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

Progress Update on Conversion Works and Measures Taken in Maximising the Usage of Carparks

PURPOSE

This paper informs Members of the measures taken in maximising the usage of the Housing Authority (HA)'s carparking facilities and the progress of the conversion projects.

BACKGROUND

2. Out of the 130 HA's carparks [Note 1], more than 70 were built over twenty years. Some of them are outmoded in design and fail to meet the ever-changing demand of residents over time. Due to the enhanced mass transport system, there has been a drop in the demand for private car parking spaces from our residents and hence the vacancy rate has remained high. In December 2005, the overall occupancy rate for parking facilities was only around 60% and individual occupancy rates of nearly half of the carparks were below 70%. Over the years, the Department has made every effort to maximise the usage of carparks. To this end, surplus spaces were re-designated where appropriate for parking of other vehicle types in demand. The term of letting has also been adjusted flexibly to suit the changing need. In parallel, the Department has also initiated appropriate conversion exercises for those carparks in diminishing demand with a view to maximising the usage of carpark resources to serve our residents.

Note 1 Providing a total of about 28 000 parking spaces.

MEASURES TAKEN

Re-designation of Parking Spaces for Other Types of Vehicles

3. The occupancy and demand for parking spaces of different vehicle types at individual carparks have been reviewed critically from time to time. To meet the rising demand from motorcylists in recent years, the Department has re-designated surplus private car parking spaces to motorcycle parking spaces where practicable in various carparks when supply was inadequate. Since 2006, more than 550 motorcycle parking spaces have been created through re-designation of some 170 private car parking spaces in 25 carparks.

Letting of Surplus Parking Spaces to Non-Residents

4. Aside from changing the type of parking spaces, the Department also monitors closely the letting position of individual carparks and when necessary, adjusts the letting of vacant parking spaces from monthly to hourly basis to meet the changing need of the carpark users.

5. In some circumstances where parking facilities are still in excessive supply despite implementation of various measures, the Department will consider the letting of the surplus parking spaces to non-residents on monthly basis to meet the public demand. The monthly letting of parking spaces to non-residents requires permission and agreement from the Town Planning Board and Commissioner for Transport respectively and where “non-residents’ use” covenant of the Government lease is in force, a waiver from Lands Department. Over the years, the Department has obtained periodic permissions from the Town Planning Board to use the surplus parking spaces for temporary public vehicle parks, with priority accorded to the residents in the letting process. There are currently planning permissions obtained for 40 carparks and a significant improvement is seen in the occupancy status. The overall vacancy rate of these 40 carparks has dropped from 39% to 15% as a result of the letting of some 2 800 parking spaces to non-residents after obtaining the planning approvals.

Conversion of Surplus Parking Spaces to Other Uses

6. One of the key activities of HA to maximise the usage of carparks is to explore opportunities of converting the surplus carparks to other appropriate uses. Since 2006, a number of conversion projects have been

implemented and completed. New spaces of more than 17 000m^2 (Internal Floor Area) were created from the conversion projects and leased out to non-government organisations and institutions. Major projects include the telebet cum volunteers training centre and welfare facilities at Tin Heng Estate Carpark, the Speedpost hub at Lei Yue Mun Estate Carpark, the welfare facilities at Shek Pai Wan Estate Carpark and the educational use at Nam Shan Estate Carpark. These converted premises were let to different organisations and users providing a variety of facilities and services which are very welcomed by local residents and the public. The conversion exercises are successful not only in better utilising the carpark resources but also in improving the letting position of the carparks effectively, with the introduction of the new facilities which brings in additional carpark users and visitors. From 2010 onwards, carparks identified with potential of conversion are included in the five-year rolling programme for asset enhancement as endorsed by the CPC. A summary of the conversion projects is shown at the **Annex**.

7. The above measures and exercises are effective in maximising the usage of carparks to address the needs of our residents. The letting position of carparks has continued to improve with the overall occupancy rate going up substantially from 60% in December 2005 to 86% in December 2013. A notable increase of carpark revenue was also achieved [Note 2].

FINANCIAL, STAFFING AND INFORMATION TECHNOLOGY (IT) IMPLICATIONS

8. The conversion exercises incurring a total cost of about $80M have created some 17 700m^2 in total [Note 3] for letting, generating an additional rental income of around $21M per annum. The additional workload arising from any conversion works and leasing arrangements will be absorbed by existing staff. There is no IT implication.

Note 2 The total annual rental income from carparks increased from $166M (about 27 200 parking spaces in total) in 2006/2007 to $396M (about 27 600 parking spaces in total) in 2012/2013.

Note 3 Involving projects completed/to be completed in 2006 to 2014 and including the four shops newly created at Ping Shek Estate Carpark.

PUBLIC REACTION/PUBLICITY

9. The above measures and conversion exercises provide flexibility in the use of parking facilities and more choices of community and welfare facilities to meet the changing needs are well supported by local residents.

INFORMATION

10. This paper is issued for Members' information.

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Annex

Conversion of Carparks to Welfare and Other Uses

Location	No. of Parking Spaces Involved	Internal Floor Area of Converted Space	Converted Use
Projects completed in 2006 to 2009			
1. 5/F, Wing B, Tin Heng Estate Carpark	76	1 120 m^2	Integrated Children and Youth Services Centre
2. 6/F, Tin Heng Estate Carpark	90	1 274m^2	Creative Media Workshop
3. 1/F, 2/F and 5/F, Tin Heng Estate Carpark	316	5 534m^2	Telebet cum Volunteers and Traning Centre
4. Lei Yue Mun Estate Carpark	51	1 165m^2	Speedpost Hub
Projects completed in 2010 to 2013			
5. Shek Pai Wan Estate Carpark	125	3 355m^2	Children and Youth Centre
6. Shek Pai Wan Estate Carpark		673m^2	Social Service Centre
7. 5/F to 8/F, Nam Shan Estate Carpark	190	3 904m^2	Educational Institution
Total:	**848**	**17 025 m^2**	
Projects to be completed in 2014			
8. G/F, Ping Shek Estate Carpark	64	657m^2	<u>Retail lane with 4 shops designated for eateries, drinks and refreshment</u> Works completed and letting in progress.
Projects under study			
9. G/F, Lai Yiu Estate Carpark	78	1 818m^2	<u>Storage use</u> Proposal under vetting.
10. G/F, Yip On Factory	5	72m^2	<u>Retail use</u> Planning application for change of use under preparation.