

Press release

LCQ14: Sale of government properties by public auction

Wednesday, December 2, 2009

Following is the question by the Hon Abraham Shek and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (December 2):

Question:

The Government Property Agency (GPA) has recently put up 10 luxury apartments for sale by public auction, with eight of them successfully sold. In August this year, another 10 luxury apartments were also put up for sale by GPA through public auction and all of them were sold. In addition, four other government properties had been sold by GPA. The revenue from these three auctions totalled \$462 million. In this connection, will the Government inform this Council:

(a) whether any target has been set for the revenue from the sale of government properties this year; if so, of the actual revenue to date and the anticipated revenue; if not, the reasons for that;

(b) what criteria GPA has adopted for selecting the properties to be put up for sale in the market by public auction; apart from property prices, what other factors will be taken into consideration; and

(c) whether it has formulated any plan for selling government properties by public auction in the coming year; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the question regarding the Government Property Agency's sale of government properties by public auction since August 2009 is provided below:

The government properties sold by the Government Property Agency by public auction in question are surplus non-departmental quarters (NDQs) and certain properties vested in the Government through litigation.

Regarding NDQs, the demand for these quarters has been dropping as civil servants joining the Government on or after October 1, 1990 are no longer eligible for NDQs with the introduction of new civil servant housing benefit schemes. The Government's established policy is to dispose of these surplus NDQs. Pending sale, these NDQs units are let to private tenants at market rental as a short-term arrangement.

As regards the properties vested in the Government through litigation, the Government, having examined the physical condition and nature of these properties, considers that they are not suitable for the Government's use and hence arrangements have been made to put them up for sale in the open market.

The Government will handle the sale of surplus government properties with prudence, having regard to the principle that normal market activities are not to be disrupted. We have as yet no definite plan to sell other surplus government properties. We will review the approach and strategy for the sale of surplus government properties in the light of the experience gathered from each sale exercise. Hence, we have neither set any target nor made any revenue estimate for the sale of surplus government properties.

Ends