



香港地產建設商會

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中19號環球大廈1403室
1403 World-Wide House, 19 Des Voeux Road Central, Hong Kong
Tel 2826 0111 Fax 2845 2521 www.reda.hk

28 April 2015

The Editor
South China Morning Post
(via email: letters@scmp.com)

Dear Editor,

I feel compelled to write to correct the flawed logic presented by Alex Lo in his column of April 28 2015 entitled *Developers laugh all the way to the bank*.

Mr Lo asserts that the GFA concessions under the Government's Sustainable Building Design Guidelines is somehow costing the taxpayer through the loss of premium on land sales.

In fact, under competitive bidding in an open market, every bidder must incorporate the costs of providing all green and other features and at the same time factor in any GFA concessions in his offer. That is how Hong Kong's land sale system works.

Such GFA concessions have thus been fully paid for. To say that the Government is suffering a 10 percent loss on land premium is simply not true. And to further suggest some wrong doing by officials of the Buildings Department and Development Bureau to ensure post-retirement benefits is, at the very least, unprofessional and potentially libelous.

Yours sincerely

Louis Loong
Secretary General