

Transcript of remarks by SDEV on quarterly land sale programme for July to September 2024

Following is the transcript of remarks by the Secretary for Development, Ms Bernadette Linn, at a media session today (July 4) on the quarterly land sale programme for July to September 2024:

Reporter: For my first question, so far this year there's no successful tender for residential site in the first quarter of this year. Is that why the Government only sells one residential site in the upcoming quarter, without putting up any residential site on sale? Also, could you recap in English for what you have answered the reporter's question from Sing Tao, like the land sale income so far does not reach around 1 per cent of the Government's target. So what would the Government do in the latter half of this year to try to reach the annual target of the land sale income?

Secretary for Development: First of all on your first question, I think it is not correct to say that we do not have a successful tender of residential site this year. Because so far for the first quarter, we have rolled out one site for tender, also in Sha Tin, and the tender period is yet to close. It will close next Friday. So for that tender, it is ongoing.

As to why we only roll out one site for tender in this quarter, which is the second quarter, another site in Sha Tin. I think in determining when and how many sites to be rolled out, we also have to look at the market situation. I think it is a hard reality that currently Hong Kong is still picking up in our economic pace. And while we have already put on a land sale programme for the year, a total of eight residential sites, we will also look at the market conditions in determining when to roll out each of those sites on the list. So having one site rolled out is a modest arrangement, but it is also a demonstration of the Government's commitment to roll out our residential sites in a regular and paced manner.

As regards commercial sites, it is also a hard fact that the vacancy rate for the commercial floor area in the economy is now on the high side. According to some recent statistics, it is around 13 per cent. So taking into account the market condition, we think we have a reason not to roll out commercial sites in this quarter. But still, as I have mentioned before, we will put on our land sale programme, and we have done so, a number of commercial sites, and we will roll out the sites when we think it is a fit time to do so.

Reporter: How would you comment on recent property market sentiment, and have we seen a slowing down in transactions since the removing of all cooling measures? And also, inventory of unsold units still stands at a relatively high level. How would that potentially affect developers' sentiment in

bidding the upcoming residential site?

Secretary for Development: I think on the property market, it's quite obvious that the sentiment has yet to pick up, basically because of the economic situation, both the external environment, the high interest rate, and the geopolitical issues will have an impact on our local economy. And it takes time for the property market to pick up, and that's understandable. So under these circumstances, we take a prudent manner and roll out our sites in a paced manner. For this quarter, rolling out one residential site and also rolling out one quite large industrial site in Hung Shui Kiu to support our commitment to develop industries in the Northern Metropolis. So we think overall this is a balanced and prudent arrangement.

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