

Tender result for site on Cheung Man Road, Chai Wan under Private Subsidised Sale Flat – Pilot Scheme

The tender result for the site on Cheung Man Road, Chai Wan for development under the Private Subsidised Sale Flat Pilot Scheme was announced today (July 24). By the tender closing last Friday (July 19), the Government had received one tender, which was rejected as the tendered premium did not meet the Government's reserve price for the Site.

The Government is committed to providing more subsidised housing and enriching the housing ladder to meet the public's home ownership aspirations. To this end, the Government announced the policy framework of the Pilot Scheme in the middle of last year for private developers to participate in the development of subsidised sale flats (SSFs), with a view to enhancing the overall development capacity by leveraging market forces. There are two approaches for development under the Pilot Scheme, namely the public tendering approach and the private land approach. The Government indicated earlier that three sites would be put up for tender in batches from 2023/24 onwards under the public tendering approach, and the Site is the first one put up for public tender with the tender invitation on March 28 and the tender closing on July 19 this year.

"The policy framework of the Pilot Scheme has been formulated upon overall consideration of various factors, including provision of more choices of SSFs for the public, positioning of private SSFs in the housing ladder, attractiveness to private developers, etc., and has also reflected the views of stakeholders. The key parameters of the Pilot Scheme have been clearly set out under the policy framework, and relevant requirements have been reflected in the land sale conditions. We believe that the arrangements have already provided sufficient incentives for developers' participation while ensuring flat quality.

"Of a moderate scale of development, the Site would enable the provision of not less than 700 private SSFs. Pursuant to the policy framework of the Pilot Scheme, the flats are to be sold at 65 per cent of the market prices (i.e. at a discount of 35 per cent), which has been taken into account in the Lands Department's assessment of the reserve price for the Site. Having regard to its urban location and close proximity to an MTR station, we consider the Site suitable for developers to participate in the development of private SSFs under the Pilot Scheme," a Government spokesman said.

As with other land sale sites tendered by the Government, tenderers' bids are influenced by a myriad of factors, such as how individual tenderers assess the market conditions and the attractiveness of the site, as well as their corporate positions and development strategies.

"The Government will continue to provide more subsidised housing and enrich the housing ladder. We will also keep in view the market development, and review in due course if there is a need to adjust some of the key parameters of the Pilot Scheme as well as future tender arrangements for sites under the Pilot Scheme. We will also continue to encourage private developers to participate in the Pilot Scheme under the private land approach," the spokesman said.