

**For Information****LEGISLATIVE COUNCIL  
PANEL ON DEVELOPMENT****Land Supply Initiatives**

At the meeting of the Finance Committee on 18 June 2012 to discuss the re-organisation of the Government Secretariat, members asked about land supply initiatives. Further to the supplementary information provided to the Finance Committee by the Development Bureau (DEVB) on 21 June 2012, this paper briefs Members on the work and progress made by the Government on various fronts on land supply initiatives.

**Expanding land resources**

2. The Government is committed to expanding land resources such that land supply will not be affected by economic cycles. When demand for land declines, land development will still continue and the newly developed land will become the Government's land reserve and be made available when appropriate. By doing so, the Government will be able to supply sufficient land when demand rises. The Government has been implementing six innovative measures for expanding land resources. The latest progress of these measures is as follows:

- (1) Releasing of industrial land - The Planning Department (PlanD) has completed the latest review and is, as planned, rezoning about 30 ha of industrial land located in Tsuen Wan, Yuen Long, Fo Tan, Siu Lek Yuen, Tuen Mun, Tai Kok Tsui and Fanling for residential use. To date, the process of amending the relevant Outline Zoning Plans (OZPs) for seven industrial sites has been completed;
- (2) Reclamation on an appropriate scale outside Victoria Harbour - Reclamation can generate a large area of land and help build up a land reserve and handle the public fill generated from other land supply options and daily construction activities. The Civil Engineering and

Development Department launched the Stage 1 Public Engagement exercise as scheduled in November last year to consult the public on two land supply options, i.e. reclamation on an appropriate scale outside Victoria Harbour as well as the use of rock caverns and the site selection criteria. The Stage 1 Public Engagement exercise was completed in March this year. We are now formulating the reclamation site selection criteria in light of the public views collected. We will take note of the criteria with environmental and community impacts and propose a number of sites which can be further considered for reclamation, with a view to commencing the next stage of Public Engagement in the second half of this year;

- (3) Use of rock caverns to re-provision appropriate facilities and release such sites for housing development - During the aforesaid Stage 1 Public Engagement exercise, the public are generally in support of the use of rock caverns to re-provision existing public facilities and release the original sites for housing and other uses. We have obtained funding approval from the Finance Committee in May 2012 to conduct two studies. The feasibility study on relocation of Sha Tin sewage treatment works to caverns has commenced in May this year and is anticipated to be completed by mid-2014. The study on the long-term strategy for cavern development will commence in September this year and is anticipated to be completed by mid-2015. We plan to suggest several possible sites for cavern development in the second half of this year for public consultation;
- (4) Reviewing “Green Belt” (GB) areas that are devegetated, deserted or formed - The Stage 1 of the review has been completed. We will follow up on those sites with potential for residential development and will consult the public on the rezoning in accordance with established procedures. Stage 2 of the review has also commenced;
- (5) Reviewing the use of “Government, Institution or Community” (G/IC) sites - The review of the G/IC sites and other suitable government sites has been completed. We will follow up on those sites with potential for residential development. Statutory plans should first be amended such that the sites could be rezoned for residential use. We will

consult the public on the rezoning according to the established procedures; and

- (6) Reviewing some agricultural land currently used mainly for industrial purposes or temporary storage, or which is deserted - We have identified four sites in Kwu Tung South, Yuen Long South, Fanling/Sheung Shui Area 30 and Kong Nga Po for planning and engineering studies to ascertain the feasibility of and scope for developing the above sites for residential use. The studies will commence at the end of 2012 and take about 18 to 30 months to complete.

### **Making use of property development potential along railways**

3. Meanwhile, we are collaborating with the MTR Corporation Limited (MTRCL) to proactively explore sites along railways which can be further developed. In his 2012-13 Budget Speech, the FS indicated that the Government would invest heavily in railways. We will make optimal use of the property development potential along railways and will review the land use zoning of the relevant districts to meet development needs.

4. In particular, to expedite the release of the remaining West Rail sites, priority will be given to the development of the property projects above the Kam Sheung Road Station (KSRS) and Pat Heung Maintenance Centre (PHMC). Upon completion of the rezoning process, the KSRS and PHMC sites will be granted for residential development in 2014 at the earliest. Besides, some 100 ha of land adjacent to the KSRS and PHMC sites are also regarded as having potential for housing development. The PlanD and relevant departments are conducting further studies on the report submitted by the MTRCL earlier, which include technical assessments of the environment, ecology, traffic, drainage, sewage, ventilation, heritage, landscape and communal facilities. The land use zoning of the district is also being reviewed in order to meet development needs. After completion of the review of the land use zoning, the PlanD will submit the proposed amendments to the relevant OZP to the Town Planning Board and conduct extensive consultations to collect local views. Separately, the MTRCL and the Government are proactively exploring the feasibility of developing for residential use the site of some 30 ha at Siu Ho Wan Depot on Lantau Island.

## **Private Housing Land supply**

5. Regarding the private residential market, since 2010, we have fine-tuned the measures on selling government land by initiating the sale of residential sites through public auction or tender. Starting from 2011, we have been selling land aggressively and announcing quarterly land sale programmes in advance to increase housing land supply, while retaining the Application List system.

6. In the 2011-12 financial year, the Government sold 27 residential sites in total, which altogether could provide about 7 900 flats. In order to increase the supply of small and medium-sized flats and better safeguard the quantity of flat supply, we imposed flat size restrictions on three of those sites which could provide about 2 260 small and medium-sized flats; and we also imposed flat number restrictions on another five sites which could provide at least 3 790 flats.

7. In 2011-12, through the sale of residential sites by the Government, railway property development projects, redevelopment projects of the Urban Renewal Authority, projects subject to lease modification or land exchange, and private redevelopment projects not subject to lease modification or land exchange, the aggregate land supply could provide about 19 500 private residential flats, very close to our working target that on average land needs to be made available for 20 000 flats annually. In 2012-13, it is estimated that land from the above sources could provide about 30 000 private residential flats.

8. In the first quarter of 2012-13 (i.e. April to June of this year), the Government has sold three residential sites on its own initiative and is tendering another residential site, which could provide about 1 400 flats in total. Three of the four sites are imposed with flat number restrictions. Furthermore, another two residential sites successfully triggered by developers have been sold. In the second quarter of 2012-13 (i.e. July to September of this year), the Government will sell six residential sites, which could provide about 1 800 flats in total. Three of the six sites are imposed with flat number restrictions. In addition, the West Rail property development project at Tsuen Wan West Station TW5 (Bayside) is being tendered and another West Rail property development project at Long Ping Station (North) will also be tendered in the second quarter of 2012-13. These two projects could provide about 3 200 flats in total.

## **Conclusion**

9. The Government will take into account the progress made in pursuing the various land expansion measures and continue to adopt a multi-pronged approach to increase land supply and build up a land reserve.

**Development Bureau**

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