

For information  
on 25 January 2011

## **Legislative Council Panel on Development**

### **Policy and Matters relating to Private Treaty Grants**

#### **Purpose**

This paper sets out the policy of granting Government sites by way of private treaty (PTG). Besides, as some Members have expressed their concerns about the recent Government announcement of a Government site on Borrett Road granted directly to the Ministry of Foreign Affairs (MFA) of the People's Republic of China (PRC) to meet additional accommodation needs of the Office of the Commissioner of the Ministry of Foreign Affairs in Hong Kong (OCMFA), we also provide the relevant information in this paper for Members' reference.

#### **Current Policy of PTG**

2. Land grant applications are prudently considered based on individual circumstances of each application. Generally speaking, most land available for commercial, industrial or residential development is sold by public auction or tender. Apart from this, we also grant land by PTG for specified use in justified circumstances, to comply with approved Government policies and to meet Hong Kong's economic, social and community needs. All such direct land grants have to be subject to stringent policy scrutiny and are thoroughly considered to be justified in the public interest, with specific approval granted by the Executive Council (ExCo) or by delegated authority exercised in accordance with the approval criteria set by ExCo, on a case by case basis.

3. PTGs are normally for a specific purpose with the land use specified in the grant. Premium payable varies from nominal, concessionary to full market value depending on the nature of the use. Currently, the amount of nominal premium is \$1,000 which is applicable to all cases charging a nominal premium. Examples of the different categories of PTGs classified by premium charged are as follows –

(a) nominal premium

- (i) education purpose: schools, tertiary institutions;

- (ii) welfare purpose : social welfare, residential care homes for the elderly;
- (i) health use: clinics, hospitals;
- (ii) housing purpose: e.g. the first two elderly housing projects by the Hong Kong Housing Society.

(b) concessionary premium

- (i) charitable uses such as churches, temples;
- (ii) housing purpose: e.g. rental housing built by the Hong Kong Housing Society.

(c) full market premium

- (i) public utilities purpose;
- (ii) special industrial purposes; and
- (iii) housing purpose: e.g. property development by the railway corporations.

4. Other than the above-mentioned categories, there are a small number of direct land grant cases, where the relevant bureau / department will consider the merits of each case for submission to ExCo for approval, with regard to certain policy considerations, such as whether the development proposal complies with approved Government policies or assists to meet pre-determined policy objectives; the assessed economic or other benefits of the proposal, the strategic importance of the proposal; whether it is the right timing to make the proposed application; and the ability of the applicant in financing the implementation of the proposal, etc.

5. Development on such land grants must conform to the provisions of the prevailing statutory town plans or obtain planning permission from the Town Planning Board. Development must be carried out in accordance with the specified use of the grant. Grantees must demonstrate their financial capability to implement their projects. Unequivocal policy support from the relevant bureaux / departments must be secured before the application for land under such land grants can be processed. Such land grant applications have to be submitted to ExCo for approval or to the delegated authority for approval in accordance with the approved criteria set by ExCo. Restrictions as appropriate are included in the Conditions of Grant. This policy is long established, and has worked well. It has proven to be effective in ensuring the timely and optimal development of the land resources to keep pace with the social and economic development of Hong Kong, for the purpose of meeting Hong Kong's economic, social and community needs in a timely and

appropriate manner.

### **Grant of additional land for the construction of additional premises by the OCMFA**

6. On 24 November 2010, the Government announced that a Government site on Borrett Road would be granted to the MFA as an extension lot to meet OCMFA's needs for additional land. The Chief Executive in Council has already approved this land grant and its basic terms. The location plan of the concerned lot is appended at **Annex**. This land grant to MFA is transacted in accordance with the prevailing applicable land policies and practices. To put it simply, OCMFA first raised their request for additional land for the purpose of discharging its functions, which received policy support. The Government then selected a site suitable from the planning and land use aspects and submit to ExCo for consideration.

### **Background**

7. Article 13 of the Basic Law provides that the MFA shall establish an office in Hong Kong to deal with foreign affairs. In February 1997, the then Governor in Council approved that a Government site at the junction of Kennedy Road and Macdonnell Road should be granted to the MFA at a nominal premium of \$1,000 up to 30 June 2047 for the purpose of an office of the MFA (i.e. OCMFA) and such ancillary staff residential accommodation. The concerned land grant is an extension lot which provides additional land to OCMFA for the purpose of discharging its functions. This has also been approved by the Chief Executive in Council; and whereby a nominal premium of \$1,000 will be charged and it will have a term up to 30 June 2047 to be co-terminous with the lease term of the parent lot.

8. The existing OCMFA has an area of about 6,620 m<sup>2</sup>, including the office block cum quarters of the Commissioner of OCMFA on the top floor located at No. 42 Kennedy Road (with a Gross Floor Area (GFA) of about 24,700 m<sup>2</sup>) and the staff quarters block located at No. 6 Borrett Road (with a GFA of about 11,580 m<sup>2</sup>).

### **Justifications for granting additional land**

9. The new building on the extension lot will provide additional premises for OCMFA to discharge its functions. As stated in the Government's press

release, OCMFA has contributed very positively to the Hong Kong Special Administrative Region (HKSAR) by playing an important role in maintaining the stability and prosperity of the HKSAR since 1997.

10. Since the establishment of the HKSAR, the Government of the HKSAR has, through OCMFA, sought authorization from the Central People's Government to conclude over 100 bilateral agreements with foreign states in accordance with the Basic Law, including Air Services Agreements, Visa Abolition Agreements and Mutual Legal Assistance Agreements, etc. In close cooperation with relevant Chinese diplomatic and consular missions, OCMFA also works closely with the Government of the HKSAR to provide prompt assistance, including consular protection, to Hong Kong residents in distress or involved in accidents abroad. A recent example is the hostage crisis in the Philippines, when OCMFA sent a team of three diplomats, led by its Deputy Commissioner GAO Yuchen, to join the task force set up by the Government of the HKSAR to take care of the post-incident issues.

11. OCMFA endeavours to reach out to the general public of Hong Kong on foreign affairs issues and launches various major initiatives, including forums on national foreign policy, various exhibitions on different themes, diplomatic knowledge contests, seminars and lectures etc so as to introduce the international situation and national diplomacy to the Hong Kong public. While these activities are enthusiastically received and well attended, due to space and other constraints, OCMFA has not been able to stage many of these functions in its own premises.

12. The additional GFA provided by the new building will be used by OCMFA to discharge its representational functions. It will include facilities such as a banquet hall, reception hall, VIP greeting room, conference hall, art gallery, library etc and the residence of the Commissioner of OCMFA. These facilities will be used by OCMFA for discharging its functions as the representative of the MFA, and will assist the OCMFA in launching various kinds of activities in order to strengthen its communication with various sectors of Hong Kong. OCMFA would also be better able to perform its representational functions and stage their outreach activities and educational programmes within the more convenient and secure OCMFA offices. This will further enhance the capacity of OCMFA in discharging its functions and responsibilities under the Basic Law.

13. The extension lot will also provide an official residence for the Commissioner of OCMFA, to replace the quarters currently located on the top

floor of the OCMFA office block. This will make the residence for the Commissioner of OCMFA more comparable to those of MFA missions of the PRC abroad.

### **Zoning of the Extension Lot and Land Grant Document**

14. The extension lot has an area of about 2,100 m<sup>2</sup> and falls within a “Government, Institution or Community” (G/IC) zone on the Mid-levels West Outline Zoning Plan (OZP). Both the zoning of the extension lot and the content of its development are the same as those of the parent lot. The development can be regarded as a kind of “government use”, which is always permitted under the G/IC zoning. Hence, no planning permission from the Town Planning Board is required. In accordance with the established practice, such land grants approved by ExCo do not require prior public consultation.

15. Moreover, according to the Mid-levels West OZP mentioned above, development on this G/IC site is subject to a building height restriction of 185mPD as stipulated on the Mid-levels West OZP. The land grant will include suitable development restrictions to ensure that construction at the extension lot will not give rise to any significant traffic, visual or air ventilation concerns. The land grant will specify development restrictions, including a plot ratio not greater than 2 and a building height not exceeding 130 mPD. In other words, the accountable GFA of the extension lot will not exceed 4,200 m<sup>2</sup>. The scale of the extension lot is much smaller than the parent lot both in terms of building height and plot ratio.

16. The Chief Executive in Council has approved this land grant and its basic terms. The Lands Department is liaising with OCMFA and will prepare other terms and conditions in the land grant document in consultation with other relevant bureaux/departments.

### **Advice Sought**

17. Members are invited to note the content of this paper.

位置 LOCATION



比例 SCALE 1:20000

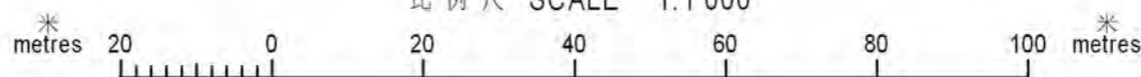


分區計劃大綱圖界線  
OZP BOUNDARY



以粉紅色標示的面積約為 2 100 平方米  
COLOURED PINK AREA 2 100 SQUARE METRES (ABOUT)

比例尺 SCALE 1:1 000



只作識別用 FOR IDENTIFICATION PURPOSES ONLY

地政總署 港島測量處  
District Survey Office, Hong Kong  
Lands Department

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擬議之內地段第 8893 號增批部份

PROPOSED EXTENSION TO INLAND LOT No. 8893

檔案編號 File No. ---
測量圖編號 Survey Sheet No. 11-SW-14A
發展藍圖編號 Layout Plan No. S/H11/15
參考圖編號 Reference Plan No. ---
圖則編號 PLAN No. HKM8973-1