

Government announces 2011-12 Land Sale Programme  
\*\*\*\*\*

The Secretary for Development, Mrs Carrie Lam, announced today (February 24) the Government's 2011-12 Land Sale Programme (the Programme) which comprises an Application List (AL) and a Sale by Tender List. The Programme offers a total of 52 residential sites with a capacity to produce about 16,000 units (including about 3,000 small and medium-sized flats to be sold by tender), which is 70% more than the estimated 9,000 units in last year's AL. In addition, it contains 14 commercial/business sites and five hotel sites.

"The Programme reflects a two-pronged arrangement to increase the supply of land, namely, a market-driven AL for sites to be triggered for sale and direct sale of designated sites initiated by the Government.

"Last year, we sold three residential sites through government-initiated sale. This year, we are designating up to 18 sites for government-initiated sale, comprising nine residential, six commercial/business and three hotel sites. This is clearly a more proactive approach," Mrs Lam said.

Of the 18 sites designated for sale to be initiated by the Government, 11 are included in the AL and will be put out for sale in an orderly manner, if they are not successfully triggered for sale before then. The seven sites (comprising five residential, one commercial and one hotel site) included in the Sale by Tender List will be disposed of as and when the planning process has been completed and/or Conditions of Sale are ready.

"We have decided to sell five residential sites in the Programme by tender because, as in the case of the former Yuen Long Estate site, the public tender for which was closed last week (February 18), we will impose restrictions on flat size and minimum flat numbers in the Conditions of Sale. The objective is to increase the supply of small and medium-sized flats," Mrs Lam said.

Also included in the Sale by Tender List are the Murray Building site, which has been designated for conversion into hotel use upon relocation of the government offices therein to the Tamar Government Offices later this year, and the former Wan Chai Police Station cum Wan Chai Police Married Quarters site, which will be partly preserved and partly redeveloped for business/commercial uses.

"Following the Chief Executive's commitment in his 2010-11 Policy Address to tackle the fundamentals of the problem in the property market by increasing land supply, the Financial Secretary's Steering Committee on Housing

Land Supply has started operating at full steam to steer the efforts of various policy bureaux and government departments with the objective of making available sites for housing developments to the market as soon as possible. Good progress has been made, as reflected in this year's Land Sale Programme," said Mrs Lam.

A total of 18 new residential sites located at Ho Man Tin, Tuen Mun, Tseung Kwan O, Ap Lei Chau, North Point and Sha Tin were injected into this year's Programme, together with 34 residential sites rolled over from last year's AL.

In total, the 52 residential sites are estimated to have a capacity to produce about 16,000 flats subject to the actual design of the developments; the 14 commercial/business sites will yield around 600,000 square metres of gross floor area (GFA) subject to survey; and the five hotel sites will provide about 2,330 rooms.

The Secretary for Development announced that, to kick-start the government-initiated sale programme in 2011-12, the Government would tender the two Hung Hom sites, namely 5-23 Lee Kung Street and the site at the junction of Bulkeley Street and Gillies Avenue South, in April 2011.

"These two sites will be the first to be put into the market to provide small and medium-sized flats in urban Kowloon. We also plan to initiate auction of another Hung Hom site, i.e. the ex-Ko Shan Road Customs and Excise Service Married Quarters at Ko Shan Road around that time. This site has been triggered four times in the last year," Mrs Lam said.

The Government has also decided to turn the "hotel only" pilot scheme that was launched back in 2008-09 into a permanent arrangement. Under it, the reserve price for hotel sites on the AL and the premium for lease modification/land exchange cases opting for "hotel only" development will be assessed and charged on a "hotel only" basis instead of their maximum permissible development potential irrespective of whether hotel use represents the optimal development.

"The decision is to continue to promote the development of hotels in Hong Kong in support of the tourism industry. The initiative to convert Murray Building into hotel use and to initiate the sale of two hotel sites at Sai Kung and Wan Chai will also be conducive to the development of tourism in Hong Kong," Mrs Lam added.

Other than addressing housing and hotel land supply, the Programme has also paid due attention to the supply of office space.

"To sustain Hong Kong's position as a leading financial centre and regional business hub, there is a need to take more proactive steps in supplying commercial/business sites to the market. We have included a total of 14 commercial/business sites in the Land Sale Programme, including the tender of the former Wan Chai Police Station cum Wan Chai Police Married Quarters site with preservation requirements of the Grade II Police Station building. Another five of the commercial/business sites on the AL are designated for government-initiated sale in the course of the year," said Mrs Lam.

Elaborating on the Financial Secretary's reference to housing land supply capable of producing an estimate of between 30,000 and 40,000 units in the coming year, Mrs Lam pointed out at the press conference that the Government Land Sale Programme was not the sole source of private housing land supply. Other supply sources include lease modifications and land exchanges initiated by private developers, private redevelopments not subject to lease modification, as well as property development tenders carried out by the MTR Corporation Limited (MTRCL) and the Urban Renewal Authority (URA).

"In the coming financial year, MTRCL is going to be an important source of supply of sites for residential developments. The sites at Nam Cheong, Tsuen Wan, Tai Wai, Tin Shui Wai and Tseung Kwan O are expected to provide an estimated 14,600 units. Together with the estimated supply from URA projects, private sector redevelopment and lease modification/land exchange, housing land supply in the coming year could reach a total of about 35,000 units, which is considerably above the working target of 20,000 flats mentioned by the Chief Executive in his 2010-11 Policy Address. Our efforts will continue," said Mrs Lam.

Earlier on, the Government carried out a review of industrial land in the territory and is now in the process of rezoning about 30 hectares of industrial land for residential use. This exercise has yielded two residential sites for early disposal, namely the ex-Tai Wo Hau Factory Estate site and a site in Tung Tau, Yuen Long included in the 2011-12 Land Sale Programme.

"In the medium to longer term, the Kai Tak Development Area will start providing housing sites by 2014; new development areas in the northern New Territories as well as other developments will provide more land to meet the

housing needs of our people," said Mrs Lam.

A planning study on the quarry site at Anderson Road has commenced recently. Other studies aimed at identifying more housing land that the Government will embark on include a planning study on a quarry site on Lamma Island, a feasibility study on the proposed remaining development of the Tung Chung New Town and a planning review of the development at the ex-Cha Kwo Ling Kaolin Mine site.

"We will also explore reclamation outside Victoria Harbour and rock cavern development as a strategic means to create land resources to cope with future development needs.

"Our study will look at locations outside the Victoria Harbour only. We will engage the public fully in taking this proposal forward. Reclamation can also help tackle the problem of surplus public fill materials and provide a more environment-friendly, reliable and cost-effective means than delivering fill materials to the Mainland for disposal," said Mrs Lam.

Mrs Lam also said that Development Bureau would shortly release a consultancy study by the Civil Engineering and Development Department on more progressive use of caverns in Hong Kong.

"Cavern development is a proven technology that has been adopted to house, for example, the Stanley Sewage Treatment Works and the Island East Refuse Transfer Station as well as to relocate the service reservoirs at Pok Fu Lam in order to make land available for the University of Hong Kong's Centennial Campus. We will further examine optimising use of land by relocating some existing facilities wholly or partly into caverns. The land thus released can be put to other beneficial uses including housing," said Mrs Lam.

The 2011-12 Application List together with the relevant Explanatory Note, Application Form and Agreement as well as the Practice Note, can be found on the Lands Department's website ([www.landsd.gov.hk](http://www.landsd.gov.hk)). Sites included in the Sale by Tender List will be included in the Tender Forecast on the Lands Department's website.

Ends/Thursday, February 24, 2011