

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Building Committee

Proposed Project Development Budget for Demolition Works at Shek Yam Estate Phase 4

PURPOSE

To seek Members' approval to the proposed Project Development Budget for Demolition Works at Shek Yam Estate Phase 4.

BACKGROUND

2. Shek Yam Estate was constructed in the late sixties and is earmarked for redevelopment in the Comprehensive Redevelopment Programme (CRP). The whole redevelopment process consists of four phases. Phases 1 and 4 were to be released to the Leisure and Cultural Services Department (LCSD) (the former Regional Services Department) for their development of a District Open Space. Phases 2 and 3 were scheduled for Public Rental Housing and Home Ownership Scheme respectively. These were approved by the Building Committee (BC) in July 1995 (Paper No. BC 121/95 refers).

3. The demolition works for Phase 1 was completed in March 1996. Shek Yam Phase 4 consists of one 7-storey and one 20-storey Former Government Low Cost Housing blocks. The sites at Shek Yam Phases 1 and 4 would be handed over to LCSD together after the completion of Phase 4 demolition in August 2001.

4. Past events relevant to the project are as follows –

Date	Events
(a) 8 July 1994	Planning Brief for the redevelopment of the whole Shek Yam Estate approved by the then Development Progress Committee (DPC)
(b) 20 July 1995	Client Brief, Control Plan and Project Estimates for the redevelopment of the whole Shek Yam Estate approved by the BC. (Paper No. BC 121/95 refers)

5. According to the approved Planning Brief and Client Brief, Shek Yam Estate Phase 4 will be handed over to LCSD and hence there would be no build back on the site. The location of Shek Yam Estate Phase 4 is shown in ----- **Annex.**

PROJECT DEVELOPMENT BUDGET

6. Based on the demolition works required, the Project Development Budget for Shek Yam Estate Phase 4 is estimated to be \$10.625M. Breakdown of the cost estimates is given as follows –

	Project Development Budget (\$M)
(a) Site Development Cost Demolition Site Formation	9.301 - -
Sub-total	9.301
(b) Construction Cost*	-
Sub-total	-
(c) Other Project Cost [2% of (a)+(b)]	0.186
(d) Site Development & Construction Cost (d) = (a)+(b)+(c)	9.487
(e) Project Management Cost 12% of (d)	1.138
(f) Total Project Development Budget (f) = (d)+(e)	10.625

* Site to be handed over to LCSD after demolition and hence no build back.

AVAILABILITY OF FUNDS

7. The estimated yearly expenditure (excluding other project cost) for the Phase 4 are as follows –

	Estimated Expenditure (\$M)			
	2000/01	2001/02	Post 31.3.2002	Total
Estimate	2.326	6.975	0.000	9.301
Allowed in Paper No. FC 2/2000	4.364	0.224	2.452	7.040

8. Provision for Phase 4 in the Housing Authority Capital Budget for Year 2000/01 is \$4.364M and is adequate to meet the estimated expenditure of \$2.326M.

DEMOLITION PROGRAMME

9. Details of the demolition programme for Phase 4 are as follow –

	Date
Tender Invitation	November 2000
Tender Approval	February 2001
Contract Commencement	February 2001
Contract Completion	August 2001

RECOMMENDATION

10. It is recommended that the proposed Project Development Budget for Demolition Works at Shek Yam Estate Phase 4 as detailed in paragraph 6 above be approved to enable the project to proceed.

PRESUMPTION

11. It is not thought that Members will have any objection to the recommendation at paragraph 10 above. If no objection or request for discussion is received by the Committees' Secretary **by noon on 19 September 2000**, Members' approval will be presumed and appropriate action taken.

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File Ref. : HD(PM1) TW19-4/PE/PB

Date : 5 September 2000