

Tender result for Tuen Mun residential site announced

The Lands Department announced today (April 26) that all five tenders received for the sale of a residential site in Tuen Mun Town Lot No. 561 at Castle Peak Road – Tai Lam, Tuen Mun (the Site), had been rejected as their tendered premiums did not meet the Government's reserve price for the Site.

Sites in the Government's Land Sale Programme are disposed of in the open market under the established mechanism. The Government will not sell a site if no bid reaches the reserve price as assessed by the Government's professional valuers. This is to ensure that the Government gets a fair and reasonable return in the interest of protecting public revenue. The reserve price is set on the day of tender closure so that the latest market conditions are taken into account.

The tenderers for the Site in alphabetical order, with the names of their parent companies in brackets, were:

- (1) Chinawide Development Limited (Henderson Land Development Company Limited);
- (2) Strong Associate Limited (K. Wah International Holdings Limited);
- (3) Top Infinity Limited (Sino Land Company Limited);
- (4) Topco (H.K.) Limited (Sun Hung Kai Properties Limited); and
- (5) Treasure King Investment Limited (CK Asset Holdings Limited).

The Government will not speculate on the considerations behind the bids placed by 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 Site is the first land sale site carrying the minimum flat size requirement of 26 square metres (around 280 square feet) introduced by the Government in December 2021. "Notwithstanding the cancellation of this tender, the Government will continue to apply the minimum flat size requirement to government land sale sites, railway property development projects and projects of the Urban Renewal Authority, as well as lease modification/land exchange applications for private residential development projects, with the aim of enhancing living space and responding to the aspirations of society. As a matter of fact, many tender exercises mounted by the Urban Renewal Authority and the MTR Corporation Limited for sites carrying minimum flat size requirements have been successfully concluded," a spokesman for the Development Bureau said.

The Government's policy objective is to provide a steady and sustained land supply to the market to cater for the community's housing and economic needs. This objective will not be affected by the results of individual tender exercises or the economic situation of a certain time. The Government will consider rolling out the Site for tender again at an appropriate time.

Tuen Mun Town Lot No. 561 has a site area of about 33,713 sq m and is designated for private residential purposes. The minimum gross floor area is 72,821 sq m and the maximum gross floor area that may be attained is 121,366.8 sq m. The tender closed on April 22.

Over the past five financial years, the Government has conducted over 70 tender exercises for land sales, of which six (including that for the Site) were cancelled due to bids being below the reserve prices. The other five cancelled tender exercises involved four commercial sites and one residential site. One of the commercial sites and the residential site were subsequently successfully re-tendered. The other three commercial sites are undergoing rezoning procedures for residential use.