

For discussion on
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Legislative Council
Panel on Development and Panel on Home Affairs
Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project

Update on the Financial Situation of
the West Kowloon Cultural District project

PURPOSE

This paper serves to provide an update on the financial situation of the West Kowloon Cultural District (WKCD) project and brief Members on the enhanced financial arrangement for WKCD announced in the 2017 Policy Address.

BACKGROUND

2. In July 2008, the Finance Committee of Legislative Council (LegCo) approved an upfront endowment of \$21.6 billion (in 2008 Net Present Value) via PWSC (2008-09)31 for the West Kowloon Cultural District Authority (WKCDA) to implement the WKCD project. Communal and government facilities and related engineering works (collectively known as public infrastructure works (PIW)), such as roads, drainage, public pier, etc. which are designed to support the whole WKCD would be funded and undertaken by the Government.

3. It has been the Government's plan to vest the retail/dining/entertainment (RDE) part of the commercial sites in WKCD in WKCDA to provide it with a steady source of recurrent income through rental proceeds to meet the operating deficits of the core arts and cultural facilities (CACF) and related facilities.

4. WKCDA conducted a three-stage public engagement exercise from 2009 to 2011 to prepare a Development Plan (DP) for WKCD. Taking into account public comments, WKCDA selected Foster + Partners' "City Park" conceptual plan in March 2011 for development into a DP. Following the statutory planning

procedures, the DP was approved by the Chief Executive-in-Council (CE-in-Council) in January 2013. The Foster + Partners' conceptual plan is characterised by a pedestrian friendly environment with transport and services being housed in an integrated common basement, vertical integration of a rich-mix of uses (e.g. arts and cultural facilities stacked on top of the hotel/office/residential (HOR) developments and RDE facilities) and green initiatives. The above additional complex features which entail additional development costs were not envisaged when the funding application of the endowment was worked out in 2008.

5. In view of the financial challenges faced by WKCD (see paragraph 8 below), the Government and WKCD announced on 28 June 2013 that a pragmatic approach would be adopted to implement the WKCD project, including delivering the major facilities in three batches, rigorous cost containment and emphasis on content rather than form.

6. In July 2013, the Government announced that it was prepared to, subject to funding approval by LegCo, fully fund the design and construction of the core and shell of the integrated basement, except for the architectural/mechanical and electrical provisions, as general enabling works to facilitate the development of the whole WKCD project.

7. To optimise the development potential of the WKCD site, WKCD submitted a planning application for minor relaxation of the development intensity of the WKCD site under Section 16 of the Town Planning Ordinance (Cap. 131) in March 2014. The application was approved by the Town Planning Board (TPB) on 14 November 2014. The application increased the gross floor area (GFA) for arts and cultural facilities, RDE facilities and HOR developments in WKCD by 15%, with the ratio of GFA for HOR developments to the total GFA remaining unchanged at 43%. This meant additional funding would be required for the development of the additional GFA for arts and cultural facilities and RDE in the District.

8. Since 2013, WKCD has reported to the Joint Subcommittee on various occasions that WKCD was facing financial challenges. It was also reported that the endowment fund and the apportioned investment income would only be sufficient to

build the Batch 1 and most of Batch 2 facilities¹ and the implementation programme of the Batch 3 facilities shall be reviewed.² As reported to the Joint Subcommittee on 7 July 2015 and 30 May 2016, WKCDA has been working closely with the Government to explore alternative financial arrangements for coping with the financial challenges. Members were informed that the only realistic option available to WKCDA was to consider how to advance the commercial developments on the site to leverage financing and funding alternatives; and if WKCDA was given all or part of the development rights of the commercial developments, there would be potential for WKCDA to develop the planned facilities, fund the operation of CACF and support the wider development of arts and culture in Hong Kong.

LATEST DEVELOPMENTS OF WKCD

9. During the past year, significant progress has been made in the design and construction of arts and cultural facilities in WKCD. The M+ Pavilion, the first permanent facility in WKCD, was completed and opened in July 2016. For the coming few years, we anticipate completion of Xiqu Centre in late 2017 for opening in the latter half of 2018; opening of the Art Park in phases starting from 2018; opening of Freespace (including a black box theatre and an outdoor stage) in 2019; and opening of M+ Building in late 2019. The detailed design of the Lyric Theatre Complex (LTC) is substantially completed. The foundation works for the LTC and Zone 3B of the integrated basement will be completed in 2017. The first main works contract is scheduled for tendering in early 2017 with completion targeted around 2021.

10. In preparation for the commissioning of the WKCDA facilities, WKCDA has been organising pre-opening programmes for performing arts and visual culture to enhance public awareness, groom arts talents and build audiences. WKCDA last updated the

¹ Batch 2 facilities originally included the Lyric Theatre, the Centre for Contemporary Performance (CCP), and Medium Theatre II (MTII). In order to advance the provision of the performing arts venues, the configuration of the Lyric Theatre was modified in early 2015 to include a black box theatre previously included in the CCP and MTII. With the reconfiguration, the development of the remaining two black box theatres in the CCP (i.e. the remaining Batch 2 facilities) will be deferred until the site being occupied by the Hong Kong Section of the Guangzhou-Shenzhen-Hong Express Rail Link is handed over to WKCDA and further reviewed.

² The Mega Performance Venue/Exhibition Centre and Musical Theatre were subject to private sector funding.

Joint Subcommittee in December 2016 on the cultural software development for WKCD, covering the initiatives in professional development and exchange, internship, volunteer and membership programmes, programme development, audience building as well as outreach programmes. While cultural software development is considered vital to the success of the WKCD project, the expenditure on these initiatives, which were not specifically budgeted for when the endowment fund was approved by LegCo, has inevitably increased the planning cost of the project.

CURRENT FINANCIAL POSITION

11. With a prudent financial management and investment strategy, the original endowment of \$21.6 billion approved by LegCo in 2008 has grown over the years with an accumulated return on investment of \$5.9 billion (representing an average annual return of about 3% on investment). However, taking into account the total capital and operating expenditure incurred since the establishment of WKCD in 2008, the balance of the endowment is estimated to stand at \$20 billion by the end of the 2016-17 financial year. The upfront endowment covers four elements: planning, design and construction of facilities; collection, exhibition development, conservation laboratory equipment and library setup for the M+; major repair and renovation of the facilities; and planning of WKCD and project management.

(a) Planning, Design and Construction of Facilities

12. Of the \$21.6 billion endowment, the total budget for the design and construction of facilities is \$15.7 billion. As at 31 December 2016, the total committed contracts on capital projects were approximately \$11.2 billion, of which \$4.7 billion will be incurred by the end of the 2016-17 financial year. In addition, \$0.3 billion of project staff costs will be capitalised by the end of 2016-17 financial year.

(b) Collection Costs and Related Costs for M+

13. From the \$1.7 billion tranche of funds earmarked for the collection acquisition and related costs of M+, \$0.7 billion will have been spent as at the end of the 2016-17 financial year. While M+ will continue to expand its collection until the opening of the M+ Building and beyond, the M+ Board is prudently managing the

acquisition budget. Currently, around \$0.1 billion is budgeted per year for the next three years on collection acquisitions. In addition, \$0.4 billion would be spent for the next three years on exhibition development, museum collection management, library setup cost and conservation laboratory equipment. M+ will endeavour to seek donations and sponsorship (in kind and in cash) with a view to increasing its income source.

(c) Major Repair and Renovation of the Facilities

14. A sum of \$2.9 billion was originally estimated for major repair and renovations of the WKCDA facilities. As the WKCD project is still at the planning and construction stage, no expenses for major repair and renovation have been incurred. Expenses of this type are not expected to be incurred in the next 20 years.

(d) Planning of WKCD and Project Management

15. A sum of \$1.3 billion was earmarked for the planning of WKCD and for project management (including staff and operating expenses). The long lead time required for conducting the three-stage public engagement exercises from 2009 to 2011, the preparation of the DP and the decision announced in 2013 to develop the WKCDA facilities by batches means that the development timeframe for the entire WKCD project has been considerably extended. It has become clear that the planning and project management stage will span a much longer timeframe than envisaged when the endowment was approved by LegCo. The “City Park” conceptual plan has made project delivery far more complex than was originally envisaged, requiring a strong project delivery and management team staffed by experienced professionals to plan and coordinate the work. By the end of 2016-17 financial year, the accumulated net expenditure on planning and project management will be \$1.8 billion, which would be covered by the portion of the endowment so earmarked plus the investment return of the endowment fund.

WKCDA’s Financial Difficulties

16. As a result of various unforeseeable developments and changes after the upfront endowment was granted in 2008, WKCDA is facing critical financial challenges in both capital and recurrent terms.

17. Firstly, there has been a significant escalation of construction costs in Hong Kong since the approval of the endowment in 2008. With reference to the Architectural Services Department's tender price indices for building works in the public sector, there was a substantial upsurge in construction costs (by 137%) from Q3 2006³ to Q3 2016 or by an average increase of 9% per annum compounded since 2006 as opposed to 2% per annum assumed in the recommendations of the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District (base case) made in 2006.

18. Secondly, for a sustained period since 2008, the global investment markets have experienced high volatility and a significant decline in investment return. Despite the fact that WKCDA managed to increase the annual investment rate of return from around 1% in 2008-09 to around 3-4% in recent years, the actual investment return from the endowment (about 3% per annum from 2008-09 to 2015-16) is significantly lower than the assumed rate of 6.1% per annum in the base case.

19. Lastly, the prolonged planning and public engagement process (about four years including the three-stage public engagement exercise) had resulted in approval of the submission of the DP by the CE-in-Council only in January 2013. The complexity involved in implementing the "City Park" conceptual plan, which makes construction of an integrated basement a pre-requisite of any topside developments, as well as the vertical integration of different uses within a building have increased construction costs and extended the delivery timeframe of the WKCDA facilities. Additional GFA derived from the minor relaxation application approved by the TPB would also require additional funding to deliver.

20. Based on the information currently available and on the basis that the integrated basement will be funded by the Government subject to funding approval by LegCo, it is estimated that the endowment fund and investment income will only be sufficient to cover the costs of the design and construction of the Batch 1 facilities and most of Batch 2 facilities, with related facilities including RDE and other arts and cultural facilities (OACF).

³ The Architectural Services Department's tender price indices for building works in the public sector has gone up from 751 in Q3 2006 to 1 783 in Q3 2016.

21. WKCDA currently estimates that capital funding of about \$11.7 billion in 2016 prices would be required for completing Batch 3 CACF, two remaining black box theatres in Batch 2 as well as the remaining OACF, RDE facilities and public open spaces (other than the Musical Theatre and the Exhibition Centre (EC) which are to be funded by private sector investment).

22. On the operation side, as mentioned in paragraph 3 above, the RDE income is intended to be a steady recurrent income source to meet the operating deficits of arts and cultural facilities and WKCDA's costs. The base case estimated that an annual RDE income of \$0.55 billion (in money-of-the-day (MOD) prices) would be generated from 2014 when WKCD was expected to migrate from the planning stage to the operating stage. However, owing to the extended development timeframe of WKCD, the decision to focus on delivery of the CACF as well as deferred possession of the site being occupied as construction sites/works areas of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the majority of the RDE facilities will only be completed at a much later stage. The current development programme provides for less than 35% of the RDE facilities to be in place alongside the Batch 1 and most of Batch 2 facilities currently under planning or construction, and over 65% of the RDE facilities will only be completed beyond 2022. The realisation of the RDE income will thus occur at a much later stage than originally envisaged. Based on information currently available, the total amount of RDE income to be received by WKCDA in 2019-2020 is estimated to be around \$100 million only.

23. On the other hand, with the endowment fund gradually spent on the projects, the annual investment return will also decrease gradually, with the total investment return from 2017-18 to 2019-20 estimated to be \$0.9 billion. Furthermore, as the WKCD project enters into the operational phase, WKCDA needs to increase its operating budget for additional manpower and/or expenses on project delivery and management, cultural software development, commercial operations, marketing and fundraising and facilities management.

24. After taking into account these factors and estimates, it is projected that WKCDA will start to face operating deficit from 2017-18. It is estimated that the total operating deficit to be incurred in the next three years from 2017-18 to 2019-20 will be about \$1 billion. The operating deficit in 2022-23, the year when

all the Batch 1 and Batch 2 facilities that are being planned and developed will come into operation, will be about \$0.55 billion.

ENHANCED FINANCIAL ARRANGEMENT

25. To provide WKCDA with the financial capability to operate sustainably the various facilities in WKCD and continue to develop the remaining planned facilities, in particular the much-needed Music Centre, the Government has agreed to provide an enhanced financial arrangement for WKCD, under which WKCDA will be granted the development right of the entire HOR portion of WKCD to provide WKCDA with another steady source of recurrent income.

Major Considerations

26. The enhanced financial arrangement for WKCD has the following considerations –

- (a) To provide sufficient but not excessive resources to WKCDA to meet its financial difficulties so that it can deliver and sustainably operate WKCD, in particular its arts and cultural facilities;
- (b) To adopt open and competitive tendering in selecting private sector partners for the development of HOR sites in WKCD through Build-Operate-Transfer (BOT) and income sharing arrangement;
- (c) To let private developers shoulder development risks (including construction, financing and marketing risks) of the development packages as much as possible in accordance with commercial considerations so that WKCDA will not play a developer role and can focus on overall coordination of design and programme;
- (d) To retain ownership of the HOR developments in the hands of WKCDA to produce stable recurrent rental income during the BOT period, and ensure the design and management of the entire district in a more holistic and integrated manner; and

- (e) To devise a mechanism enabling the Government to share income with WKCDA upon expiry of BOT period and having regard to its funding needs so as to protect Government's interests by obtaining revenue from the development packages where possible.

Key Components of the Enhanced Financial Arrangement

(A) Grant of development right of entire HOR portion of WKCD to WKCDA with upfront payment to Government

27. The Government will grant the development right of the entire HOR portion of WKCD to WKCDA at nominal premium so that it may tender out the development packages of HOR together with the RDE embedded therein (embedded RDE), develop these commercial developments through BOT agreements with private developers and share rental income. Upfront payments should be paid to the Government as determined through open and competitive tenders of the BOT arrangements with tender conditions set by WKCDA. With the 15% increase in total GFA under the approved planning application, the maximum GFA for HOR uses is 366 620 sqm (around 43% of total GFA of WKCD), of which no more than 170 280 sqm GFA (20% of total GFA of WKCD) could be designated for residential use (see Annex).

28. The key features of the HOR development packages under the enhanced financial arrangement include –

- (a) WKCDA should adopt open and competitive tendering in selecting private sector partners for the development packages;
- (b) The tenderers need to indicate an upfront payment that they propose to pay given the tender conditions set by WKCDA and that payment will be attributable to the Government;
- (c) To ensure that private developers would offer a reasonable price for the BOT arrangements involving development right in a prime location, WKCDA is required to come up with its own assessment of the full market value of the upfront payment that the market is willing to pay for the development package concerned

under specified tender conditions (pre-determined Full Market Value (FMV)), prepare pre-tender estimates, and retain the power to cancel the tender if the offer on upfront payment, in respect of sub-paragraph (b) above, is unreasonably low vis-à-vis the pre-determined FMV;

- (d) The private developers will bear all the costs for the planning, design, construction, management, maintenance, marketing and leasing of the development packages (including the embedded RDE facilities) and be solely responsible for any possible losses which might arise from the operation of the development packages;
- (e) WKCDA will share rental income from the development packages with private developers at a pre-determined ratio prior to the tender during the term of the BOT agreements;
- (f) The term of the BOT agreements will have to be reasonably long to be commercially attractive, but should not exceed the term of the Land Grant to WKCDA; and
- (g) WKCDA will retain ownership of the concerned land and premises in WKCD during the term of the BOT agreements, i.e. the private developers will have no claim on the land titles and have to hand over the control of the premises to WKCDA upon expiry of the BOT agreements.

29. WKCDA's current plan is to develop the major portion of the GFA of the HOR sites into rental offices and a small portion for rental residential units, the GFA of which will be lower than the approved upper limit. WKCDA will not sell any land or premises in WKCD as part of the BOT arrangements.

(B) Grant of development right of the Exhibition Hub Development Area (EHDA) to WKCDA without upfront payment to Government

30. Notwithstanding the general disposal arrangement mentioned in paragraphs 27 to 28 above for the HOR portion, the Government will grant the development right of 81 066 sqm GFA of hotel and office uses (about 22% of the total GFA of the HOR sites) in the U-shaped site adjacent to the EC to WKCDA at nominal

premium without the need for WKCD A to pay an upfront payment to the Government. WKCD A will tender out a BOT development package of the EHDA comprising the EC⁴, rental offices and hotel(s) together with the embedded RDE facilities. Instead of setting a pre-determined ratio for income sharing with WKCD A as a tender condition, tenderers will be required to indicate the ratio of income from the operation of the BOT development package that they will share with WKCD A having regard to the tender conditions set by WKCD A. The key features of the HOR development packages set out in paragraphs 28(a), (d), (f) and (g) above will also apply to the EHDA BOT package. Furthermore, similar to paragraph 28(c) above, WKCD A will be required to come up with its own assessment of the pre-determined FMV of the development package concerned under specified tender conditions, prepare pre-tender estimates, and retain the power to cancel the tender if the income to be shared with WKCD A offered is unreasonably low vis-à-vis this pre-determined FMV.

(C) WKCD A to raise funds to finance the development of the remaining CACF and OACF

31. To fund the development of the Music Centre and its embedded OACF and RDE facilities as early as possible, and to tide over an interim operating deficit, WKCD A will explore various financing options (e.g. issuing bonds or raising bank loans) by leveraging against its development right of HOR sites and long-term income stream. WKCD A will engage a financial consultant to draw up a comprehensive and affordable external borrowing plan taking into account the interest risks involved and cash flow requirements.

(D) Sharing of surplus

32. It is projected that the enhanced financial arrangement will generate considerable cash inflow for WKCD A upon expiry of the BOT agreements and repayment of all external borrowing. It is therefore pragmatic and reasonable to build into the enhanced financial arrangement a mechanism that allows the Government the right to share the income generated from the HOR and EHDA development packages, upon expiry of the term of the BOT

⁴ In considering the future use of the previous MPV/EC site in November 2016, the WKCD A Board agreed that a medium sized, multi-purpose venue (EC) for exhibition, convention and performance purposes should be developed to serve the relevant needs of the cultural and creative industries including art fairs/exhibitions, art-related auctions/trading as well as performances and events.

agreements, having regard to the funding requirements and financial position of WKCDA. Such arrangement gives due recognition to the grant of development right of valuable HOR sites to WKCDA by the Government at nominal premium with or without the need for upfront payments.

Benefits of the Enhanced Financial Arrangement

(a) Financial capability to operate sustainably and develop WKCD under an organic growth approach

33. Under the enhanced financial arrangement, WKCDA will have development rights and share rental income with private developers under the BOT packages for the HOR and EHDA. This will provide an additional recurrent income source for WKCDA and help improve the long-term financial position of WKCDA. While the exact amount of income sharing to be received by WKCDA is subject to the market response for the open and competitive tendering of the development packages, it is projected that WKCDA will continue to face a smaller deficit until the BOT agreements begin to expire and the developments concerned revert to WKCDA, after which WKCDA should have a strong recurrent income stream and achieve an operating surplus.

34. Although the income sharing arrangement would not be able to fully cover the operating deficits of WKCDA in the interim, such arrangement and the retention of ownership of the HOR sites (including both the land and the premises) at the hands of WKCDA will enable WKCDA to explore various financing options (e.g. issuing bonds or raising bank loans). This will enable it to tide over the interim operating deficit and to develop the remaining planned facilities.

35. WKCDA will give priority to the development of the Music Centre so as to provide a much-needed, purpose-built concert hall with appropriate acoustics and up-to-date facilities to address the performance needs of the music community. As for the remaining CACF and OACF, including the Great Theatre, Medium Theatre I and two black box theatres, WKCDA will implement them having regard to demand and in line with the organic growth approach of WKCD. The enhanced financial arrangement will enable the delivery of the EC as a medium-sized, multi-purpose venue for exhibition, convention and performance purposes through private sector investment. WKCDA will also tap market interest in

developing the Musical Theatre through a public-private-partnership (PPP) arrangement and consider providing an artist hostel and more arts education facilities in WKCD through PPP.

36. The alternative of making another one-off endowment to WKCDA will at best enable WKCDA to build the remaining facilities, but once the endowment is used up and when more facilities (CACF and OACF) are commissioned, WKCDA will face an even bigger operating deficit. In comparison, the enhanced financial arrangement will provide WKCDA with an additional recurrent income source to enable it to operate WKCD on a sustainable basis and deliver Batch 3 and the rest of Batch 2 facilities under an organic growth approach.

(b) Delivery of integrated development and vision-mission of WKCD

37. In considering the enhanced financial arrangement, an important context is the development approach necessitated by the adoption of “City Park” conceptual plan, under which vertical integration of different facilities is a key feature for enhancing vibrancy and diversity of facilities. Such development pattern leads to mixed ownerships within the same parcel of land or building, e.g. RDE and arts and cultural facilities owned by WKCDA while topside office owned by private developer. This makes the land grant to the WKCDA and the land disposal for HOR sites highly complicated owing to interfacing issues, including allocation of ownership, construction interface, cost responsibility and right of use of common areas.

38. The vertical integration of developments will also complicate the arrangements for management, operation and maintenance of the public infrastructure and other communal facilities to be undertaken by the Government, which will be integrated with the WKCDA’s facilities as well as the HOR developments owned by the private developers or individual residents.

39. As the vertical integration can only be satisfactorily realised and achieved through centralised coordination with overall control on the design of individual facilities, including the HOR developments, by a single party, an integrated development approach is necessary. Under this approach, the Government would grant the entire WKCD site including the HOR sites to

WKCDA. In doing so, WKCDA would be able to coordinate, control and oversee the design and implementation of all facilities ensuring the HOR developments would complement the arts and cultural as well as RDE facilities ensuring the organic growth of WKCD, achieving a balanced mix of activities and enhancing vibrancy.

40. With the enhanced financial arrangement, WKCDA will retain the development right of HOR portion. As only premises for lease (both office and residential) will be developed, WKCDA will not sell any land or premises in WKCD as part of the BOT arrangements. The retention of ownership of the HOR sites in WKCDA will help ensure that the entire district is designed and developed in a more holistic and integrated manner. This will also help remove the complications and uncertainties arising from multiple ownerships of different strata of the HOR buildings.

(c) Cultural and social benefits

41. Investment in arts and culture brings with it intangible social benefits. With the enhanced financial arrangement, WKCD will play a critical role in giving Hong Kong new opportunities of developing artistic and cultural appreciation; enhancing community identity and expression; strengthening cultural institutions and exchange; increasing opportunities for community engagement and improving quality of life for Hong Kong's residents.

(d) Economic contributions

42. WKCD has created 2 200 construction-related jobs so far, and more jobs, particularly quality jobs for young people, will be created in a wide spectrum of economic sectors, including arts and culture and tourism, as WKCDA progresses to the operational phase. The latest estimate by WKCDA's consultant reaffirms the results of the economic impact assessment in 2007 that upon full development, WKCD would create around 20 000 new jobs and contribute up to \$5.6 billion (in 2006 prices) to the Hong Kong economy annually in the operational phase.

WAY FORWARD

43. The enhanced financial arrangement provides a viable and pragmatic approach to tackling the financial and other

challenges facing WKCD. On one hand, the arrangement will provide WKCDA with adequate financial capability to operate WKCD sustainably and develop the project under an organic growth approach. On the other hand, the enhanced financial arrangement will allow WKCDA to retain the ownership of all the land and premises within WKCD, ensuring the development of WKCD in a holistic and comprehensive manner and maintaining its integrity in the long run.

44. In addition to the Land Grant, WKCDA will enter into a Project Agreement with the Government later this year to set out the legal rights and responsibilities of both parties. This will cover, among others, the financial arrangements on the upfront payments to be paid to Government and the latter's right to share income generated from the HOR and EHDA development packages.

45. WKCDA has set up an internal task force to plan and implement the EHDA and HOR development packages under the enhanced financial arrangement. WKCDA will keep the Joint Subcommittee updated of the financial situation of WKCDA and the implementation of the enhanced financial arrangement from time to time.

ADVICE SOUGHT

46. Members are invited to note and comment on the content of this paper.

**Home Affairs Bureau
West Kowloon Cultural District Authority
February 2017**

Indicative distribution of GFA by uses in WKCD

Uses	Indicative distribution (sqm)	As percentage of total GFA
Arts and Cultural Facilities (Including CACF and OACF)	337 340	40%
RDE Facilities	138 360	16%
HOR <u>note</u>	366 620	43%
Government/Institution/ Community Uses	9 080	1%
Total	851 400	

Notes:

According to the approved section 16 application with 15% increase in total GFA of WKCD, the maximum GFA for HOR uses is 366 620 sqm (around 43% of total GFA), of which no more than 170 280 sqm (i.e. 20% of total GFA) for residential use. There is thus flexibility in the exact distribution of GFA among HOR uses.