

DAVIS LANGDON & SEAH CHINA LIMITED

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS

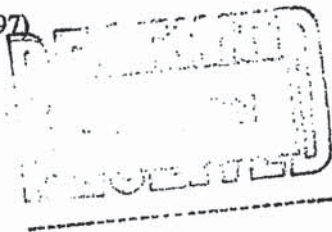
威寧謝中國有限公司：工料測量師及建設本值顧問

香港禮頓道 77 號禮頓中心 2101 室 電話：28303500 圖文傳真：25760416 E-mail: dlskh@dlskh.com

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LWK & Partners (HK) Ltd.
9/F, Pacific Plaza
410 Des Voeux Road West
HONG KONG



2101 Leighton Centre
77 Leighton Road
Hong Kong
Tel: 2830 3500
Fax: 2576 0416
E-Mail: dlskh@dlskh.com
www.davislangdon.com

For the attention of
Mr Ronald Liang/Mr Moses Leung

Dear Sirs,

WEST KOWLOON WATERFRONT DESIGN COMPETITION PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT LAND VALUE ESTIMATES

We have pleasure in enclosing our write-up on the financial section for the captioned for your reference.

Should you have any query or require any further input from our office or DTZ, please do not hesitate to contact us.

Yours faithfully,

Kenneth K Y Poon
For and on behalf of
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encls.

c.c. T.R. Hamzah & Yeang Sdn. Bhd. - Dr. Ken Yeang) (603) 4256 1005 and e-mail 0042
DTZ Debenham Tie Leung Limited - Mr K B Wong) 2530 1502

PKY/tl

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Source : Mr Ronald LIANG, witness appearing before the Select Committee

WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT
LAND VALUE ESTIMATES

1. Basis of Estimate

The Master Planning incorporates Public Facilities (e.g. Arts and Recreational Facilities, Parklands etc.) and Private Facilities (e.g. Offices, Hotels and Residential Towers etc.) It is assumed in our cost estimate that the infrastructure and Public Facilities shall be undertaken by the Hong Kong Government, directly or indirectly, and the Private Facilities shall be constructed by private developers after sales of the respective land parcels.

Our Preliminary Construction Cost Estimate therefore covers only the infrastructure and construction cost of Public Facilities only. Certain landscaping works that forms a part of the overall design concept but which falls within the site boundaries of the Private Facilities have not been allowed for, assuming such works shall form part of the future Land Lease Conditions which the private developers would have to carry out as part of their obligations.

We have done a Preliminary Development Land Value Estimate for the proposed Private Facilities. The respective values have been based on total accommodation values as recommended by the Land Consultant less estimated extra-ordinary expenses that the private developers would encounter in the development of the respective land lots (e.g. marine piles, marine deck etc.)

The two estimates together give a balanced picture of the costs incurred and value created by the proposed Master Plan.

WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST ESTIMATE OF
PUBLIC FACILITIES

25th September, 2001

	GFA	Estimated Construction Cost
	(m2)	(HK\$)
1. Indoor Facilities		
1.1 Imax Centre (bare shell)	3,600	36,000,000
1.2 Art Gallery	8,100	162,000,000
1.3 Performing Art Centre	19,800	396,000,000
1.4 Sports/leisure/amenities facilities	21,600	324,000,000
1.5 Opera House	12,500	375,000,000
	65,600	1,293,000,000
2. Outdoor Facilities		
2.1 Works to existing seawalls		65,000,000
2.2 Outdoor Amphitheatre (10,000m2)		50,000,000
2.3 Recreational Park (22,400m2)		134,400,000
2.4 Landscape Park (51,800m2)		207,200,000
2.5 Water Park (26,600m2)		35,000,000
2.6 Cultural Waterfront Walk		270,000,000
		761,600,000
3. Infra-structure		
3.1 Roadworks (53,460m2)		278,000,000
3.2 Mono Rail (1.6km and 3 stations)		400,000,000
3.3 Footbridge to Kowloon Park		100,000,000
3.4 Provisions for fresh water, flushing water, fire services, stormwater and sewer for both Government Constructed and Private Constructed developments		227,000,000
		1,005,000,000
4. Relocation of Existing Public Facilities		
4.1 Relocation of existing Fire Station		200,000,000
4.2 Relocation of existing School		110,000,000
		310,000,000
Total Anticipated Construction Cost at August 2001 Price Level	HK\$	3,369,600,000
5. Exclusions		
5.1 Professional fees, project supervision fees and legal fees;		
5.2 Financing charges;		
5.3 Fitting out works to Imax Centre;		
5.4 Fluctuation in construction costs from August 2001 price level to those at the date of tenders.		
5.5 Soft costs, e.g. opening and operating expenses for the various facilities.		

3. WEST KOWLOON WATERFRONT DESIGN COMPETITION
ESTIMATE OF DEVELOPMENT LAND VALUES

25th September, 2001

	GFA	Estimated Land Value
	(m2)	(HK\$)
1. Retail	186,900	2,692,140,000
2. Residential	144,000	2,266,630,000
3. Hotel	133,500	2,562,030,000
4. Office	208,000	1,668,620,000
Total Estimated Land Value at August 2001 accommodation values		9,189,420,000

5. Exclusions

- 5.1 Auction or Land Tender fees.
- 5.2 Fluctuation in accommodation values from August 2001 level to those at date of land sales.