

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

發展局(規劃地政科)

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6 June 2013

Clerk to the Finance Committee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr Derek LO)

Dear Mr Lo,

Finance Committee
Follow-up to meeting on 10 May 2013
731CL Infrastructure works for housing sites adjacent to Lung Ping Road at
Tai Wo Ping, Shek Kip Mei

At the meeting of the Finance Committee on 10 May 2013, Members requested the Administration to provide information on the equivalent number of rental public housing units that would cost the same for construction as the project cost for infrastructure and site formation in item 731CL "Infrastructure works for housing sites adjacent to Lung Ping Road at Tai Wo Ping", i.e. \$781.4 million (money-of-the-day prices) as described in the above-mentioned paper.

Comparing purely on the basis of monetary value, the construction costs for about 1 400 public rental housing units would be around \$760 million at current price level according to the Housing Authority's cost estimates. This is based on the current estimated construction cost of about \$540 000 per unit (excluding direct costs and overheads) for a 40-storey public rental housing block with normal foundation on a normal site.

However, we would like to emphasize that this comparison is not comparing like with like. On the one hand, the estimated construction cost for public rental housing

units has not taken into account the cost for any site formation and infrastructure provided for the development. On the other hand, the cost for providing infrastructure and site formation for private residential development is generally expected to be recovered in land premium for the residential sites.

Yours sincerely,



(Ms Karen LEUNG)
for Secretary for Development

c.c.

D of Housing
DCED
SFST

(Attn.: Mr Theron Chan)
(Attn.: Mr Norman Heung)
(Attn.: Ms Emily Tsang)