

LCQ19: Purchasing private premises by Government for provision of welfare facilities

Following is a question by the Hon Lee Chun-keung and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (January 22):

Question:

Following the announcement in the 2019-2020 Budget of an allocation of \$20 billion for the Government to purchase private premises over some three years for the provision of welfare facilities, the Government has openly invited owners of potentially suitable non-domestic premises available for sale to submit sale proposals. In this connection, will the Government inform this Council:

(1) as there are views relaying that after submitting their sale proposals, owners are unable to know whether the proposals submitted are being assessed or have been rejected, whether the Government Property Agency (GPA) will, after owners have submitted their sale proposals, inform them of the process relating to the assessment of the sale proposals, and notify them in a timely manner that they have successfully proceeded to the various stages of assessment; if so, of the details; if not, the reasons for that;

(2) as there are views relaying that the process of assessing the aforesaid sale proposals is lengthy (which usually takes 18 to 36 months), whether the GPA will undertake to set a time limit for processing each sale proposal; and

(3) given that at present, the GPA only provides email address and fax number on its website for owners to submit sale proposals, whether the GPA will provide an inquiry hotline or email address for those who have submitted proposals to enquire about the relevant matters; if so, of the details; if not, the reasons for that?

Reply:

President,

In June 2020, the Government obtained funding approval from the Finance Committee of the Legislative Council to implement the Purchase of Welfare Premises initiative with the aim of purchasing premises from the private property market for the provision of welfare facilities.

The Government Property Agency (GPA) is identifying suitable premises for purchase through various channels, including an open invitation for sale proposals from private owners or their agents (the property owners) of their premises (also known as "listings"); directly approaching property owners of

target premises; identifying premises through newspaper advertisements, websites of developers/owners or estate agents; and conducting site visits in targeted districts.

A reply to the various parts of the question raised by the Hon Lee Chun-keung is as follows:

(1) After receiving basic listing information from property owners (i.e. property address, floor area, asking price, and contact information), the GPA will review whether the listings meet the basic requirements specified by the Social Welfare Department (SWD) for different welfare facilities in various districts. The GPA will then forward the listing information to the SWD for consideration. If the SWD determines that the listings are suitable upon preliminary assessment, the GPA will contact the relevant property owners for follow-up actions, which include making enquiries, requesting further information and arranging site inspections. The SWD will conduct a comprehensive assessment on the listed properties, taking into account factors such as the availability of suitable fire safety and barrier-free access facilities, whether the size and location meet operational needs, and the compatibility of nearby land uses with welfare purposes. The GPA will proceed with price negotiations and discuss other terms of purchase with property owners for properties assessed suitable by the SWD. The foregoing process is generally consistent with market practice and the property owners are aware of the stage of negotiation in which their properties are.

As the Government invites property listings from property owners in its capacity as a purchaser, property owners, after submitting their sale proposals, are free to negotiate the sale of their properties with other potential purchasers simultaneously.

(2) The time required to complete the entire assessment process, negotiations and purchase varies, depending on the specific circumstances of the property listed for sale and other relevant factors. For example, the entire process will take additional time if the property requires removal/improvement works to be carried out to comply with statutory orders issued by the relevant authorities, or if planning permission or lease modifications are needed for the property to be converted for welfare use, or if clarification of the rights and responsibilities for the building's common areas and facilities is required, etc. To ensure that the purchased property caters for the needs and achieves value for money, it is not suitable to set a processing deadline for each sale proposal.

(3) Property owners may contact the GPA regarding listings and other related matters via email on the GPA's website at pw-add@gpa.gov.hk. Depending on the nature and complexity of the matters, the GPA will in general provide a reply within 10 calendar days and contact the property owners directly by phone or other means including meeting if needed.