

Information and Technology and Broadcasting Panel

Construction Cost Estimates Cyberport Project - Cyberport Portion

Introduction

This note summarises the current cost estimates for the construction of the Cyberport Portion. These estimates are being refined by Government and PCG, and the agreed figures will be included in the project agreement. The detailed design and specifications will be drawn up by PCG and agreed by the Government. The tendering procedures for the construction and procurement contracts will also need to be agreed to by the Government.

2. The construction cost comprises mainly the following elements-

- (a) buildings construction
- (b) site works and utilities
- (c) external works
- (d) shared facilities

Buildings Cost

3. The estimate of buildings construction cost, which forms the major portion of the total construction cost, is based on the unit rates given below:

| <u>Type</u> | <u>Gross floor area (sq m)</u> | <u>Per unit Construction cost (\$/sq m)</u> | <u>Construction Cost (\$ Million)</u> | <u>Reference Benchmarks</u> |
|-------------|--------------------------------|---|---------------------------------------|---|
| Office | 92,600 | 18,000 | 1,667 | International Finance Centre (國際金融中心). The Cyberport unit cost also includes an allowance for |

| | | | | |
|-----------------------------|----------------|--------|--------------|---|
| | | | | additional IT provisions in the office buildings of the Cyberport |
| Hotel | 7,500 | 25,000 | 188 | Marriott Hotel (萬豪酒店) |
| Cyber Mall | 29,000 | 24,000 | 696 | Pacific Place (太古廣場), Maritime Square (青衣城). The Cyber Mall unit cost also includes an allowance for additional IT provisions. |
| Serviced apartment | 4,500 | 20,000 | 90 | Pacific Place Atrium |
| House | 8,100 | 19,000 | 154 | Palm Springs (加州花園) |
| Mid-rise residential | 19,500 | 14,500 | 283 | Pristine Villa, Shatin (沙田曉翠山莊) |
| Residents' club | | | 35 | Parkview Clubhouse (陽明山莊會所) |
| Car parks | | | 198 | Pacific Place (太古廣場), Maritime Square (青衣城) |
| Loading Bay | | | 43 | Pacific Place (太古廣場), Maritime Square (青衣城) |
| <u>Total</u> (Buildings) | <u>161,200</u> | | <u>3,354</u> | |

Site Works and Utilities

4. Apart from the main infrastructure provided by the Government, the developer is responsible for the site works (e.g. construction of internal roads, temporary access road, temporary quay, temporary sewage facilities) and utilities (e.g. drainage and water supply) within the site. It is estimated that the construction of these items would cost \$284 million. We consider this estimate to be reasonable having regard to the construction cost of similar developments.

External works

5. This item covers landscaping of external areas, construction of water features, paving, etc. The cost estimate is based on unit rates of similar developments, as follows-

| <u>External Works</u> | <u>Area (sq m)</u> | <u>Per unit Construction cost (\$/sq m)</u> | <u>Construction Cost (\$ Million)</u> | <u>Reference Benchmarks</u> |
|---|--------------------|---|---------------------------------------|-----------------------------|
| Park and landscaping for external areas | 70,000 | 2,750 | 193 | Discovery Park (愉景新城) |
| Lake and water feature | 5,000 | 6,000 | 30 | Discovery Park (愉景新城) |
| <u>Total</u> (external works) | <u>75,000</u> | | <u>223</u> | |

Shared Facilities

6. This item covers the telecommunications and IT facilities for shared use by the Cyberport tenants, including -

- Telecommunications and information infrastructure (Note: This covers facilities for shared use only. Cost for in-building facilities has been covered under "buildings construction cost")
- Content centre and cyber library
- Media laboratory
- Demonstration facilities
- Exhibition and trade show facilities
- Interface with universities and research institutions
- Commercial support facilities (e.g. large video wall, electronic bulletin board)
- Office support facilities

- Cyberport community network

While Government is still considering the detailed requirements for the shared facilities in consultation with prospective tenants, the cost estimate has made an allowance of some \$ 280 million for these facilities.

Total Construction Cost

7. On the basis of the above figures, the total estimated cost for the construction of the Cyberport Portion is given below-

| <u>Items</u> | <u>Cost (\$Million)</u> |
|--|-------------------------|
| (a) building construction | 3,354 |
| (b) site works and utilities | 284 |
| (c) external works | 223 |
| (d) shared facilities | <u>280</u> |
| Sub-total (a) to (d) | 4141 |
| (e) contingencies | 414 |
| (f) professional fees + project management | <u>456</u> |
| Total | <u>5,011</u> |

The total construction cost above does not include the cost for the construction of the essential infrastructure which will be borne by the Government.