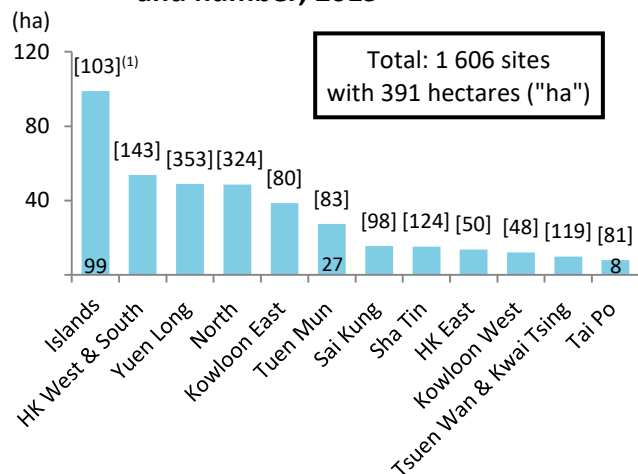


Vacant government land

Figure 1 – Unleased government sites by size and number, 2019



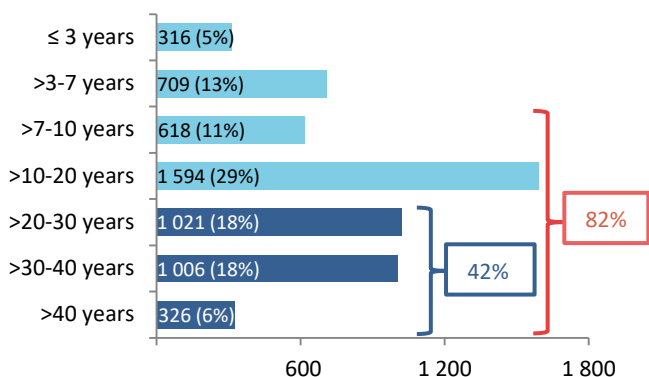
Note: (1) [] indicates the no. of sites.

Figure 2 – Short-term tenancies ("STTs") granted by type, 2017-2019

By open tender			By direct grant		
Land use	Area (ha)	%	Land use	Area (ha)	%
Car parks	45.31	73	Work sites (e.g. railway, airport construction, etc.)	28.38	52
Recycling	1.44	2	Car parks, storage & others	12.00	22
Storage	0.81	1	Community, sports & non-profit making	3.32	6
Plant nurseries	0.37	1	Private gardens	2.29	4
Others ⁽¹⁾	14.04	23	Public utilities	0.92	2
Total	61.97	100	Others ⁽²⁾	7.48	14
			Total	54.39	100

Notes: (1) Ship repairing, container handling, recreational use, etc.
(2) Guard rooms, pump houses, access roads, etc.

Figure 3 – Duration of STTs granted to the same tenants, 2019



Highlights

- In Hong Kong, any vacant land that has not been disposed of for private development or allocated for government use is generally considered unleased and unallocated government sites. As at end-2019, the Lands Department ("LD") managed 1 606 of these sites with a total area of 391 hectares, the equivalent of about 548 football pitches. While these sites concentrate in the New Territories (e.g. Islands and Yuen Long) with some of them deemed unfit for development, some sites are available in Hong Kong West and South, and Kowloon East (**Figure 1**).
- To optimize the use of scarce land resources, LD puts unleased sites pending/not so suitable for development into temporary or short-term uses through short-term tenancies ("STTs"), if there are no competing demands from government departments. STTs may be granted by two means, namely open tender and direct grant. Sites of commercial interest to the public can be let out at full market rent for uses such as car parks by open tender. With policy support from relevant bureaux/departments, sites with little commercial interest can be granted directly for community, non-profit-making or institutional uses such as railway projects, possibly with rent concessions. Direct grants can also be made to tenants renting a site for private use (e.g. gardens) at full market rent. Between 2017 and 2019, about 62 hectares of land were granted by open tender and 54 hectares by direct grant (**Figure 2**).
- STTs are typically granted for a fixed term of not more than five years (or up to seven years with policy justifications). If, upon expiry of the term, these sites are not allocated for permanent or other uses, STTs let by direct grant can continue on a monthly or quarterly basis, while STTs granted by tender will normally be re-tendered for another fixed term. According to an Audit Commission report published in April 2020, over 80% of the 5 590 STT sites managed by LD had not changed hands for more than seven years (**Figure 3**). About 40% had been granted to the same tenants for more than 20 years. In response, LD has pledged to thoroughly analyse the reasons for continuation of STTs and enhance the monitoring of STT tenancy with the aid of information technology, including an upgraded tenancy information system.

Vacant government land (cont'd)

Figure 4 – Unleased sites available for NGO application, October 2018

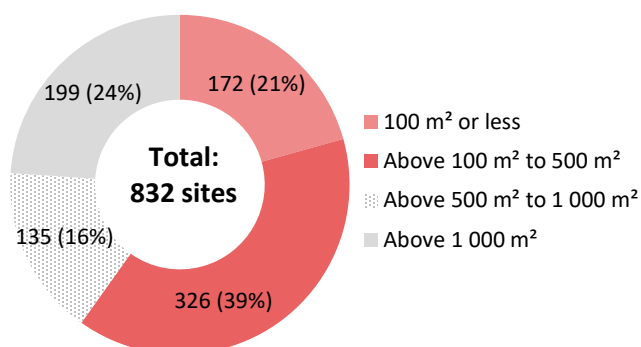


Figure 5 – Approved NGO applications, 2015-2019

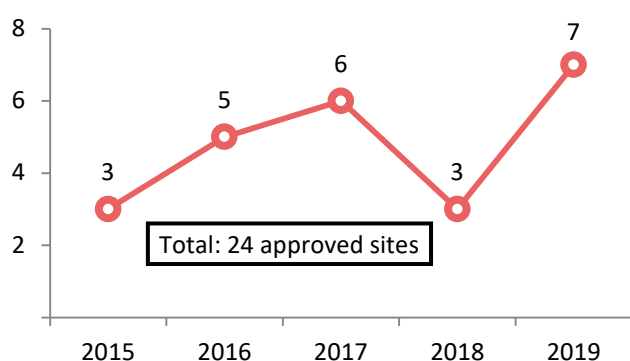


Figure 6 – Approved funding for NGO projects as at end-March 2020

	Purpose/Use	Location	Area (m ²) ⁽¹⁾	Funding (HK\$ million)
1	Community service centre	Yuen Long	900	7.5
2	Community garden	Kennedy Town	1 900	38.2
3	Animal training & organic farming	Yuen Long	1 600	2.1
4	Animal boarding	Yuen Long	1 100	7.4
5	Guide dog training	Ta Kwu Ling	2 400	3.0
6	Transitional housing	Mount Davis	200	5.9
7	Transitional housing	Kwai Chung	1 400	2.9
8	Transitional housing	Tsuen Wan	3 300	3.3

Note: (1) 1 000 m² = 0.1 ha.

Highlights

- As mentioned above, the Government has a policy of granting STTs for community, institutional or non-profit-making uses. As at October 2018, about 830 of these sites under LD's management have been put up for application by non-governmental organizations ("NGOs") and social enterprises. However, the Government indicates that some of these sites have limited development potential, primarily due to remote location, inadequate infrastructure, irregular shape and adjacent slopes that restrict construction. Others are fragmented with a small site area. It is estimated that about 60% of these sites are 500 square metres ("m²") or smaller (Figure 4).
- Probably owing to the above technical constraints, the initial response from NGOs was relatively tepid. In particular, there are concerns that the substantial costs required for repair and/or renovation works are disproportionate to the relatively short tenancy term and financial and/or technical capability of some NGOs. Over the past five years up to December 2019, a total of 24 STTs were granted to NGOs (Figure 5). The number of approved NGO applications rose mildly to seven in 2019, the highest in the past five years.
- The slight increase in NGO interest and approval numbers might be due in part to the launch of a HK\$1 billion funding scheme by the Development Bureau ("DB") in February 2019. The scheme aims at helping NGOs overcome the difficulties of utilizing unleased government sites. With a subsidy for each approved project capped at HK\$60 million, the scheme supports NGOs to carry out essential restoration works to make the site fit for use. These may involve slope upgrading, renovation of dilapidated buildings, provision of drainage and other basic infrastructure, among others. As at end-March 2020, DB received 12 applications and approved funding for eight projects. Of those, three projects were related to transitional housing and the rest were on animal and community facilities (Figure 6). The majority of these funded projects have a site area of 1 000 m² or above.

Data sources: Latest figures from Audit Commission, Development Bureau and Lands Department.

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