

Motion Debate on Resumption of Land Sales
18 November 1998

Progress Report

Purpose

At the Legislative Council meeting on 18 November 1998, Members carried a motion urging the Government to resume land sales in April 1999, and to review the current mode of land sales with a view to introducing a flexible mechanism whereby the future provision of land can be adjusted according to the demand and supply in the market, so as to meet the needs for land and housing and in doing so, to stabilize Government revenue.

2. This progress report informs Members of the follow-up actions taken by the Government.

Present Situation

3. The Government announced on 12 February 1999 that land sales will resume with effect from April 1999 and published the Land Sale and Development Programmes for 1999/2000 to 2003/2004. For 1999/2000, there is a timetable for auctions and tenders for specific sites, and a Reserve List of sites which the Government may also make available for sale by auction or tender under the Application System. The first auction will be held on 20 April 1999.

4. In making the decision to resume land sales and drawing up the Programmes, the Government considered all relevant factors. The policy objective is to ensure stability in the property market and to provide sufficient land to meet Hong Kong's long term needs. The combination of sites on the Reserve List together with a modest regular land auction and tender programme enables the market to decide the optimum amount of land to be made available for disposal and the timing for releasing additional land. The flexibility offered by this new mechanism will enable the Government to respond to market demand while maintaining overall stability, thereby helping the Government achieve its objective of stable property prices.

Planning, Environment and Lands Bureau
March 1999