

Government announces 2008-09 Application List

The Government's role is to make available land to meet different development needs and then let the market determine flexibly the quantity and timing of land to be put up for sale.

The Secretary for Development, Mrs Carrie Lam, made the above remark, echoing what the Financial Secretary said about land supply in his 2008-09 Budget Speech, when she announced the arrangement for the sale of Government land in 2008-09, also known as the Application List, at a press conference today (February 29). The List announced today takes immediate effect and supersedes the 2007-08 Application List.

Mrs Lam said that in formulating the land sale arrangement for 2008-09, the Government was guided by three key principles :

- (a) the need for a clear and predictable Government policy on land supply for private development, to provide certainty, clarity and consistency to the trade and to the public;
- (b) the need to provide an adequate number of sites to meet the housing and business needs contributing to Hong Kong's progressive development;
and
- (c) the need to promote quality living environment for the people of Hong Kong.

The 2008-09 Application List comprises 62 sites with a total land area of nearly 60 hectares. Of these, 36 are sites rolled over from the 2007-08 Application List and 26 are new sites. The List comprises 42 residential sites, 10 commercial / business sites and 10 “hotel only” sites of different sizes.

Depending on the design of the actual developments, some 13,000 to 13,500 flats could be produced on the residential sites, a total gross floor area (GFA) of over 490,000 m² on the commercial/business sites, and some 9,000 to 11,000 hotel rooms on the “hotel only” sites.

Mrs Lam said that the 2008-09 Application List had two distinguished features – the inclusion of land specifically for hotel development and the adoption of measures to address the community’s concerns about excessive building bulk.

Ten sites to be sold for hotel use only were included in the Application List for the first time to facilitate hotel developments to maintain Hong Kong’s competitiveness in tourism and exhibition and convention services.

The sales conditions for these sites will stipulate that they could only be used for hotel development. Accordingly, the assessment of the reserve prices for these sites to be triggered for auction or to be sold will be based on the open market value of hotel development.

“We trust that this arrangement will help increase the supply of hotels to meet market demand and enable us to compare well with neighbouring cities in terms of hotel accommodation,” Mrs Lam said. She added that the new arrangement was introduced on a pilot basis in the 2008-09 Application List and the Government would consider in light of market response whether sites should continue to be sold for “hotel only” in 2009-10.

The Chief Executive, in his 2007-08 Policy Address, stated that the Government would review the relevant Outline Zoning Plans to lower development density where justified for a better living environment.

To implement this policy objective in the land sale programme, Mrs Lam said that the Government had examined each site to be sold carefully and would specify in the Conditions for Sale development parameters like building height limits and maximum gross floor area or plot ratio. The Planning Department had conducted or was conducting Air Ventilation Assessments in respect of ten sites in accordance with prescribed guidelines and any appropriate development restrictions arisen from such assessments would be incorporated in the sale conditions. For some of the sites, where applicable, site coverage limits or non-building areas would also be prescribed.

“We hope all these measures will help address the community’s rising concerns over development density and promote a quality living environment for the people of Hong Kong,” she said.

Regarding the supply of land for private housing, Mrs Lam pointed out that the Application List was not the only source of land supply for housing developments. Developers may purchase land from the private market, acquire existing properties for consolidated redevelopment, convert the sites they have in hand to residential/commercial uses by way of lease modifications, and take part in the development projects of MTR Corporation Limited and the Urban Renewal Authority (URA).

“In the next few years, there will be a considerable supply of 65,000 units in the primary private housing market. These include 10,000 unsold units of completed projects, some 45,000 units which are under construction but not yet sold or offered for sale, and 10,000 units from the disposed land of which construction has yet to start.

“Looking ahead, as the planning and lands authority as well as the co-ordinator of infrastructure, Development Bureau will closely monitor the demand and supply of land and make available land for residential uses,” Mrs Lam said.

The 2008-09 Application List together with the relevant Explanatory Note, Application Form and Agreement as well as the Practice Note can be viewed and downloaded at the Lands Department's website www.landsd.gov.hk.

Ends/Friday, 29 February 2008