

**Memorandum for the Commercial Properties Committee of
the Hong Kong Housing Authority**

**Five-year Rolling Programme
for Asset Enhancement of Retail and Carparking Facilities**

PURPOSE

This paper updates Members on the latest progress of asset enhancement of the Housing Authority (HA)'s retail and carparking (RC) facilities and seeks Members' endorsement of the forward programme.

RECOMMENDATION

2. Members are requested to –
 - (a) note the progress of enhancement works for the earmarked projects (**paragraph 5**);
 - (b) note the arrangements in maximising the usage of the existing carparks and providing electric vehicle (EV) chargers (**paragraphs 7 to 9**);
 - (c) approve the proposed earmarking of Shui Pin Wai and Choi Wan (II) Estates for undertaking further studies on asset enhancement (**paragraph 6**); and
 - (d) approve the declassification of this paper (**paragraph 15**).

BACKGROUND

3. To meet residents' needs and to optimise the use of resources, we have since 2011 formulated a five-year rolling programme for prioritising asset enhancement of HA's RC facilities. This programme has been kept under review and reported to Members on an annual basis taking into account the latest circumstances.

4. In accordance with the results of the strengths-weaknesses-opportunities-threats (SWOT) analysis of HA's commercial portfolio, a total of 25 retail projects^{Note 1} and 10 carpark projects^{Note 2} have been identified for asset enhancement through major improvement works, creation of additional shops, re-designation of trade mix and conversion of usage. Apart from the seven earmarked retail and market facilities, which are at different stages of improvement as set out in paragraph 5 below, the other retail and carpark projects have been concluded.

RETAIL FACILITIES

Progress Update

5. The latest progress of the seven earmarked projects, which are undergoing different stages of improvement or study in accordance with their relative priorities, is reported as follows –

(a) Shek Kip Mei Market

Shek Kip Mei Market comprises over 350 shopstalls with majority of them currently in operation. Taking into account technical constraints and local views, we have completed various improvement works including refurbishment of façade of external walls facing

Note 1 Retail and/or market facilities in Cheung Shan Estate, Choi Tak Estate, Choi Ying Estate, Hoi Lai Estate, Kwai Chung Estate, Kwai Shing West Estate, Lei Muk Shue Estate, Lung Poon Court, Mei Tin Estate, Mei Tung Estate, Nam Shan Estate, On Kay Court, Ping Shek Estate, Pok Hong Estate, Shek Kip Mei Estate, Shek Pai Wan Estate, Tai Hang Tung Estate, Tin Ching Estate, Tin Yan Estate, Upper Ngau Tau Kok Estate, Wah Fu (I) & (II) Estates and Yau Lai Estate.

Note 2 Carpark facilities in Cheung Shan Estate, Choi Hung Estate, Kwai Shing West Estate, Lai Yiu Estate, Nam Shan Estate, Ping Shek Estate, Shek Pai Wan Estate, Wah Fu (I) & (II) Estates and Yip On Factory Estate.

Shek Kip Mei Street and Woh Chai Street, upgrading of directory and entrance signages as well as improvement of lighting facilities. We have also replaced existing ventilation facilities such as jet fans, axial fans and associated air ducts. Furthermore, improvement works for toilets and refurbishment of façade of external walls facing Nam Cheong Street and Berwick Street are in progress with target completion in end-2021.

(b) Pok Hong Market

Building works for the enhancements including building services installations, improvement of market layout, toilet refurbishment, etc. commenced in March 2021 and are scheduled for completion by phase in mid-2022. Temporary shopstalls at Pok Hong Shopping Centre and at the periphery of Pok Hong Market have been created to enable affected tenants to continue their businesses during the works period.

(c) Yau Lai Shopping Centre

We have completed the works for upgrading directory signs and internal decorations to create a synergy effect for promoting Yau Lai Shopping Centre and Domain as a single shopping attraction in the region. We have also completed works for the installation of additional lighting facilities, and are studying the feasibility of improving the toilets to match with that for Domain.

(d) Choi Ying Place

Building and structural plans for the creation of a new shop for dry trade have been approved. Works will commence soon with target completion in early 2022.

(e) Tin Ching Estate

Building and structural plans for the conversion of vacant bays on the ground floor of a domestic block into new shops for retail and service trades have been approved. Conversion works commenced in February 2021 with target completion in end-2021.

(f) Upper Ngau Tau Kok Estate

We are studying the feasibility of creating new shops taking account of technical considerations, local views and the types of retail facilities required to meet local needs.

(g) Mei Tin Shopping Centre

We are liaising with the tenants of the supermarket and an adjoining shop to explore the feasibility of downsizing proposals for the creation of additional shops to widen the trade mix.

Proposed Programme

6. In formulating the forward programme for asset enhancement in recent years, we have been focusing on smaller scale works such as creating new shops or enhancing trade mix to widen the choice of goods and services and meet the needs of local residents given the declining stock available for large scale improvement. Having conducted the SWOT analyses at the **Annex**, we *propose* to include Shui Pin Wai and Choi Wan (II) Estates in the five-year rolling programme to undertake detailed studies for asset enhancement.

CARPARKS

Progress Update

7. As at 30 June 2021, HA has 183 carpark with some 32 600 parking spaces. The overall occupancy rate has been maintained at a high level of around 98%. Following conclusion of the earmarked conversion projects (paragraph 4 and Note 2) and having regard to the high occupancy rate, there appears little scope to carry out further large scale conversion works. We will continue our measures to maximise the usage of these carpark, such as seeking necessary permissions to let surplus parking spaces to non-residents, converting surplus parking spaces for the parking of other types of vehicles in demand and adopting flexible adjustment in the arrangements for the letting of parking spaces^{Note 3} to meet local demand.

Note 3 We have converted surplus monthly parking spaces for hourly parking to meet the increase in demand during weekends and public holidays. To maximise the utilisation of parking spaces and to reduce the number of carpark users on the waiting list, floating parking system has been implemented in some of HA's carpark with hourly parking spaces to enable the sale of more monthly tickets.

8. In support of the Government's efforts to increase car parking spaces and in response to local demand, we have been seeking opportunities to create additional carparking spaces by making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc. We have informed Members of the arrangement (Paper No. CPC 8/2018 refers) and kept Members updated of the progress (Paper Nos. CPC 6/2019, CPC 16/2020 and CPC 7/2021 refer). As at the end of June 2021, we have identified the possibility to create a total of 230 additional parking spaces. We have already created 160 spaces in 22 estates and are working on the remaining 70 spaces in another five estates. We will continue to seek opportunities to create additional parking spaces in existing carparks subject to technical feasibility, necessary approvals and local views.

9. In support of Government's policy to promote the wider use of EVs, HA has been providing EV charging facilities in its carparks. In March 2021, we have updated Members on the latest position vide Paper No. CPC 7/2021. As at 30 June 2021, EV chargers have been provided at about 400 hourly and 1 000 monthly private car (PC) parking spaces in HA's carparks^{Note 4}. In support of Government's further initiatives to enhance the provision of EV charging facilities, we have also been installing additional medium chargers at hourly PC parking spaces in HA's existing carparks if technically feasible and sufficient electricity loading is available. For carparks in new public housing projects under planning and early design stages, we will be installing medium chargers and its charging-enabling facilities instead of standard chargers^{Note 5}. As at 30 June 2021, about 50 EV chargers installed in HA's carparks are quick and medium chargers. We will continue to keep in view the usage of these EV chargers and consider gradually installing more medium chargers at HA's existing carparks if situation warrants.

Note 4 In accordance with the requirements of the Hong Kong Planning Standards and Guidelines, HA has been providing EV charging facilities in its new carparks since 2013. EV chargers have been installed for at least 30% of PC parking spaces in HA's covered carparks concerned, and the remaining 70% have been provided with EV charging enabling infrastructure (including sufficient power supply, cables and conduits). As endorsed by Members in August 2015 vide Paper No. CPC 16/2015, HA has also been installing EV chargers at PC parking spaces in existing carparks subject to demand, technical feasibility and available electricity loading.

Note 5 For projects at advanced design and tender stages or under construction, we will review the feasibility of providing medium chargers with due diligence on a case by case basis taking into account the time and cost implications as well as other technical and spatial requirements.

LATEST POSITION

10. To sum up, the implementation of the improvement/conversion programmes and enhanced leasing strategies have substantially improved the utilisation and occupancy of HA's commercial premises. As a result of new production, creation of stock from conversion projects and market re-ordering exercises, the total retail floor space under HA has increased from around 165 600m² (internal floor area (IFA)) in March 2011 to around 269 300m² (IFA) in June 2021. The overall vacancy rate of retail premises has dropped from 4.9% to 1.8% during the same period. As for carparks, as a result of new production and net of the deletion of stock for conversion projects, the number of parking spaces has increased from about 27 000 in March 2011 to 32 600 in June 2021 and the overall occupancy rate has increased from 76% to 98% over the same period.

IMPLEMENTATION

11. Upon Members' approval of the proposal to include Shui Pin Wai and Choi Wan (II) Estates in the five-year rolling programme as proposed in paragraph 6, we will conduct further studies on the feasibility and work out details for the scope of works, programme, funding requirements and financial viability, etc.

12. In accordance with the endorsed "2021/22 Programme of Activities for Commercial Properties (PoA)", we will continue to identify new enhancement opportunities to meet the objective of enhancing the potential of HA's commercial properties and improving business environment. Given the declining stock available for large scale improvement, we will continue to focus on smaller scale works or enhancement of trade mix to meet the needs of local residents.

FINANCIAL, STAFFING AND INFORMATION TECHNOLOGY (IT) IMPLICATIONS

13. The proposal in paragraph 6 above aims at consolidating a five-year rolling programme for prioritising asset enhancement works and will not give rise to additional financial or staffing implication at this stage. While funds have been reserved in the 2021/22 Approved Budget for carrying out improvement works for the approved projects, additional funding for the proposed projects will be worked out and sought in the future budget exercises. We will keep in view the staffing

requirement for the enhancement works and bid for additional manpower through the established procedures. There is no IT implication.

PUBLIC REACTION / PUBLICITY

14. Residents and the general public should welcome our strategy for enhancing our business portfolio to better utilise HA's facilities and improve the provision of commercial services. We will continue to liaise with the stakeholders closely throughout the process of improvement works for effective implementation.

DECLASSIFICATION

15. We *propose* that this paper be declassified upon Members' approval of the proposals. The paper will be made available to the public on the HA's website, the Department's Library and through the Departmental Access to Information Officer if it is declassified.

DISCUSSION

16. At the meeting to be held on 23 August 2021, Members will be invited to endorse the recommendations in **paragraph 2** above.

Ms Michelle LAU
Secretary, Commercial Properties Committee
Tel. No. : 2761 7928
Fax No. : 2761 0019

File Ref. : HD 3-8/CPESU/A-22/4
(Estate Management Division)
Date of Issue : 17 August 2021

SWOT Analysis for Retail Facilities

Shui Pin Wai Estate

Estate Particulars	Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> ➤ Built in 1981 ➤ Estate population of about 5 700 (about 2 400 flats) ➤ About 190 parking spaces 	<ul style="list-style-type: none"> ➤ Easily accessible to Shui Pin Wai Light Rail Stop and Long Ping MTR Station with good pedestrian flow ➤ Sufficient parking facilities for shoppers 	<ul style="list-style-type: none"> ➤ Limited retail floor space restricting opportunities for trade widening ➤ Only three shop units are available with limited shopping choices, leading to out-drain of customers 	<ul style="list-style-type: none"> ➤ A number of primary/secondary schools in the vicinity with considerable retail demand ➤ Potential shoppers from various welfare and community facilities within the estate ➤ Potential shoppers from nearby Shui Pin Wai Village, Chun Hing San Tsuen and Villa By The Park 	<ul style="list-style-type: none"> ➤ Keen competition from Yuen Long Plaza and nearby shopping facilities

SWOT Analysis for Retail Facilities

Choi Wan (II) Estate

Estate Particulars	Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> ➤ Built in 1978 ➤ Estate population of about 8 600 (about 3 000 flats) ➤ About 90 parking spaces 	<ul style="list-style-type: none"> ➤ Well served by franchised buses and public light buses and easily accessible to Bus Terminus at Choi Wan (I) Estate by covered walkway ➤ Good business potential given the lack of retail facilities within the estate 	<ul style="list-style-type: none"> ➤ Located at uphill area, difficult to attract external customers ➤ Lack of retail facilities within the estate, leading to out-drain of customers ➤ Aging population 	<ul style="list-style-type: none"> ➤ The football pitch and the covered basketball court within the estate generate potential demand for drinks and refreshments ➤ Potential shoppers from nearby primary and secondary schools 	<ul style="list-style-type: none"> ➤ Competition from Choi Wan Commercial Complex in Choi Wan (I) Estate run by private owner