

# **THE HONG KONG HOUSING AUTHORITY**

## **Memorandum for the Building Committee**

### **Proposed Master Layout and Project Development Budget for Redevelopment of Shek Pai Wan Estate Phases 1 and 2**

#### **PURPOSE**

To seek Members' endorsement of the Proposed Master Layout and Project Development Budget for Redevelopment of Shek Pai Wan Estate Phases 1 and 2.

#### **BACKGROUND**

2. Shek Pai Wan Estate is located on the eastern side of Aberdeen Town Centre. It comprises 4.7 hectares gross area and accommodates about 5,000 flats. Immediately to the north, separated only by a long staircase, is the Housing Society Estate of Yue Kwong Chuen. On its eastern side the estate is buffered from Yue Kwong Road by a bus terminus and football pitch allocated to the Urban Services Department (USD). To the west, there is the Yue Fai Court Home Ownership Scheme which also incorporates an Indoor Game Centre and a market (both run by USD), and a privately operated multi-storey carpark. The existing bus terminus will be included in the proposed development site.

3. Shek Pai Wan Estate was built in 1966-68. It is one of the early Mark IV resettlement estates. It comprises linear residential blocks on narrow platforms. The proposed redevelopment forms part of the Comprehensive Redevelopment Programme.

4. The project was divided into three phases when Strategic Planning Committee approval was given in March 1998. The previous Phases 1 and 2 are combined and renamed as Phase 1 whereas the previous Phase 3 is renamed as Phase 2 now.

5. Past events relevant to the project are as follows -

<b>Date</b>	<b>Event</b>
(a) 3 November 1997	Planning Brief of the redevelopment was endorsed by Committee on Planning and Land Development (CPLD).
(b) 27 March 1998	Revised Planning Brief with the amendment of the Schedule of Accommodation and Development Ratio (DR) of 10.69 was endorsed by HK District Planning Conference subsequently.
(c) 12 March 1998	Strategic Planning Committee (SPC) approved and included the Redevelopment Scheme into the Public Housing Development Programme (PHDP) and endorsed the Development Cost Ceilings. (Paper No. SPC 10/98 refers)

## **MASTER LAYOUT PROPOSAL**

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6. The proposed Master Layout at **Part I** and **Part II** of the attached **Annex** generally complies with the latest approved Planning Brief. The development is designed to utilize the existing site profile so that the commercial centre and carpark can be comfortably accommodated at the lower portion of the site. The arrangement has not only reduced the retaining structures and minimized the amount of site filling required but also avoided the need of a multi-storey carpark complex dwarfing over Yue Kwong Road. The buildings are so laid out that emergency vehicle access (EVA) is conveniently provided via the estate road running across the site. This road which allows for future connection with the possible redevelopment of the neighbouring Yue Kwong Chuen shall be designed as a main avenue providing efficient circulation to the estate.

7. **Phases 1** is located on the one side of Yue Kwong Road just opposite the HOS Yue Fai Court. This is proposed to be a composite development comprising of -

- (a) 3 nos. of New Harmony Blocks (Rental) Options 1, 2 & 3 respectively of 39-40 domestic storeys on podium providing 2323 nos. of flats and associated Estate Management facilities,
- (b) 1 no. of Annex 5 Block of 34 domestic storeys on podium providing 372 nos. of flats,
- (c) 1 no. of Housing for Senior Citizen of 6 domestic storeys on podium providing 136 nos. of 1-bedroom units,
- (d) 1 no. of Commercial Centre (Type D) with carpark in a 4-storey podium providing 1270m<sup>2</sup> of Commercial Space, 511 nos. of carparks and 59 nos. of lorry parks.
- (e) Social Welfare Facilities including 1 no. each of Sheltered Workshop, Day Nursery, Social Centre for the Elderly, Children and Youth Centre & Outreaching Social Work Base,
- (f) 1 no. of Kindergarten of 8 classrooms,
- (g) 1 no. Neighbourhood Police Office,
- (h) 1 no. Public Transport Interchange (PTI),
- (i) Associated External Works.

8. **Phase 2** is separated from Phase 1 by an Estate Road, which includes -

- (a) 2 nos. of New Harmony Blocks (Rental), both Option 2 of 40 domestic storeys providing 1598 nos. of flats,
- (b) 2 nos. of New Cruciform Blocks (HOS), of 40 domestic storeys providing 800 nos. of flats and associated Estate Management facilities,
- (c) 1 no. 30-classroom Primary School (Year 2000 Design),
- (d) 1 no. ARCS Central Plant,
- (e) Associated External Works.

9. Due to the change in domestic block type, the flat mix and carpark space provision have been revised. Schedule of social welfare facilities accommodations has also been amended to the satisfaction of the Director of Social Welfare. Details are listed out in **Part I** of the **Annex**.

10. The domestic portion of both Phases will provide a total of **4,429** rental flats and **800** HOS flats accommodating a total of **16,135** people, which is an increase from the SPC brief. Breakdown of the flat production, flat mix & design population are as follows -

Phase	Block Nos.	Proposal Under Consideration		HOUSCOM Control List	
		Flat Nos.	Population	Flat Nos.	Population
Phase 1 (REN)	3	740	2,362	699	2,645
	3A, 8	508	880	414	743
	1, 2	1,583	5,183	1,598	5,661
Phase2 (REN) (HOS)	4, 5	1,598	5,150	1,598	5,277
	6, 7	800	2,560	800	2,608
<b>Total</b>		<b>5,229</b>	<b>16,135</b>	<b>5,109</b>	<b>16,934</b>

11. The Development Ratio (DR) of the proposed redevelopment is **10.02** excluding adjoining slopes or **7.83** including slopes. Details refer to **Part I** of the **Annex**.

## DEVELOPMENT COST BUDGET

12. Based on the proposed Master Layout Plan, the proposed Project Development Budget for both phases is estimated to be **\$3,205.522M**. Breakdown of the budget calculations is given in **Part III** of the **Annex** and the key elements are tabulated as follows -

	Proposed Project Development Budget (\$' 000)		
	Phase 1	Phase 2	Total
	Blk. 1,2,3,3A,8 & Com. Centre	Blk. 4,5,6&7	
<b>A. Site Development Cost</b>			
1. Demolition	11,564	9,465	<b>21,029</b>
2. Site Formation	36,845	30,155	<b>67,000</b>
Sub-total	48,409	39,620	<b>88,029</b>
<b>B. Construction Cost</b>			
3. Foundation	98,476	78,716	<b>177,192</b>
4. Building	1,386,312	881,974	<b>2,268,286</b>
5. Soft Landscape & Others	8,125	3,401	<b>11,526</b>
Sub-total	1,492,913	964,091	<b>2,457,004</b>
<b>C. Project Management Cost (a+b) x 14%</b>			
6. Professional Services & Overheads	) 215,785	) 140,520	) <b>356,305</b>
7. Consultant Fees	)	)	)
8. Consultant Site Staff	)	)	)
Sub-total	215,785	140,520	<b>356,305</b>
<b>D. Other Project Cost (a+b) x 2%</b>			
9. Ancillary Project Expenses	) 30,826	) 20,074	) <b>50,900</b>
10. Miscellaneous Cost	)	)	)
Sub-total	30,826	20,074	<b>50,900</b>
<b>E. Development Contingency (a+b+c+d) x 10%*</b>			
11. Risk Provision	) 136,853	) 116,431	) <b>253,284</b>
12. Allowable Variance	)	)	)
Sub-total	136,853	116,431	<b>253,284</b>
<b>Total Project Development Budget (a)+(b)+(c)+(d)+(e)</b>	<b>1,924,786</b>	<b>1,280,736</b>	<b>3,205,522</b>

13. The unit cost of the Proposed Development Budget as compared with SPC Approved Development Unit Cost Ceiling is as follows -

<b>Item</b>	<b>Unit Cost of Proposed Project Development Budget *</b>  (\$/m <sup>2</sup> CFA)	<b>Approved Unit Cost Ceiling by SPC</b>  (\$/m <sup>2</sup> CFA)	<b>Proposed Unit Cost of Construction Included in (a) (excluding external works etc &amp; site dev. Costs)</b>  (\$/m <sup>2</sup> CFA)	<b>June 99 cost Yardsticks Adjusted to Tender-in-date</b>  (\$/m <sup>2</sup> CFA)
Public Rental Housing Harmony - Rental (Blk. 3,3A) (Ph1)	10,669	12,041 (SPC-Ph 1)	6,751	6,653
Housing for Sr. Citizens (Blk. 8) (Ph1)	12,577	16,690 (SPC-Ph 1)	8,171	9,443
Harmony - Rental (Blk. 1&2) (Ph1)	9,386	9,437 (SPC-Ph 2)	6,039	6,310
Harmony - Rental (Blk. 4&5) (Ph2)	9,373	11,052 (SPC-Ph 3)	5,783	5,607
HOS (Blk. 6&7) (Ph2)	9,860	12,116 (SPC-Ph 3)	6,148	6,188
Commercial premises  (Ph1)	18,526	24,995 (SPC-Ph 1)	12,890	13,474
Welfare (Ph 1)	23,524	36,210 (SPC-Ph 1)	16,695	16,992
Carparking spaces (Ph 1)	10,033	13,656 (SPC-Ph 1)	6,388	6,035
GNR - PTI (Ph 1)	12,020		8,630	-

(\* Development Budget = Construction Cost + Project Management Cost + Other Project Cost + Development Contingency)

14. The proposed Unit Development Cost is within the SPC Approved Unit Development Cost Ceiling. The Unit Costs of Construction are generally in line with the Cost Yardsticks with minor excess for a few items only which is accountable to the podium design.

15. Estimated construction cost of the Government non-reimbursable item for PTI alone is \$48.243M (i.e. below \$50M) and approval from SPC will be sought in due course.

16. The proposed Project Development Cost for the public housing portion can be further broken down into the cost per flat as follows -

<b>Flat Type</b>	<b>Area</b>	<b>(a) Proposed Development Cost/Flat</b>	<b>(c) Overall Cost of Construction per Flat Included in (a) (excluding external works etc &amp; site dev. costs)</b>	<b>(d) June 99 Cost Yardsticks Adjusted to Tender-in-date</b>
	<b>(m<sup>2</sup>/Flat)</b>	<b>(\$/Flat)</b>	<b>(\$/Flat)</b>	<b>(\$/Flat)</b>
<b>Phase-1 (REN) (Blk.3&amp;3A)</b>				
1P/2P (NH1)	29.2	311,535	197,129	194,268
2P/3P (Annex 5)	38.4	409,690	259,238	255,475
1B (NH1)	50.5	538,785	340,926	335,977
2B (NH1)	66.0	704,154	445,566	439,098
3B (NH1)	79.4	847,119	536,029	528,248
<b>Phase-1 (REN) (Blk. 8)</b>				
1Bedspace (HSC)	43.07	541,691	351,925	406,710
<b>Phase 1- (REN) (Blk.1&amp;2)</b>				
1P/2P (NH1)	29.2	274,071	176,339	184,252
1B (NH1)	50.5	473,993	304,970	318,655
2B (NH1)	66.0	619,476	398,574	416,460
3B (NH1)	79.4	745,248	479,497	501,014

<b>Phase 2 (REN) (Blk.4&amp;5)</b>				
1P/2P (NH1)	29.2	273,692	168,864	163,111
1B (NH1)	50.5	473,337	292,042	281,780
2B (NH1)	66.0	618,618	381,678	368,899
<b>Phase 2 (HOS) (Blk.6&amp;7)</b>				
2B (NCB)	52.1	513,706	320,311	322,473
3B (NCB)	72.3	712,878	444,500	447,106
3B-End Bay (NCB)	83.9	827,254	515,817	519,327

## RECOMMENDATION

17. It is recommended the proposed Master Layout and Project Development Budget be approved by the Building Committee.

## AVAILABILITY OF FUNDS

18. The estimated yearly expenditure of the Proposed Budget are shown below and would be included in the next capital budget updating of the Authority -

	Estimated Expenditure (\$M)				
	Expenditure before 31 Mar, 99	99/00	00/01	Post 01	Total
<b>Total Estimate</b>	<b>20.905</b>	<b>24.980</b>	<b>123.476</b>	<b>3,036.161</b>	<b>3,205.522</b>
Total allowed in Paper No. FC 65/98	30.797	42.784	92.041	2,916.251	3,081.873

19. Provision in the Housing Authority Capital Budget for the year is **\$42.784M** (Paper No. FC 65/98 refers) and is adequate to meet the estimated expenditure. For subsequent years the Capital Budget will be updated accordingly.



## DEVELOPMENT PROGRAMME

20. Details of the development programme are in **Part IV** of the **Annex**. The key dates are as follows -

(a)	Master Layout & Project Development Budget - PDRC(2)(endorsed)	06/1999
(b)	Master Layout & Project Development Budget - BC	08/1999
(c)	Detailed Design & Project Development Budget - DDRP	11/1999
(d)	Site Formation (i) Commencement (ii) Phase 1 Completion (iii) Phase 2 Completion	09/1999 06/2000 08/2001
(e)	Foundation (i) Phase 1 Completion (ii) Phase 2 Completion	10/2001 05/2002
(f)	Building (i) Phase 1 Section A (Estate Road Completion) (ii) Phase 1 Section B (Commercial Center & Blk. 8) Completion (iii) Phase 1 Section C (Blk.3&3A) Completion (iv) Phase 1 Section D (Blk.1&2) Completion (v) Phase 2 Section A (School) Completion (vi) Phase 2 Section B (Blk.4,5,6&7) Completion	05/2004 07/2004 12/2004 07/2004 05/2004 09/2004

## DISCUSSION

21. At the next meeting of the Building Committee to be held on 10 August 1999, Members will be invited to approve recommendation in paragraph 17 above.

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Date : 5 August 1999