

SDEV speaks to media on quarterly land sale programme for October to December 2020

Following is the transcript of remarks by the Secretary for Development, Mr Michael Wong, at a media session today (September 28) on the quarterly land sale programme for October to December 2020:

Reporter: Firstly, on the residential sites, are you confident that we can keep up to the annual target of providing 12 000 private flats, now that we have around 7 000 flats? Secondly, on the commercial site in Central, would it be sold at a discount compared to the Government's early estimation? Is it sold in a good timing? Altogether, how much do you think it can bring to the Government income?

Secretary for Development: Maybe the second question first. For Site 3, for the Government, there is never an official estimate. So, the practitioners in the market will come up with whatever estimate that they believe the market will bear. The question on discount actually does not arise for the Government. For us is always the market-led approach. For Site 3, it will be a "two-envelope" tender. One tender will be design, the other tender will be money. Basically, both the design tender and money tender would have to pass a minimum requirement before they can be accepted for further evaluation. I take it that of course the tender price will be affected by the ongoing market situation, but for us, I think we have explained time and again in public that Site 3 is a very valuable and very strategic piece of land. Not only it will provide us with substantial Grade A office area, which is good for our long-term economic development, of the five hectares of sold site area about half will actually be very good open space, and also act as a connecting landscape corridor linking our new harbourfront with various parts of Central. So, its value goes way beyond just the amount of money that can be fetched from the tender. We do believe that, and also as advised by the Task Force on Land Supply, it is imperative for the Government to ensure that we can provide a steady supply of land, residential or commercial. I hope that addresses your second question to some extent.

For the first question, if you look at the composition, the target of 12 900 units for this year, about 4 150 units comes from private development or redevelopment, on which we don't have that much control. I think we have explained that very clearly. Up to now, of that 4 000 or so estimated supply, we have already got about 1 700. So, a lot would depend on whether in the remaining months of the financial year, the supply from the private sector can catch up. For the Government, we need to come up with around 9 000 units equivalent of land. We are quite confident that we will be able to do that. So, taking everything in total, whether the overall target will be reached would depend quite heavily on how private sector development and redevelopment fares in the coming months.

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