

SDEV speaks to media on quarterly land sale programme for July to September 2020

Following is the transcript of remarks by the Secretary for Development, Mr Michael Wong, at a media session today (June 26) on the quarterly land sale programme for July to September 2020:

Reporter: First of all, on the Central plot, you spoke about the "two-envelope" approach earlier. Can you give us more details on how will the vetting be done, in terms of the weighting between the design as well as the price? Who will be the ones to judge the design of this programme? Will there be a committee or some sort of advisors to give the designs and the proposals their weighting? My second question is on the overall land sale programme. Given the overall business environment, and also concerns and uncertainties with the pandemic going on, are you concerned that there will be unsuccessful... the bidding prices for these plots will not meet the government's lowest bottom prices for all these plots?

Secretary for Development: Thank you for your questions. Your first question, the "two-envelope" approach. We have already announced that the allocation of scores between the two envelopes will be 50:50. So basically, they will carry equal weights. The evaluation committee will be staffed by essentially civil servants. As we are talking about tender and government procurement, according to government procurement procedures, it will be (evaluated by) a panel of civil servants. We have also said that the panel of civil servants will be advised by outside professionals. This will be the overall framework. With regard to the specific requirements, as I said earlier, we will announce those when we issue the tender documents. Please be patient for now.

Your second question pertains to the economic prospect. The way we look at the economy and the way we look at land sale is as follows. Land sale does not only generate revenue for the government. For example, if we are talking about Grade A offices, it is also important in generating economic activities for Hong Kong. If we are talking about residential land, the land supply is also important. So that's why in the past we said we do not hoard. We will put up the relevant sites for sale as and when they are ready. That continues to be our main philosophy. And we do not sell land cheaply. There will be a reserve price for each site that we sell by tender. If it so happens that all the price submissions are below the reserve price, then the site will not go out. If you look at the past eight years, we sold about 180 sites by tender. The number of sites that could not go out because the price submissions were below the reserve price was less than 10. The percentage is not that big. That's an inherent risk the government will have to accept.

(Please also refer to the Chinese portion of the transcript.)