



Hong Kong 2030+

Knowledge Sharing Seminar- Planning for New Economic Challenges and Opportunities

Sr Chun Kong Lau
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Land and Floor Space Requirements of CBD Office and General Business

- I. 2030+ Findings & Projections
- II. Office Space
- III. IT Related Space
- IV. Logistic Space



I. 2030+ Findings & Projections

Projected Shortfall of Land Supply (By Year 2041)

Overall (ha)		Shortfall Breakdown (ha)	
Estimated Additional Land requirement	4,720	Economic Use	256
Land supply	3,514	Housing	230
Shortfall	1,206	GIC& Others	720

Economic Use (ha)	Additional Land Requirement	Land Supply	Shortfall
CBD Grade A Offices	27	18	9
Industries	37	-17	54
Special Industries	137	120	17
Others (Industrial and Commercial Facilities)	257	81	176
Total	458	202	256



Source: Hong Kong 2030+ Public Engagement (2016), Consolidated Land Requirement and Supply Analysis (2016), Photos from Internet

Floor Space Requirement & Provision (GFA)

2016

2041

Mil m ²	Demand	Supply	Shortfall
CBD Grade A Offices	5.08	4.94	0.14
Industries	16.45	16.45	-
Special Industries	5.61	3.24	2.37
Total	27.14	24.63	2.51
CBD Grade A Offices	8.19	7.13	1.06
Industries	19.96	14.87	5.09
Special Industries	8.71	8.02	0.69
Total	36.86	30.02	6.84



Phase 4 of Science Park: expected completion in 2020



Source: 2030+ Public Engagement (2016), Consolidated Land Requirement and Supply Analysis (2016), Photos from Internet

II. Office Space

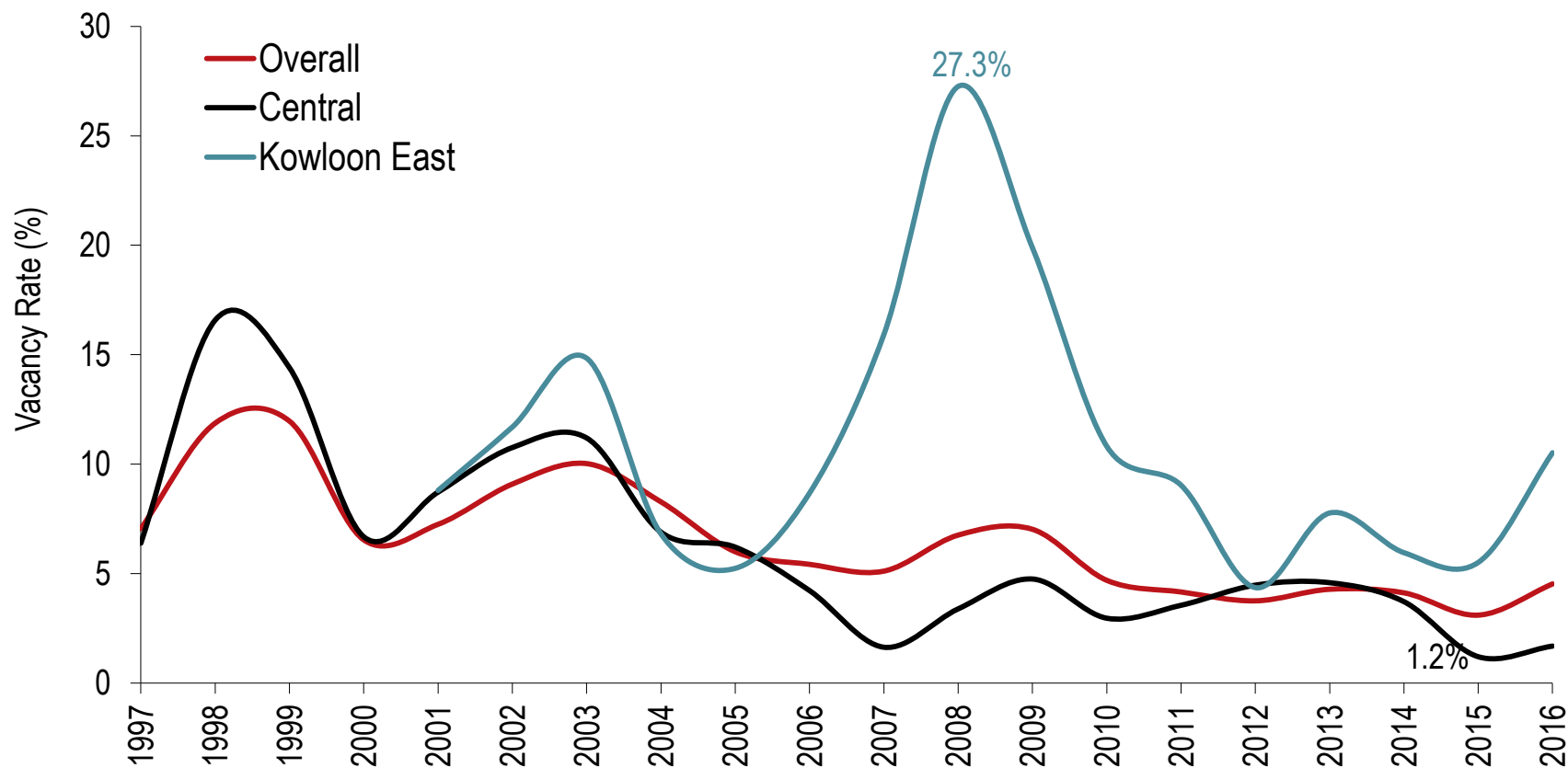
Grade A Office Supply (2016 ➔ 2021)

No.	Districts	2016 Mil m ²	2021 Mil m ²
1	Central	2.3 (27%)	2.3 (24%)
2	Wanchai / Causeway Bay	1.4 (16%)	1.4 (15%)
3	Tsim Sha Tsui	0.9 (11%)	0.9 (10%)
4	Hong Kong East	0.9 (11%)	1.1(12%)
5	Kowloon East	1.4 (16%)	1.8 (19%)
	Others	1.7 (19%)	2 (20%)
	Total Stock	8.6	9.5

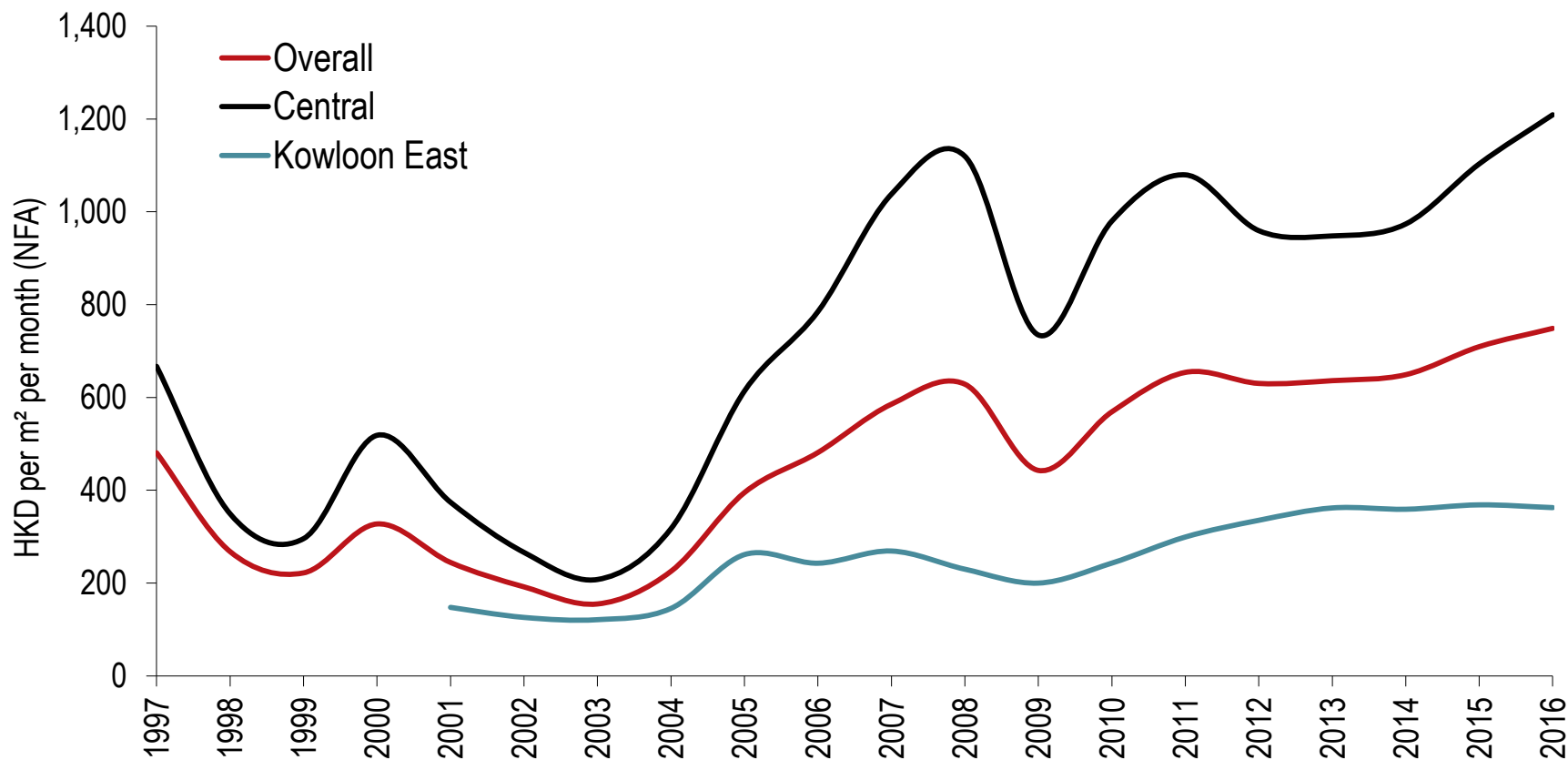
(): % of total Net Floor Area



Vacancy: Central, Kowloon East and Overall



Rental: Central, Kowloon East and Overall



Notes: 1. Stated rent is on effective basis (i.e. less management fees and with consideration of incentives such as rent free periods). 2. Rents as at the first day of stated month.

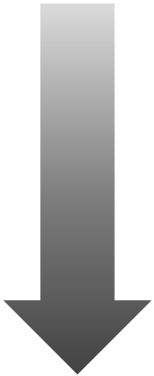
Central Grade A Office – Supply in Last Two Decades

Period	No. of Buildings	Total NFA (m ²)	% of Total Central Grade A NFA in 2016
1997 – 2006	15	688,000	30%
2007 – 2016	6	131,000	6%

1997 → 2006



2007 → 2016



Supply dramatically declined in Central!

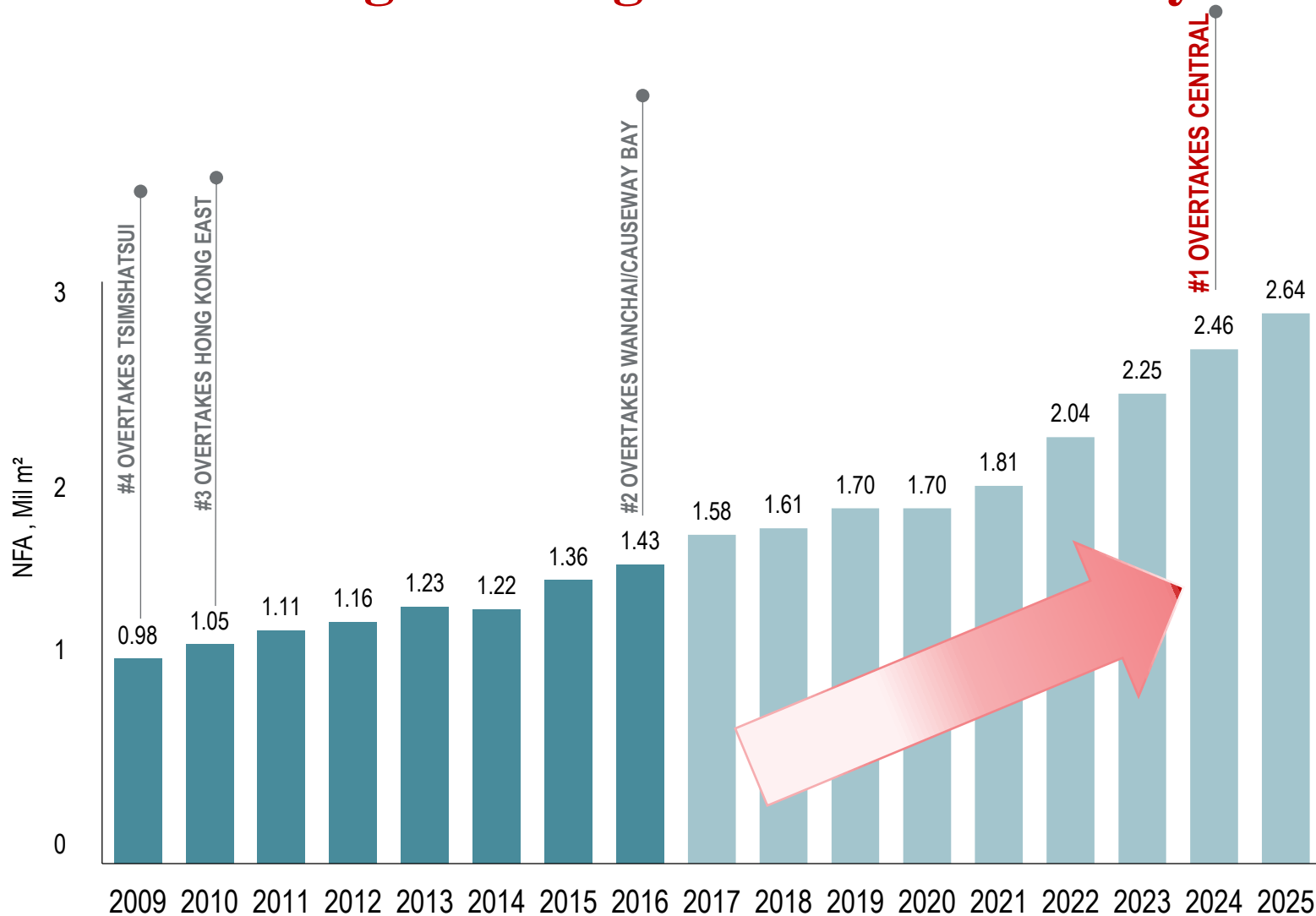
Foreseeable Land Supply in CBD1 from 2017 Onwards

No.	Address	Total GFA (m ²)
1	Murray Road Multi-storey Carpark Redevelopment	41,700
2	Central Harbourfront Site 5	58,000
3	Central Harbourfront Site 3	157,000
4	Queensway Plaza Redevelopment	93,300
5	Rumsey Street Multi-storey Carpark Redevelopment	65,600
6	HK Red Cross Headquarter Redevelopment	21,000
	Total	436,600



Source: Development Bureau and Planning Department, Google Map

CBD2 Becoming the Largest Office Market by 2024









Land Value Increases for CBD2 Government Sale Sites

No	Tender Date	GFA (m ²)	Purchaser	Accommodation Value (\$ /m ²)
1	2016	101,944	Lifestyle International	72,474
2	2015	45,540	Billion, Sino & CSL	66,726
3#	2015	82,116	Link REIT & Nan Fung	71,365
4	2014	61,344	Mapletree	61,441
5#	2013	51,564	Swire	51,161
6	2012	30,948	Sanefire Company	59,030
7	2011	79,200	Goldin Finance	43,336
8#	2011	84,996	Wheelock	41,506
Total		537,652		



#: with presale/ prelease before completion of new development

Strong Demand as Revealed in Pre-sales & Pre-lease

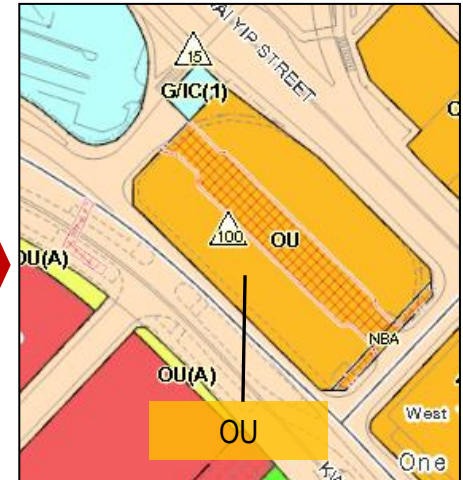
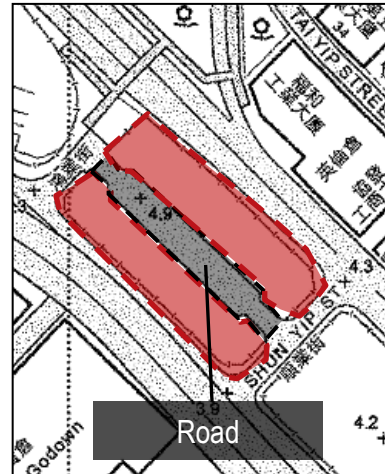
Sale Date	Developer	Building	GFA (m ²)	Purchaser
Kowloon East				
2016	Swire	Junction of Wang Chiu Road and Lam Lee Street	51,564	 金利豐金融集團有限公司 KINGSTON FINANCIAL GROUP LIMITED
2014	Wheelock	“East Tower” One Bay East	47,566	
2013		“West Tower” One Bay East	47,566	
Hung Hom				
2016	Wheelock	“East Tower”, One Harbour Gate	26,013	 祥祺集團 CHEUNG KEI GROUP
2015		“West Tower”, One Harbour Gate	36,511	 中国人寿 CHINA LIFE
Lease Date	Developer	Building	GFA (m²)	Tenant
2016	Link REIT & Nan Fung	Portion of 77 Hoi Bun Road	20,903	



Value Creation of Large Sites in CBD2

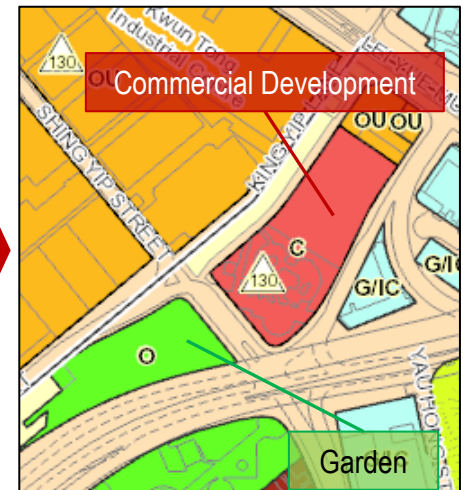
Link REIT& Nang Fung Site

Site Area	6,843 m ²
Max. GFA	82,116 m ²
Rezoning	11 April 2014



Tsui Ping River Site

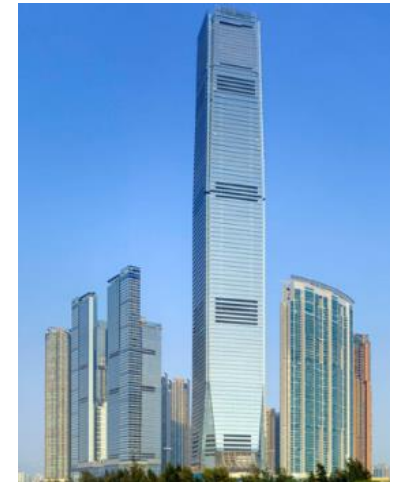
Site Area	9,645 m ²
Max. GFA	115,740 m ²
Tender Date	2018 – 19 (Expected)
Rezoning	27 Oct 2015



Large Floor Plates and High Ceilings

Name	Champion Tower & ICBC Tower	Cheung Kong Center	Two International Finance Centre	International Commerce Centre
Total No. of Office Floors	42 +32	62	88	67
Typical Floor Plate (m ²)	3,100 (L)	2,000 (L)	2,300 (L)	3,300 (G)
Typical Floor to Floor Height (m)	3.9	4.2	4.2	4.2-4.5

For reference only



Source: JLL, Photos from Internet, Extracted from website

Hung Shui Kiu New Development Area (NDA) + CBD3

	Hung Shui Kiu NDA	East Lantau Metropolis (CBD3)
Development Land Area (ha)	441	~1,000
Commercial Land Area (ha)	22	-
Commercial Floor Area (mil m ²)	2.055	-



Source: Hung Shui Kiu New Development Area Planning and Engineering Study (2016)

III. IT Related Space



IT Related Space

	Cyberport	Science Park	
		Phases 1-3	Phase 4
Year Built	2002-2004	2004-16	2020 (expected)
Use	Innovating industries & information technology	Laboratories & offices	
GFA (m ²)	100,000	330,000	74,000
No. of Buildings	4	21	2

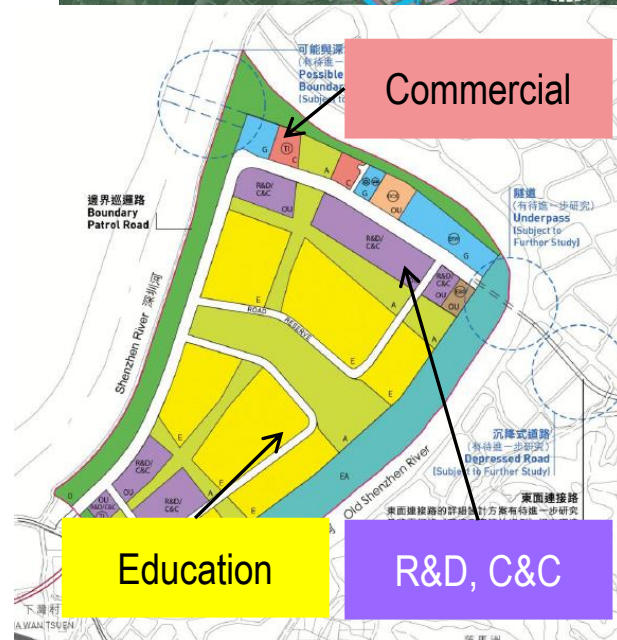


Lok Ma Chau Loop

Area		Development Area (ha)	Leading Party
A	Lok Ma Chau Loop	88	Hong Kong
C	Adjacent Areas of LMC Loop in Shenzhen	167	Shenzhen



Lok Ma Chau Loop (Area A)		Development Area (ha)	Maximum GFA (m ²)
Education		22.8	720,000
High-tech R&D/C&C*		8.6	411,000
Commercial		1.2	60,000
Total Major Land Uses		32.6	1,191,000



Notes: R&D: Research & Development, C&C: Cultural & Creative Industries

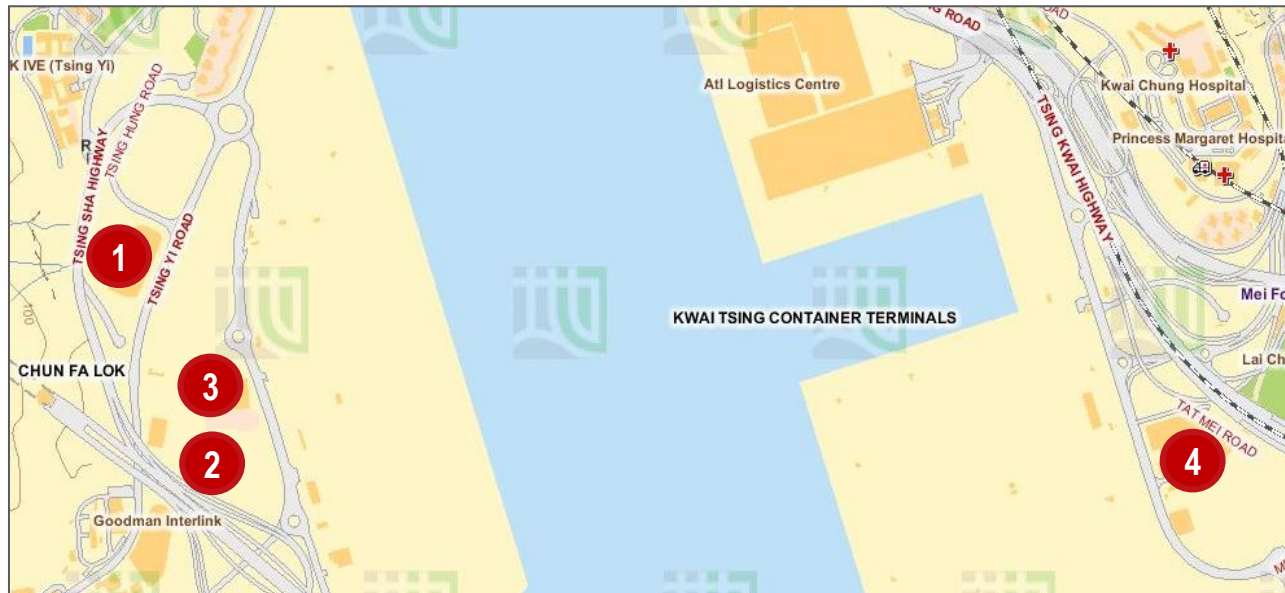
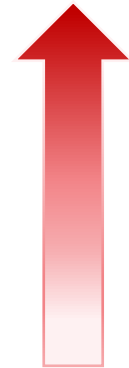
Source: Planning and Engineering Study on Development of Lok Ma Chau Loop (2015) and Market News

IV. Logistic Space



Logistic Sites sold by Government (2008 – 13)

No	Tender Date	Site Area (m ²)	GFA (m ²)	Purchaser	A.V. (\$ /m ²)
1	2013	21,000	85,000	Mapletree	19,882
2	2011	24,000	97,200	China Merchants	13,169
3	2010	24,000	97,200	SF Express	11,831
4	2008	23,315	64,500	NWS	10,078
Total		92,315	343,900		



Source: GeoInfo Map, Lands Department and JLL

High Headroom and Ramp Access

1980-1999

2011-2016

No new development from 2000-2010

Property	Modern Terminal Limited	ATL Logistics Centre	Hutchison Logistics Centre	Kerry Cargo Centre	Global Gateway (HK)	NWS Kwai Chung Logistics Centre	Goodman Interlink	Asia Logistics Hub-SF Centre	Mapletree Logistics Hub Tsing Yi
Typical Floor to Floor Height (m)	4.7	5.7 – 8.3	4.9	6.1	6.1	6.5 – 6.8	6.6	6.5	5.5
Ramp Access	Nil	Full Ramp Access	Full Ramp Access	Full Ramp Access	G – 12/F	Full Ramp Access	G-15/F	B/F, G-8/F	Full Ramp Access



Source: Lands Department, JLL, Photos from Internet

Examples of Layouts



ATL Logistics
Centre

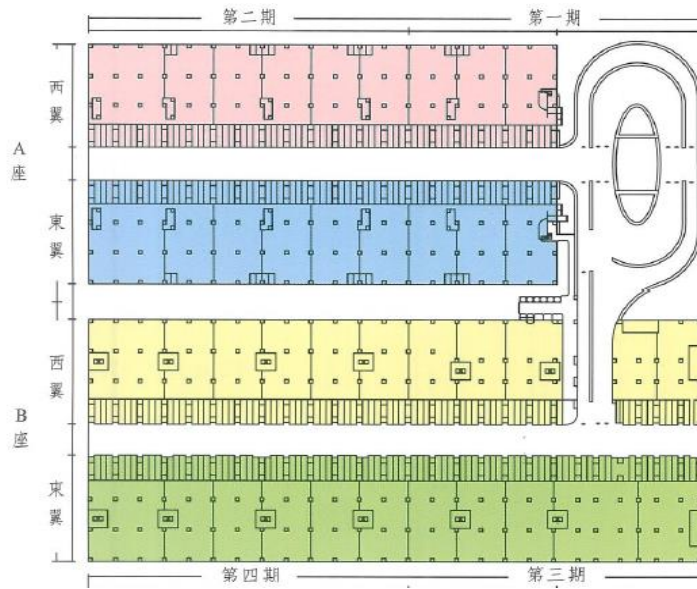
Property

Goodman
Interlink

1988-1994

Year Built

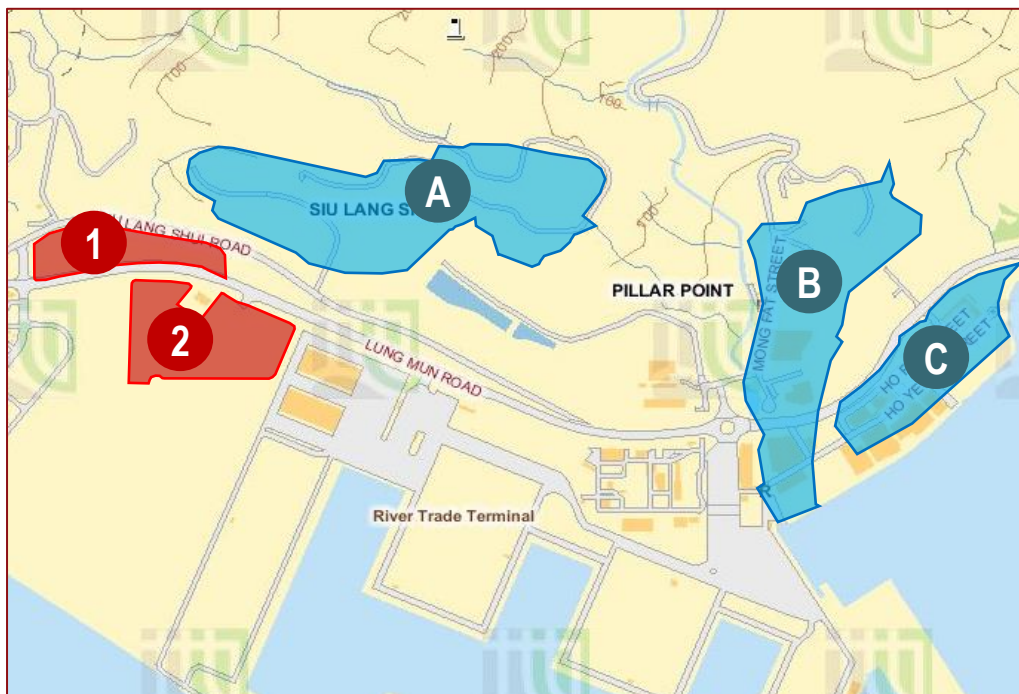
2012



Source: Lands Department, photos from Internet, Sales Brochure of ATL and JLL

Tuen Mun Logistic Sites: Sales Yet to be Confirmed

Site	Site Area (ha)	Max. GFA (m ²)	Existing Zoning
1	3.5	87,600	OU (Container storage & repair depot)
2	6.5	162,600	OU (Special industries area)
Total	10	250,200	



Site	Status
A, B, C	Planning Study for modern logistics/ green industrial uses – undergoing since Sep 2015

- 2014/15 Policy Address: two sites for sale by tender by end of 2015
- 2017/18 Police Address: reserved 10 ha of land
- Planning applications (S16 and S12A) for two sites are required

Thank You.



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