

LCQ21: Costs of various projects of Northern Metropolis

Following is a question by the Hon Andrew Lam and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (May 22):

Question:

It is learnt that the Northern Metropolis is the Government's key planning project, and a number of construction projects relating to the Northern Metropolis will commence successively this year. In this connection, will the Government inform this Council:

(1) of the expenditures of various development projects of the Northern Metropolis (including studies, land resumption, land formation and construction works) (set out in a table); and

(2) whether it will formulate measures to streamline the administration workflows and reduce market risks, so as to bring down the costs of developing the Northern Metropolis and increase the market's incentive to submit tenders, thereby accelerating the development of the Northern Metropolis; if so, of the details?

Reply:

President,

The Government is taking forward the development of the Northern Metropolis in full steam, which includes various New Development Areas (NDAs) at different planning and development stages.

In consultation with the relevant government departments, the reply to various parts of the question raised by the Hon Lam is as follows:

(1) The expenditure or estimates known so far for studies, land resumption and works involved in NDAs in the Northern Metropolis are listed at Annex. Since some projects are still under different stages of study, the land uses, engineering schemes, detailed design and implementation phasing would be subject to study. We would only be able to provide more accurate estimates on the expenditure of those projects when the relevant studies/design proceed to a more mature stage. Besides, the Government's expenditure and relevant estimates on land resumption and works for NDAs will be affected by different land development or disposal arrangements, such as whether in-situ land exchange applications within NDAs are successful, or whether the Government would invite market enterprises to undertake large-scale land development according to requirements set out by the Government.

(2) It has always been an objective of the current-term Government to enhance speed in development. Laws were amended in 2023 to streamline the

development-related statutory procedures, enabling us to shorten the lead time required before commencing works in NDAs. After the legislative amendment, the development time required from commencement of studies to delivery of the first parcels of formed land for NDAs could be reduced from around 13 years in the past to about seven years.

For administrative procedures, we have implemented a number of streamlining measures in the past, among such which are more relevant to the development of the Northern Metropolis include the simplification and standardisation of the title-checking procedure, extension of the arrangement for standardisation of land premium for agricultural land outside NDAs, etc. Besides, dedicated units have been set up under the Lands Department and the Buildings Department to handle large-scale residential developments more speedily. The Development Projects Facilitation Office under the Development Bureau (DEVB) will co-ordinate with relevant departments and provide one-stop facilitation services for development projects. The streamlining of administrative procedures is an on-going task. We will continue exploring further scope in streamlining the development process and reducing the lead time required. We plan to brief the Panel on Development in around mid-2024 on our efforts on this front.

The Government will also expedite the development of the Northern Metropolis by actively leveraging market forces and adopting diverse development modes. Amongst others, under the Enhanced Conventional New Town Approach, the Government allows landowners to participate in the development of NDAs by in-situ land exchange. Following the enhanced in-situ land exchange arrangement announced by the Government in end 2023 which includes facilitation to landowners owning 90 per cent or above of private land within a development site to carry out consolidated development, we concluded the first land exchange agreement under the enhanced arrangement last month, which is also the third successful land exchange case in NDAs of the Northern Metropolis. In fact, the first private housing development in the Northern Metropolis implemented by in-situ land exchange has already been completed with population intake commenced in 2022, earlier than the population intake of the first public housing development in 2026. The option to adopt standard rates in premium assessment as mentioned above has already been introduced in NDAs with a view to shortening the time required for premium assessment. In addition, we will explore introducing the large-scale land development approach whereby sizable land parcels (including parcels with value for commercial development and investment returns, as well as community facilities and other infrastructures that would bring about longer-term economic and social benefits) in some NDAs in the Northern Metropolis would be selected for the enterprise, the successful bidder, to develop and construct the project collectively. This mode of development can alleviate the upfront financial burden of the Government, facilitate a more co-ordinated design for the development of an area, and expedite the provision of public facilities by leveraging market forces. At the same time, we will take into account factors like the economic and property market situation and dispose land in an orderly manner.

Moreover, the Government has always been concerned about construction

costs. In terms of project governance initiatives, the DEVB established the Project Strategy and Governance Office (PSGO) in 2019 to further enhance the performance of infrastructure works projects by implementing various strategic initiatives to enhance capabilities in cost surveillance and project governance. The PSGO also uplifts productivity and efficiency in order to reduce project costs through the implementation of "Construction 2.0", promotion for wider adoption of high productivity construction methods such as Modular Integrated Construction and Multi-trade Integrated Mechanical, Electrical and Plumbing, as well as digital technology and new construction materials. The PSGO is also undertaking a review on measures to control costs of public works projects with a view to taking forward land supply and infrastructural development in an effective manner. The review will be completed within this year.