

**Government announces 2010-11 Application List**

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“The Government continues to uphold the principles of clarity, certainty and consistency in formulating the 2010-11 Application List, and emphasizes on striking a balance between development and providing quality living,” the Secretary for Development, Mrs Carrie Lam, said at a press conference announcing the 2010-11 Application List today (February 25).

Mrs Carrie Lam attended the press conference today together with the Director of Lands, Miss Annie Tam, and the Director of Planning, Mrs Ava Ng, to announce the 2010-11 Application List which takes immediate effect.

The 2010-11 Application List contains a total of 62 sites, comprising 46 residential sites, 8 commercial/ business sites and 8 “hotel only” sites.

Depending on the actual design of the developments, the residential sites will produce about 9,000 flats; the commercial/business sites will yield around 322,200 m<sup>2</sup> of GFA (subject to survey); and the 8 “hotel only” sites will provide about 6,160 rooms.

Of the 62 sites, 51 are rolled over from the 2009-10 Application List and 11 are new residential sites. Including the residential site in Tseung Kwan O sold this Monday (22 February), a total of 4 sites in last year’s Application List have been sold and will provide about 2,300 flats.

“We will still adopt the market-driven Application List system as the main mechanism for supplying government land and have included all the sites available for application in the coming year into the Application List for developers to decide which piece of land to apply for and when, having regard to the prevailing market situation. Moreover, we consider that the existing triggering threshold set at 80% of the Open Market Value is appropriate,” Mrs Lam said.

“We have carefully examined every site included in the Application List, and have either specified or will specify in the Conditions of Sale appropriate development parameters. We have lowered the development

density of 14 sites in the Application List by 8.4% to 57.1%. Although this will inevitably reduce the land revenue to be collected, we believe it is a worthwhile act in the public interest, as well as in line with the concept of “Progressive Development” underlined by the Chief Executive for the Government of the current term.”

Mrs Lam also introduced in detail the two measures to fine-tune the land supply arrangements announced yesterday by the Financial Secretary in his Budget Speech. These are introducing Government-initiated land auction or tender in a limited way, and increasing the supply of mass market flats through specific restrictions to be imposed in the Conditions of Sale.

The Application List includes 6 urban residential sites - at Mt. Nicholson Road, the Peak; the junction of Fat Kwong Street and Chung Hau Street; Inverness Road, Kowloon Tong; Borrett Road, Mid-Levels West; the former Lingnan College site at Stubbs Road and the ex-Government Supplies Depot site at Oil Street in North Point, which the Government will, depending on the circumstances, put up for open auction or tender over the next two years if they have not been triggered for sale by then. For example, the Government will put up one or two of them for open auction or tender once every five to six months.

“The Government’s policy is to ensure a stable development of the property market, and to enable its effective adjustment according to the supply and demand situation through the provision of adequate land supply,” Mrs Lam said.

“Flat prices rose by 27% last year, and those of medium and large units increased by 29%, which is quite exceptional. Given this, and in anticipation of a lower level of housing supply in the coming years, the Government needs to adopt appropriate measures in providing land for residential developments.

As regards the fine-tuning measure in enhancing the supply for mass market flats, Mrs Carrie Lam indicated that this is a new attempt to address the home ownership aspirations of the public at large and the demand for smaller units.

The Government will, as a pilot, make use of a large residential site in Yuen Long, and will specify in the Conditions of Sale the minimum number of units as well as the minimum and maximum size of flats. The site will be sold through open tender. The Government will in due course conduct further internal analysis to determine the unit size to be specified. Moreover, the Government will liaise with the MTR Corporation Limited (MTRCL) and the Urban Renewal Authority (URA) to increase the supply of mass market flats in respect of the West Rail property development projects and urban renewal projects.

“The Application List is not the only source of land supply. The URA and MTRCL will continue to make available readily available sites for tender from time to time, and the Lands Department has introduced various measures to expedite the processing of applications for lease modifications and land exchange, which will also help to increase the housing supply. In addition, the Government will conduct necessary planning studies and continue to review the land use in different districts for the purpose of identifying land suitable for residential use to meet social needs,” Mrs Carrie Lam emphasized.

In the longer run, the New Development Areas (NDAs) in the North East New Territories (i.e. Kwu Tong North, Fanling North and Ping Che/Ta Kwu Ling) and the Hung Shui Kiu NDA in the North West New Territories as well as the low-density development in rural areas (including the Frontier Closed Area) will provide more land for residential developments.

The 2010-11 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.landso.gov.hk](http://www.landso.gov.hk).

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