

Lease Modification of Hung Hom 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 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