

J.C.M.F.

10 March 1984

Ailing estates amend terms

The Industrial Estate Corpn, which has been unable to lease sites at its Yuen Long estate project, has amended its selection and leasing terms in order to attract investors.

The chief executive, Mr Victor Miller, described the amendments as giving formal effect to actual practice, rather than radically altering the conditions.

Industrialists had considered the conditions of the lease as too strict and the payment terms as not competitive with property on the market.

The most important change in terms and conditions is the method of paying the lease premium, said Mr Miller.

The land premium remains the same — at \$800 a square metre — for sites with a plot ratio of below 2.5. Premiums for sites with greater development potential are negotiable.

However, payment of the premium will now be allowed in instalments over 10 years, with a 10 per cent downpayment. Interest charges will be equivalent to the banks' best lending rates.

Previously, the corporation required full payment of the premium.

Buildings will still have to be erected within a specified time in accordance with approved drawings, but the value of the building will no longer be stipulated, said Mr Miller.

"Product categories will still be stipulated but manufacturers will no longer be tied to specific products in the category and changes will be permitted with the corporation's approval," according to Mr Miller.

There will be no stipulation as to the annual value of products manufactured.

Another area amended pertains to the licensing of parts of a factory to subsidiaries and associates of the lessees. This will now be permitted, with the prior approval of the corporation.