

Government announces quarterly land sale programme for January to March 2024

The Government announced today (January 4) the quarterly land sale programme for the fourth quarter of 2023-24, i.e. January to March 2024.

The Secretary for Development, Ms Bernadette Linn, said that in the fourth quarter of 2023-24, the Government will sell by tender an industrial site near Yuen Long InnoPark for the development of multi-storey building(s) for modern industries, in order to promote the development of industries and consolidate brownfield operations in a land-efficient manner. The industrial site is around 3.2 hectares in size and is able to provide around 160 000 square metres of floorspace. The Government will request the developer, under specific land sale conditions, to set aside and transfer no less than 30 per cent of the floorspace to the Government so as to lease the floorspace to brownfield operators affected by the Government's development projects at a rental comparable with the market rental of existing brownfield sites. As this is a new arrangement, the Government invited the market to submit expressions of interest from June to August last year to confirm the feasibility of the above proposal, and pursuant to mainstream opinions, combined a few smaller sites into this single site for tender and development in order to enhance cost-effectiveness. The Government is formulating the tender details for an announcement at the tender commencement.

For private housing land, the Government estimates that eight private development and redevelopment projects would have their lease modification processes completed in the fourth quarter, capable of producing about 1 630 flats. Adding on the supply of 1 940 flats from the Starter Homes project at Yau Kom Tau, Tsuen Wan, to be entrusted to the Hong Kong Housing Society, private housing land supply in the fourth quarter is expected to support the development of around 3 570 flats. Taking into account the expected quarterly supply from various sources, the fact that this year's supply is rather near the annual supply target, and that market sentiment in land tenders is rather sluggish recently, the Government will not separately put up any residential site for sale in the fourth quarter.

"Land supply from various sources in the first three quarters of this financial year is expected to have a capacity to support around 7 960 flats. This includes three government land sale sites successfully sold; two projects taken forward by the Urban Renewal Authority; 23 lease modification cases; as well as 19 private development projects not requiring lease modifications. Together with the supply of an estimated 3,570 flats expected from the fourth quarter, the total land supply in this financial year is expected to support some 11,530 flats, which is close to our annual target (12,900 flats)," Ms Linn said. As this figure has not reflected private development projects not requiring lease modifications in the fourth quarter,

when the statistics are subsequently available, the Government will wrap up the total supply situation before the end of the current financial year.

Separately, considering that the vacancy rate of commercial floor space remains on the high side, the Government will not be rolling out any commercial sites for sale in this quarter.

The Government will hold on to its determination to increase the land supply, and will continue to provide land to the market for economic and residential development in a prudent and paced manner. In the process, 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.

Information of the site to be tendered in January to March 2024 is at the Annex. The actual tender timetable will be drawn up taking into account the progress of necessary preparatory work. The Lands Department will announce the detailed land sale arrangements before the site is put up for tender.