

Disposal of Hunghom Peninsula and Kingsford Terrace Private Sector Participation Scheme Flats

16. **MISS CHOY SO-YUK** (in Chinese): *Madam President, regarding the disposal of flats built under the Hunghom Peninsula Private Sector Participation Scheme (PSPS) and the Kingsford Terrace Private Sector Participation Scheme, will the Government inform this Council:*

- (a) *in deciding to sell the flats at Hunghom Peninsula, how it assessed the possible impact of that decision on environmental protection;*
- (b) *in putting up the flats at Kingsford Terrace for sale in the future, whether it will impose requirements such as prohibiting the demolition or reconstruction of the flats;*
- (c) *if the authorities will impose such requirements but did not do so when selling the flats at Hunghom Peninsula, whether the Secretary for Housing, Planning and Lands, being the principal official for this policy area, will shoulder the responsibility for such an omission; if he will, of the details; if not, the reasons for that; and*
- (d) *if the authorities will not impose such requirements, how they can ensure that the flats at Kingsford Terrace will not be demolished or reconstructed after they have been sold?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese): Madam President, under the PSPS, private developers were invited to tender for housing sites on which they were required to build flats conforming to certain specifications stipulated by the Government. Like other government land sales, the land title of a PSPS site was vested in the developer. The developer held legal title to the land lot and owned the entire development.

My reply to the four-part question is as follows:

- (a) In considering options to deal with Hunghom Peninsula, our main concerns are to maintain the consistency and integrity of the Government's housing policy and minimize any adverse impact on the then unstable property market. After thorough examination of

various options and associated policy, legal and contractual implications, the Government reached agreement with the developer through mediation, allowing the developer to modify the lease to remove the PSPS-related terms and conditions after payment of the agreed premium so that the developer can sell his property in the open market. The lease modification does not involve environmental considerations.

- (b) Kingsford Terrace is also a PSPS project. Similar to Hunghom Peninsula, the developer held both the legal title to the land lot and the development. The Government had therefore adopted the same approach in dealing with Kingsford Terrace, that is, allowing the developer to dispose of the property subject to the payment of a lease modification premium to be agreed through negotiation. Since the Government and the developer of Kingsford Terrace were unable to reach an agreement on the amount of modification premium, the Housing Authority (HA) purchased in August 2004 the domestic flats of Kingsford Terrace at the guaranteed price in accordance with the contractual provisions set out in the Conditions of Sale. At present, the site of Kingsford Terrace is jointly owned by the HA and the developer. The HA is now considering options to dispose of the residential flats. The Government must protect the right to private property in accordance with the law. Having regard to legal and other considerations, it is inappropriate to impose arbitrarily additional restrictions on demolition or redevelopment on sold land.

- (c) Some sectors of the community oppose any proposed demolition of Hunghom Peninsula for redevelopment. The Government is concerned and has been closely monitoring the situation. We cannot disregard the fact that the legal title to Hunghom Peninsula is held by the developer. It should be noted that land owners have the right to formulate options to develop their own land within the parameters of planning constraints and all applicable legislation. The Government does not have the liberty to impose any additional restrictions on demolition or redevelopment. Thus, there is no question of omission in not including such restriction at the time of lease modification.

- (d) The residential flats of Kingsford Terrace are now owned by the HA whereas the commercial and parking facilities are owned by the original developer. The HA is examining possible options to make the best use of the residential flats.

Object Positioning Technologies

17. **MS EMILY LAU** (in Chinese): *Madam President, regarding the application of the object positioning technologies (OPT), will the executive authorities inform this Council:*

- (a) *of the current application of OPT in the Civil Aid Service, the Highways Department and the Transport Department;*
- (b) *whether the Automatic Vehicle Location System (AVLS) of the Third Generation Mobilizing System of the Fire Services Department (FSD) as well as the Third Generation Command and Control Communication System (CCIII) of the Hong Kong Police Force, which have made use of OPT, can be implemented as scheduled; if not, of the reasons for that and how the difficulties concerned are to be solved;*
- (c) *whether the Digital Trade and Transportation Network (DTTN) System being developed by the Hong Kong Logistics Development Council has made use of OPT; if not, of the reasons for that;*
- (d) *whether they have studied the positive and negative overseas experience in the development and application of OPT; if so, of the results;*
- (e) *whether they have studied the merits of applying OPT to the mass transit system, the logistics sector and staff deployment in the disciplined services in Hong Kong; if so, of the results; if not, the reasons for that; and*
- (f) *whether they will collaborate with community organizations in examining, from a holistic, multi-faceted and more open-minded perspective the impacts of the application of OPT on the economic*