



THE HONG KONG INSTITUTE OF SURVEYORS

Your ref.: CB1/PL/PLW

BY FAX AND BY POST
#2121 0420

11 May 2006

Clerk to Panel on Planning, Lands & Works
Legislative Council Secretariat
3/F Citibank Tower
3 Garden Road
Central, Hong Kong

Attn: Ms. Wong Siu-ye

Dear Ms. Wong,

**Special meeting on 11 May 2006
to discuss "Tamar Development Project"**

I refer to your letter dated 4 May 2006 and would like to thank you for inviting the Institute to present further views on Tamar Development project.

In this connection, I have pleasure in enclosing our written submission for the consideration of the Panel. A soft copy of our submission has also been sent to the email address cshiu@legco.gov.hk as per your request.

Please kindly note that we are unable to send an appropriate representative to attend this meeting due to their prior commitment. However, we are very pleased to provide further views on the Tamar development project in future.

Yours sincerely,

8.8
Wong Chung Hang
President

Encl.

c.c. Hon. Patrick Lau



Views on the Estimated Construction Cost of the Tamar Development Project

1. Reference is made to the letter from Legislative Council dated 4th May 2006 inviting the Hong Kong Institute of Surveyors (HKIS) to express its further views on the Tamar development project. In the following paragraphs, HKIS would address the views on the recent announced figures about the estimated construction cost of the Tamar development project.
2. According to the information given by the Government, the total construction cost for the Tamar development project is about \$4.8 billion in September 2005 prices (or \$5.13 billion in Money of the Day prices) which is subject to further revision upon finalization of the detailed design requirements and technical specification.
3. Of the \$4.8 billion, the construction cost of the new Central Government Complex (CGC) and the Legislative Council Complex (LCC) is around \$2.95 billion including building, building services and finishing works but excluding the cost of basement construction, foundation, drainage and tenant-specific fitting-out works. The total construction floor area (CFA) of these two buildings is 201,910m², thus representing a unit cost of \$14,610/m². The remaining \$1.85 billion is allowed for the site formation, piling, basement construction, drainage, cooling water supply systems, furniture and equipment and sundry items (including IT infrastructure and cabling) of these two buildings as well as two footbridges, a 2-hectare Civic Place, contingencies and consultancy fees.
4. According to the data from leading quantity surveying consultancy firms, the current average construction cost for Grade A office buildings is around \$13,000 – 14,000/m² including foundation cost but excluding site formation, basement construction, external works, fitting-out work cost and professional fees.



5. It thus appears that the cost information given by the Government cannot be directly reconciliated with the aforesaid published construction cost data. HKIS hopes that the Government can provide further breakdown on these major elemental costs, particularly the following:
 - (a) Site investigation, site formation, piling work & drainage work;
 - (b) Basement construction
 - (c) Main building cost (including architectural and structural elements, basic building services);
 - (d) Fitting out works and office equipment;
 - (e) Any special design which normal Grade A office would not provide such as security system for HKSAR data bank;
 - (f) External works including such as Civic Place, footbridges and landscaping works;
 - (g) Professional fees and contingencies

6. In order to justify the construction cost, HKIS hopes that the Government should provide a cost estimate generally in accordance with the degree of details as set out in the Standard Method of Measurement for Building Elements published by the Architectural Services Department.

7. It would be of public interest to understand the apportioned cost of the Legislative Council Complex as the construction cost of the Central Government Complex would be different from that of the Legislative Council Complex. In addition, the Civic Place and footbridges will be built for the public use and therefore the Government should consider consulting the public as to whether it would be justifiable to spend such a large amount of taxpayers' money for these facilities.

8. It appears that the total budget of \$4.8 billion is not unreasonable given the nature and complexity of the project. However, HKIS hopes that the Government would consider our views expressed in this submission. HKIS is pleased to provide further views relating to other issues on the Tamar development project.

The Hong Kong Institute of Surveyors

11th May 2006