

# DAVIS LANGDON & SEAH CHINA LIMITED

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS  
威寧謝中國有限公司 : 工料測量師及建設本值顧問

香港灣仔 77 號禧街中心 2101 室 電話 : 28303600 圖文傳真 : 28780418 E-mail: dlahk@dlahk.com

26 September 2001

Our Ref.: MB-122/01 (PKY/2001/297)

LWK & Partners (HK) Ltd.  
9/F, Pacific Plaza  
410 Des Voeux Road West  
HONG KONG

For the attention of  
Mr Ronald Liang/Mr Moses Leung

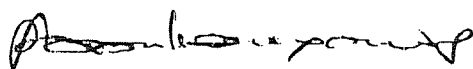
Dear Sirs,

## WEST KOWLOON WATERFRONT DESIGN COMPETITION PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT LAND VALUE ESTIMATES

We have pleasure in enclosing our write-up on the financial section for the captioned for your reference.

Should you have any query or require any further input from our office or DTZ, please do not hesitate to contact us.

Yours faithfully,



Kenneth K Y Poon  
For and on behalf of  
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encls.

c.c. T.R. Hamzah & Yeang Sdn. Bhd. - Dr. Ken Yeang ) (603) 4256 1005 and e-mail  
DTZ Debonham Tie Leung Limited - Mr K B Wong ) 2530 1502

PKY/tl

**Directors** 董事 : Ku Moon Lam 古滿麟 Kenneth K Y Poon 潘根漢 Joseph Y K Lee 李應祺 D C Mackay 晏佳 Eric K P Au 歐錦輝  
**Deputy Directors** 副董事 : Cheong Suk Hol 張石蘭 A C Ruxton 梁威烈 Peter K M Ho 何錦強 Francis K M Au 區敬明  
Chan Chi Kai 陳智佳 John W Ching 蔣維 Ricardo C P Cheung 張志平 Tsui Shuk Kuen 徐錫權  
Simon K M Ho 蘇健文 M J Johnston 麥日射士敦  
**Assistant Directors** 助理董事 : K N Yam 任顯余 D Hye I. H. Ho 何國吟 Peter H M Law 羅漢文 M O Lai 黎文安 Frank H L Kwok 郭曉嵐  
William K H Fong 方劍豪 Jonathan C K Lo 盧志強 Lyander M L Lam 林榮玲 Wong Chin Ying 黃展營  
Daniel P Luk 陸健 Cynthia K P Szeto 司徒潔英 Lai Pak Hung 黎北熊

### DAVIS LANGDON & SEAH INTERNATIONAL 威寧謝國際

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Bandar Seri Begawan 斯里巴加灣市 Penang 檳城 Kuala Lumpur 吉隆坡 Kota Kinabalu 哥打峇魯 Johor Bahru 巴魯  
Kuching 古晉 Jakarta 雅加達 Hanoi 河內 Ho Chi Minh City 胡志明市 Surabaya 泗水 Melbourne 墨爾本 Sydney 悉尼  
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The Czech Republic 捷克 Qatar 卡塔爾 Bahrain 巴林 United Arab Emirates 阿拉伯聯合酋長國 France 法國 Beirut 貝魯特 Africa 非洲  
**Associated Offices** 專營聯絡所 : Canada 加拿大 West Africa 西非 Eric 愛爾蘭 New Zealand 新西蘭



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**WEST KOWLOON WATERFRONT DESIGN COMPETITION**  
**PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT**  
**LAND VALUE ESTIMATES**

1. **Basis of Estimate**

The Master Planning incorporates Public Facilities (e.g. Arts and Recreational Facilities, Parklands etc.) and Private Facilities (e.g. Offices, Hotels and Residential Towers etc.) It is assumed in our cost estimate that the infrastructure and Public Facilities shall be undertaken by the Hong Kong Government, directly or indirectly, and the Private Facilities shall be constructed by private developers after sales of the respective land parcels.

Our Preliminary Construction Cost Estimate therefore covers only the infrastructure and construction cost of Public Facilities only. Certain landscaping works that forms a part of the overall design concept but which falls within the site boundaries of the Private Facilities have not been allowed for, assuming such works shall form part of the future Land Lease Conditions which the private developers would have to carry out as part of their obligations.

We have done a Preliminary Development Land Value Estimate for the proposed Private Facilities. The respective values have been based on total accommodation values as recommended by the Land Consultant less estimated extra-ordinary expenses that the private developers would encounter in the development of the respective land lots (e.g. marine piles, marine deck etc.)

The two estimates together give a balanced picture of the costs incurred and value created by the proposed Master Plan.

2. WEST KOWLOON WATERFRONT DESIGN COMPETITION  
PRELIMINARY CONSTRUCTION COST ESTIMATE OF  
PUBLIC FACILITIES

25th September, 2001

	GFA	Estimated Construction Cost
	( m2 )	(HK\$)
1. Indoor Facilities		
1.1 Imax Centre (bare shell)	3,600	36,000,000
1.2 Art Gallery	8,100	162,000,000
1.3 Performing Art Centre	19,800	396,000,000
1.4 Sports/leisure/amenities facilities	21,600	324,000,000
1.5 Opera House	12,500	375,000,000
	65,600	1,293,000,000
2. Outdoor Facilities		
2.1 Works to existing seawalls		65,000,000
2.2 Outdoor Amphitheatre (10,000m2)		50,000,000
2.3 Recreational Park (22,400m2)		134,400,000
2.4 Landscape Park (51,800m2)		207,200,000
2.5 Water Park (26,600m2)		35,000,000
2.6 Cultural Waterfront Walk		270,000,000
		761,600,000
3. Infra-structure		
3.1 Roadworks (53,460m2)		278,000,000
3.2 Mono Rail (1.6km and 3 stations)		400,000,000
3.3 Footbridge to Kowloon Park		100,000,000
3.4 Provisions for fresh water, flushing water, fire services, stormwater and sewer for both Government Constructed and Private Constructed developments		227,000,000
		1,005,000,000
4. Relocation of Existing Public Facilities		
4.1 Relocation of existing Fire Station		200,000,000
4.2 Relocation of existing School		110,000,000
		310,000,000
Total Anticipated Construction Cost at August 2001 Price Level	HK\$	3,369,600,000

5 Exclusions

- 5.1 Professional fees, project supervision fees and legal fees;
- 5.2 Financing charges;
- 5.3 Fitting out works to Imax Centre;
- 5.4 Fluctuation in construction costs from August 2001 price level to those at the date of tenders.
- 5.5 Soft costs, e.g. opening and operating expenses for the various facilities.

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3. WEST KOWLOON WATERFRONT DESIGN COMPETITION  
ESTIMATE OF DEVELOPMENT LAND VALUES

25th September, 2001

	GFA	Estimated Land Value
	( m2 )	(HK\$)
1. Retail	186,900	2,692,140,000
2. Residential	144,000	2,266,630,000
3. Hotel	133,500	2,562,030,000
4. Office	208,000	1,668,620,000
Total Estimated Land Value at August 2001 accommodation values		HK\$ 9,189,420,000

5. Exclusions

- 5.1 Auction or Land Tender fees.
- 5.2 Fluctuation in accommodation values from August 2001 level to those at date of land sales.

**Teresa Ng**

---

**From:** "Teresa Ng" <teresa.ng@dtz.com.hk>  
**To:** <trhy@tm.net.my>  
**Sent:** 25/may/2001 PM 12:34  
**Attach:** Team Information.doc; Curriculum Vitae.doc; Relevant Strength.doc; Covering.doc  
**Subject:** Kowloon Waterfront Competition

Refer to attached files.

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25/09/2001

**FAXED**

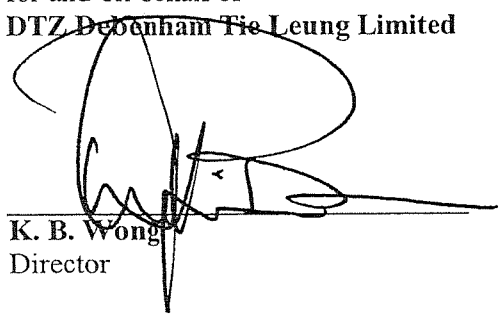
**For Addressee Only**

<b>TO</b>	Mr. Kenneth Poon	<b>COMPANY</b>	Davis Langdon & Seah
<b>FAX NO.</b>	2576 0416	<b>PAGES</b>	1
<b>FROM</b>	K.B. Wong	<b>DATE</b>	25th September, 2001
<b>TEL NO.</b>	2507 0618	<b>REPLY FAX</b>	2530 1502
<b>SUBJECT</b>	<b>West Kowloon Waterfront Design Competition</b>		

Dear Sirs,

In our previous calculation of land value (i.e. Accommodation Value), we have assumed average construction cost in normal site conditions (from foundation to completion) and that the sites are ready for immediate development. If the "Premium Deductable Works" are additional building costs incurred by a private developer in carrying out the development (residential, hotel, office or retail) on top of normal building costs, the cost will have to be deducted from the land value. If these "premium deductible works" relate to site formation works and are carried out or borne by the government, they will not affect the land value.

Yours faithfully,  
for and on behalf of  
**DTZ Debenham Tie Leung Limited**

  
**K. B. Wong**  
Director

c.c.	L.W.K. & Partners (HK) Ltd	—	Attn: Mr. Moses Leung	Fax: 2572 4908
	T.R. Hamzah & Yeang Sdn.	—	Attn: Mr. Ken Yeang	Fax: 603 4256 1005

Ref: KB/yl-0229/01

Note: This fax is intended for the named addressee only.  
It contains information which may be confidential and which may also be privileged.  
Unless you are the named addressee you may neither copy nor use it nor disclose it to anyone else. If you have received this fax in error, or it is unclear please notify us immediately on the above Telephone Number.

DTZ Debenham Tie Leung Limited 16th Floor, 1063 King's Road, Quarry Bay, Hong Kong.

**DAVIS LANGDON & SEAH**

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS

威寧謝：工料測量師及建設本值顧問

**Facsimile Message**

To: Mr. K.B. Wong

From: Kenneth Poon/Joe Chan

Of: DTZ Debenham Tie Leung Limited

Date: 24 September 2001

Fax No: 25301502

Ref: DLS/HK/2001/20666

Total pages (including this cover sheet): 2

2101 Leighton Centre,

77 Leighton Road,

Hong Kong

Tel: 28303500

Fax: 25760416

Email: dlshk@dlshk.com

WEST KOWLOON WATERFRONT DESIGN COMPETITION  
ESTIMATE FOR PREMIUM DEDUCTABLE WORKS

We refer to your Accommodation Value calculation in your letter ref. KB/y1-0220/01 dated 18th September. We have estimated the costs for premium deductible works (see attached page). Please advise whether these costs will affect your Accommodation Value calculation.

Best Regards

For and on behalf of  
Davis Langdon & Seah Hong Kong Limited

c.c. L.W.K. &amp; Partners (HK) Ltd. - Attn : Mr. Moses Leung (2572 4908)

T.R. Hamzah &amp; Yeang Sdn. - Attn : Mr. Ken Yeang (603-42561005)

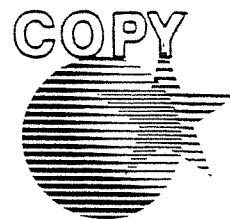
21st September 2001

West Kowloon Waterfront Design Competition  
Estimate for Premium Deductable Works

GFA (m2)	Residential 144,000 HK\$	Hotel 133,500 HK\$	Office 208,000 HK\$	Retail 186,900 HK\$	Media Theatre 8,550 HK\$	Carpark - HK\$	Total 680,950 HK\$
Premium Deductable Works							
1. Additional cost for 50m deep marine piles comparing with normal piling provision (25m deep on ground)	396,000,000	417,200,000	598,000,000	-	-	-	1,411,200,000
2. Additional cost for 50m deep piles on ground comparing with normal piling provision (25m deep on ground)	-	-	-	161,200,000	8,000,000	42,700,000	211,900,000
3. Additional cost for marine deck comparing with normal sub-structure	36,400,000	38,400,000	55,000,000	-	-	-	129,800,000
4. Additional cost for retail structural frame to take loading of soil above retail	-	-	-	70,000,000	-	-	70,000,000
5. Extensive landscaping to roof of retail area	-	-	-	186,900,000	-	-	186,900,000
Total :	432,400,000	455,600,000	653,000,000	418,100,000	8,000,000	42,700,000	2,009,800,000
Cost/m2 GFA :	3,003	3,413	3,139	2,237	936	-	2,951



**DAVIS LANGDON & SEAH  
HONG KONG LIMITED**  
QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS  
威寧謝香港有限公司：工料測量師及建設本值顧問



Ref : MB122/01/LTR60973

20th September 2001

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www.davislangdon.com

LWK & Partners (HK) Ltd  
9/F, Pacific Plaza  
410 Des Voeux Road West  
HONG KONG

Attn : Mr. Moses Leung

Dear Sirs,

WEST KOWLOON WATERFRONT DESIGN COMPETITION

Further to the discussion with DTZ, we would propose to carry out the financial feasibility study in following approach :

- 1) The gross floor areas shown in your proposed Accommodation Schedule shall be splitted into "Government constructed" and "Private Constructed" 2 categories.
- 2) Our cost estimate shall allow for the infrastructures and "Government Constructed" areas construction costs only.
- 3) No allowance shall be made for the "Private Constructed" areas. These will be reflected as Accommodation Values (AV) to be advised by DTZ after considering our estimate on the premium deductible works involved.
- 4) All costs and AV shall be at present day value.

Continued...../

**Directors:** Ku Moon Lun Kenneth K Y Poon Joseph Y K Lee D C Mackay Eric K F Au Cheung Sek Hoi  
A G Ruxton Peter K M Ho Francis K M Au  
**Deputy Directors:** Chan Chi Kai John W Chiang Ricardo C P Cheung Tsui Shek Kuen Simon K M So M J Johnston  
**Assistant Directors:** K S Yam Dilys L L Ho Peter H M Law M O Lai Frank H L Kwok William K H Fong Jonathan C K Lo  
Lysander M L Lam Wong Chin Ying Daniel P Luk Cynthia K F Szeto Lai Pak Hung

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**DAVIS LANGDON & SEAH INTERNATIONAL**

Davis Langdon & Seah: Singapore Hong Kong Kuala Lumpur Bandar Seri Begawan Jakarta Kota Kinabalu Kuching Manila Bangkok  
Johor Bahru Penang Shanghai Beijing Guangzhou Hanoi Ho Chi Minh City Seoul  
Davis Langdon & Everest: United Kingdom Davis Langdon Edeten: Spain Davis Langdon Economistes: France  
Davis Langdon Polska: Poland Davis Langdon Lebanon: Beirut  
Davis Langdon Arabian Gulf: Qatar Bahrain United Arab Emirates Saudi Arabia Davis Langdon Adamson: The United States of America  
Davis Langdon Australia: Australia Farrow Ling Ntene: South Africa Gotsdiner Lesotho Swaziland Davis Langdon Knapman Clark: New Zealand



ISO 9001 : 1994

Ref : MB122/01/LTR60973



We have grouped the items of the proposed project under the above 2 categories in the attached page for your comment.

Should you have any queries or comments on the above approach, please feel free to contact us.

Yours faithfully,

**Orig. Sgd. By**  
**Kenneth K. Y. Poon**

For and on behalf of  
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encl.

c.c.	T.R. Hamzah & Yeang Sdn.	-	Dr. Ken Yeang	(603) 4256 1005
	DTZ Debenham Tie Leung Limited	-	Mr. K.K. Chiu	2530 1502

CHO/fc



West Kowloon Waterfront Design Competition

		GFA m2
1.	<u>Government Constructed</u>	
1.1	Imax Centre	3,600
1.2	Art Gallery	8,100
1.3	Performing Art Centre	19,800
1.4	Sports/leisure/amenities facilities	21,600
1.5	Opera House	12,500
1.6	Outdoor Amphitheatre	
1.7	Recreational Park *	
1.8	Landscape Park	
1.9	Water Park	
1.10	Cultural Waterfront Walk	
1.11	Footbridge to Kowloon Park	
1.12	Roadwork	
1.13	Mono Rail	
1.14	Relocation of existing Fire Station	
1.15	Relocation of existing School	
	Total GFA for Public Facilities	65,600
2.	<u>Private Constructed</u>	
2.1	Basement Carpark (633 Nos.)	
2.2	Carpark above Ground (633 Nos.)	
2.3	Retail	92,400
2.4	Retail & Entertainment	94,500
2.5	Residential	16,900
2.6	Hotel	133,500
2.7	Office	208,000
2.8	Media-theatre *	8,550
2.9	Marina *	
2.10	Footbridge to Adjacent Developments	
	Total GFA for Commercial Developments	553,850

\* Please comment whether these facilities are Government or Private Constructed.

# DAVIS LANGDON & SEAH HONG KONG LIMITED

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS

威寧謝香港有限公司：工料測量師及建設本值顧問



Ref : MB122/01/LTR60973

20th September 2001

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E-Mail: dlskh@dlskh.com  
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LWK & Partners (HK) Ltd  
9/F, Pacific Plaza  
410 Des Voeux Road West  
HONG KONG

Dear Sirs,

## WEST KOWLOON WATERFRONT DESIGN COMPETITION

Further to the discussion with DTZ, we would propose to carry out the financial feasibility study in following approach :

- 1) The gross floor areas shown in your proposed Accommodation Schedule shall be splitted into "Government constructed" and "Private Constructed" 2 categories.
- 2) Our cost estimate shall allow for the infrastructures and "Government Constructed" areas construction costs only.
- 3) No allowance shall be made for the "Private Constructed" areas. These will be reflected as Accommodation Values (AV) to be advised by DTZ after considering our estimate on the premium deductible works involved.
- 4) All costs and AV shall be at present day value.

Continued...../

Directors: Ku Moon Lun Kenneth K Y Foon Joseph Y K Lee D C Mackay Eric K F Au Cheung Sek Hoi  
A C Ruxton Peter K M Ho Francis K M Au  
Deputy Directors: Chan Chi Kai John W Ching Ricardo C P Cheung Tsui Shek Kuen Simon K M So M J Johnston  
Assistant Directors: K S Yam Dilya L L Ho Peter H M Law M O Lai Frank H L Kwok William K H Fong Jonathan C K Lo  
Lyander M L Lam Wong Chin Ying Daniel P Luk Cynthia K P Szeto Lai Pak Hung

0012

## DAVIS LANGDON & SEAH INTERNATIONAL

Davis Langdon & Seah: Singapore Hong Kong Kuala Lumpur Bandar Seri Begawan Jakarta Kota Kinabalu Kuching Manila Bangkok  
Johor Bahru Penang Shanghai Beijing Guangzhou Hanoi Ho Chi Minh City Seoul  
Davis Langdon & Everest: United Kingdom Davis Langdon Edeten: Spain Davis Langdon Economistes: France  
Davis Langdon Polska: Poland Davis Langdon Lebanon: Beirut  
Davis Langdon Arabian Gulf: Qatar Bahrain United Arab Emirates Saudi Arabia Davis Langdon Adamson: The United States of America





We have grouped the items of the proposed project under the above 2 categories in the attached page for your comment.

Should you have any queries or comments on the above approach, please feel free to contact us.

Yours faithfully,

For and on behalf of  
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encl.

c.c.    T.R. Hamzah & Yeang Sdn.                      -    Mr. Ken Yeang    (603) 4256 1005  
          DTZ Debenham Tie Leung Limited       -    Mr. K.K. Chiu    2530 1502

CHO/fc

## West Kowloon Waterfront Design Competition



	<u>GFA</u> <u>m2</u>
1. <u>Government Constructed</u>	
1.1 Imax Centre	3,600
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Total GFA for Public Facilities	<u>65,600</u>
2. <u>Private Constructed</u>	
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2.9 Marina *	
2.10 Footbridge to Adjacent Developments	
Total GFA for Commercial Developments	<u>553,850</u>

\* Please comment whether these facilities are Government or Private Constructed.

# DAVIS LANGDON & SEAH CHINA LIMITED

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS

威寧謝中國有限公司 ; 工料測量師及建設本值顧問

香港禮頓道 77 號禮頓中心 2101 室 電話 : 28303600 圖文傳真 : 28780418 E-mail: dlskh@dlskh.com

19 September 2001

Our Ref.: PKY/2001/283

DTZ Debenham Tie Leung Limited

16<sup>th</sup> Floor

1063 King's Road

Quarry Bay

HONG KONG

BY FAX  
2530 1502



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For the attention of  
Mr K K Chiu

## URGENT

Dear Sirs,

### KOWLOON WATERFRONT COMPETITION

I attach herewith copy of a fax from TR Hamzah & Yeang which is self explanatory.

Please provide the necessary information directly to Dr. Ken Yeang/Mr Andy Chong.

Thank you.

Yours faithfully,

Kenneth K Y Poon

For and on behalf of

DAVIS LANGDON & SEAH HONG KONG LIMITED

Encls.

c.c. LWK & Partners (HK) Ltd. - Mr Ronald Liang ) 2572 4908  
T. R. Hamzah & Yeang Sdn. Bhd. - Dr Ken Yeang/Mr Andy Chong ) (603) 42561005

PKY/tl

**Directors** 董事 : Ku Moon Lun 古漢麟 Kenneth K Y Poon 潘根漢 Joseph Y K Lee 李應祺 D C Mackay 麥偉 Eric K P Au 歐錦輝  
**Deputy Directors** 副董事 : Cheung Sek Hoi 張石開 A C Boxton 麥城敦 Peter K M Ho 何錦銘 Francis K M Au 區啟明  
Chan Chi Kai 陳智佳 John W Chiang 蔣維 Ricardo C P Cheung 張志平 Tse Shok Kuen 徐健倫  
Simon K M Ho 蘇健文 M J Johnston 麥甘祖士敦  
**Assistant Directors** 助理董事 : K S Yum 任銀森 Dils L L Ho 何麗玲 Peter H M Law 羅漢文 M O Lai 黎文安 Frank H L Kwok 郭曉嵐  
William K H Fong 方劍豪 Jonathan C K Lo 盧志強 Alexander M L Lam 林英玲 Wong Chin Ying 黃展翹  
Daniel P Luk 陸晉 Cynthia K P Szeto 司徒潔芳 Lai Pak Hung 黎北熊

**DAVIS LANGDON & SEAH INTERNATIONAL 威寧謝國際**

**Offices** 辦事處 : Hong Kong 香港 Beijing 北京 Shanghai 上海 Guangzhou 廣州 Singapore 新加坡 Manila 馬尼拉 Bangkok 曼谷  
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Formerly C Y Leung & Company  
原梁振英測量師行

18th September, 2001

LWK & Partners (HK) Ltd.  
9/F, Pacific Plaza  
410 Des Voeux Road Central  
Hong Kong

By Fax (2572 4908) & By Post

Attn: Mr. Ronald Liang

Dear Sirs,

**RE: WEST KOWLOON WATERFRONT DESIGN COMPETITION**

We refer to our recent meeting with Mr. Kenneth Poon of Davis Langdon & Seah Hong Kong Limited where we were provided with a proposal on development of the West Kowloon Waterfront Reclamation. A copy of an Area Schedule summarising the proposed development is attached at the Appendix for reference.

The proposal will leverage the unique prominent waterfront location and good accessibility of the area to develop it into a cultural/recreational focus infilled with commercial property developments.

According to the area schedule, the proposed main contents of private property developments comprise:-

Plot	Land Use	Land Area (sq.m.)	No. of Floors	Total Gross Floor Area (sq.m.)
2	Retail	30,800	3	92,400
3	Retail & Entertainment	31,500	3	94,500
			Sub-total (retail)	186,900
8	Residential (1,600 units)	38,500	1 x 60 1 x 50 1 x 40 1 x 30	144,000
			Sub-total (residential)	144,000 (90 sq.m. per unit)



Plot	Land Use	Land Area (sq.m.)	No. of Floors	Total Gross Floor Area (sq.m.)	
14	Hotel (860 rooms)	7,700	38	61,500	
15	Hotel (1,000 rooms)	9,000	45	72,000	
			Sub-total (hotel)	133,500	(1,860 rooms)
16	Offices	11,000	55	88,000	
17	Offices	14,000	60	120,000	
			Sub-total (offices)	208,000	
			<b>Grand Total</b>	<b>672,400</b>	

For information and comparison purpose, the development on top of the Airport Express Kowloon Station which is to the immediate north of the subject area, comprising 7 development packages, will provide in total about 1,090,000 sq.m. of fully integrated residential, office, retail and hotel facilities. The details of the development are:-

Site Area	:	135,400 sq.m.
Residential GFA	:	608,026 sq.m. 5,814 unit (i.e. average 104.6 sq.m. per unit)
Office GFA	:	231,778 sq.m.
Retail GFA	:	82,750 sq.m.
Hotel/Service apartment GFA	:	163,472 sq.m. (1,700 rooms)

It is noted that the proposed development plans to provide similar floor area of offices and hotel/service apartment as the Kowloon Station. However, the component of retail provision is significantly larger than the Kowloon Station development.

In the following paragraphs, we will try to comment on the viability and value of each of the above components of development.

#### (A) RETAIL

- ◆ The stock in Tsim Sha Tsui (including Hunghom reclamation) as at the end of 2000 is 824,900 sq.m.. The proposed development will add 22.66% to the existing stock. The addition is very substantial and the market will take time to absorb.
- ◆ The vacancy rate of retail property in Tsim Sha Tsui as at the end of 2000 is 10.3%.

- ◆ For reference and comparison, the details of various high quality shopping developments are set out below:-

Ocean Terminal, Harbour City (Tsim Sha Tsui)	60,200 sq.m.
Ocean Centre, Harbour City (Tsim Sha Tsui)	20,810 sq.m.
Ocean Galleries, Harbour City (Tsim Sha Tsui)	35,860 sq.m.
Gateway I, Harbour City (Tsim Sha Tsui)	10,033 sq.m.
Gateway II, Harbour City (Tsim Sha Tsui)	37,160 sq.m.
Sub-total	164,063 sq.m.
Pacific Place (Admiralty, Central)	66,070 sq.m.
Festival Walk (Kowloon Tong)	91,165 sq.m.

- ◆ The current rent for shops in Harbour City is about \$70 to \$200 per sq.ft. of lettable area.
- ◆ Being prominently located and next to cultural facilities to be of international standard, the proposed retail shops are capable of attracting high income population and upper end tenants who can afford higher rent.
- ◆ However, retail property market is softening as a result of continuous shrinkage in consumption expenditure amid the on-going contractionary economy and the current vacancy rate is high.
- ◆ The proposed supply is very substantial, larger than the aggregate of the whole of the Harbour City shopping complex..
- ◆ The subject location is separated from the present shopping hub at the Nathan Road and Harbour City. It may not be easy to attract shoppers to this new area.
- ◆ There is therefore a concern that the proposed retail floorspace may be overprovided.

#### Opinion on Value

Capital value of the shops (average)	HK\$6,300 per sq.ft. (HK\$67,813 per sq.m.)
Accommodation value (i.e. land value per sq.ft. of gross floor area)	HK\$1,550 per sq.ft. (HK\$16,684 per sq.m.)

#### **(B) RESIDENTIAL**

- ◆ The stock of domestic units in Tsim Sha Tsui at the end of 2000 is 18,064 and the vacancy stood at a high level of 14.7%.
- ◆ Upcoming supply will mainly come from the developments above the Kowloon Station, totally about 5,800 units.

- ◆ The current sale price of the domestic units above Kowloon Staton is about \$4,700 p.s.f. to \$5,500 p.s.f. (gross).
- ◆ The average unit size of 90 sq.m. appears large in today's weak market.

#### Opinion on Value

Capital value of the residential units (average) HK\$4,800 per sq.ft. (HK\$51,667 per sq.m.)

Accommodation value (i.e. land value per sq.ft. of gross floor area) HK\$1,750 per sq.ft. (HK\$18,837 per sq.m.)

#### **(C) HOTEL**

- ◆ Tsim Sha Tsui is a renowned tourist area with a high concentration of 4 or 5-star hotels. Merely in Harbour City, there are three hotels namely the Marco Polo Hongkong Hotel, the Marco Polo Gateway Hotel and the Marco Polo Prince Hotel providing a total of 1,503 rooms.
- ◆ With the edge of easy access to Central on Hong Kong Island and the International Airport via the Airport Express as well as the unique waterfront location, the subject site is an attractive location for high-tariff hotel.
- ◆ The tariff rates and occupancy rates of high-tariff hotels have picked up remarkably since 2000.
- ◆ The former Regent Hotel (with 514 rooms) was recently sold to Inter-Continental Group at a price of HK\$2,340 million (i.e. \$4.55 mil per room)..

#### Opinion on Value

Capital value of the hotel (average) HK\$5,000,000 per room

Accommodation value (i.e. land value per sq.ft. of gross floor area) HK\$2,100 per sq.ft. (HK\$22,604 per sq.m.)

#### **(D) OFFICE**

- ◆ Office rent and price in Tsim Sha Tsui, although the highest in Kowloon, are considerably below Central District. This lies to the fact that most banks and financial institutions cannot accept Kowloon as locations for their headquarters. However, it also ends up in that the rent and price in Tsim Sha Tsui are not as volatile as the Central area.

- ◆ Grade A offices in Tsim Sha Tsui are found mainly along the waterfront at Canton Road stretching north from the Tsim Sha Tsui Ferry Pier.

Ocean Terminal	929 sq.m.
Ocean Centre	62,895 sq.m.
New T&T Centre	23,875 sq.m.
World Commerce Centre	23,875 sq.m.
World Finance Centre	47,566 sq.m.
Gateway I	104,793 sq.m.
Gateway II	145,856 sq.m.
	<u>409,789 sq.m.</u>

- ◆ The proposed supply of office space is about 208,000 sq.m.. It is quite substantial when compared with the total stock of 1,360,900 sq.m. in the whole Tsim Sha Tsui area as at the end of 2000 (representing about 15%).
- ◆ The current rent of offices in Gateway is about \$21-\$25 per sq.ft. gross.
- ◆ The proposed office development will offer significant attractions in terms of more spacious layout and better planning of the area, waterfront location ensuring unobstructed panoramic seaview and good accessibility to Central.
- ◆ Therefore, although the supply is large, it may be able to capture tenants from other office developments in Tsim Sha Tsui and even Central District.
- ◆ There is a recent auction of government land at Hung Hom waterfront for commercial development. It was sold for \$1,090 million and is restricted to a maximum gross floor area of 107,444 sq.m.. The sale is slightly below market expectation. The price equals to an accommodation value of \$10,144.8 per sq.m. (\$942 p.s.f.).

#### Opinion on Value

Capital value of the office	HK\$4,000 per sq.ft. (HK\$43,056 per sq.m.)
Accommodation value (i.e. land value per sq.ft. of gross floor area)	HK\$1,050 per sq.ft. (HK\$11,302 per sq.m.)

#### **Land Sale Revenue**

If the parcels of land (sites) planned for the abovesaid retail, residential, hotel and office developments are to be sold off as separate lots to private developers for development after due land formation, our estimation of land revenue derived from the sale of those sites is:-

Our Ref: KB/yl-0220/01

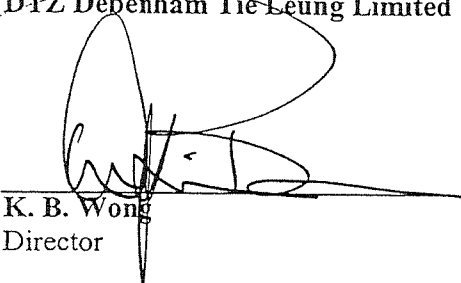
18th September, 2001

Use	Proposed Floor Area	Accommodation Value	Land Premium
Retail	186,900 sq.m.	HK\$16,684 per sq.m.	HK\$3,118,239,600
Residential	144,000 sq.m.	HK\$18,837 per sq.m.	HK\$2,712,528,000
Hotel	133,500 sq.m.	HK\$22,604 per sq.m.	HK\$3,017,634,000
Office	208,000 sq.m.	HK\$11,302 per sq.m.	HK\$2,350,816,000
<b>Total:</b>			<b>HK\$11,199,217,600</b>

The estimations are however rough ball-park indications and are subject to the terms of sale and other development conditions. They are based on current market prices. It is also important to note that the factor of time value (i.e. the effect of discounting the future land sale revenue to present day value) has not been reflected in the above calculation.

If you have any enquiry, please feel free to contact us.

Yours faithfully,  
for and on behalf of  
**DTZ Debenham Tie Leung Limited**

  
K. B. Wong  
Director

c.c. Davis Langdon & Seah Hong Kng Limited – Mr. Kenneth Poon

Fax: 2576 0416

West Kowloon Waterfront Reclamation  
Area Schedule (30 Aug 2001)

Plot & Land Use	Land Area (sq.m)	Floor plate size (sq.m)	No. of Floors	Total Gross Area (sq.m)	Plaza / Landscape roof (sq.m)	Carpark
1. Imax Centre	12,000	3,600	3	3,600	3,600	400 cps @ 1 cps per 4 units @ say 1.600 units
2. Retail	30,800	30,800	3	92,400	30,800	
3. Retail & Entertainment	31,500	31,500	3	94,500	31,500	
4. Art Gallery	8,100	8,100	1-2	8,100	8,100	
5. Performing Arts Centres	19,800	19,800	1-2	19,800	19,800	
6. Outdoor Amphitheatre	28,000	10,000	1-2	10,000	28,000	
7. Recreational Park	22,400			-	22,400	
8. Residential (1,600 units)	38,500	900 900 900 900	1 x 60 1 x 50 1 x 40 1 x 30	144,000	16,900	
Sports/ leisure/ amenities/ facilities		21,600	1	21,600		
9. Services (exist.)	6,500			-		
10. Opera House	25,000	5,000	2.5	12,500	25,000	
11. Services (exist.)	7,900			-		
12. Media-theque	33,600	5,700	1.5	8,550	27,900	
13. Landscape Park	51,800				51,000	
14. Hotel (860 rooms)	7,700	1,600	38	61,500	3,000	366 cps @ 1 per 240 sq.m
15. Hotel (1,000 rooms)	9,000	1,600	45	72,000	4,000	
16. Offices	11,000	1,600	55	88,000	5,000	500 cps @ 1 per 240 sq.m
17. Offices	14,000	2,000	60	120,000	6,000	
18. Utilities	8,800					
19. Road reserve	53,460					
sub-total	419,860	146,500		756,550	283,000	
20. Marina & Marine Centre	55,000					
21. Water Park	26,600				13,000	
sub-total	81,600					
Total	501,460	146,500		756,550	296,000	

Site area = 400,000 sq.m

Percentage green area = 296,000/400,000 = 74% total site area

Total GFA = 756,550 sq.m



Marine Centre - Boat Restaurant,  
Fisherman Museum, etc.

Landscaped  
dip into water to form  
Marine Centre.

Future Extension

Proposed  
Connection

VIEW A

NEW YAU MA TEI  
TYPHOON SHELTER

Coaches drop-off

MYRC

KCEC

Access to  
monorail  
station above

Green Cell penetrate to  
carpark below.

Green 'finger' to  
mark entry +  
integration w/ green  
+ retail

Access to  
outdoor above

AUSTIN BOULEVARD

Imax  
foyer

Imax  
Plaza

Coaches drop-off

Coaches Holding Area

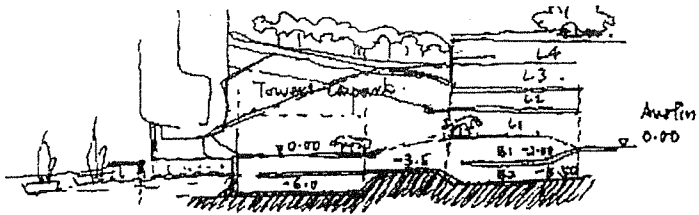
Access to  
Quiet Park  
Carpark below

Ventilation Building

MPs ferry docking area

VICTORIA HARBOUR -9.0M

**L1**  
(+1.5M)



SECTION A

at Restaurant

Fisherman  
Museum

VIEW A  
p-off

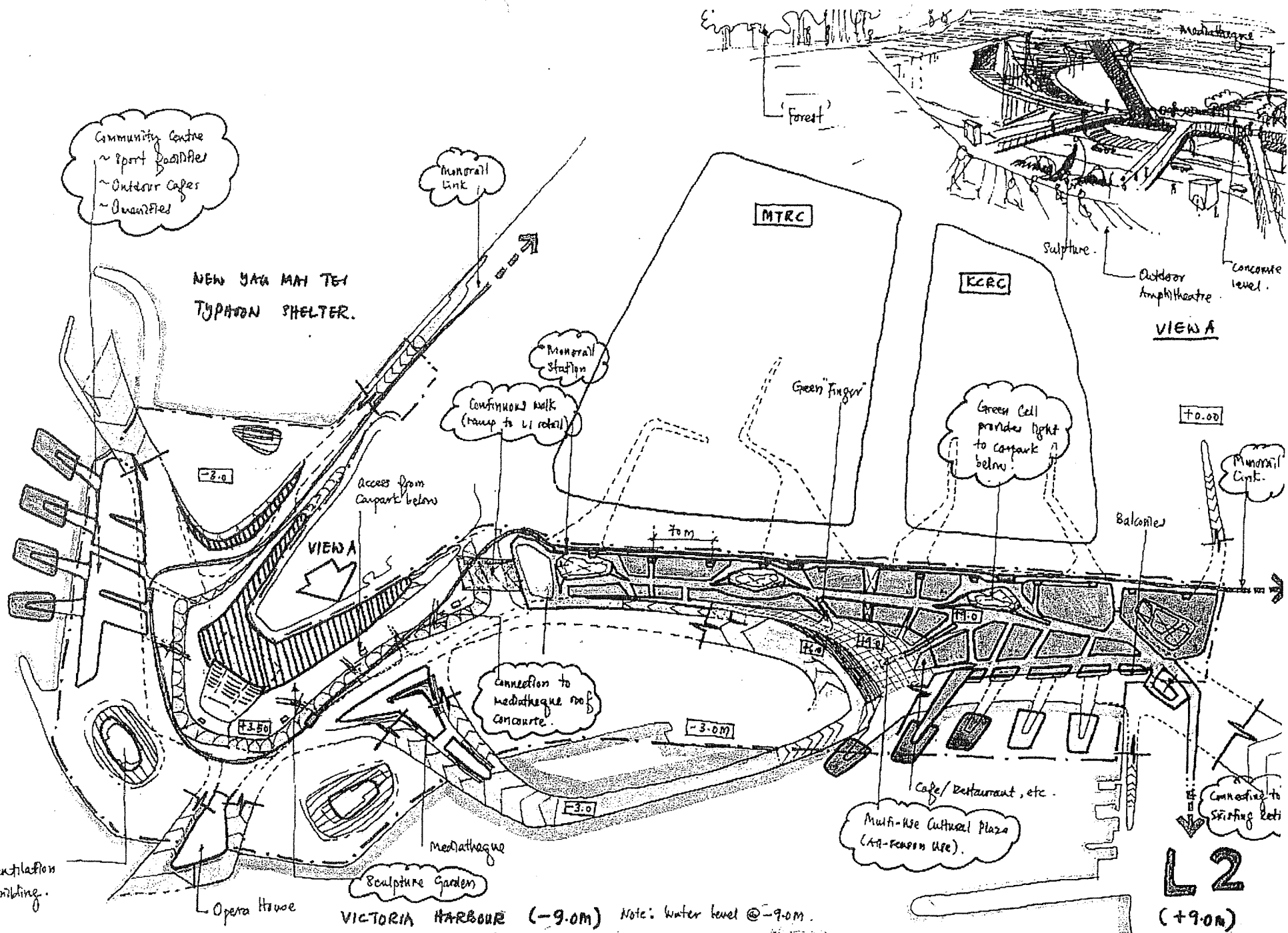
Coaches  
top-off

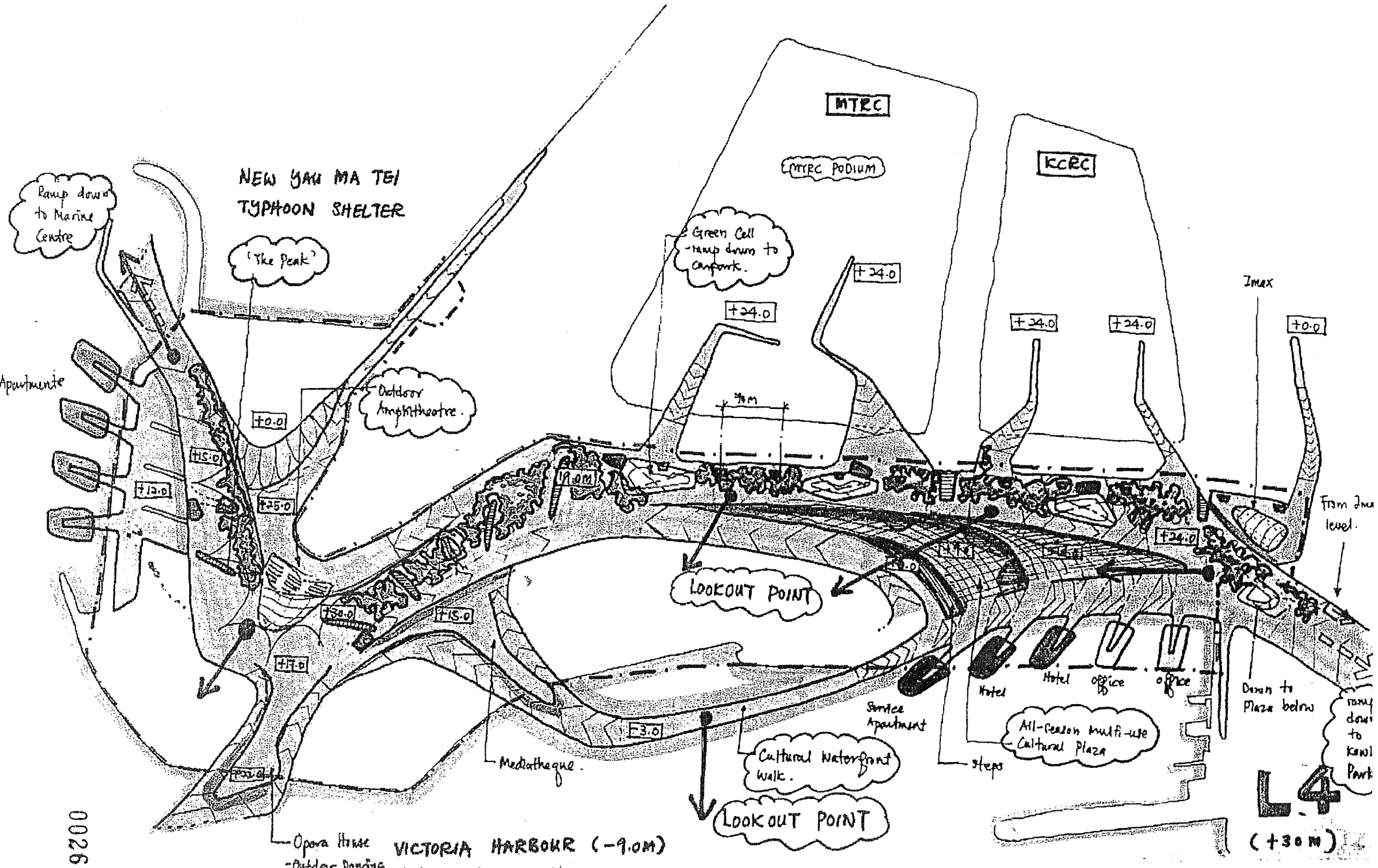
Outdoor  
waterfront  
cafes and  
shops

25m clearance

0024







MTRC

MTRC PODIUM

KCR

NEW YAU MA TEI  
TYPHOON SHELTER

'The Peak'

Ramp down  
to Marine  
Centre

Green Cell  
ramp down to  
Confront

+24.0

+24.0

+24.0

+24.0

+0.0

IMAX

From Jma  
level

LOOKOUT POINT

LOOKOUT POINT

Cultural Waterfront  
Walk

Hotel

Hotel

office

office

All-Season Multi-use  
Cultural Plaza

Down to  
Plaza below

ramp  
down  
to  
Kowloon  
Park

L4  
(+30m)

Mediatheque

Opera House  
- Outdoor Dancing

VICTORIA HARBOUR (-9.0m)

Apartment

0026

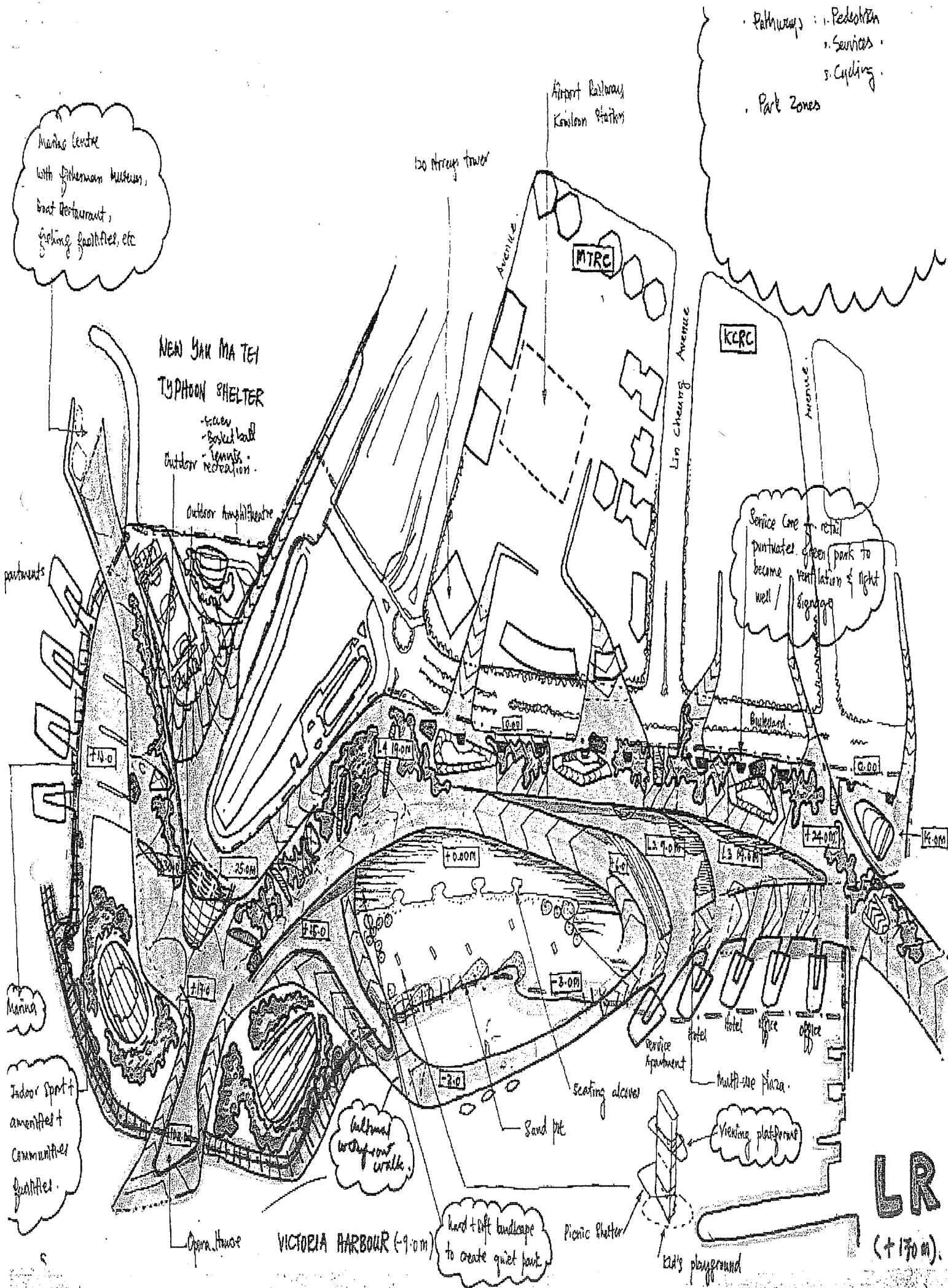
Linked to recreational  
and retail area at  
B1 to L4.

Linked to  
retail and  
cultural area  
at B1 to L4.

apartment  
(7 floors)  
apartment  
(5 floors)  
apartment  
(7 floors)  
apartment  
(5 floors)

279m  
245m  
140m  
480m  
206-4m  
209m

Service  
Apartment  
(25 floors)  
Hotel  
(30 floors)  
Hotel  
(55 floors)  
Office  
(50 floors)  
Office  
(70 floors)  
60m  
60m  
60m  
**L20**  
(TYPICAL TOWER  
LEVEL: +75m)



- Pathways : 1. Pedestrian
  - 2. Services
  - 3. Cycling
- Part Zones

Marina Centre  
with Fisherman Museum,  
boat Restaurant,  
fishing facilities, etc

NEW YAU MA TEI  
TYPHOON SHELTER  
- Green  
- Rusted land  
- Tennis  
- Outdoor recreation

partments

Marina

Indoor Sport +  
amenities +  
Community  
facilities

Opera House

VICTORIA HARBOUR (-9.0m)

Cultural  
workshop  
walk

hard + soft landscape  
to create quiet park

Airport Railway  
Kowloon Station

Avenue

MTRC

Lin Cheung Avenue

KCRC

Avenue

Service Core + retail  
punctuates green park to  
become ventilation & light  
well / signage

Boulevard

Service  
Apartment

Hotel

Hotel

Office

Office

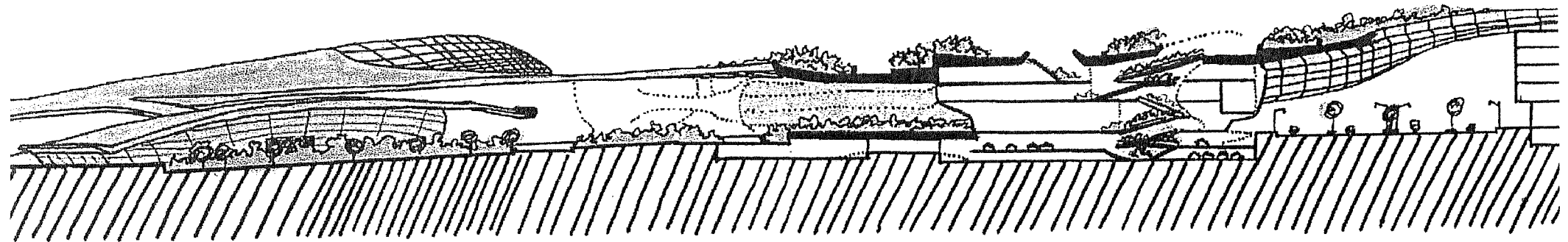
Multi-use Plaza

Viewing platform

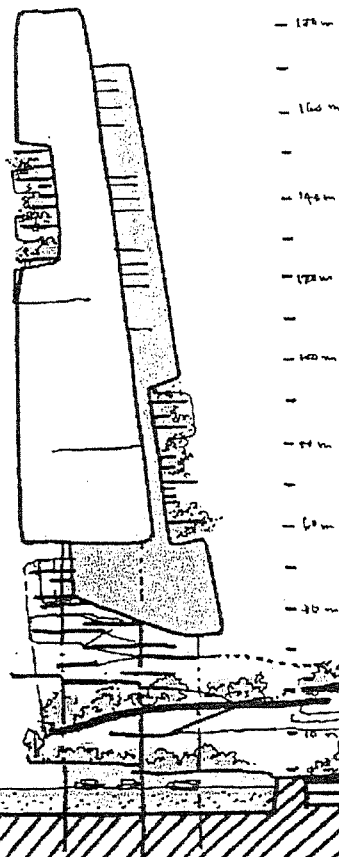
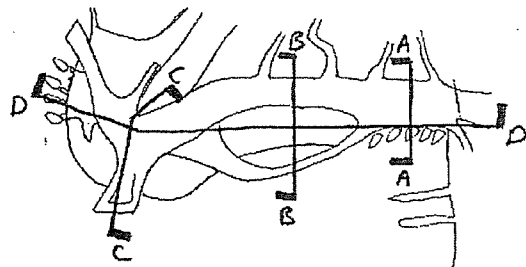
Picnic shelter

Kids playground

LR  
(+170m)



SECTION B-B  
(SCALE 1:1000)



SECTION A-A  
(SCALE 1:1000)