

Opening remarks by SDEV on quarterly land sale programme for January to March 2024 (with video)

Following are the opening remarks by the Secretary for Development, Ms Bernadette Linn, at a media session today (January 4) on the quarterly land sale programme for January to March 2024:

Today I will introduce the Government's Land Sale Programme and land supply from other sources in the fourth quarter of this financial year, i.e. January to March 2024.

In this fourth quarter, the Government will put up for tender an industrial site near Yuen Long InnoPark for the development of multi-storey buildings for modern industries, in order to promote the development of industries and help consolidate brownfield operations in a land-efficient manner. This industrial site is around 3.2 hectares in size, and is expected to provide floorspace of around 160 000 square meters. Unlike industrial sites in the past, we will request the developer, under specific land sale conditions, to set aside and transfer no less than 30 per cent of the constructed floorspace to the Government, so that we could lease the relevant 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, with feedback received confirming the feasibility of this approach. Pursuant to mainstream opinions received, we have combined a few smaller sites, which are those three sites that appeared in our Land Sale Programme, into this single industrial site for tender and development in order to enhance cost-effectiveness. We are formulating the tender details for announcement at the tender commencement.

As regards private housing land, we estimate that eight private development projects would complete their lease modifications in the fourth quarter, providing a supply of about 1 630 flats. Adding on the supply of 1 940 flats from the Starter Homes project at Yau Kom Tau, Tsuen Wan, which the Hong Kong Housing Society has already agreed to take up, private housing land supply in the fourth quarter is expected to support the development of around 3 570 flats. Taking into account this expected quarterly supply from various sources, the fact that this year's supply is rather near the annual supply target, as well as the fact that market sentiment in land tenders is rather sluggish recently, the Government will not separately put up any residential sites for sale in the fourth quarter.

As mentioned, this year's private housing land supply is rather near the target. Let me elaborate on the figures. 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 modification. 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 of 12 900 flats. This figure has not yet reflected the supply from private development projects not requiring lease modification in the fourth quarter, as such figures are only available at a later stage. I will further sum up the supply situation of the year before the year closes.

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

The Government will hold on to our determination to increase 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, we will continue to monitor the market situation and holistically consider supply from various sources, so as to make fitting arrangements for each quarter.