

**Funding Scheme for Making Optimal Use of
Vacant Government Sites**

The DEVB launched the Funding Scheme in February 2019 and obtained approval from the Finance Committee of the LegCo for increasing the approved total commitment for the Funding Scheme from \$1 billion to \$1.5 billion¹ in July 2024, so as to support NGOs in taking forward worthy projects for the community on vacant government sites, so as to align with the policy objective of making optimal use of precious land resources. The Funding Scheme subsidises NGOs granted with short-term tenancies for vacant government land (including vacant school premises) in carrying out one-off, basic and essential restoration works to make the sites/school premises fit for use.

2. The Funding Scheme has been widely welcome by NGOs since its implementation. Apart from financial support, the DEVB also provides technical support to NGOs, and co-ordinates with other government departments with a view to expediting relevant approval(s) for the proposed projects and enabling early commencement of works. As at the end of August 2026, subsidies have been granted for a total of 33 projects, involving approximately 97 000 m² of vacant government sites (including vacant school premises) in total, covering uses such as recreation, arts and culture, sports, community farms, etc. Among these projects, 23 of them have completed the construction works and commenced operation, including the youth training centre of Hong Kong Air Cadet Corps at Shiu Fai Terrace, Wan Chai (Ex-Pun U Association Wah Yan Primary School), and the sea activity centre of Scout Association of Hong Kong near Tai Tam Reservoir. In addition, five projects have commenced construction works and are expected to be completed progressively by the first quarter of 2027. The remaining five projects are undergoing detailed design and site investigation which will be completed within the first quarter of 2027

¹ In July 2024, the Government implemented enhancements to raise the funding ceiling for applications involving projects with area larger than 2 000 m²; and/or vacant government sites lacking vehicular access, and to expand the scope of funding to cover the costs for preparation of technical assessments and submissions for short-term tenancy applications for use of vacant government sites.

before proceeding to application for construction costs under the Funding Scheme.

3. As at the end of August 2026, the DEVB has approved a total amount of \$1.085 billion for the aforementioned 33 subsidised projects, with an actual disbursed funding of \$883 million. To ensure sufficient resources for continuing the Funding Scheme, we propose to increase the total non-recurrent commitment under the Funding Scheme by \$200 million, that is, from \$1.5 billion to \$1.7 billion, in 2027-28. The relevant funding will support the estimated construction costs (subject to approval) of the aforementioned five projects undergoing detailed design and site investigation, and enable the DEVB to approve funding to take forward some of the other funding applications received. Upon increase in the approved commitment, our preliminarily estimate regarding the annual cash flow requirement² of the Funding Scheme is as follows –

Financial year	\$ million
Actual expenses as at 2025-26	788.9
2026-27	185.0
2027-28	220.0
2028-29	240.0
2029-30	180.0
2030-31	86.1
Total	1,700.0

² The annual cash flow is subject to adjustment based on the actual number of applications received and approved, as well as the corresponding amount of funding.