

Government announces 2025-26 Land Sale List

The Secretary for Development, Ms Bernadette Linn, today (February 28) announced the Government's 2025-26 Land Sale List.

"The 2025-26 Land Sale List covers eight residential sites, capable of providing about 4 450 flats. Apart from the eight sites available for sale, the MTR Corporation Limited (MTRCL) plans to put up for tender its development projects Tuen Mun A16 Station (Package 1) and Tung Chung East Station (Package 2) in the coming financial year, providing a total of about 2 440 flats. In addition, the Urban Renewal Authority (URA) plans to relaunch its project at Kai Tak Road / Sa Po Road in Kowloon City, capable of providing about 810 flats. As for private development/redevelopment projects, with reference to the figures in the past decade, the supply in 2025-26 is estimated to be around 6 000 flats," Ms Linn said.

Taking into account the estimated land supply from Government land sale, projects of the MTRCL and the URA, as well as private development/redevelopment projects, the private housing land supply in 2025-26 is estimated to have a capacity to produce about 13 700 flats. Pursuant to the "Long Term Housing Strategy Annual Progress Report 2024" released by the Government in October 2024, the target for private housing land supply in 2025-26 is 13 200 flats, similar to the potential supply of this financial year.

As regards sites for commercial use, the 2025-26 Budget announced that the Government will not roll out any commercial sites for sale in the coming year, so as to allow the market to absorb the existing supply, having considered the high vacancy rate of offices in recent years and the relatively ample supply in the next few years. Therefore, no commercial has been included on the Land Sale List this year. In response to market feedback and to enhance the market attractiveness of sites, the Government will consider rezoning some of the commercial sites, which are expected to be available for sale in the next few years, into residential use and allowing greater flexibility of land use. To tie in with the relevant work, the Government will extend the deadline for completing in-situ land exchange for commercial sites in the town centre of Hung Shui Kiu / Ha Tsuen New Development Area (HSK/HT NDA), with a view to studying whether the land use could be suitably adjusted without compromising the overall industry positioning of HSK/HT NDA.

As for industrial sites, the Government has identified three pilot areas to adopt the large-scale land disposal approach, respectively located in HSK/HT, Fanling North and San Tin Technopole. Each pilot area covers land for residential, industry and public facilities. The expressions of interest exercise will last until end-March, with the target to commence the tendering work for the three pilot areas progressively from the second half of 2025 to 2026. Ms Linn added that the Government could not rely solely on publicly-

funded works projects to implement large-scale development. The Government has to dare to break new ground and innovate continuously, integrate the government with the market, and to adopt diversified development model such as public-private partnership, in-situ land exchange and large-scale disposal. The Government will explore allowing land owners to voluntarily surrender land planned to be resumed by the Government in the Northern Metropolis to offset or reduce the premium charged for the in-situ land exchange or large-scale land disposal. By paying less premium, developers can manage their cash flow with greater ease and are more incentivised to take part in the development of the Northern Metropolis. The measure also helps to alleviate pressure on public finance.

Reviewing the private housing land supply in 2024-25, Ms Linn noted that the Government sold four residential sites in this financial year, which have a total capacity to produce about 1 970 flats. The aggregate private housing land supply in 2024-25 from different sources is estimated to have a capacity to produce about 8 930 flats, amounting to around 68 per cent of the annual supply target (13 200 flats). Ms Linn added that the Government considers the achievement rate of private housing land supply in this financial year foreseeable and reasonable. Owing to the uncertain external environment in the past year, the slower-than-expected interest rates cut as well as the continued high level market supply, developers have remained rather conservative in land tenders. Hence, having considered the market situation, the Government has been rolling out sites for sale in a pragmatic and prudent manner over the past year despite having available land in hand, taking the initiative on land supply. In fact, the supply in the past few financial years have each exceeded the annual supply target, which is sufficient to offset the shortfall this year. The impact on the short-to-medium term market supply is not expected to be significant.

Reviewing the commercial land supply in 2024-25, given that the vacancy rate of commercial floor area still remains at a relatively high level, coupled with the several large-scale commercial sites sold in the past few years, the Government did not roll out any commercial site in this financial year.

On sites for industrial use, the tender of two sites in Yuen Long and Hung Shui Kiu for development of multi-storey buildings for modern industries (MSB) is now ongoing. The two sites could provide a total of about 550 000 square metres floor space.

Ms Linn said that the Transport and Logistics Bureau has successfully tendered a logistics site in Tsing Yi. Recently, a few potential investors provided feedbacks on the two MSB sites with ongoing tender. While pursuing the policy objective, the Government is considering possible adjustments on the tender conditions in response to market feedback, and for this reason, will extend the tender closing date of these two sites. Further details will be announced in early March.

For the first quarter of 2025-26, i.e. April to June 2025, the Government will put up for tender a residential site in Tuen Mun, which is

capable of producing about 525 flats. Ms Linn said that the site is located in a mature residential neighbourhood near a light rail station, and should be attractive to the market. In addition, for private development/redevelopment projects, two lease modification cases are expected to be executed in the first quarter, capable of providing a total of about 165 flats. The total private housing land supply for the first quarter is estimated to be about 690 units. Ms Linn added that an in-situ land exchange within the HSK/HT NDA is approaching its application deadline of end March. The development will bring about an additional supply of 1 600 flats for the first quarter if the application is concluded before the deadline.

Ms Linn reiterated that the Government will prudently roll out land in a paced and pragmatic manner for development and to maintain continuous and sustained land supply. Placing available sites on the Land Sale List does not mean that all sites are to be rolled out. The Government will continue to make reference to market situation and other supply sources, so as to announce the Land Sale Programme on a quarterly basis. Depending on the market situation, the Government may also put up additional sites to respond to market changes.

The 2025-26 Land Sale List can be found on the Lands Department's website (www.landso.gov.hk).