

# Government will launch tender of site for multi-storey buildings for modern industries in Hung Shui Kiu and extend tender period for site in Yuen Long

The Government announced today (October 10) that the open tender for disposal of a site for Multi-storey Buildings for Modern Industries (MSBs) at Area 39A and 39B, Hung Shui Kiu and Ha Tsuen, Yuen Long, New Territories (i.e. Hung Shui Kiu Town Lot No. 10) (the Hung Shui Kiu Lot) under the two-envelope approach will be launched on October 18, 2024. The tender invitation will close on March 21, 2025.

In parallel, the Government also announced that the tender period of the MSB site located on Yuen Long Fuk Wang Street and Wang Lee Street (i.e. Yuen Long Town Lot No. 545) (the Yuen Long Lot) will be extended accordingly to March 21, 2025. In other words, tenders of the Hung Shui Kiu Lot and the Yuen Long Lot will close on the same date.

## Hung Shui Kiu Lot

The Hung Shui Kiu Lot is the second site Government rolled out for development of MSBs, pursuant to the Yuen Long Lot, to implement two policy objectives. These two objectives are: promoting the development of industries, and consolidating some brownfield operations displaced by government projects in a land efficient manner and providing operators with an opportunity to upgrade their operations.

The Hung Shui Kiu Lot is located within the Hung Shui Kiu/Ha Tsuen New Development Area. It has a site area of about 77 737 square metres and is designated for developing MSB(s) for logistics purposes (excluding the portion to be handed over to the Government). The maximum gross floor area (GFA) of the site is 388 685 sq m, among which no less than 20 per cent GFA (i.e. no less than 77 737 sq m) must be handed over to the Government after completion. The Government or its appointed agency will manage the floor space and lease it to brownfield operators displaced by government development projects.

A spokesperson for the Development Bureau said, "As indicated by the Secretary for Development at the press conference on land sale programme held last Friday (October 4), the Government adjusted the Conditions of Sale of the Hung Shui Kiu Lot based on the market feedback gathered, which included lowering the plot ratio from 7 to 5 to avoid having the construction costs required for basement construction from affecting the cost-effectiveness of the project, and adjusting downward the proportion of floor space to be handed over to the Government from around 30 per cent to 20 per cent of the maximum GFA to enhance the financial viability of the project."

The Government will continue to adopt the two-envelope approach as in the Yuen Long Lot. It effectively means that tenderers must submit respective envelopes containing the non-premium proposals and premium proposals, so that the Government can consider non-premium factors, such as how the MSB(s) concerned may drive development of industries and facilitate consolidation of displaced brownfield operations, in addition to premium offers, and award the site to the most suitable bidder.

The tendering arrangements have been drawn up with due regard to the Stores and Procurement Regulations (SPR). Key features of the tender assessment criteria include:

- a weighting of 70 per cent is given to the assessment of the non-premium aspect, and 30 per cent to the premium one, so that the Government can consider the proposals holistically. Only submissions that comply with the requirements of both non-premium and premium aspects as specified in the tender documents may be considered for award; and
- the assessment criteria of the non-premium proposal comprise two major areas: in relation to (1) the development of industries, including how the MSB(s) could promote development of industries through pro-innovation proposals such as the application of technology, cutting-edge designs, and Modular Integrated Construction method, or whether a shorter timeframe can be committed to completing the entire development; and (2) the GFA for accommodating displaced brownfield operations; for example, a tenderer will be awarded higher marks if more than 20 per cent GFA is offered, or better designs are proposed for increasing flexibility in accommodating a wider variety of brownfield operations. Meanwhile, tenderers are required to submit premium proposals with regard to the value of the lot in accordance with the requirements in the tender documents. Detailed assessment criteria and relevant considerations will be set out in the tender documents.

â€‹The spokesperson added, "The market relays that the development of MSBs on the Hung Shui Kiu Lot involves a significant investment outlay, and interested bidder(s) may need more time to consider investment partner(s) and negotiate with financial institutions on financing arrangements, and formulate technical proposals under the two-envelope approach. To allow sufficient time for bidders and their teams in preparing for the bids, the tender will close on March 21, 2025, which means a relatively longer tender period.

Yuen Long Lot

The tender closing date of the Yuen Long Lot under tender is originally scheduled for December 27, 2024. As mentioned in the press release issued by the Government on June 26, 2024, given that both the Hung Shui Kiu and Yuen Long Lots are designated for modern logistics use, there were views in the market that the Government should better arrange the disposal timeline of the

two sites, so that the industry and investors could concurrently consider the strategic development of the two sites. Given that the tender for the Hung Shui Kiu Lot will close on March 21, 2025, the tender closing date for the Yuen Long Lot will therefore be extended to March 21, 2025, accordingly. If a tenderer submits bids for both sites, the tenderer should indicate whether it would ultimately accept the award of only one site and state its priority for these two sites in its submissions.

#### Assessment and tender arrangements

In accordance with the SPR requirements, assessment will be carried out by a Tender Assessment Panel (TAP) comprising government officials to safeguard the integrity of the tender exercise. The TAP will be chaired by the Permanent Secretary for Development (Planning and Lands), with directorate officers from different professions serving as members.

Land sale documents for the Lot including the Explanatory Statement, the Information Statement, the Form of Tender, the Tender Notice, the Conditions of Sale and the sale plans will be made available for downloading from the Lands Department website ([www.landsd.gov.hk](http://www.landsd.gov.hk)) from October 18 onwards. Hard copies of the sale plan may also be purchased at the Survey and Mapping Office of the Lands Department at 6/F, North Point Government Offices, 333 Java Road, North Point, Hong Kong, from October 18 until the close of the tender. The details of the tender will be gazetted on October 18.