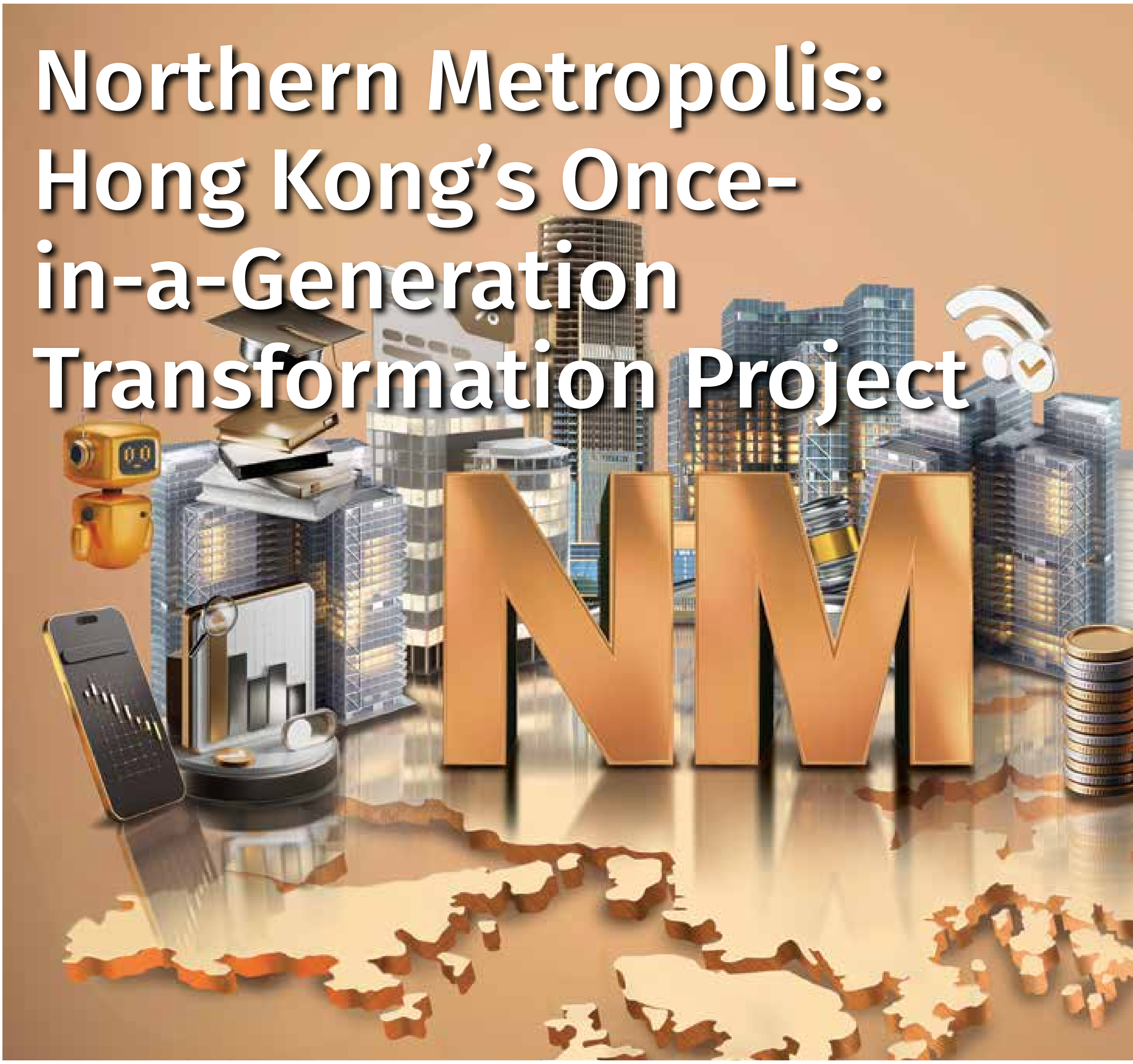
Northern Metropolis: Hong Kong's Once-in-a-Generation Transformation Project



Representing Hong Kong's largest and most ambitious urban transformation project for the coming decades, the Northern Metropolis is a strategic, Hong Kong Government-led project set to reshape the city by serving as a hub for innovation, education and technology, fostering cross-boundary collaboration, and providing new opportunities for residents and local, Chinese Mainland, and international businesses alike.

北部都會區是香港未來數十年最宏大的都市轉型項目，是香港政府牽頭的策略性項目，旨在重塑香港成為創新、教育及科技中心，促進跨境合作，為居民和本地、內地及國際商家提供新機遇。

北部都會區：香港數十年一遇的轉型項目

Spanning roughly 30,000 hectares, or about one-third of Hong Kong's land mass, the Northern Metropolis serves as a pivot by adding another dimension to Hong Kong's status as a leading international financial centre to become a globally competitive powerhouse for innovation, technology, and education. Upon completion, it is anticipated that the Northern Metropolis will support a population of around 2.5 million, deliver more than 10 million square metres of economic floor space, generate roughly 650,000 job opportunities, and provide about 500,000 new housing units.

The Northern Metropolis is also a central pillar of Hong Kong's strategy to align with the Chinese Mainland's 15th Five-Year Plan and national development strategies, particularly regarding innovation, technology, and closer integration with the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). However, the project has raised a number of questions. On the one hand, there are the potential benefits created by transforming Hong Kong's fringe areas into an innovation, technology, education, and residential hub. On the other hand, there are concerns about an over-supply of residential properties incorporated into the project and the substantial upfront capital expenditure required. Taking into consideration that it is likely to be a number of years before the Northern Metropolis is established to a level where it is able to generate significant revenues, this article aims to explore the Northern Metropolis from three perspectives: Will the project generate excessive residential property supply? Will there be sufficient demand for residential properties? How will the upfront capital expenditure be funded?

With banks operating in Hong Kong expected to play a significant role in the funding of the city's flagship project, the Hong Kong Monetary Authority (HKMA) and The Hong Kong Association of Banks (HKAB), in April 2026 announced the joint establishment of the Northern Metropolis Financial Advisory Taskforce. The Taskforce includes representatives from the HKMA, HKAB, and 15 major banks with large-scale project

北部都會區佔地約30,000公頃，佔香港土地面積約三分之一，是重要的策略發展項目，要發展成為可與全球爭鋒的創新、科技及教育重鎮，為香港領先國際金融中心的地位增添新維度。發展完成後，預計北部都會區人口約達250萬，提供逾1,000萬平方米的經濟樓面面積，創造約65萬個就業機會，並提供約50萬個新住宅單位。

北部都會區也是香港對接國家十五五規劃及國家發展戰略的核心項目，在創新科技、更好融入粵港澳大灣區方面尤其重要。然而，項目也引來一些質疑。一方面，項目有潛在好處，可把香港的邊緣地帶發展為創新、科技、教育及住宅樞紐；另一方面，也有人關注項目住宅物業供應過多，以及初期資本投入龐大。考慮到北部都會區很可能需時數年才可達到一定規模，產生相當收益，本文從三個角度探討：北部都會區會否導致住宅物業供應過量？會有足夠的住宅物業需求嗎？如何提供資金作前期資本投入？

> *“In order to manage costs and generate momentum, according to the Hong Kong Government, the proposed funding for the Northern Metropolis will be achieved through a mix of government reserves, public bond issuances, and private sector partnerships.”*

financing. In addition to providing professional advice on financing and banking services for the development of the Northern Metropolis, the Taskforce will explore related opportunities and financing needs, with a view to proposing practical financing recommendations to advance relevant projects and facilitate the exchange of expertise and experience for the purpose of strengthening the banking sector's financing support for the key Northern Metropolis project. Specifically, the Taskforce aims to create a structured pipeline through which banks can confidently participate in financing specific development zones and housing projects.

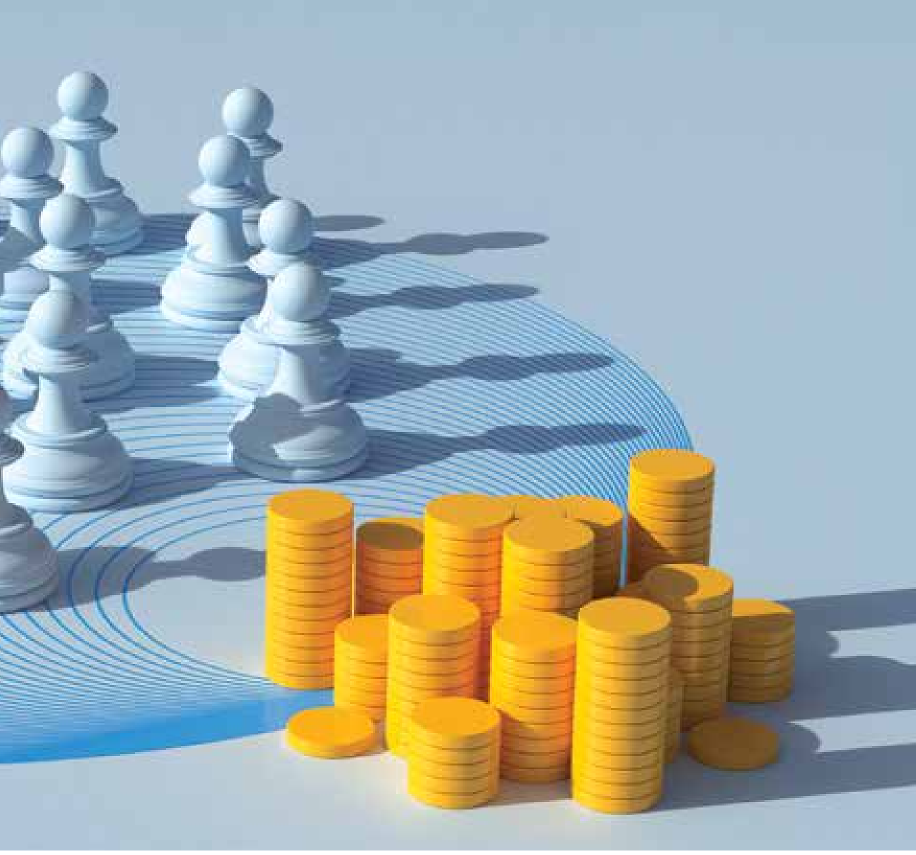
Funding for the future

In order to manage costs and generate momentum, according to the Hong Kong Government, the proposed funding for the Northern Metropolis will be achieved through a mix of government reserves, public bond issuances, and private sector partnerships. Concerns raised over the transfer of HKD150 billion from the Hong Kong Exchange Fund (the investment vehicle established to safeguard the stability of Hong Kong's currency peg) to the Government's Capital Work Reserve Fund to finance work on the Northern Metropolis have been allayed by the Hong Kong Government. With total assets exceeding HKD4.2 trillion as of January 2026, the one-off transfer – to be carried out over two years – amounts to less than 4% of the overall reserves of the Exchange Fund, which recorded a record return of HKD331 billion in 2025. While some critics have argued that drawing on the Exchange Fund sets a risky precedent, officials stress that the one-off, non-recurring measure is designed specifically to accelerate the development capacity of the Northern Metropolis rather than to cover day-to-day operating deficits. Terming the borrowing as “prudent and manageable”, the Hong Kong Government expects the city's debt-to-GDP ratio to remain below 20% over the medium forecast period, well below levels in most advanced economies.

在香港營運的銀行預計將在這旗艦項目的資金籌集工作上發揮重要作用。2026年4月，香港金融管理局（金管局）及香港銀行公會公布共同成立北部都會區金融諮詢工作小組，成員包括來自金管局、香港銀行公會，以及15家具備大型項目融資經驗的銀行的代表。除就北部都會區發展的融資和銀行服務提供專業意見外，工作小組亦探討相關機遇及融資需求，從而提出務實的融資建議以推動項目發展；同時促進銀行業界知識和經驗的交流，以提升對北部都會區重點項目的融資支援。具體而言，工作小組旨在建立有系統的途徑，讓銀行安心參與，為特定發展區和房屋項目融資。

為未來融資

據香港政府所稱，為控制成本、產生發展動力，北部都會區將透過政府儲備、公開發行債券、私人企業合作等多個途徑集資。當中的一個途徑，是從香港外匯基金（維持香港聯繫匯率穩定的投資實體）轉撥1,500億港元到政府的基本工程儲備基金，為北部都會區項目提供資金；有人對此表示關注。香港政府的解說消除了這疑慮：外匯基金在2026年1月的總資產超過42,000億港元，2025年的回報更創出3,310億港元的新高，分兩年轉撥的1,500億港元只佔總儲備的不足4%。有論者認為動用外匯基金開創了危險先例，官員則強調這是一次性、非經常性的安排，目的是加快北部都會區的開



"據香港政府所稱，為控制成本、產生發展動力，北部都會區將透過政府儲備、公開發行債券、私人企業合作等多個途徑集資。"

To maintain government reserves while accelerating the development of the Northern Metropolis and other public works projects, the Hong Kong Government Financial Secretary Paul CHAN has proposed raising the borrowing ceilings of the Government Sustainable Bond Programme and the Infrastructure Bond Programme from HKD700 billion to HKD900 billion. Issuing bonds to support infrastructure projects is a common practice worldwide with many governments issuing bonds to promote economic development. Indicating strong market confidence in the Northern Metropolis funding structure, as part of the 2025 annual bond issuance programme, a multi-currency green and infrastructure bond was issued that raised HKD27 billion and was oversubscribed by nearly nine times, attracting a wide spectrum of investors from more than 30 markets across Asia, Europe, the Middle East, and the Americas. Meanwhile, in a report published by S&P Global Ratings in May 2026, the rating agency expects government-related entities (GREs), such as the Hong Kong Railway Corporation (HKRC), to reduce the Hong Kong Government's direct fiscal burden through taking on larger roles, higher spending, and more debt to support the Northern Metropolis project. This approach also opens the way to private investment, which can become a credit multiplier. The HKRC has committed approximately HKD60 billion to advance rail and property developments in the Northern Metropolis over the next five to six years.

發，而不是填補日常營運赤字。香港政府形容此項借貸「審慎可控」，預計香港中期負債與本地生產總值比率維持低於20%，遠低於大部分先進經濟體的水平。

為維持政府儲備，同時加快北部都會區建設和其他公務項目，香港政府財政司司長陳茂波建議，提高政府可持續債券計劃及基礎設施債券計劃的借貸上限，由7,000億港元上調至9,000億港元。發行債券以支援基建項目，是全球普遍做法，許多地區的政府均藉發行債券推動經濟發展。在2025年的債券發行計劃中發行的270億港元多種貨幣綠色及基礎建設債券，超額認購近九倍，吸引了亞洲、歐洲、中東及美洲30多個市場的廣泛投資者，可見市場對北部都會區的融資架構充滿信心。全球評級機構標準普爾在2026年5月發表的一份報告指出，預料政府相關機構如香港鐵路有限公司（港鐵公司）將擔當更重要角色、投入更多資金和發行更多債券，以支持北部都會區項目，從而減輕香港政府的直接財政負擔。這方式也開啟了私營企業參與投資的途徑，達到信貸乘數的效果。港鐵公司已承諾在未來五至六年間投入約600億港元，在北部都會區建設鐵路和發展物業。

近年香港設立和發展了前瞻性的數碼資產監管架構，配合其他融資方式，北部都會區考慮融資方案時，可探討創新的融資工具如穩定

In light of the establishment and development of Hong Kong's forward-looking digital asset framework in recent years, in conjunction with other approaches, a possible Northern Metropolis funding solution could explore innovative financing instruments such as stablecoins. Hong Kong has already implemented a licensing regime for issuers of fiat-referenced stablecoins, with the first batch of licences issued in April 2026. This places Hong Kong among the first major international financial centres to offer a bespoke regulatory pathway for stablecoin issuers. Both Hong Kong and the US are leveraging digital ledgers to combine the transfer of an asset (the stock) and the payment (the cash) into a single simultaneous operation. This eliminates settlement risk and the need for intermediaries to manually reconcile trades. The reserve assets supporting the issuance of fiat-referenced stablecoins will be used to buy high-quality high-liquidity assets, of which Government bonds supporting the Northern Metropolis projects are obvious choices.

Previous experience

The design and development of large-scale infrastructure projects are not new to Hong Kong. The recent mixed-use development around the Kai Tak area, multiple new towns including Sha Tin and Tseung Kwan O, and the Airport Core Programme provide robust blueprints for the Northern Metropolis. While not on the same scale or level of complexity as the Northern Metropolis, when completed in the 1990s and the early years of the new millennium at a cost of about HKD160 billion, the Hong Kong Airport Core Programme comprised 10 large-scale infrastructure projects centred around the construction of the Hong Kong International Airport at Chek Lap Kok. Together with Tung Chung – a completely new town built on North Lantau to house thousands of airport and airline employees – and the Hong Kong International Airport built on an artificially reclaimed island, the Airport Core Programme expanded Hong Kong's useable landmass by about 1%. Then, as now, there was robust debate over the cost of the project. The Airport Core Programme projects were funded through three main channels: direct government expenditure, public equity injections into statutory bodies, and private sector participation. To reduce costs, alterations were made to the original plan. These included shortening the distance between the two main towers of the Tsing Ma Bridge and the construction of the Airport Railway as a double-track railway.

幣等。香港已實施了法幣穩定幣發行人發牌制度，首批牌照於2026年4月發出，使香港成為首個設立專門制度監管穩定幣發行人的主要國際金融中心。香港和美國均利用數碼分類帳，把資產（股票）轉移和付款（現金）合併為一個同時進行的步驟，從而消除結算風險，也毋須依賴中介人以人手方式核對交易紀錄。支持發行法幣穩定幣的儲備資產，將用以購買優質高流動性資產，而為北部都會區項目融資的政府債券顯然是好選擇。

過往經驗

設計和開發大型基建項目，在香港並非新嘗試。近年啟德地區附近的多用途發展、多個新市鎮如沙田及將軍澳、以及機場核心計劃，均為北部都會區提供完善的藍圖供參考。香港機場核心計劃在1990年代和千禧年代初期完成，造價約1,600億港元，規模或複雜程度雖不及北部都會區，但亦包括10個大型基建項目，以興建位於赤鱲角的香港國際機場為中心。機場核心計劃包括在北大嶼的東涌建立全新市鎮，容納成千上萬的機場和航空公司員工，以及在人工島上建設香港國際機場，為香港增加約1%可用土地。正如今天一樣，當年對項目造價也有激烈討論。機場核心計劃有三個主要融資途徑：政府直接開支、政府入股法定機構，以及私營機構參與。為降低成本，原有計劃也曾修改，包括縮短青馬橋兩個主橋塔之間的距離，以及把機場鐵路建成雙軌鐵路。

> *"While the Northern Metropolis is ultimately expected to house about 2.5 million residents, the supply pipeline of residential properties will be developed in incremental phases based on a series of policy-driven timelines."*

Phased and measured residential property supply

Discussions regarding how to address Hong Kong's residential property market challenges have been in existence for a long time. At the heart of the issue is the scarcity of land available for residential development. Despite Hong Kong covering a land area of 1,106 square kilometres, only 7% of the total land is designated for residential development, with significant portions reserved for conservation and low-density uses, according to the Hong Kong Planning Department. Exacerbating the situation, for many years real estate in Hong Kong has been viewed as an investment asset rather than a basic necessity. To break free from this cycle, economists and think tanks emphasise that Hong Kong must continue to diversify its economy and aggressively advance new initiatives such as the Northern Metropolis. While the Northern Metropolis is ultimately expected to house about 2.5 million residents, the supply pipeline of residential properties will be developed in incremental phases based on a series of policy-driven timelines.

Attempts to address Hong Kong's land and housing constraints are not new. Between 1971 and 1982, the Hong Kong Government initiated a ten-year plan to house 1.5 million residents by building of a series of "new towns" across the city's New Territories. While the initiative temporarily met housing needs and created modern satellite communities, the pace of new land development and town-building slowed drastically after the 1990s, creating a supply-demand imbalance. At the same time as the New Towns were being

分期按計劃供應住宅物業

如何應對香港住宅物業市場面對的挑戰，是討論已久的問題。問題的核心，在於可供住宅用地發展的土地稀缺。香港規劃署的資料顯示，香港土地面積有1,106平方公里，但當中只有7%指定作住宅發展，其餘大部分留作保育地帶及低密度發展用途。而且多年來，香港房地產被視為投資資產而非基本必需品，更使情況惡化。為擺脫這種狀況，經濟師和智庫組織強調香港必須持續發展多元經濟，積極推進新項目如北部都會區。預計北部都會區最終可容納250萬名居民，但住宅物業將配合政策推行的時間表逐步分階段供應。

在不同時期，香港均曾努力處理土地和房屋供應的問題。1971至1982年間，香港政府推出十年計劃，在新界區建立多個「新市鎮」，為150萬人提供居所。這項計劃暫時解決了住屋需求，

> *“預計北部都會區最終可容納250萬名居民，但住宅物業將配合政策推行的時間表逐步分階段供應。”*

developed, a mechanism was put in place that ensured the possibility of excessive supply of land for residential housing would be largely avoided. In 1976, for the "protection of the countryside" and "open air recreation", the Country Park Ordinance was introduced, creating a legal framework to protect about 400 square kilometres or about 40% of Hong Kong's land mass, from extensive residential and commercial development. At present, there are 25 country parks and 22 designated special areas.

Designed to support Hong Kong's development over the next two decades, according to the Hong Kong Government, solutions to address the city's long-term housing goals will be rolled out in controlled phases. While the Northern Metropolis is ultimately designed to house about 2.5 million residents, the supply pipeline, such as the targeted 17,000 annual private housing completions across the city, will be constructed in stages. Instead of flooding the market with unconnected residential parcels, sizable lots are to be packaged to include both residential use and commercial/public facilities, naturally phasing the rate of housing delivery. Furthermore, the intentional creation of "home-work balance" means that a large portion of the housing is designated to absorb the inflow of professionals expected to relocate into the Northern Metropolis. The result being that instead of lowering prices, increased residential property supply will serve the critical goal of making housing more manageable for end-users without diminishing developer or investor confidence.

During the past half century it is worth noting that, while the Hong Kong Government has developed or expanded a number of large-scale new towns including Tsuen Wan, Sha Tin, Tuen Mun, Yuen Long, and Tin Shui Wai, historical data shows that the city's housing prices have continued on an upward trend over the long term. It is also worth noting that unlike the New Towns that have been built, which are predominantly commuter towns where people live but travel to Kowloon, Hong Kong Island, and other parts of the city for work, the Northern Metropolis' "industry-driven and infrastructure-led" approach focuses on job creation alongside housing. Furthermore, with at least 100 hectares of land already assigned to Hong Kong universities to establish new campuses and R&D centres across three Northern Metropolis sites, additional demand for housing for teaching staff and students can be expected. For example, the Hong Kong University of Science and Technology has allocated HKD7 billion to finance the building of a new medical school campus, which includes a new complex in the Northern Metropolis. BT

並產生了現代衛星城市，但新土地開發和市鎮建設的步伐在1990年代以後大幅減慢，導致供需失衡。在發展新市鎮的同時，政府亦設立機制，避免過度供應土地作住宅用途。1976年，為「保護鄉郊」和鼓勵「戶外康樂活動」，香港制訂了《郊野公園條例》，建立法律框架，保護約400平方公里的土地（佔香港土地面積約四成）免被用作開發大型住宅及商業項目。目前香港共有25個郊野公園和22個指定特別地區。

香港政府表示，將分階段推出方案達至長遠房屋目標，以支援香港未來二十年的發展。北部都會區最終將為約250萬人提供居所，但將分階段建設；正如在私營房屋市場，也是以全港每年落成約17,000個單位為目標。政府不會把大量不相連的住宅用地推出市場，而會推出面積較大、兼具住宅及商業／公眾設施用途的土地，自然達到分階段供應房屋的效果。此外，政府有意平衡居住與工作的需要，北部都會區內大部分房屋供應均旨在滿足遷入區內的專業人士的需求。因此增加的住宅物業供應將不會降低價格，而會達到讓最終使用者較容易負擔，而又不影響發展商或投資者信心的重要目標。

過去半個世紀，有一個現象值得注意：儘管香港政府開發或擴充了多個大型新市鎮，包括荃灣、沙田、屯門、元朗及天水圍，數據顯示香港的房屋價格繼續呈現長期上升的趨勢。同樣值得注意的是，以往建設的新市鎮主要是通勤市鎮，居民在新市鎮住宿，白天要前往九龍、港島或其他地區工作；北部都會區卻不一樣，其規劃以「產業帶動，基建先行」為主軸，在建房的同時，也着重創造就業機會。此外，區內已在三個地點劃出最少100公頃土地，供香港的大學設立新校舍和科研中心，預計教職員和學生的住屋需求將會增加。例如香港科技大學已預留70億港元興建新醫學院校舍，包括一座位於北部都會區的大樓。BT

ABOUT THE AUTHOR
作 者 簡 介

HKiB

Publications Sub-Committee, The Hong Kong Institute of Bankers
香港銀行學會出版事務委員會