

– STATES OF COMPULSION: Reassessing 'State-Led' Neighborhood Change in Hong Kong

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Abstract

This article provides a critical reassessment of the role of the state in processes of neighborhood change in Hong Kong, based on mixed-methods research conducted in the rapidly changing Sai Ying Pun neighborhood. We argue that common narratives of 'state-led' processes of neighborhood change often overstate, oversimplify or unduly assume the influence of state agencies, especially the Urban Renewal Authority (URA) and other 'usual suspects', obscuring the complex ways that states facilitate and compel the actions and agendas of other actors. By elaborating implications of several specific forms of state action, especially a 2010 amendment to Hong Kong's Land (Compulsory Sale for Redevelopment) Ordinance, we demonstrate that the state in Hong Kong plays many different roles in facilitating neighborhood transformation, creating an uneven geography of state intervention dependent on locally specific factors such as the particularities of architecture, housing types and residential density in different urban areas as well as existing configurations of policy, legislation and infrastructure. These many articulations of the state are of strategic value to a variety of elite interests, from property developers to wealthy residents and international consumers, whose distinct and competing agendas could hardly be so well served by a less dynamic state.

Introduction

Hong Kong is changing fast. Alongside the more auspicious transformations of law, politics and social order that have been the stuff of headlines the world over in recent months and years, many of the city's neighborhoods are actively being remade, with profound socio-spatial consequences. Iconic architecture is regularly leveled to make way for ever-grander skyward slivers that contain ever-smaller boxes for living, slicing through and sweeping away not just complex urban histories but whole social ecologies and the communities that made them. Neighborhood change per se is not new to Hong Kong. Many of the city's neighborhoods have evolved with changing demographic, geopolitical, political-economic and other dynamics for a century and more. Sai Ying Pun, the geographical focus of this article, is no exception, as its geographies attest even to the casual observer. But the specificities of contemporary neighborhood change—including the scale and intensity of the transformations, the parties and motivations involved, and the means by which it is pursued and accomplished—are the result of decades of political conflict and negotiation, policy experimentation and adaptation, naked opportunism and shrewd management. Since 2001, the public face of urban change in Hong Kong has been the Urban Renewal Authority (URA), a public agency which—by both mandate and practice—enjoys a large and ever-shifting set of partnerships and connections to private bodies and interests. For this and other reasons, neighborhood change in Hong Kong is overwhelmingly described by scholars and practitioners as 'state-led' (e.g. La Grange and Pretorius, 2016; Ng, 2018), a characterization shared in

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spirit if not in name by many everyday Hong Kongers. But in many of Hong Kong's fast-changing and most charismatic neighborhoods, such as Sai Ying Pun, the presence of the URA appears minimal and decidedly marginal, while a seemingly uncoordinated collection of private developers and scores of new businesses and residents redraw the skyline and recast the hues of contemporary street life.

In this article, we argue that these latter neighborhood changes are rooted in the workings of the URA, as well as the Hong Kong Government more generally, and would not be possible but for specific alignments of the priorities and powers of this agency. This too is 'state-led' neighborhood change, although the profoundly different ways the state manifests and operates across Hong Kong's vast urban geographies raise important questions about the analytical utility of this conceptual language. Focusing on specific changes to policy and law over the past several decades—especially a consequential alteration of the ordinance governing compulsory land sales—we demonstrate the increasing flexibility of the state across time and space, calling into question clean separations of the state/non-state in processes of urban redevelopment. As we show through recent changes in Sai Ying Pun and the URA's efforts to propel these changes through a proliferating set of mechanisms tailored to different temporal phases of and specific geographical obstacles to urban redevelopment, taking the state for granted belies deep and meaningful imbrications of the public and private, with real consequences for urban landscapes and livelihoods. Putting the state back at the center of the processes of neighborhood change unfolding in Sai Ying Pun in a way that is analytically and politically productive, we argue, requires (1) approaching the URA and other state agencies as the complex and shifting amalgamations they are; and (2) paying careful attention to both the minutia of their evolution through law and policy and the processes by which their priorities are made to align with, or be 'captured' by, private interests.

We elaborate this argument through five additional sections, followed by a conclusion. First, we unpack prevailing understandings of the role of the state in contemporary processes of neighborhood change, focusing particularly on articulations of 'state-led' gentrification and their analytical and empirical limitations. Next, we briefly explain the specific methods by which we have arrived at the findings we present in this article. We then turn to an examination of the process of urban redevelopment in Hong Kong as conceived, pursued and managed by the URA and its predecessor agency, with special attention to the changing suite of powers and mechanisms at the agency's disposal, especially the Land (Compulsory Sale for Redevelopment) Ordinance (LCSRO), as well as this agency's relationships with other stakeholders. In the following section, we demonstrate the underappreciated significance of the state's role in the redevelopment of Sai Ying Pun. As we elaborate in our discussion section, our research illustrates that while long-time residents, business operators and other interested parties readily observe and communicate the recent and rather dramatic transformation of the neighborhood, most fail to understand the many intricate maneuvers by which the state has been able to compel a host of other actors to produce these changes. In our conclusion, we return to the consequences of failing to accurately account for and otherwise figure the state, highlighting the relevance of this case for developing a more robust understanding of the role of the state in processes of neighborhood change in Hong Kong and elsewhere.

Figuring the state

The role of the state in the processes of gentrification and neighborhood change more generally has been a central preoccupation of urban scholarship for some five decades at least (Zuk *et al.*, 2018). Researchers, theorists, professional practitioners, residents and other interested parties have struggled to make sense of and account for how state actions induce or otherwise influence the development of 'rent gaps'

(Smith, 1979; Watt, 2009); enclose urban commons (Blomley, 2008; Vidal, 2019); ‘regularize’ property relations (Ghertner, 2014; Rigon, 2016; John *et al.*, 2020); ‘formalize’ or otherwise alter land uses and land use regulations (Liu and Wong, 2018; Leal Martínez, 2020); (semi-)privatize public spaces and aspects of urban governance (Lake and Newman, 2002; Newman, 2004; Loughran, 2017; Gerlofs, 2018); pursue infrastructural upgrading (He, 2007; Stehlin, 2015); and expropriate/alienate properties and evict tenants (Paton and Cooper, 2016; Shin, 2016). A robust and international body of scholarship has demonstrated a wide variety of ways that such activities can and do facilitate neighborhood change, regardless of the level of intentionality with which they are undertaken—from the culmination of explicit strategies to the structural agglomeration of unanticipated externality effects. Collectively, such work is developing a more comprehensive understanding of these processes beyond the dictates of urban property markets. Often examining empirical expressions at the more conspicuous end of this intentionality spectrum, scholars who wish to emphasize the success of an array of differently situated states in promoting the transformation of urban neighborhoods under familiar banners such as ‘renewal’, ‘revitalization’ and ‘redevelopment’ have increasingly turned to the language of ‘state-led’, ‘state-facilitated’ or ‘state-sponsored’ gentrification. Although a somewhat nebulous concept in use, its appeal across global urban contexts is indicative of a long-standing recognition of the state’s centrality to processes of neighborhood change (e.g. Hackworth and Smith, 2001).

Across a profusion of meanings, ‘state-led’ gentrification at its core places an emphatic explanatory burden on state agencies at the expense of market dynamics and serves to distinguish rhetorically and analytically these two sets of forces from one another. Frequently, explanations of the process of ‘state-led’ gentrification segregate state and market by capacity and, via extension, by time. In a characteristic example, He (2007: 185) argues that through the removal of constraints by municipal and national governments (both targeted and widely applicable policy reform with respect to housing, land use and investment, among other interventions), ‘the state has played an indispensable role in initiating and facilitating gentrification’ in Shanghai. Through a variety of specific powers and arrangements, public policy has been shown to ‘induce’ gentrification in this way in a great many cities, including Mexico City (Linz, 2021), Mumbai (Doshi, 2019), Beijing (Liu and Wong, 2018) and New York (Miller, 2002). In other contexts, incarnations of the state subject to public pressures pave the way for their interventions in policy and the built environment with rhetorical work at an even earlier stage in the process, as a part of ‘the broader cultural and political project of delineating the discursive and material space within which specific planning problems are defined and addressed’ (Lake, 2016: 1214; see also Gerlofs, 2018). In this visage, the state ‘leads’ through narration and depiction, as in Lees and Ferreri’s (2016) examination of resistance to the gentrification of London’s Heygate Estate, which the state had cast as a ‘slum’ in preparation for its demolition as part of a redevelopment scheme. Such research has abundantly demonstrated that the state’s many special capacities can be used to produce important inducements to neighborhood change in a variety of ways, and that these capacities are often most productive in precisely this temporal arrangement. At its most analytically salient, then, the specificity of ‘state-led’ gentrification is partly a matter of the peculiarity of state powers and partly a matter of time.

In practice, processes labelled ‘state-led’ are often quite messy, with temporalities and intentionalities that are complex and difficult to disentangle, as many of the same studies cited here also attest. State actors frequently operate in concert with or at the behest of any number of other interests: from implicit mandates issuing from ideology, perceived necessity or encouragability, to explicit ones embodied in public-private partnerships and quasi-state amalgamations of various kinds. Such arrangements militate against strong analytical severalties of state/non-state, even if the state is cast

at its most 'integral' (Brenner, 2004). As a half-century and more of urban research amply demonstrates, this profound 'imbrication' (Mitchell, 2012) with elite interests in particular (Atkinson, 2020) makes the question of intentionality a churning font of inscrutable obscurity, as the agendas of state agencies (bodies, actors, capacities, policies) become practically indistinguishable from those traditionally considered outside the state—at least in Brenner's (2004) 'narrow' sense. This framework can therefore obfuscate questions of motivation (why does the state act in the ways that it does?) and benefit (who stands to gain from state actions in pursuance of neighborhood change?), to say nothing of the larger question of what the state *is*. The composition of state bodies and the arrangement and integration of differing governance capacities demonstrate considerable coincidence of persons, expertise, etc. with industries also deeply invested in urban redevelopment—most notably, finance, real estate and construction. Our analysis of a seemingly straightforward case of 'state-led' gentrification in Hong Kong reveals the complexity of the state's role in the processes of neighborhood change.

Even if the language of 'state-led' is restricted to its more functional aspects of special powers and their catalytic temporalities, this persistent imbrication undermines its analytical value in important ways. McElroy and Werth (2019), for instance, make clear that the 'fourth estate' can also play a prominent part in the discursive and material work of neighborhood change. The ever-changing media landscape in contemporary cities around the world accommodates all sorts of relationships between state and non-state agencies, significantly complicating the shaping of narratives and the emergence and consolidation of policy 'problems' requiring intervention. Increasingly complex transformations of governance (especially various expressions of deregulation and privatization, among many other extant or emergent trends) likewise trouble the straightforward designation of state capacities. As a matter of course, the global expansion of the literature on 'state-led' gentrification has seen this explanatory concept applied to an ever-larger array of institutional arrangements and the processes of transformation over which they preside: interscalar articulations of municipal, regional and national governance in Shenzhen; strategic partnerships of development corridors and improvement associations in San Francisco and Mexico City; and gross land transfers and land use transformations in Delhi, London and Santiago de Chile. Although not a problem *per se* for this literature, the multiple and shifting nature of the state even within one context requires that the utility of this analytic be carefully specified (and likely significantly modified) with each application, lest analysis slide into casual conflation of a public-private redevelopment corporation in Amsterdam with the Chinese National People's Congress or the Urban Redevelopment Authority of Singapore with the URA of Hong Kong. Unique histories, geographies, relationships, tensions, pressures and possibilities congeal in each incarnation of the state to which such names can be applied, producing novel forms and distinct levels of 'state-y-ness' that must be cautiously attended to if the concept of 'state-led' gentrification is to retain its important explanatory potential.

Despite these critiques and the growing potential for assumed correspondence and other analytical pitfalls rooted in this language, state privilege remains a crucial (and in many cases determinative) issue for urban change in practice and theory alike. In the sections to follow, we develop a close reading of the role of the URA in the recent transformation of one of Hong Kong's oldest neighborhoods (Sai Ying Pun), focusing on the 2010 reform of the LCSRO. We argue that while the state has been and continues to be indispensable to the transformation of Hong Kong's neighborhoods, the URA and the Hong Kong Special Administrative Region (SAR) government more generally have adopted a highly flexible approach to their pursuit of urban redevelopment in recent years. This approach has resulted in an extremely variegated geography of municipal intervention that has yet to be fully appreciated by urban scholarship and is often profoundly misunderstood in everyday parlance. Considering the state's role from this

perspective allows us to see how seemingly small policy changes easily buried in official communiqués and protected by the reliable obscurity of the law hold the potential to fundamentally redefine both urban geography and urban governance and should force concomitant reassessments of urban theory well beyond contemporary Hong Kong.

Methodology

Our arguments on the nature of the state and its relationships to processes of neighborhood change have developed out of a larger research project on the transformation of Hong Kong's Sai Ying Pun,¹ organized through a methodological suite we call the 'aesthetic survey'. Designed to provide a more comprehensive understanding of socio-spatial processes and expressions of urban change at the neighborhood scale than is typical in the existing literature (Gerlofs, 2024), this methodology allowed us to systematically incorporate data collection and analysis among four distinct but interrelated component methods: (1) an extant land use catalogue produced through in situ observation; (2) a companion atlas of landscape photography; (3) semi-structured interviews ($n = 69$); and (4) ethnographic observations, both 'passive' and 'participant', conducted by both authors as well as one research assistant during fieldwork periods.

Interviews were conducted with everyday residents and business operators in Sai Ying Pun, as well as with persons with unique knowledge of the area, the processes of neighborhood change in Hong Kong and/or the nature and operation of private, public and quasi-public bodies at the center of these processes. Interviewees included current or former public officials, current or former board members or directors of the URA, leading members of community-based advocacy groups, academic researchers and real estate brokers. Many of our informants were solicited spontaneously in person during fieldwork, although many were also contacted via email, social media platforms or telephone, or through personal referrals by third parties (e.g. colleagues, employees, friends, previous interviewees, etc.). Our ethnographic observations also derive from many informal conversations with persons highly knowledgeable on the issues in question but who for various reasons were disinclined to offer their legal consent to be included among our formal interviews at the time of our fieldwork.² For the purposes of this article, we lend more analytical weight to those interviews we conducted formally. This article also includes data from archival sources researched by both authors, including legal and policy documents, news reports, recorded interviews and other ephemera pertaining to the history and recent transformation of Sai Ying Pun as well as to the history, composition and mandate of the URA and related agencies. Much of the work that informs this article was completed between June and September 2021, although additional fieldwork was conducted between June and September 2022 and between May and June 2023.

Governing neighborhood change in Hong Kong

The state has long been actively involved in processes of urban redevelopment in Hong Kong. In 1988 the British colonial government established the Land Development Corporation Ordinance, as well as the self-financing, quasi-governmental organization Land Development Corporation (LDC), to perform urban redevelopment on 'prudent commercial principles' (Ng, 2002; Lai, 2010). The LDC was tasked with

1 We have also used this methodology to investigate several other neighborhoods in Hong Kong in recent years, as well as neighborhoods in Singapore, Shenzhen and Guangzhou. Although related projects in Hong Kong inform this article at the level of general context, our analytical focus is restricted to our work in Sai Ying Pun as described in this section.

2 For ethical reasons, we wish to stress that to our knowledge all such persons were legally able to provide such consent if they had been so inclined, and they entered into all such conversations freely and without any undue influence, fully in accordance with our approved research protocols.

purchasing properties, partnering with private developers to redevelop the sites and share the profits, and using its earnings to compensate the displaced and acquire yet more land for redevelopment. The LDC was an ineffectual, inefficient and chronically underfunded agency, however, in 2001 the young SAR government replaced it with the URA, likewise via ordinance (the Urban Renewal Authority Ordinance or URAO). Adopting a more socially sensitive tone than had the LDC, the URA's mission was expanded across a broader scope of duties, including the redevelopment, rehabilitation, revitalization and historical preservation of neighborhoods, which it was expected to pursue through a 'people-centered, district-based, public participatory approach' (Development Bureau, 2011). Operating with a similar overall mandate but designed to transcend the LDC's shortcomings, the URA was given a tailored set of new operational abilities and powers, as well as equity to be injected through Hong Kong's Capital Investment Fund. Unlike its predecessor, the URA can cross-subsidize profitable and unprofitable projects and rehouse residents in units provided by other agencies, such as the Housing Authority. Importantly, it is also exempt from taxation, including the Land Premium.³ To ensure efficiency, the URA is required to apply for mandatory resumption of properties⁴ within one year of the approval of redevelopment plans by either the secretary for development or the city's chief executive.

The creation of the URA added considerable complexity to the process of urban redevelopment, to which yet further layers and wrinkles have since been added as the agency and its enabling legislation have evolved over the past 20 years and more.⁵ Following acquisition and clearance, the URA may proceed with redevelopment, either on its own, by selling the land to a private developer or by entering a joint venture contract. The second and third of these options, which favor the private sector, are the most commonly used models of redevelopment in recent years, reportedly because the URA is able to profit by selling land leases or partnering in profitable ventures and can share construction costs with their private partners. These options not only allow the URA to avoid the burden of shouldering compensation, clearance and construction costs on its own, but also encourage the agency to work across its mandate without the strictures of per-project profitability with which the LDC was saddled.

The URA is encouraged to negotiate directly with owners in good faith before pursuing formal land resumption, and although it remains an entrepreneurial institution that routinely executes redevelopment projects in concert with private developers, significant aspects of its operations—including its compensation framework—are designed to minimize stress on existing residents and to help such persons both to improve their housing conditions and, if they wish, to remain in their neighborhoods (La Grange and Pretorius, 2016). Compensation options are themselves rather complex and have only become more so through numerous policy alterations. For instance, the Home Purchase Allowance (HPA) allows the URA to offer owner-occupiers⁶ of residential units the market value of their unit plus any difference between this price

3 The Land Premium is a tax of sorts levied for most land transactions, including 'lease modification, land exchange and private treaty grant' (Lands Department, 2021). According to the figures of the annual reports released by the Legislative Council (the SAR's legislative body), the Land Premium accounts for roughly 20.75% of total government revenue on an average annual basis since 2015. Stamp Duties (required for new or modified rental agreements between land lessees and their tenants) accounted for, on average, another 15.9% in that same period. In other words, in a given year, perhaps one-third or more of all government revenue is derived directly from the taxation of land lease or rental transactions. The SAR openly acknowledges manipulating these mechanisms (rates, procedures, etc.) as it deems prudent.

4 Nearly all land in Hong Kong is publicly owned and is leased by lot by the Hong Kong Government for periods not typically exceeding 99 years, although exceptionally rare instances of 999-year leases and freehold property do exist. The government is therefore able to 'resume' property under a variety of circumstances, including for redevelopment. Thus, although we follow convention in our use of terms such as 'owners', we recognize that from a legal perspective, such persons are, in fact, lessees. The robust belief in private ownership of property despite this legal reality—what Yip (2022) refers to as 'the fiction of land tenure'—remains a powerful common sense in Hong Kong. See also Ley and Teo (2014); Haila (2017); Ip (2018).

5 The URAO may be viewed at <https://elegislation.gov.hk/hk/cap563>. See also Family CLIC (2015a).

6 Distinct provisions are made for owners of occupied units, owner-occupiers, and owners of vacant units.

and the market value of a notional seven-year-old unit of similar size and location. Owners of vacant units can be offered the market value of their unit plus a Supplementary Allowance, which is typically 25%–75% of the HPA (Urban Renewal Authority, 2019). In lieu of such cash compensation, owners of occupied flats can opt to participate in the Flat-for-Flat Scheme. Under this scheme, owners receive cash compensation calculated on the basis of the value of a notional seven-year-old replacement flat. This compensation can be used to purchase ‘in situ’ units on the lowest five to eight floors of the proposed project or units set aside for this purpose either in the same district or on the site of the former Kai Tak Airport. Residential tenants, for their part, may be provided with an ex gratia allowance based on the ratable value of the unit they occupy, or, if eligible, they may elect to be rehoused in a unit provided by the Housing Society or Housing Authority and receive an ex gratia Removal Allowance (Urban Renewal Authority, 2021).

Compensation for commercial spaces resumed through redevelopment projects has proven even more difficult to manage, as the URA has limited means to ensure that businesses are able to re-establish themselves in the same area or even remain viable at all in the wake of displacement. The URA may compensate owners of commercial spaces at the market value of their property plus an allowance, which is calculated as either 10% of the property’s market value or its ratable value, whichever is higher (Urban Renewal Authority, 2019). Commercial tenants, on the other hand, may be compensated with an ex gratia allowance, which is three times the ratable value of the property acquired plus an ex gratia Business Allowance—that is, 10% of the ratable value for each year of business operation, subject to a maximum of 30 years (Urban Renewal Authority, 2021). As an alternative, both owners and tenants can apply for a Business Loss Claim in lieu of cash compensation, which the URA reports it will consider on a per case basis (Urban Renewal Authority, 2019; 2021). Despite these provisions, interviews with business owners have revealed that it is often difficult for them to find a space to re-establish their businesses in the same neighborhood, for a variety of reasons. For one, new residential buildings tend to have fewer ground-level shops compared to those they replace, and shop rents and prices in redeveloped neighborhoods often experience a sharp rise. New projects also tend to include a curated assortment of retail offerings tailored to specific consumer profiles, which may not seem especially suited to long-time local businesses. Moreover, even the owners of those businesses able to relocate report some anxiety at the prospect of losing established social and commercial ties and the need to build a reputation in a new neighborhood where there is likely to be established competition. In the face of these challenges, several business owners we interviewed spoke with obvious melancholy of the likelihood of simply closing up shop if and when their spaces are formally resumed.

Given that such a large share of SAR government revenue comes from the Land Premium and Stamp Duties and that the URA is exempt from such taxation, redevelopment undertaken on a private, for-profit basis is seen by many as a highly attractive—indeed highly preferable—option. One of the URA’s longest-serving directors explained the situation to us in more generous terms, noting that the URA and the SAR government of which it is a part also feel constrained in their use of the ‘public purse’: ‘So many things on the agenda. Welfare ... and then education ... and then medical ... so the government have to make use of the private sector to help’ (interview by authors, 18 May 2023). Regardless of the rationale behind the government’s interest in promoting it, however, private-led redevelopment is governed by a quite different set of policies and has historically been a slow process. Property acquisitions undertaken in pursuit of larger plots assembled for redevelopment have been plagued by all manner of issues, from price haggling and complicated estate settlements to defective titles and untraceable ownership. Such issues have been especially troublesome in cases involving buildings with units held in severalty, as holdouts stalled redevelopment projects in principled opposition or simply to garner a higher price. As it would soon do in replacing

the LDC with the URA, the SAR government attempted a policy fix to this problem in its first years of postcolonial existence. To address the redevelopment frictions caused by fragmented property rights, a new ordinance—the LCSRO—was brought into force in 1999. This ordinance stipulated that a person or persons who owned 90% of the undivided shares in a lot could file an application to the Lands Tribunal for an order to compel the sale of the remaining undivided shares for the purpose of urban redevelopment. Given the enormous profit potential of redevelopment in many areas of the city, especially in recent decades, private developers were eager to use this new ordinance to their advantage as soon as they could reach the 90% threshold of ‘majority ownership’.

Not unlike the process of land resumption, making use of the LCSRO required private developers to complete a set of specific and potentially very complicated procedures,⁷ and the ordinance ultimately proved insufficient to promote private-led redevelopment at desired levels, at least in its first decade of operation. Geographically specific frustrations hampered developers’ efforts, especially in neighborhoods like Sai Ying Pun, where a cultural and temporal convergence in the built environment conspired to help the owners of commercial space keep the forces of redevelopment below the threshold of majority ownership. The most obvious—and perhaps most pervasive—embodiment of these frustrations is a type of ‘shophouse’ architecture still found throughout many parts of Hong Kong, known as *Tong Lau*.⁸ As the name shophouse implies, *Tong Lau* buildings characteristically have a commercial shop on the ground floor and tenement housing on the upper floors. In many iterations of this multigenerational architectural form, a lone unit could constitute a share larger than 10% of the lot. In practice, this gave ground-floor, commercial-unit owners in particular the power to hold up private redevelopment efforts indefinitely, as even the shrewdest and most aggressive developers often could not reach the threshold of majority ownership set by the LCSRO in such buildings. As noted above, small businesses face challenges even beyond those of residents and are widely considered to be especially resistant to relocation. In neighborhoods where such architecture makes up a substantial portion of the built environment, private redevelopment could be a painstakingly slow process.

In response to this friction, the SAR amended the LCSRO in April 2010 to alleviate this problem for developers. The amendment lowered the threshold of majority ownership from 90% to 80% for three classes of lots: (1) lots wherein all buildings are at least 50 years old; (2) lots wherein each undivided share (i.e. unit) in the lot constitutes more than 10% of all undivided shares; and (3) lots not in an industrial zone (according to the Outline Zoning Plan) but wherein all buildings on the lot are industrial buildings and are at least 30 years old (see Family CLIC, 2015b). The alteration of this threshold, according to many, had both clear intent and near-immediate effect (see Poon, 2011). When this was first explained to us (interview by authors, 9 August 2021), the significance of the threshold was not immediately apparent. Somewhat frustrated, our interviewee asked for a sheet of paper and drew a typical shophouse of five floors. Scribbling ‘20%’ next to each floor, he made the implications of this rudimentary mathematics painfully obvious. Individual owners, most consequentially owners of ground-floor commercial units, lost their only real power to halt the demolition of their buildings, as the LCSRO could now be used to compel them to sell as long as the owners

7 The ordinance may be viewed at https://elegislation.gov/hk/cap5451en?INDEX_CS=N. See also Family CLIC, 2015b. The Pilot Mediation Scheme initiated in 2010 was discontinued in 2014, reportedly because most majority owners had been successful in negotiating with minority owners following the submission of applications for compulsory sale orders.

8 Here we follow the usage of Lee and DiStefano (2016: 2), for whom the initial capitalization of *Tong Lau*—which they translate simply as ‘Chinese building’—provides cultural and geographical distinction from its counterparts in other places, such as Guangzhou *Qilou* (廣州騎樓), Penang Shophouse (檳城店屋) and Singapore Shophouse (新加坡店屋).

of the residential units above could be persuaded. At a threshold of 90%, individual owners had been protected from the designs of private redevelopment interests and had only formal resumption by the URA to fear (a relatively dim prospect in some areas of the city for both logistical and political reasons). Now, they were left without legal recourse in the face of such redevelopment.

A more aggressive LCSRO and the threat of forced sale it carried were more than enough to unstop the blockage in the pipeline of private urban redevelopment. As we elaborate in the next section, these changes have ushered in unprecedented changes to the neighborhood of Sai Ying Pun.

The transformation of Sai Ying Pun

One of Hong Kong's older neighborhoods, Sai Ying Pun ('West Camp' in Cantonese) was used as a military camp when the British colonized Hong Kong in 1841. Shortly thereafter it became a hub for Chinese migrants escaping the Taiping Rebellion (Xu and Wang, 2020). The contemporary neighborhood sits between Shek Tong Tsui and Sheung Wan in the Central and Western District and stretches from Victoria Harbour to Bonham Road (see Figure 1). The area sits on a steep incline of some 50–80 meters and has long boasted fantastic views of Victoria Harbour and easy access by land and by sea to the city's main commercial districts. Sai Ying Pun represents one of the British colonial government's first attempts at urban planning, with streets laid out on a grid running from east to west (First Street, Second Street, Third Street and High Street) and north to south (Eastern Street, Centre Street and Western Street). In its early years of settlement, *Tong Lau* became the predominant building type, driven in large part by migrants from Southern China where similar architecture was common (Lee and DiStefano, 2016). In this first generation, these mixed-use buildings of brick, clay and timber took full advantage of space. They were comprised of a commercial ground



FIGURE 1 Sai Ying Pun (source: cartography by the authors)

floor (often with a cockloft) and residential upper floors typically subdivided into tenement housing with minimal adornment, and they shared the neighborhood space with newly constructed, comprehensive public entertainment and commercial facilities. Public investment in the decades to follow included the construction of hot-water tanks and public bathhouses, as well as efforts to improve a variety of other infrastructures, especially in the wake of the bubonic plague and the implementation of the Public Health and Building Ordinance between 1894 and 1903. These developments were accompanied by subsequent generations of *Tong Lau* with their own distinctive features.⁹

By the end of the twentieth century, Sai Ying Pun had become a densely populated urban palimpsest, home to many *Tong Lau* and other mixed-use buildings in varying states of decay, an aging population of long-time residents and small commercial enterprises. A campaign of redevelopment began in earnest when the Hong Kong Government designated Sai Ying Pun as one of nine areas targeted in the 2001 Urban Renewal Strategy (Ho, 2018). Major infrastructural upgrades and other changes followed, including the construction of the Centre Street Escalator Link (see Figure 2)—which moves pedestrians up the slope from north to south—completed in 2010 and the 2015 opening of the Sai Ying Pun station of Hong Kong's Mass Transit Railway (MTR). Recent years have also seen a number of older buildings demolished and replaced by gleaming luxury residences and associated commercial podia, as well as the transformation of the commercial character of many of the persisting structures, in a roughly south-to-north pattern. Many of the new businesses, especially those closest to High Street, are restaurants, bars, cafes, gyms or boutique retail operations. These changes have brought (and been further propelled by) many new residents, especially middle- and higher-income people drawn to the neighborhood's centrality and unique geographies.

By many accounts, the 2010 changes to the LCSRO have exacerbated the uneven character of the neighborhood's redevelopment by easing the burden of negotiation for private developers, unleashing a wave of unprecedented changes to the neighborhood's urban form. Despite a shared interest in the general trajectory of redevelopment, the URA and private developers often intervene in the built environment in dramatically different ways. Although they lack the policy powers of the URA (especially to bundle parcels through resumption), private developers are nimble and can take advantage of profitable opportunities at the scale of an individual lot and, armed with the enhanced LCSRO, can often do so quickly. Whereas the URA may painstakingly assemble resumable plots to reach a critical mass for a profitable large-scale redevelopment project, many private developers look to make money quickly through redeveloping single lots. As explained by Michael Yeung, chairman of the Central and Western District branch of the Democratic Alliance for the Betterment and Progress of Hong Kong (a prominent local political party): 'Urban redevelopment can bring in a lot of profits because short *Tong Lau* are demolished and high-rise buildings are constructed ... The plot ratio has risen, which leads to higher profits ... Private developers would acquire a little bit of land, then build, then acquire a little bit more land, then build again' (interview by authors, 18 August 2021).

Demolition and construction activities, official notifications of eviction/condemnation and informal signs of displacement are now commonplace in the neighborhood, and the pace of change seems hardly affected by the Covid-19 pandemic. Tall, narrow buildings (so-called pencil towers or chopstick buildings) shoot up from the ground like stalagmites of steel and glass in visual dissonance with the aesthetic

9 According to Lee and DiStefano (2016), first-generation *Tong Lau* (1840s–1890s) replicated traditional Southern Chinese shophouses, with brick walls, clay tile roofing, and timber beams and floorboards, while later generations were influenced by international architectural styles.



FIGURE 2 The Centre Street Escalator Link at the northeast corner of the intersection of High Street and Centre Street (photo by Ben A. Gerlofs, July 2021)

uniformity of the hulking towers of larger redevelopment blocks such as Island Crest. These blocks can operate like small cities unto themselves (with a variety of in-house amenities ranging from gyms, outdoor recreation areas, pools and even schools to grocery stores, cafes and restaurants). Below and between these marvels of urban density stand aging *Tong Lau* and other smaller structures, many targeted for redevelopment but stubbornly clinging to their patch of a neighborhood their owners and renters no longer recognize as their own. The patchiness of Sai Ying Pun's architecture and the geographical dynamism of which it forms a substantial part are attractive features to some and sources of frustration for others, with surprisingly little to tie these groups together (see Figures 2 and 3). Common positive assessments focus on the aesthetic allure of architectural variety, exemplified by Olivier, an expatriate resident of Sai Ying Pun, who would like to see the neighborhood 'maintain a mixture of some new developments and some original buildings' because it is 'part of the charm of Sai Ying Pun' (interview by authors, 9 July 2021). Some who express such opinions have begun to worry, however, that the pace of demolition and construction has overrun the area's ability to sustain an attractive blend of new and old, tall and short, shiny and shabby. Others lament the neighborhood's aesthetic unevenness altogether, such as resident Jonathan Tam, who points a finger specifically at the URA in what he understands as its failure to do in Sai Ying Pun what it has done elsewhere in the city: 'It looks inconsistent ... I don't think it's good ... In Kwun Tong, the Urban Renewal Authority acquired all buildings in a large block of land and built a lot of new buildings within it. I'd rather Sai Ying Pun do that' (interview by authors, 22 August 2021).

Aside from the morphology of buildings and blocks, incentivizing private redevelopment en masse has also exacerbated a growing problem *within* buildings: the proliferation of so-called nano flats or micro units (generally considered to be units of less than 260 square feet in salable area). The local nonprofit Liber Research Community



FIGURE 3 Behind Eastern Street, looking west from the Sai Woo Lane Playground (photo by Ben A. Gerlofs, July 2021)

has compiled a publicly accessible database of nano flats constructed between 2010 and 2019, which shows an alarming increase in their share of new construction citywide, as well as an extensive research report that details the enormous financial incentives, social costs and enabling government policy of this unprecedented growth trajectory.¹⁰ This report argues that due to Hong Kong's persistent housing crisis,¹¹ a decade and more of public policy has prioritized quantity over quality when it comes to residential units, including through legalizing windowless bathrooms in the 1997 Practice Notes for Authorized Persons 219 and simplifying the approval process for building open kitchens under the 2011 Code of Practice for Fire Safety in Buildings. Such conditions are quite attractive to developers, especially those pursuing projects with small-lot footprints, as well as to prospective buyers and tenants, who regularly snap up such flats in presale for both housing and investment purposes. Nano-flat construction has been especially prominent in the context of urban redevelopment projects, and such units have become an increasingly conspicuous presence in Sai Ying Pun.¹² In recent years higher-end, 'lifestyle'-oriented retailers have reportedly hurried to locate or relocate in Sai Ying Pun for precisely this reason, as new towers such as those neighboring the recently rebranded Art Lane (the area surrounding the intersections of Shek Chan Lane with Ki Ling Lane and Chung Ching Street) are announced and constructed. Such buildings are reliably attractive to the 'target market' of niche and/or luxury services that also often make use

10 This report and database may be accessed at liber-research.com/en/a-decade-of-compression-hong-kong-nano-flat-study-2010-2019/. See also Ho (2021).

11 Hong Kong's housing crisis is both a question of space—a problem which is only expected to worsen, with a projected shortfall of 1,200 hectares of land to meet housing demands over the next 30 years—and one of affordability, exemplified by the resilience of high property prices even in the face of demographic and (geo) political tensions in recent years. (The average property price per square foot reached HK\$16,300 in 2019.) See Development Bureau and Planning Department (2021).

12 In December 2021, the Hong Kong Government announced a new minimum size requirement of 280 square feet for all new apartments, as part of a larger set of efforts to address the city's housing issues.

of smaller spaces, from make-up studios specializing in fast, high-quality touch-ups deemed worthy of a night out in the nearby nightlife district of Lan Kwai Fong to pet-friendly cafes with Instagrammable outdoor seating (interview by authors, 7 September 2022).

The social morphology of Sai Ying Pun has been profoundly reshaped by these developments. An obvious consequence is that the neighborhood is increasingly unaffordable,¹³ with acute effects for long-time residents—most notably, direct and indirect forms of displacement. In a fashion familiar to gentrifying contexts in much of the world, older, Cantonese-speaking, working-class residents are being displaced by younger, wealthier residents. Many of the newer residents are either Westerners or, more recently, young professionals from Mainland China. Few of either group are conversant in the local Cantonese. Many of our interviewees reported that this demographic transformation has severed long-standing relationships and the sense of community more generally. For instance, Ha Chung Kin, owner of the joss paper workshop Tin Bo Lau Arts Model Works (天寶樓扎作), told us that while he knew all his neighbors when he was a child and would socialize with them on the staircases of *Tong Lau*, he does not know the newer residents, who mostly live in modern, high-rise residential complexes (interview by authors, 14 July 2021). Ko Cheung, the owner of Bullet Tyres Batteries Co. (魄力汽車電器膠輪公司), likewise expressed regret at the loss of community (interview by authors, 27 August 2021):

Long-time residents trust one another a lot. They would try their best to help if one of the neighbors encounters issues. But people in Sai Ying Pun are starting to become more and more distant because new residents only move into the neighborhood for its convenience and do not have the intention to get to know their neighbors. Apartment rents have also been rising, so lots of long-time residents and I moved to the New Territories as rents there are cheaper. I find people living in the New Territories to be happier. People there would deliver free snacks to the elderly and homeless people that hang around parks. Sai Ying Pun is nothing like this. People here tend to just care about themselves and their relatives, but not their neighbors. People are getting colder and more selfish, and this, I feel like, is an inevitable consequence of social progression.

The steady demolition of *Tong Lau* has also put pressure on the rents of commercial spaces, resulting in the gradual displacement of local businesses in favor of the sorts of ‘higher order’ new establishments noted above. One recent study found that between 2015 and 2017 alone, some 250 of the 700 shops in Sai Ying Pun had either closed or changed ownership (Conservancy Association Centre for Heritage, 2017). Elderly proprietors are especially vulnerable to such displacement. Mr Law, the owner of Sun Hing Wai Rice and Oil Provision Store (新興偉糧油雜貨), expressed sentiments common to many in this general demographic about the difficulty of adapting to the neighborhood’s changing socio-spatial dynamics (interview by authors, 26 July 2021):

13 Prevailing prices for units constructed after 2010 in Sai Ying Pun are now reportedly above HK\$20,000 per square foot. For instance, according to Centaline Property (<https://hk.centaline.com>), an 808 square-foot residential unit in Island Crest costs HK\$19 million or HK\$23,515 per square foot in 2021, while an 804 square-foot residential unit in Kensington Hill costs HK\$21.4 million or HK\$26,592 per square foot in 2021. Prices and rents for flats and ground-level shops located in *Tong Lau* have also risen over time. For example, the selling price of a 505 square-foot residential unit in 4-4A Western Street rose from HK\$6.30 million to HK\$69.8 million, or HK\$1,173 per square foot to HK\$13,096 per square foot, between 2003 and 2017, while the rent of Fei Yee Stationery Shop (飛意店) on 41 High Street reportedly rose from HK\$5,000 per month to HK\$20,000 per month between 1995 and 2015 (Topick, 2015).

I can't be bothered to renovate this store even though it looks outdated, because I am prepared for its closure ... This *Tong Lau* would be demolished sooner or later ... I will not move this business anywhere ... It would be difficult for me to find a suitable shop space because this business can only operate successfully if the rent remains low ... I am planning to retire.

Other long-time business owners have seen their customer base evaporate with the changing demographics and taste profiles of the neighborhood in recent years, such as Chan Leung, owner of the one-time neighborhood landmark Tropical Fish Aquarium (熱帶魚水族). New businesses have taken advantage of the very same dynamics. Among these businesses are those offering products and services catering to the increasingly international profile of younger residents and their domestic workers, evident in everything from foods imported from abroad to service personnel recruited specifically for their fluency in Mandarin, English or Tagalog.¹⁴

Some residents have been enjoying the increase in business diversity in Sai Ying Pun, especially the variety of restaurants and bars. Others worry about the long-term effects of these changes. The demolition of *Tong Lau* in particular is often framed as the destruction of a kind of socio-spatial ecosystem sustaining and sustained by several generations. Ko Cheung, for instance, worries about the livelihoods of future generations (interview by authors, 27 August 2021):

In schools in Hong Kong, one-third of students excel in their studies, one-third of students do not study well and one-third of students are in between. Those that do not study well or are in between often quit school early around their teenage years. They would find a master to teach them a specific craft, such as car repair or woodworking, and later get a job in a workshop or open their own workshop. However, there are fewer workshops available for youngsters to join now because the *Tong Lau* where these workshops are located are being demolished, and the owners of these workshops are unable to afford to rent the shop spaces in the new buildings constructed. Youngsters are also less able to open their own workshops because new buildings often do not have ground-level shop spaces. That's why we keep saying youngsters these days do not have a future.

It is telling that Ko Cheung should characterize the transformation of Sai Ying Pun as 'an inevitable consequence of social progression', and Mr Law as one that will come for their building 'sooner or later' no matter their wishes or efforts to stop it. This is an understanding shared by many long-standing business operators and residents with whom we spoke in the course of our research, although very few lay the fault at the foot of the URA or even the SAR. The state's conspicuous absence from such accounts is routinely attributed to an internalization of the profit imperative unique to Hong Kong (see Ng, 2002) or, in another vein, to widespread adherence to the tenets of 'fast urbanism' (see Shin *et al.*, 2020), to the winnowing of opportunities for public participation and a reticence to take advantage of those that exist, to a reluctance to speak freely in a rapidly changing political environment, or to a lack of understanding of the processes of urban political economy among laypersons. Only rarely, and largely by persons with intimate knowledge and/or direct experience of the agencies involved, is the state's seeming obsequiousness in this regard viewed as intentional, despite the fact that the URA and the SAR more generally have actively promoted the transformation

14 Foreign domestic workers—who by law must live in the home in which they are employed—have also become a more prominent part of the neighborhood in recent years, and a number of small businesses catering specifically to Tagalog speakers (who make up a large share of foreign domestic workers) have followed.

of Sai Ying Pun through a variety of means—from participation in highly publicized redevelopment partnerships to policy amendments obscured by their remove from the quotidian realities of most residents.¹⁵ Under the SAR government's watchful eye, glossy towers replace crumbling shophouses as Sai Ying Pun's increasingly divided residents see the neighborhood through entirely different sets of lenses. There are residents who have the luxury of worrying about square footage, complex amenities and takeout options; and there are those who are wondering how much longer their building will be left standing, their rent within reach and their neighbors familiar.

Discussion: reassessing state-led neighborhood change within and beyond Hong Kong

The recent transformation of Sai Ying Pun brings the practical inseparability of state and non-state interests in processes of neighborhood change sharply into focus for two primary reasons. Firstly, the public entity tasked with promoting urban redevelopment in Hong Kong—the URA—is a corporate body whose members are, in a variety of significant ways, also invested in this project in a number of private capacities.¹⁶ Thus, common suspicions that the URA's goals may be commensurate with or even subordinate to those of private development interests hardly seem unreasonable. Such suspicions are further stoked by reports (and rumors) of well-remunerated posts at private firms occupied by retired civil servants, as well as the URA's many formal partnerships with private developers, in the face of the reality that such partnerships are both integral to the URA's mission and organizational structure and often highly publicized and celebrated by the URA itself. Secondly, taking a more 'integral' (following Brenner, 2004) view of the URA's practices illuminates the agency's attempts to direct the course of redevelopment by using public policy to facilitate, induce and even compel actions by private parties. In both senses, this imbrication of interests and powers places Hong Kong's URA in the crowded company of redevelopment agencies around the contemporary urban world mired in the messy entanglements of the public and private. This perspective has an additional layer of significance in a Special Administrative Region increasingly integrated with the Chinese Mainland, where a variety of studies have recently demonstrated highly flexible forms of 'policy entrepreneurship' emerging especially in the politically sensitive context of urban redevelopment (e.g. Kan, 2019; Hu *et al.*, 2020; Lin, 2021). Changes to the URA and its enabling legislation make plain the state's strategic embrace of this agentic ambiguity. Although opinions vary considerably on the topic of urban redevelopment, the URA has faced a great deal of popular opposition to its agenda since its inception and is deeply disliked by many in Hong Kong. The proliferation of the agency's specific powers in recent years and the very different ways it pursues its goals across the city and over time represent the URA's sensitivity to public pressure and its attempts to adapt to such challenges, especially through obscurity and diffusion as it partners with or otherwise works to facilitate or compel action by other agents of change.

Hong Kong's unique urban geographies provide an altogether different set of complications with which the URA must also contend. The URA's major projects¹⁷

15 In addition to other evidence presented here, there is Sai Ying Pun's official designation as a priority for urban renewal from 2001 and the reportedly predominant view that the changes facilitated by the 2010 alterations to the LCSRO are an indication of successful policy intervention. Indeed, it was suggested to us that the process has gone so well that the threshold for forcing the sale of minority interests governed by the LCSRO may be further reduced from 80% to 70% in the near future (interview by authors, 18 May 2023). Such changes reveal the state's overarching interest in the area's transformation.

16 Multiple members of the URA's board either are currently or were formerly employed by private development companies, at least according to Declared Interests statements made public by the URA, which can be viewed at <https://ura.org.hk/eng/board-member>. Such employment has included, for example, high-ranking positions at major regional and global firms such as Kerry Development (China) Limited, Sun Hung Kai Properties Group and Brand Star Limited. See also Wissink *et al.* (2017).

17 Information on the URA's major projects may be accessed at <https://ura.org.hk/en/project/redevelopment>.

comprise a highly uneven map of intervention that shows precious little correspondence to either popular or academic discussions of neighborhood change at the scale of the city. A simple comparison of two neighborhoods widely understood to be undergoing significant neighborhood change in different parts of the city should illustrate this point. While 21 of 81 of the URA's listed projects are located in what the agency labels 'Sham Shui Po/Cheung Sha Wan' in Kowloon, with some nine of these located in the neighborhood of Sham Shui Po, only nine projects are located in the geographical area labeled 'Central & Western' on Hong Kong Island, and of these only three are located in Sai Ying Pun. Although a great many factors could be marshaled to explain such disparities, we came to understand through our interviews with planning professionals and activists in particular that the URA's map of major projects and the clean and simple separation between the agency's public and private visages upon which it rests at once reveals a crucial aspect of its own operational morphology—its flexibility, especially in the wake of the above-discussed amendments to the LCSRO—and obscures a far more complex geography of the redevelopment as pursued by the URA through a variety of means.

Despite the high visibility and widespread publicity of the changes to Sai Ying Pun in recent years, the URA's role in its transformation has remained somewhat obscure, at least in part by design. The URA has initiated only three redevelopment projects in Sai Ying Pun, two of which are joint ventures with private developers. The first of these projects, the First Street/Second Street Project (Island Crest), was undertaken in partnership with Kerry Properties Limited. It involved the clearance of 41 buildings with a gross floor area of 15,690 square meters, and the development of Island Crest. This two-block residential complex covers a gross floor area of 38,178 square meters and provides 488 residential units ranging from 45 to 209 square meters, 1,722 square meters of commercial space and 700 square meters of open space. The second project, Third Street/Yu Lok Lane/Centre Street (The Nova), was a joint venture with China Overseas Land & Investment Limited. It led to the clearance of 22 buildings with a gross floor area of 4,140 square meters, and the development of the Nova. This single-block residential complex covers a total gross floor area of 16,463 square meters and provides 255 residential units ranging from 31 to 79 square meters, 245 square meters of commercial space and 1,304 square meters of open space. A third project, the Sung Hing Lane/Kwai Heung Street Development Project, remains in its early stages (it was initially gazetted in July 2017), with completion expected in 2026/2027. By contrast, private developers have been involved in at least 10 major redevelopment projects between 2010 and 2021, as well as a large number of smaller projects involving individual buildings and units, which join with the smaller number of nominally public projects to make up the highly uneven mosaic of contemporary Sai Ying Pun. This transformation has been effected/affected by various expressions, intentions, powers, etc. of the state, which together serve to compel vast ensembles of interests to carry out processes of urban redevelopment.

Conclusion

As this case reveals, parsing the state's role in the processes of neighborhood change in contemporary Hong Kong is a complicated undertaking. The URA is multifaceted and complex and has changed markedly over time, appearing in profoundly different incarnations from one neighborhood, one project and one year to the next. While the URA is a conspicuous presence in Sham Shui Po, exerting its authority in partnership with private developers to demolish and construct, displace and emplace at will, it is a conspicuous absence in Sai Ying Pun, its authority shrouded in the obscurity of policy minutia and the operations of private enterprise it and the larger SAR compel. Rather than face the public criticism likely to stem from using its own powers across the varied terrain of Sai Ying Pun, the URA has opted to entice redevelopment through

the manipulation of policy levers germane to the specificities of the neighborhood, such as those associated with the LCSRO, making it easier and more immediately profitable for private developers to propel the process of redevelopment in a highly decentralized manner. In other words, whereas the state appears in a more ‘muscular’ guise elsewhere in the city (Boudreau, 2019), its far more subtle and nuanced role in Sai Ying Pun’s ongoing redevelopment demonstrates its considerable flexibility. An important lesson to be drawn from this case is that investigations of ‘state-led’ neighborhood change must be conceived and conducted according to similar principles of adaptability and contingency so that the complexities of context are not reduced to the convenience of conceptual consistency. The state is undoubtedly ‘leading’ the redevelopment of Sai Ying Pun in ways that are indispensable to the process as it is currently unfolding, although it would be an enormous analytical mistake to conflate its role in this neighborhood’s transformation with the roles it plays in many others.

The public and private entanglements of the URA’s members have sometimes given rise to claims of ‘elite capture’ in the realm of policy, whereby those with superior status (political, economic, social, etc.) are able to shape policy to their advantage at the expense of those without, often ostensibly on behalf of the public at large (see Lee and Tang, 2017; Wissink *et al.*, 2017; Wong, 2018; Atkinson, 2020; Yang and Cai, 2020; Lauermann and Mallak, 2023). In Hong Kong, private developers have optimized their connections with the state to participate in redevelopment projects jointly with the URA, as well as to secure enormous profits through redevelopment projects in the wake of policy amendments like those discussed above, whatever their specific role in advocating for or proposing such changes might be. The centrality of private developers in Hong Kong’s redevelopment in general and their primacy in the recent transformation of Sai Ying Pun in particular have resulted in the proliferation of pencil towers and nano flats scattered chaotically across a sprawling hillside still home to an aging assortment of squat, old shophouses populated by long-time residents and disappearing industries.¹⁸ This increasingly uneven socio-spatial landscape has benefited the wealthier residents and business owners whose numbers swell with each new vacancy, drawn here by the neighborhood’s convenience and charm or by the self-same group of residents and business owners with whom they symbiotically interact. Long-time residents and businesses, on the other hand, would seem to figure only as unfortunate casualties of market dynamics, as *Tong Lau* buildings are demolished to make way for more efficient uses of scarce urban space and rents and living costs soar beyond their reach.

To those most invested in mitigating the ills of state-led neighborhood change in Hong Kong, it is particularly disheartening that the state’s role in the transformation of places like Sai Ying Pun has been so effectively shrouded, such that shifting direct responsibility for the most obvious drivers to private interests or those easily mistaken for such allows the outcomes to appear not as impositions of government, but rather as both natural and inevitable even to those most immediately at risk (e.g. current small business operators and residents). Accepting at face value a narrative that casts these as consequences of the workings of the invisible hand, rather than the hand of providence, results in large part from a fundamental misunderstanding of the nature and operation of the state. In seeking to understand and contend with these processes both in Hong Kong and elsewhere in the urban world, we insist that analysts refuse to make the same mistake. Instead, we must ask difficult questions about both the complex entanglements of the state and non-state and the differential operation of state capacities across urban geographies. We must also pay closer attention to the rationales encoded in changes to land and redevelopment policy, perhaps especially those that engender little public

18 The few remaining independent auto garages of High Street and the small shops along the section of Des Voeux Road West known as Dried Seafood Street provide clear examples; both types of business are already markedly fewer in number than when this research began in June 2021.

resistance. Whether in comparative perspective or trained on a single city, state-led neighborhood change remains a productive analytic only to the degree that the integral morphology of the state(s) in question is carefully specified.

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