

Government announces 2024-25 Land Sale Programme (with photo/video)

The Secretary for Development, Ms Bernadette Linn, today (February 29) announced the Government's 2024-25 Land Sale Programme.

"The 2024-25 Land Sale Programme covers eight residential sites, capable of providing about 5 690 flats; two commercial sites, providing around 120 000 square metres (sq m) of gross floor area (GFA); and an industrial site, providing about 544 000 sq m of GFA," Ms Linn said.

On residential sites, Ms Linn said that in light of the market environment, unlike the past practice which all available and unsold sites on the Land Sale Programme of the previous year would be rolled over to the next financial year, those sites rolled over from 2023-24 to the 2024-25 Land Sale Programme were selected based on their location, size, market interests, in co-ordination with other sources of land supply. The two residential sites newly-added to the Land Sale Programme are smaller in scope, in a mature neighbourhood, and with considerable market attractiveness.

Apart from the eight sites available for sale, railway property development project and projects of the Urban Renewal Authority (URA) will contribute to private housing land supply in 2024-25. The MTR Corporation Limited (MTRCL) plans to put up for tender its residential development project at Tung Chung East Station Package 1 in the coming financial year, providing about 1 200 flats. In addition, the URA plans to take forward three projects at Kai Tak Road/Sa Po Road in Kowloon City, Shan Tung Street/Thistle Street in Mong Kok; as well as Kwun Tong Town Centre, capable of providing a total of about 2 860 flats. As for private development/redevelopment projects, with reference to the figures in the past decade, the supply in 2024-25 is estimated to be around 5 400 flats.

Taking into consideration the estimated land supply from Government land sale, projects of the MTRCL and the URA, as well as private development/redevelopment projects, the private housing land supply in 2024-25 is estimated to have a capacity to produce about 15 150 flats, exceeding the annual supply target (13 200 flats) by around 15 per cent.

Pursuant to the "Long Term Housing Strategy Annual Progress Report 2023" released by the Government in October 2023, the total housing supply target for the coming decade is 440 000 units and the public/private housing split remains at 70:30. The target for private housing land supply in 2024-25 is hence 13 200 flats. The potential supply from all various sources will exceed the annual supply target. That said, the actual land supply for private housing will depend on various factors, including market conditions, the timely completion of necessary procedures leading up to land sale, the progress of railway property and URA projects, and the intention and progress of developers' private development/redevelopment projects.

On sites for economic use, in 2024-25, two commercial sites are included in the Land Sale Programme, respectively in Kai Tak and Sha Tin, providing around 120 000 sq m of GFA in total. The 2024-25 Land Sale Programme also includes an industrial site in Hung Shui Kiu / Ha Tsuen, providing around 544 000 sq m of GFA.

Reviewing the private housing land supply in 2023-24, Ms Linn noted that the Government has sold three residential sites in this financial year, which have a total capacity to produce about 1 890 flats. The aggregate private housing land supply in 2023-24 from different sources, including Government land sale, projects of the URA and private development/redevelopment projects, is estimated to have a capacity to produce about 14 000 flats, exceeding the total annual supply target (12 900 flats) by around 8.5 per cent.

In addition, the Government has earlier announced the putting up of an industrial site near Yuen Long INNOPark for sale in the fourth quarter of 2023-24. The site will be put up for tender in mid-March 2024, providing around 160 000 sq m of GFA, for development of Multi-storey Buildings for modern industries (MSB), and specifically to be designated for logistics and/or vehicle repairing and maintenance uses. No less than 30 per cent of GFA of the MSB is required to be handed over to the Government for leasing to brownfield operators affected by Government-led development projects. Taking into account the dual policy objectives of MSB development, viz. to promote industrial development and consolidate brownfield operations affected by Government projects and assist them in upgrading their operations, we will launch this tender under the "Two-envelope Approach". This approach effectively means that the Government will assess not only the land premium offered by the tenderers, but also non-premium aspects when considering the incoming bids, including how the relevant building(s) proposed by the tenderer will achieve the aforementioned policy objectives. These non-premium aspects are categorised into two domains, the first domain relates to industrial development, including how the building(s) could promote industrial development through pro-innovation proposals such as the application of technology, cutting-edge designs, and Modular Integrated Construction method, etc. The second domain relates to the 30 per cent GFA for accommodating brownfield operations, including whether the tenderers could offer to provide more than 30 percent GFA, or complete the development project within a shorter timeframe, or come up with a better design that can increase the flexibility of the floor space such that a higher variety of brownfield operations could be accommodated, etc. Tenderers are required to submit their premium proposals and non-premium proposals concurrently. A weighting of 70 per cent will be given to the assessment of the non-premium aspects, while 30 per cent will be given to the land premium. The Government will only consider tenders that comply with all requirements set out respectively for the premium and non-premium aspects. The Development Bureau will announce the details in due course.

For the first quarter of 2024-25, i.e. April to June 2024, the Government will put up for tender a residential site in Sha Tin, which is capable of providing a total of about 280 flats.

Ms Linn said that the Government will hold on to its determination to increase land supply, and will continue to provide land to the market for economic and housing development in a prudent and paced manner, in order to maintain a sustained and steady land supply. The Government will continue to monitor the market situation and holistically consider supply from various sources so as to make fitting arrangements for each quarter. The Government will continue to announce in advance the quarterly land sale programme in order to provide transparency and certainty to the market.

The 2024-25 Land Sale Programme can be found on the Lands Department's website (www.landsd.gov.hk).

