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ECONOMY

RACES FOR ANOTHER 50 YEARS AT SHA TIN

New lease will take racecourse beyond the 2047 Basic Law expiry date and provides for full premium payment for members-only clubhouse

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The Jockey Club will continue to lease the Sha Tin racecourse, including a members-only clubhouse and a public park, for 50 more years.

The new lease will last beyond 2047, which marks the final year of Beijing's promise in the Basic Law that Hong Kong will continue its capitalist way of life for 50 years after the 1997 handover.

But the new term, longer than the previous 15 years, has drawn criticism over a lack of consultation, although others said the department had the discretionary power to grant and renew leases.

It is understood that under a special purpose lease, the club will pay a full premium for the clubhouse to host members-only activities not related to racing, such as social gatherings, retailing and catering.

Previously, the club needed the department's approval to host such activities.

The premium will be waived for Penfold Park, which is open to the public, as well as other venues for racing and charity events, according to the agreement.

The club will pay an annual government rent of 3 per cent of the site's rateable value for the 7.3 million square foot lot.

A paper submitted to the Legislative Council by the Home Affairs Bureau showed the rent in 2013-14 was HK\$18.7 million.

The department had not commented on the new lease by press time.

Granted in 1977, the club's lease for the racecourse was renewed for 15 years for recreation purposes in 1997.

It expired in June 2012 after which the club rented the venue on short-term contracts. A club spokesman said the department approved the lease in June.

She added that the lease for the Happy Valley racecourse would expire in 2024 and that the club believed the government would discuss the lease arrangement at an "appropriate time".

But the newly elected lawmaker for the surveying and planning sector, Edward Yu Chung-yim, criticised the government for approving the lease without informing or consulting residents or the Legislative Council beforehand.

He also questioned why the government extended the length of the lease from 15 years to 50 years, and why it allowed the club to pay a full premium to restrict public access to the clubhouse.

\$18.7m

The amount of money in HK dollars that the Jockey Club paid to the government in 2013-14

Tony Wan Wai-ming, a member of the Hong Kong Institute of Surveyors, said leases for special purposes were often granted for a period of 15 to 21 years, while residential and commercial leases were offered for 50 years.

Wan said he did not think the club's 50-year lease was problematic as the club would pay a full premium for the clubhouse, making it a commercial area.

He added that the department had the discretionary power to approve leases.

"If the department needs to consult everybody on the renewal of every lease, how long will it take for it to renew all the leases in Hong Kong that will expire in 2047?" Wan asked.



The deal has been criticised for lack of consultation Photo: Kenneth Chan