

THE HONG KONG HOUSING AUTHORITY

Memorandum for Building Committee

**Proposed Master Layout Plan
and Project Development Budget
For HOS Development at Shek Yam Phase 5**

PURPOSE

To seek Members' approval to the proposed Master Layout Plan and Project Development Budget for the Home Ownership Scheme (HOS) development at Shek Yam Phase 5.

BACKGROUND

2. On Yam Neighbourhood Community Centre (NCC) site was scheduled for completion in the HOUSCOM Control List in August 2001 with a production of 220 flats. During the public consultation, Kwai Tsing Provisional District Board (KTPDB) strongly objected to the proposal and requested Housing Department (HD) to consider Shek Yam Community Hall/Shek Lei Staff Quarters Site as a replacement for On Yam NCC site. The site is already zoned as Residential (A) in Kwai Chung Outline Zoning Plan.

3. As the proposed site is isolated from our housing estate, it is considered not suitable for small household block development originally proposed in On Yam NCC Site, because elderly supporting facilities such as welfare services and public transportation are not conveniently located. In order to fully exploit the development, HOS development and a Residential Care Home for the Elderly (RCHE) was endorsed by the Strategic Planning Committee (SPC) in January 2000.

4. The site is located in Kwai Chung and is surrounded by Tung Chi Street to the north, Tai Pak Tin Street to the east, On Chit Street to the south and two steep slopes to the west.

5. It is currently occupied by the Department's Shek Lei Staff Quarters and Home Affairs Department's Shek Yam Community Hall which clearance are scheduled to be by December 2000. Demolition of buildings will commence in January 2001.

6. Past events relevant to the projects are as follows –

Date	Event
(a) 12 January 2000	Approval to include the project into the PHDP and endorsement of the Development Parameters and Project Development Cost Ceiling by the SPC (Paper No. SPC 7/2000 refers)
(b) 15 September 2000	Approval on the Planning Parameters by Tsuen Wan and West Kowloon District Planning Conference (Paper No. DipCon 3/2000 refers)

MASTER LAYOUT PLAN

7. The proposed Master Layout Plan generally follows the endorsed Development Parameters and the Conceptual Layout. Explanatory notes and drawings attached as **Part I** of the **Annex** illustrate the disposition of building block, location of accommodation and facilities, vehicular and pedestrian access.

8. The development is proposed to be Group One HOS under the newly adopted Flexible Housing Production Strategy. In view of the planned HOS supply in Kwai Chung area in the coming five years being small, it is anticipated that there will still be strong demand in HOS flats in the area despite this site is not particularly prominent.

9. The proposed development adopted a non-standard design comprises –

- (a) 1 composite building with 34-storey tower block for HOS providing 340 flats (136 nos. 2B and 204 nos. 3B);
- (b) 1 no. 4-storey RCHE located at the podium below the HOS portion of composite building with 180 bed spaces (to be funded by Subvention and Lottery Fund Advisory Committee (SLFAC)); and
- (c) 1-storey semi-basement providing 50 private car parking spaces and 7 motor-cycle parking spaces.

10. The main features of the design are –

- (a) To reduce the scale of stilted platform area, sub-structures and slope stabilizing works by stacking the HOS block and RCHE together as a composite building.
- (b) 3 bedroom units of market-trended layout are located to face the open area and a distant view. Overlooking between existing blocks will be avoided.
- (c) The site is affected by severe traffic noise from Tai Pak Tin Street and Tung Chi Street. Noise mitigation measures in the form of thick glass (6mm) and air conditioning (A/C) are proposed to all the domestic flats.
- (d) The site sloping from Tai Pak Tin Street along Tung Chi Street provides opportunity to segregate the pedestrian and various vehicular traffics at site. Making use of the advantage of this site character, the carpark is submerged into the semi-basement level to save both site formation and foundation cost.

PROJECT DEVELOPMENT BUDGET

10.11. The proposed Project Development Budget of Shek Yam Phase 5 is estimated to be **\$194.480M**. The breakdown of the proposed Project Development Budget is given in **PART II** of **Annex** and the key elements are as follows –

	Cost Heads	Work Elements	Budget Cost (\$M)
(a)	Site Development Cost	Site Formation	-
		Demolition	2.391
		Sub-total :	2.391
(b)	Construction Cost	Foundation	11.002
		Building	156.617
		Soft Landscape and Others	0.229
		Sub-total :	167.848
(c)	Other Project Costs [2% on (a) & (b)]	Civil engineering and geotechnical studies, site investigation, material testing and the like	3.404
(d)	Total Site Development & Construction Costs [(a) + (b) + (c)] :		173.643
(e)	Project Management Cost [12% on (d)]	Professional Services and Overheads, Consultation Fees and Consultant Site Staff	20.837
(f)	Project Development Budget [(d) + (e)] :		194.480

Note : Development contingencies of \$6.211M for the non-standard block/building and elements are included in the Site Development and Construction Costs. These contingencies are allowed in accordance with Paper No. SPC 45/2000 to cover for unforeseen development risks and change in client's requirements.

PROJECT DEVELOPMENT COSTS

12. The proposed Project Development Costs of Shek Yam Phase 5 comparing with the Project Development Cost Ceilings as approved in Paper No. SPC 7/2000 are shown as follows –

	(a)	(b)	(c)	(d)	(e)
	Proposed Project Development Cost	Project Development Cost Ceiling	Unit Construction Cost	June 2000 Construction Cost Yardsticks (Based on New Har 1 Option 4 & 5 + 5%)	June 2000 Construction Cost Yardsticks Adjusted to Tender-In-Date
	(\$/m ² CFA)	(\$/m ² CFA)	(\$/m ² CFA)	(\$/m ² CFA)	(\$/m ² CFA)
Domestic (HOS)	7,742	8,082	6,186	5,098	5,403
Private Carpark	7,358	12,214	6,111	5,282	5,598

Note: For comparing with the Construction Cost Yardstick, external works, soft landscaping and other sundry costs such as drainage, utility connections, other project costs and project management costs, etc. have been excluded from the Unit Construction Cost. However, the costs of piling, substructure, superstructure, including fluctuation and transfer plate have been included in the Construction Cost. The Cost Yardstick has been adjusted to the price level at the time of tender. Project Development Cost Ceiling at Para. 12(b) approved by SPC has been updated based on June 2000 Yardsticks.

Note: Cost Yardstick for Group 1 Non-standard Design project to be New Harmony 1 + 5% according to SPC Paper No. 57/2000.

13. The proposed Project Development Costs are below the Project Development Cost Ceilings approved by the Strategic Planning Committee vide Paper No. SPC 7/2000.

14. The proposed Project Development Cost for domestic (HOS) building can be further broken down into the cost per flat as follows –

Flat Type	Proposed Project Development Cost per Flat (\$)	Construction Cost per Flat (\$)	June 2000 Construction Cost Yardstick for New Har 1 Option 4 & 5 + 5% (\$)	June 2000 Construction Cost Yardstick Adjusted to Tender-In-Date (\$)
3B(1)	575,271	459,682	378,832	401,497
3B(2)	587,193	469,208	386,683	409,818
2B(1)	449,549	359,221	296,041	313,752
2B(2)	400,855	320,311	263,794	279,767

Note: For comparing with the Construction Cost Yardstick, external works, soft landscaping and other sundry costs such as drainage, utility connections, etc. have been excluded from Construction Cost per Flat.

14.15. The difference between the Unit Construction Cost (excluding external works and others) and the June 2000 Cost Yardsticks for New Har 1 Option 4 & 5 plus 5% adjusted to the time of tender by 14.5% for HOS and 9.2% for carpark is mainly attributable to the following -

Domestic (HOS)

- Extra cost for non-standard block factors and familization 5%
- Use of non-standard precast elements and formworks 4.4%
1.5%
- Reduced height and single block 0.5%
- Congested site etc.
- Extra cost for window insulation and A/C provision 3.1%

Private Carpark

- Extra cost for non-standard layout 4.0%
- Semi-basement construction 2.0%
- Site formation works and congested site etc. 2.6%
- Extra cost for transfer structure 0.6%

AVAILABILITY OF FUNDS

16. The estimated yearly expenditure of the proposed Budget is shown below and would be included in the next capital budget updating of the Authority –

	Estimated Yearly Expenditure (\$M)			
	2000/01	2001/02	Post 2001/02	Total
Estimate	3.372	11.809	179.299	194.480

~~16.17.~~ The construction cost of \$26.7M for the Residential Care Home for the Elderly will be funded by the Government. Social Welfare Department has agreed to make submission to SLFAC to transfer the funding from On Yam NCC Site to this site.

PUBLIC CONSULTATION

18. Consultation with Kwai Tsing District Council (KTDC) has been carried out. Initially, District Council members raised concern over the proposed HOS development instead of rental. The issue is now resolved with the Department's further explanation that the site was not suitable for elderly housing due to its isolated location and the small HOS flat supply projected in the district. KTDC had eventually accepted that there is genuine need for using the subject site as HOS development.

DEVELOPMENT PROGRAMME

19. Details of the development programme are in **Part III** of the **Annex**. The key dates are as follows –

(a)	Scheme Design	PDRC(2)	09/00
(b)	Master Layout Plan and Budget	BC	11/00
(c)	Detailed Design	DDRP	02/01
(d)	Demolition	Commencement	01/01
		Completion	06/01
(e)	Piling	Commencement	06/01
		Completion	05/02
(e)	Building	Commencement	05/02
		Completion	11/04

RECOMMENDATION

18-20. It is recommended that the proposed Master Layout Plan and Project Development Budget of \$194.480M for the HOS Development at Shek Yam Phase 5 as described above and in the **Annex** to this Paper be approved.

DISCUSSION

19-21. At the next meeting of the Building Committee to be held on 23 November 2000, Members will be invited to approve the recommendation in Paragraph 20 above.

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Date : 17 November 2000