

Reply to Hon Lee Wing-tat**18. How many sites will the Government take the initiative to sell by auction or tender in the coming April-June? What is the area and plot ratio of each site? What are their flat size restriction requirements and their minimum and maximum number of flats to be built?**

- The Financial Secretary announced in April this year that the Government would enhance its efforts on increasing housing land supply. In the period from April to June, we initiated the sale of nine residential sites by auction or tender, which could provide about 3,000 flats. Three out of the nine residential sites have flat size restrictions. The residential site at the junction of Bulkeley Street and Gillies Avenue South in Hung Hom will provide not less than 70 flats, the saleable area of each of which ranges from 35m² to 40m²; the residential site at 5-23 Lee Kung Street in Hung Hom will provide not less than 170 flats, the saleable area of each of which ranges from 35m² to 40m²; the residential site at Tung Chung Area 55A on Lantau Island will provide not less than 2,020 flats, including 1,650 flats of a saleable area from 35m² to 45m² and 370 flats of a saleable area from exceeding 45m² to 60m². The tender result of the two Hung Hom sites with flat size restrictions was announced on 20 June 2011. The tender invitation for the Tung Chung site with flat size restrictions commenced on 17 June 2011 and will close on 22 July 2011.
- In the July to September quarter, we will initiate the sale of 7 sites on the Application List by auction or tender. Besides, the West Rail Nam Cheong property development project is planned for tender in the same quarter. These 8 sites are estimated to provide about 6,000 flats, considerably above the 3,000 flats that could be provided by the 9 residential sites sold in the April to June quarter. In order to better safeguard the quantity of flats to be provided, we will include in the land sale conditions for the three bigger sites at Sha Tin Kau To, Yuen Long Tan Kwai Tsuen and Tseung Kwan O a requirement in respect of the minimum number of flats that the developers have to provide. These three sites will provide a

minimum of about 2,100 flats in total.

- The development restrictions, such as maximum gross floor area, plot ratio, building height restriction, site coverage and/or non-building area, etc., are set out in detail in the land sale conditions of every site in the Government Land Sale Programme and are uploaded onto the website of the Lands Department.
- 19. The 2011-12 Application List and Tender List comprise 52 sites, 13 of which have rolled over for three years, two for seven years, two for six years, two for four years, one for three years and 11 for one year. It is doubtful if rollover sites would be triggered for sale or sold successfully. How will the Government handle the rollover sites? Will it consider earmarking some of them for the Home Ownership Scheme (HOS) and enhance the infrastructure facilities in their vicinity so as to increase the attractiveness of the sites in the vicinity of the HOS sites?**
- The Government regularly reviews the best use of sites on the Application List so as to optimize the utilization of land resources. For instance, we have removed one residential site at Hospital Road when compiling the 2010-11 Application List and designated it for university student hostel. On the 2011-12 Application List, we did not roll over two sites located in Mui Wo and Lin Shing Road in Chai Wan respectively and have earmarked them for public rental housing.
 - We adopt a two-pronged arrangement to increase land supply. On the one hand, developers may apply for the sale of sites on the Application List; on the other hand, the Government may take the initiative to sell them. Therefore, despite the situation where sites on the Application List are not successfully triggered for sale, the Government may still sell them on its own initiative. This two-pronged arrangement functions well and has effectively increased land supply.

20. When will the Hong Kong MTR Corporation Limited (MTRC) tender its projects at Nam Cheong, Tsuen Wan, Tai Wai, Tin Shui Wai and Tseung Kwan O; and when will the Urban Renewal Authority (URA) tender its projects in the coming year? What will be the estimated size of flats and how many flats will be provided at each site?

- The Nam Cheong project will provide 3,313 flats, 2,485 (about 75% of the total) of which are small and medium-sized flats of a saleable area not more than 50m².
- The TW 5 (Bayside) project will provide 2,384 flats, 1,235 (about 52% of the total) of which are small and medium-sized flats of a saleable area not more than 50m².
- The TW 5 (Cityside) project will provide 942 flats, 588 (about 62% of the total) of which are small and medium-sized flats of a saleable area not more than 50m².
- The West Rail Property Development Limited plans to tender the Nam Cheong project in the third quarter of 2011 and the two TW 5 projects later on within 2011-12. The three projects will provide about 6,700 flats.
- As for MTRC's projects at Tai Wai, Tin Shui Wai and Tseung Kwan O planned to be tendered, since these projects are owned by MTRC, MTRC has the discretion to decide how to implement them. Although MTRC will decide on the specific tender dates of these projects, according to our earlier understanding, MTRC plans to tender them in 2011-12 which will provide about 7,900 flats.
- URA estimates that the two projects to be tendered in the coming year could provide 200 flats in total, but eight projects will be put up for tender under the five-year plan which could provide a total of about 3,600 flats, including about 2,100 small and medium-sized flats of a saleable area not more than 500 square feet.

21. In September last year, URA launched the Queen’s Cube project, the flat size of the project is 400-500 square feet. The flat prices range from \$7 million to over \$10 million with the price per square foot being about \$17,000. Will the sizes and prices of flats to be sold by MTRC and URA in future be comparable? How many units of the project which has a total of 96 units have been sold?

- The flat price is determined by developers having regard to the market situation at the time of flat sale in future.
- Nine units of the Queen’s Cube project in Wan Chai have been sold. The sales information is disclosed in detail on the websites of URA and the project. For the projects to be tendered by URA in future, the flat size and price will depend on a host of factors such as individual projects’ design, location, flat disposition, view, floor number and the prevailing market situation, etc.

22. From 2005-06 to 2010-11, how many flats could be provided by the sites on the Application List every year? How many flats could be provided by sites sold successfully? What was the percentage of such flats on the Application List?

- The relevant information is appended below –

Year of Application List	Total number of flats that could be provided by sites on Application List*	Number of flats that could be provided by sold sites on Application List	Percentage
2005/06	10,900	2,200	20%
2006/07	14,000	3,400	24%
2007/08	13,000	5,000	38%
2008/09	13,200	Less than 50	Less than 0.5%
2009/10	10,700	2,400	22%
2010/11	8,800	4,900	56%

* Including sites to be sold rolled over from the Application List of the previous year.

The above flat numbers are estimated figures.

23. From 2005-06 to 2010-11, how many flats could be provided by sites tendered by MTRC and URA every year? How many flats could be provided by the sites successfully tendered? What was the percentage of such flats in the sites put up for tender?
24. From 2005-06 to 2010-11, how many flats could be provided through private redevelopment (including those requiring and those not requiring lease modification/land exchange) every year?
- Currently, Housing Department's statistical information does not record the unsuccessful tenders of MTRC and URA. According to the information provided by Housing Department, the quantity of new residential flats that could be provided by various private housing land sources in 2005-2010 is set out below (on a calendar year basis) –

Year	Land sold through Application List	Lease modification/land exchange	URA	MTRC	Private redevelopment project not subject to lease modification
2005	2,200	5,600	900	4,600	700
2006	1,800	800	300	8,900	1,000
2007	6,600	4,400	300	2,700	1,100
2008	< 50	3,300	1,200	4,700	900
2009	1,500	500	300	0	1,600
2010	5,800	7,300	1,600	1,200	2,000

Note 1 : The period of the Application List normally runs from February/March in a year to February/March in the next year, but the statistics about land sold through the Application List presented here is compiled on a calendar year basis.

Note 2 : The flat numbers above are approximate figures.

Note 3 : Depending on developers' timing and strategy of sales, the flats to be provided by the housing land supply above could largely be completed and sold in the market in three to four years thereafter.