

The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局
香港花園道美利大廈



**Housing, Planning and Lands
Bureau**

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8 March 2004

Clerk to LegCo Panel on Housing
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Attn: Miss Odelia Leung)

**Panel on Housing and
Panel on Planning, Lands and Works**

Joint Meeting on 8 March 2004

I w rote to y ou on 27 February 2004, enclosing an Information Note on the lease m odification prem ium for the Private Sector Participation Scheme flats at Hunghom Peninsula.

The Annex to the Inform ation Note sets out details of discussions on the premium during the mediation. We have subsequently secured further consent from the developer for us to disclose the detailed breakdow n of his estimates. With such consent, we have put together a supplem entary table showing comparison between the Government and the developer's estimates of premium for lease modification, which is enclosed for Members' reference.

Yours sincerely,

(Miss Joey LAM)
for Secretary for Housing, Planning and Lands

c.c. AA/SHPL
DD/BD

**Lease Modification of Hunghom Peninsula:
Comparison between the two estimates of premium -
by the Government and the Developer**

	Government	Developer
Sale proceeds		
2,470 Private Flats	\$4,693M [\$3,021/sq.ft.(gross)]	\$4,349M [\$2,800/sq.ft.(gross)]
Less		
Guaranteed Price for payable to developer of the PSPS Flats	\$1,914M [\$1,232/sq.ft.(gross)]	\$1,914M [\$1,232/sq.ft.(gross)]
Allowance for Bulk “Purchase” of all 2,470 Flats in one go by a single developer	\$704M	\$719M
Cost of Upgrading Flats for Private Sale	\$363M	\$387M
Loss of Carparking Spaces for Conversion to Clubhouse	\$24M	\$36M
Interest incurred/foregone	\$261M	\$279M
Marketing Cost	\$123M	\$150M
Plus		
Saving of PSPS Costs *	\$6M	-
Premium	\$1,310M [\$843/sq.ft (gross)]	\$864M [\$556/sq.ft (gross)]

* Savings due to removal of need for bank guarantees, emergency repairs fund, etc. exclusive to PSPS developments