’ master plan, the company which owns much of the land in this district as well as in Taikoo, to the east of Quarry Bay. In particular, Swire Properties redeveloped Quarry Bay into a commercial hub known as Taikoo Place, identified to be a potential commercial rival to Wanchai.

Our study area boundaries were selected to highlight the private sector-led nature of redevelopment in the district. It is bounded by Kings Road to the south, Victoria Harbour to the north, Java Road to the west, and Shipyard Lane/ western end of Taikoo Shing housing estate to the east.
Workshop 11: Housing Regeneration and Maintenance: Towards an Environment-Friendly Housing Stock

Extent of Redevelopment
A total of 36 buildings have been redeveloped in the Quarry Bay study area between 1981 and 2010. Twenty buildings (55%) were built between 1981-1990, ten (28%) between 1991-2000 and six (17%) between 2001-2010. Whilst the redeveloped buildings in Kennedy Town and Mong Kok are mainly residential buildings, almost half (45%) in Quarry Bay are commercial towers; of which more than half again (9 out of 16 commercial towers) have been (re)developed by Swire Properties, which has named this development precinct Taikoo Place. Swire has been developing the area from as early as 1984 to as recently as 2008. Average building heights have been increasing steadily, from an average of 23-storeys for the period 1981-1985 to 31 storeys for the period 1991-1995 to 48-storeys since 2006. One building is 68-storeys.

Physical appearance: Three quarters of the redeveloped buildings have a good to excellent (4 or 5) rating for their external physical appearance and a similar proportion for their foyer areas. Only two buildings scored 2 or less. About 13% received a score of 3. These high scores suggest that the older buildings are being well maintained and in many cases refurbished to high standards. Close to half and 22% of buildings built between 1981-1985 and 1986-1990 scored a 5. In general, all the redeveloped buildings in Quarry Bay look new and upmarket.

Types of shops: A total of 16 buildings (44%) have shops on the ground floor, comprising 112 shops of which 20 are currently vacant. It is noted that this does not fully reflect the number of shops in the area because nearly 30 additional shops are located on the first floor of Taikoo Place commercial towers, half cafes and restaurants. Nearly half the total number of shops are food-related, including restaurants, bakery and fast-food outlets. The second largest proportion (11%) is personal-care shops, including clothing and footwear, health and beauty, a hair salon and an optical shop. Most of the personal-care shops are small boutiques. The remainder comprises a medical centre and others, including a pet shop, florist, photo developing shop and travel agent. There is also a supermarket and a number of convenience stores. Boutiques found in Quarry Bay are non-brand small businesses. Shops in Quarry Bay aim to serve local residents rather than visitors to the area, since the types of shops found are daily-life necessity products and services, although local residents includes the diverse working population of the commercial towers.

Types of customers: Shops target local (middle class) residents as well as the many office workers in Quarry Bay. Shops serve an average clientele, a third receiving a score of 3 and a quarter a score of 4 in terms of the types of customers being served. In particular, there is a significant number of small, quite humble eateries with casual seating and a take-away counter, which are crowded with office workers and students during lunch hour. The décor, prices and clientele reflect that many such enterprises were give an rating of 1 or 2 in terms of type of customer. Although only 3% of shops scored 5, it is noted that the up-market dining precinct at Taikoo Place serves considerably more expensive food and likely a higher status of customer.

Type of shops and customers over time: Of street level shops half are located in buildings built between 1986-1990. No buildings built since 2006 have street-level shops. About half the shops in the older buildings (1981-1990) are food-related, as are about half the shops in the newer buildings (1996-2005). Medical centres and grocery stores dominate shops in buildings built between 1991-1995. In general, shops serving rating-4 customers record the largest share for all age buildings except 1986-1990, rising further since 2001 and 2005. Shops serving rating-3 customers are also well represented in different age buildings. There are little shops that aim to serve lower income customers concentrated somewhat in the older buildings.
‘Mixité’: an urban and housing issue?

Number of Buildings and Average Height of Buildings

Figure 1a

**Number of Buildings built between 1981 and 2006 in Kennedy Town and their average building heights**

- **No. of Buildings**
- **Average Building Heights (in Storey)**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Buildings</th>
<th>Average Building Heights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-1985</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>1986-1990</td>
<td>45</td>
<td>25</td>
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<td>1991-1995</td>
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<td>30</td>
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<tr>
<td>1996-2000</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2001-2005</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2006-2006</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

- **No. of Buildings**: Red
- **Average Building Heights (in Storey)**: Blue

Figure 1b

**Number of Buildings built between 1981 and 2010 in Mong Kok and their average building heights**

- **No. of Buildings**: Red
- **Average Building Heights (in Storey)**: Blue

Figure 1c

**Number of Buildings built between 1981 and 2010 in Quarry Bay and their average building heights**

- **No. of Buildings**: Red
- **Average Building Heights (in Storey)**: Blue

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Buildings</th>
<th>Average Building Heights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-1985</td>
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<tr>
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<td>1991-1995</td>
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<tr>
<td>2001-2005</td>
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<td>2</td>
</tr>
<tr>
<td>2006-2010</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

- **No. of buildings**: Red
- **Mean of floors**: Blue
Physical Appearance of Buildings 1981-2006/10

Figure 2a  
Rating of Physical Appearance of Buildings in Kennedy Town, 1980-2006

Figure 2b  
Rating of Physical Appearance of Buildings and Foyers in Mong Kok, 1981-2010

Figure 2c  
Rating of Physical Appearance of Buildings and Foyers in Quarry Bay, 1981-2010
'Mixité': an urban and housing issue?

Physical Appearance of Buildings 1981-2006/10

Figure 3a

Rating of Physical Appearance of Buildings in Kennedy Town, 1980-2006

No. of Buildings

Year

Figure 3b

Rating of Physical Appearance of Buildings in Mong Kok, 1981-2010

Percentage

Year

Figure 3c

Rating of Physical Appearance of Buildings in Quarry Bay, 1981-2010

Percentage

Year

where Rating 5 = Most Upmarket, Rating 1 = Least Upmarket

where Rating 5 = Most Upmarket, Rating 1 = Least Upmarket
Types of Shops 1981-2006/10

Figure 4a
Types of Shops in Redeveloped Buildings in Mong Kok, 1981-2010

Figure 4b
Types of Shops in Redeveloped Buildings in Kennedy Town, 1980-2006

Figure 4c
Types of Shops in Redeveloped Buildings in Quarry Bay, 1981-2010
Selected Types of Shops on Street-level 1981-2006/10

Figure 5a
Selected Types of Shops on G/F, Kennedy Town, 1980-2006

Figure 5b
Selected Types of Shops on G/F in Mong Kok, 1981-2000

Figure 5c
Selected Types of Shops on G/F in Quarry Bay, 1981-2005
Types of Customers 1981-2006/10

Figure 6a

Types of Customers being served by subjected Shops in Kennedy Town, 1980-2006

- Rating 1: 18%
- Rating 2: 23%
- Rating 3: 25%
- Rating 4: 11%
- Rating 5: 8%
- Shops N/A: 2%

where
Rating 5 = Highest Status Customers & Rating 1 = Lowest Status Customers

Figure 6b

Types of Customers being served by subjected Shops in Mong Kok, 1981-2010

- Rating 1: 46%
- Rating 2: 29%
- Rating 3: 11%
- Rating 4: 10%
- Rating 5: 3%
- Shops N/A: 1%

where
Rating 5 = Highest Status Customers & Rating 1 = Lowest Status Customers

Figure 6c

Types of Customers being served by subjected Shops in Quarry Bay, 1981-2010

- Rating 1: 35%
- Rating 2: 21%
- Rating 3: 8%
- Rating 4: 7%
- Rating 5: 3%
- Shops N/A: 26%

where
Rating 5 = Highest Status Customers & Rating 1 = Lowest Status Customers
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Types of Customers 1981-2006/10

Figure 7a

Types of Customers being served by Subjected Shops in percentage, Kennedy Town, 1980-2006

Figure 7b

Types of Customers being served by Subjected Shops in percentage by Years, Mong Kok, 1981-2010

Figure 7c

Types of Customers being served by Subjected Shops in percentage by Years, Quarry Bay, 1981-2005
Case Study Areas Compared

Kennedy Town

There are about 246 buildings in the study area of which 135 have been built since 1980 (and described above). Thus just over half the buildings are less than 30 years old and just less than half are more than 30 years. Considering the buildings in the study area overall, by sight inspection two thirds (69%) of the buildings have either been built in the last five years or so or have been extensively refurbished in recent years and now present as new, well maintained and up-market. This is evident from the status of exterior walls as well as inspection of the furnishing, finishing and security of the foyers. Some of the newer buildings in particular have grand foyers with expensive furniture and light fittings in the lobby. In addition there is increasing emphasis on the privacy of residents; foyers are becoming less visible to outsiders, including greater use of walls and tall plants. There is also a greater emphasis on security, including 24 hour security guards and CCTV. This compares to the older (unrenovated) buildings which have almost no security at all.

A further quarter (24%) of buildings appear to be well maintained, i.e. there is little or no spalling or detached tiles (tiles are as common exterior finish in Hong Kong because they are robust in a hostile climate and easy to clean) and foyers are presentable if not glamorous. Although these buildings are less up-market, they are still respectable with good security and pleasant foyers. (The two public housing estates in the study area were both refurbished extensively a few years ago.)

The last group of buildings comprises about 7% of the stock, and represents the worst buildings. It would appear that these buildings are not well-maintained and only essential maintenance work is being carried out. These buildings comprise individual residential blocks and run-down industrial/commercial buildings of less than fifteen storeys. The exterior finishing is poor, foyers are dark and unprepossessing and security is minimal. It is noted that given the small number of such buildings remaining in Kennedy Town, these structures are likely either being acquired for demolition or will likely have a major refurbishment in due course. Gentrification of the building stock is well underway and gaining momentum.

Of the three case study areas, Kennedy Town, an area with limited public sector-led redevelopment and a large number of organic single (re)developments, exhibits the greatest extent of gentrification. Original site visits were conducted in mid-2010 and repeated in mid-2011 and even within this short period it is obvious that the neighbourhood is gentrifying quickly and that more buildings have been /are being refurbished. Although the area was run down twenty years ago, most buildings have been redeveloped or extensively refurbished in recent years. However, although Kennedy Town is clearly gentrifying, an analysis of census statistics and site observation indicates that it still houses a large original population. In particular commercial activities remain geared to meeting the needs of the local population, which plays an important role in maintaining the lively street culture of this neighbourhood.

Mong Kok

There are about 218 buildings in the study area of which about a quarter have been built since 1980, which by Hong Kong standards means that the area contains a very high proportion of old buildings. Considering the buildings in the study area overall, about a quarter are new or have clearly been refurbished to a high standard within the last few years and are upmarket. The exteriors have a good presentation, foyers are pleasingly decorated and there is security guard presence. (Smaller buildings would not have visible security guards because their lobbies are too small to accommodate a guard area). The foyers of the older buildings (i.e. 1960s-1970s building) are not well-decorated in this group. However, in comparison to the next group (see below), the main gates look more modern and newer. Most buildings of this group have a password-code security system at the main entrance; in
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Hong Kong this would be regarded as quite minimal building security if it is not accompanied by security guards. Most commercial buildings in the study area fall into this category.

Nearly half the study area comprises clearly older buildings, which are relatively well maintained, so, for example, there is no or minimal spalling or detached exterior tiles, but certainly these buildings do not meet the criterion of a gentrified or even gentrifying building in terms of presentation. Exterior walls’ paint is fading, and the entrances comprise unattractive, old style metal gates which are often rusted and poorly maintained. There is very little security including limited use of password code security systems or CCTV surveillance. Corridors and foyers are gloomy and uninviting. Most of these buildings were built prior to 1980s and are less than 20-storeys.

The remaining quarter of the buildings is quite unprepossessing and there is evidence of little more than very basic maintenance. There is an impression that these buildings require major refurbishment urgently. Building exteriors are in a very poor state of repair with signs of spalling or detached tiling. It appears as if the buildings have not been painted for decades. The foyers are dark and gloomy and very poorly secured and some residential buildings do not have secured entrances. Needless to say, security guards are not found in these buildings. All these buildings were built prior to the 1980s and are less than 10-storeys. It is noted that this group of buildings is in a much poorer state of repair than the lowest tranche of buildings in Kennedy Town and Quarry Bay, which generally do not have such decrepit buildings.

Langham Place is an upmarket development and has attracted quite well heeled tourists and residents who do not live in the neighbourhood. It has clearly rejuvenated the area around Portland Street, and would seem to have reduced the number of brothels in the area. There is also evidence that rents have increased. On the other hand, the development seems to have had quite a limited impact on commercial development in nearby street blocks. Out of 165 shops located in buildings built between 1981 and 2010 (excluding shops in Langham Place), 28% and 14% are hardware and electrical and mechanical engineering shops respectively, activities traditional to the area and quite disassociated from the upscale image and commercial activities of Langham Place. Furthermore in spite of the long gestation period of Langham Place relatively few buildings have been redeveloped since 1981 (compared to what would be regarded as Hong Kong’s gentrifying neighbourhoods) and major refurbishments are relatively uncommon. Nearly half the redevelopments since 1980 took place in the early 1980s. Although Langham Place was completed in 2005, only two buildings were redeveloped between 2006 and 2010. The majority of the buildings in the study area are individual blocks. The average building height in the study area is 21-storey, which by Hong Kong inner city areas is not particularly high.

Quarry Bay

There are a total of 79 buildings in the study area of which just less than half have been redeveloped since 1981. Based on general sight observation, about 55% of the buildings in the study area look new or have been refurbished to a standard which makes them relatively indistinguishable from new buildings in terms of presentation, and appear to be very well managed. These buildings are mostly over 25-storeys. Nearly all the commercial towers are categorized in this group. The buildings are set back from the side walk, their foyers are all well-decorated (with artwork displayed at the entrance and grand lighting and furniture in the lobby) and there is tight security. In particular, the main lobbies of all commercial towers at Taikoo Place are built on podiums with walkways which link the nine towers to Quarry Bay MTR station. The entrances of the larger-scale residential blocks in this group are blocked by plants and bounded by walls to increase privacy.

Another third of the buildings has a respectable exterior appearance and presents well. Their walls may have been painted some time ago but the exterior surfaces are smooth and well maintained. Furthermore, the buildings in this group are still well-secured and generally have security guards despite the fact that the decoration of foyers is not as grand and up-market as the previous group. The
two old industrial buildings in the study area, which are now being used as offices and warehouses) fall into this category; the other buildings in this category are all residential buildings.

About 10% of the buildings appear to be in a relatively poor state of repair and do not show signs of major refurbishment in, say, the last decade. (Buildings’ exterior appearance deteriorate rapidly in Hong Kong.) They present poorly, particularly in relation to the other buildings in the study area. For example, walls are not painted and there are signs or spalling and/or detached tiles on exterior walls. It appears as if their foyers are not as well-secured as the other two groups although security guards might still be engaged. A few of these buildings do not have CCTV surveillance either. These buildings are mainly lower than 20–storeys. Some of these buildings are advertised as having been recently acquired by a private developer or real estate agency – in which case they are awaiting demolition and redevelopment.

In contrast to the Mong Kok study area, not all the residential blocks have shops at street-level, being mainly those built prior to 1990. All shops at Taikoo Place are located on the podium level. There is only one small shopping arcade on the ground floor of a two-block residential building in the neighbourhood. Excluding shops in Taikoo Place, 41% of shops in the redeveloped buildings are food-related, ranging from small take-away eateries to upmarket international cuisine restaurants. There are nearly 30 shops in Taikoo Place, of which half are upmarket cafes, pastry shops and restaurants. Furthermore, Taikoo Place has attracted a number of upmarket bars and restaurants along Tong Chong Street. The second largest proportion of shops in the redeveloped buildings is personal-care shops which include clothing and footwear, health and beauty, a hair salon and optical shop, which accounts for 11% of the total number of shops. The remainder is mainly grocery stores and clinics. Overall the shops in the redeveloped buildings provide daily necessities and services which aim to serve local residents rather than tourists or people living outside the neighbourhood.

Discussion and Conclusion

Hong Kong has experienced very rapid economic development since World War II and this is reflected in the major improvements to the city’s built environment. Indeed economic development has been so rapid and the building stock constructed or demolished and redeveloped at such a pace that the age of much of the city’s built stock can be identified by the decade of its construction. The extent of development and redevelopment of the building stock in the main urban area reflects rising real incomes and changes consumer preferences, combined with tremendous difficulties in redeveloping this stock for a variety of structural, institutional, political and other reasons. As a consequence Hong Kong presents as a peculiar case of gentrification. However, while it has long been a mainstream view that gentrification is not occurring at the speed and scale which might be expected because of such structural, institutional and other constraints, this preliminary analysis of three “gentrifying” neighbourhoods suggests that this is an incomplete picture.

In certain parts of the city, as suggested by our Kennedy Town case study, gentrification is occurring very rapidly, and is private sector driven, although the area continues to provide for the commercial and retail needs of its remaining original population. This gentrification process has undoubtedly been given impetus but both the large and upmarked Belchers development on its boundary, as well as the plans to link the area to the MTR in the near future (construction of the line is well underway and should be completed in 2013/14). Quarry Bay is a different example of extensive gentrification; like Kennedy Town redevelopment has been driven by the private sector, but here it is the result of large scale commercial development and primarily by one major property development company. Mong Kok presents a more complex picture. Redevelopment has been public sector driven and represents primarily one very large commercial project (rather than the more normal mixed commercial and residential projects more typical in Hong Kong). While some level of gentrification is represented by the Langham Place development, which has clearly had some impact on the surrounding area, there appears to have been little acceleration of redevelopment in the surrounding neighbourhood relative to
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the size and money invested in Langham Place. This poses the possibility, untested at this stage, that the public sector-led Langham Place project is so large that it has somehow absorbed all capacity in the wider for commercial gentrification. Commercial use, rather than mixed commercial and residential or residential only use may also explain this. The state of the building stock and resilience of traditional commercial enterprises (at least at street level) suggests that while buildings are being redeveloped / refurbished in line with Hong Kong’s rising wealth and aspirations, it is difficult to present this as gentrification.

This research is preliminary and has presented a number of methodological issues to be pursued as the project progresses. Data presented in this paper is primarily based on detailed and intensive sight inspections. It is intuitive that that if a building presents as being well maintained and refurbished it is likely that it is sound and well maintained in terms of services not visible from an exterior inspection. Of course site inspections have limitations. However a technical analysis of buildings’ maintenance / refurbishment status would be costly and indeed impractical given difficulties in access to buildings and their maintenance / refurbishment records. This research confirms the usefulness of intensive visual inspection but also highlights the need to develop an improved methodology to estimate the physical appearance / refurbishment status of multiple buildings that does not require a detailed technical inspection of each. The challenge is further to develop criteria of evidence of gentrification that can be applied to building stock of different ages and to neighbourhoods of different socio-economic status.

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