

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

**Year-end Performance Review of  
the 2024/25 Programme of Activities for Commercial Properties**

**PURPOSE**

This paper presents the year-end performance review of the 2024/25 Programme of Activities for Commercial Properties (PoA) for Members' information.

**BACKGROUND**

2. In December 2023, Members approved the PoA vide Paper No. CPC 15/2023. This paper reports the year-end performance review of the PoA up to end March 2025.

## PERFORMANCE REVIEW

### (a) Key Activities

3. The year-end progress of the Key Activities (KAs) is detailed at **Annex A**. As summarised in the table below, all the KAs were on schedule/on-going.

No. of KAs		
Committed	Position as at end March 2025 <sup>Note</sup>	
	Action Completed	On Schedule/On-going
4	-	4

4. During the year, we continued to explore suitable retail and car parking facilities to undertake feasibility studies for asset enhancement by Strengths-Weaknesses-Opportunities-Threats analysis. Projects of retail and car parking facilities earmarked under the five-year rolling programme were implemented as scheduled. The improvement works at Upper Ngau Tau Kok Estate, Mei Tin Shopping Centre and Tung Wui Estate were completed. The successful leasing of additional shops had not only enhanced the trade mix of the shopping centres but also increased the variety of goods and services available in the estates. In August 2024, the retail facilities in Choi Tak Estate and Wo Tin Estate were earmarked for further studies under the asset enhancement programme. Besides the new projects, improvement works were in good progress in Shui Pin Wai Estate, Choi Wan (II) Estate, Shek Yam (East) Estate, Lung Poon Court Commercial Centre, and Cheung Sha Wan Estate. The Department will examine the financial effectiveness of the completed projects by financial returns and payback periods so as to ensure the optimal utilisation of resources.

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Note The implementation progress of the KAs is determined as follows –

- “Action Completed” denotes KAs with all performance goals achieved.
- “On Schedule/On-going” denotes KAs with performance goals being pursued on schedule or on an on-going basis. This category also covers KAs with part of their performance goals achieved.

5. To optimise the use of resources, we continued to explore ways to optimize the use of non-domestic premises and other spaces, including conversion to domestic or other uses. As at end March 2025, five domestic units converted from recovered Mutual Aid Committee (MAC) offices had been successfully let out. Meanwhile, the Hong Kong Housing Authority (HA) has also leased suitable non-domestic premises (including recovered MAC offices) to 50 non-profit-making organisations engaged by the Environmental Protection Department for setting up mini-recycling stores. Additionally, HA has set aside some recovered MAC offices for letting to the District Services and Community Care Teams (Care Teams) at concessionary rent, with the Home Affairs Department responsible for administering the allocation. Up to present, a total of some 290 ex-MAC offices were let to Care Teams.

6. Furthermore, the Department continued to implement various measures to maximise the usage of HA's car parking facilities, including re-designation of surplus parking spaces for a particular type of vehicles to other types of vehicle in demand, conversion of surplus monthly parking spaces for hourly parking to meet the demand, adopting floating parking system in some carparks with hourly parking to enable the sale of more monthly tickets and letting surplus parking spaces to non-residents upon obtaining necessary permissions, etc. Through the implementation of such measures coupled with the increasing demand for parking spaces, the overall occupancy rate of HA's parking spaces has been maintained at a high level of around 97% as at the end of March 2025.

7. To meet the community's growing demand for car parking spaces, HA, in addition to building new carparks in its newly completed properties, continues to increase the supply of parking spaces in its existing carparks through various means such as making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of different types of vehicles, etc. subject to technical feasibility and necessary approvals. Through the proactive efforts of HA, a total of 430 additional parking spaces were created in about 50 existing HA carparks as at March 2025, including about 200 private car (PC) parking spaces, about 210 motorcycle parking spaces and about 20 light goods vehicle parking spaces. We would continue to implement various measures to maximise the usage of HA's car parking facilities as well as seek opportunities to add more car parking spaces to meet the demand.

8. To meet the challenges posed by changing consumption patterns of local residents, coupled with the growing popularity of cross-border shopping and online shopping, we have adopted a comprehensive leasing strategy for the letting of our commercial premises, including marketing and proactively approaching potential tenants and diversifying the trade mix of our shopping centres to improve the chance of leasing out commercial premises. Besides, to cater for the basic needs of new residents upon intake, we have formulated a strategic leasing plan well ahead of the completion of new retail facilities, such as Ching Tao Shopping Centre, Fu Tip Shopping Centre and On Sau Shopping Centre, in order to provide a diversified and balanced selection of goods and services for residents.

9. On the other hand, in response to society's concern about youth development and support young people in pursuing their entrepreneurial dreams, HA launched the "Well Being • Start-Up" Programme in July 2024. The programme was implemented from October 2024 for a seven-month period in the initial stage, offering selected shop premises in HA's shopping centres rent-free and assistance with basic shop renovation and marketing for young people to trial their business plans. If the participants made a profit during the programme, HA would charge 20% of their net profits to support the ongoing development of the programme. HA received a total of about 180 applications and eventually selected 17 teams to operate in different shopping centres including Domain, Kai Chuen Shopping Centre, Hoi Lai Shopping Centre, Shui Chuen O Plaza, Kwai Chung Shopping Centre, Lei Muk Shue Shopping Centre and Queens Hill Shopping Centre. Beyond fostering youth entrepreneurship, the programme had injected vitality and innovation into the community, offering residents a more diversified selection of goods and enhanced shopping experiences while generating significant social benefits. HA had also expanded the scale of the programme and encouraged private shopping arcades and landlords in the commercial sector to provide more shops for young people to start their business.

10. Over the past year, against the backdrop of a weak retail market and changes in consumption patterns in Hong Kong, the overall vacancy rate of HA's retail facilities rose to 4.1% in May 2024. HA has immediately adopted proactive, flexible, diversified and comprehensive leasing strategies. With the Department's effort, the vacancy rate for retail premises (shops) as at the end of March 2025 dropped to 3.3% against the Key Performance Indicator (KPI) of below 2.5%. The higher vacancy rate was mainly due to the changing shopping habits of local residents with the growing popularity of online purchase and "going north" for consumption. The latest position of vacancy rate of

HA's retail facilities and the relevant improvement measures had been reported to the Legislative Council at the meeting of the Panel on Housing on 9 May 2025 and relevant meeting papers had been circulated to Commercial Properties Committee (CPC) Members for information by email on 12 May 2025. Besides, due to the decrease in rental income as a result of the reduction in assessed rent for shops upon tenancy renewal, in line with the latest market trends and the overall environment of commercial property leasing, the operating expenditure as a percentage of income (including depreciation and rates) stood at 62.1% as at the end of March 2025, against the KPI of below 60%.

11. To sustain the popularity and attractiveness of Domain, HA's flagship shopping centre and as a regional mall, we focused on improving its trade and tenant mix through proactive strategies in tenancy renewal and well-planned leasing initiatives. To better appeal to young families and align with Domain's image and market positioning as a trendy and chic shopping centre, a new open-plan café was introduced in August 2024. In addition, two new shops offering tea-based specialty drinks and trendy lifestyle products were introduced in August 2024 and December 2024 respectively, further enhancing Domain's trade mix. In November 2024, the Letting Panel endorsed the introduction of three popular shops, including a reputable brand offering various electronic products, a new lifestyle shop offering a variety of food and drink, household goods, personal care items, pet products, toys and stationery, etc. at highly competitive prices, as well as a restaurant offering Sichuan-style dishes and authentic noodle soup. These renowned establishments are expected to attract patronage from a wider catchment area, further enhancing Domain's competitiveness and attractiveness.

12. To incentivise spending and show appreciation to loyal customers, Domain launched an E-coupon redemption program in January 2024 via the Domain Club Mobile Application. This program, supported by around 70 shop tenants, has been proven popular with both merchants and club members. In addition to this initiative, seasonal events and decorations were arranged in other shopping centres during key holidays to enhance the shopping ambience and drive sales.

13. To celebrate the 75<sup>th</sup> anniversary of the founding of the People's Republic of China, the Department organised the National Day 75<sup>th</sup> Anniversary@Domain event on 1 October 2024. Under the theme of dreams, there were four highlight events – a string performance, Dream on Stage Finals, an elderly fashion show and an indoor drone show highlighting dreams and national pride. In addition, the Domain Club Mobile Application,

launched since August 2021, significantly enhanced customer loyalty. As of March 2025, the number of Domain Club members reached approximately 88 300, showing a significant year-on-year increase of 34.9%.

14. For other HA's shopping centres, the Department had also arranged promotional activities and festive decorations during major festivals to enhance the shopping ambience and boost sales. In 2024/25, a total of some 440 hours of promotion activities were held in 25 major shopping centres, whilst decoration packages for 28 shopping centres and major retail facilities were provided during major festivals.

15. Throughout the year, we carried on the collaboration with various non-governmental organisations (NGOs), government departments and institutions to hold civic, cultural and community building events or activities in Domain and other shopping centres. Some notable events that took place during the year include "15<sup>th</sup> Quit to Win Contest cum Smoke Free Community Campaign – Recruitment Day", "Clean Recycling Promotion", "IT Stimulation Carnival for Elders", "Campaign of Next-phase Tobacco Control Measures - Roadshow", "Publicity Event for Elderly Smoking Cessation Promotion Project 2024-25", "60<sup>th</sup> Anniversary of Dongjiang Water Supply to Hong Kong", "Love Teeth Day 2024", "Dark Night Sports Event" and "Lion Dance Performance 2025".

16. On environmental protection, we continued to implement green measures in the operation of HA's retail facilities. To support energy saving, we continued to arrange our shopping centres to join Energy Saving Charter and Charter on External Lighting. Besides, to show our support in food waste reduction, we invited tenants of our 25 shopping centres/markets to join the Government's Food Waste Collection Pilot Scheme for daily separation and collection of food waste, which was transported to the Organic Resources Recovery Centre in Siu Ho Wan for recycling. Moreover, a Food Waste Pre-treatment System, namely "Food TranSmarter", has been completed installation in November 2024 at Domain. Tenants of restaurants, supermarkets and market stalls were also encouraged to participate in food donation schemes organised by various NGOs. Furthermore, to promote a caring society and environmental protection, HA incorporated green leasing terms cover various aspects, such as encouraging tenants to practise green operation and management principles, use the green features provided by the shopping centres, etc., in all the newly signed tenancy agreements and licences for commercial properties and non-domestic premises starting from end March 2025.

17. To complement the Government's initiative to promote wider use of electric vehicles (EVs), HA has been actively providing EV charging facilities in its carparks since 2011. New carparks would be provided with medium charging facilities according to the Hong Kong Planning Standards and Guidelines and two quick chargers would be installed at hourly PC parking spaces for new carparks with not less than 100 parking spaces under prevailing practice.

18. We have also been expanding the provision of EV charging facilities in HA's existing carparks in support of Government's long-term policy objectives. Medium chargers and charging-enabling facilities were installed in about 3 000 car parking spaces in 2024 to further improve the coverage. As at the end of March 2025, HA has provided EV chargers at about 3 810 PC parking spaces, of which 890 are hourly parking spaces and about 2 920 are monthly parking spaces, in about 140 carparks.

19. In support of the Government's initiative of marketisation of EV charging services, CPC approved the implementation of fee-paying charging services in HA's hourly parking spaces in 2024, with the charging fee subject to annual review which takes effect from 1 January of the following year. The first review was completed and the hourly EV charging fee for medium chargers is \$10 per 30 minutes commencing from 1 January 2025.

#### **(b) Key Performance Indicators**

20. There were four KPIs under the PoA to facilitate evaluation of the commercial operations in 2024/25, and their year-end position is summarised at **Annex B**.

#### **FINANCIAL PERFORMANCE**

21. The Commercial Operations generated a provisional surplus of \$1,353 million for the year ended 31 March 2025, as compared to the Revised Budget surplus of \$1,254 million.

22. The total income of \$3,660 million was close to the Revised Budget of \$3,650 million. The total expenditure of \$2,270 million was lower than the Revised Budget of \$2,357 million by \$87 million, mainly due to the lower than budgeted other recurrent expenditure and personal emoluments. The Commercial Operating Account is at **Annex C**.

## INFORMATION

23. This paper is issued for Members' information.

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(Estate Management Division)  
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**Programme of Activities 2024/25  
Progress Report ending 31 March 2025**

<b>Business Objectives</b>					
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>		
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>			
<b>Objective (1) Enhancing the potential of HA's commercial properties through exploring asset enhancement opportunities and optimising usage</b>					
<b>KA (1)</b> To explore opportunities to enhance HA's commercial properties and optimise the use of resources	<b>PG01</b>	To review and roll forward the asset enhancement programme for HA's commercial properties portfolio	On-going	<ul style="list-style-type: none"> <li>Feasibility studies and Strengths Weaknesses Opportunities Threats analyses were carried out for identifying asset enhancement opportunities. Choi Tak Estate and Wo Tin Estate were earmarked for further studies under the five year rolling programme for asset enhancement.</li> </ul>	On-going
	<b>PG02</b>	To monitor the progress of feasibility studies and improvement works for projects earmarked under the asset enhancement programme	On-going	<ul style="list-style-type: none"> <li>The improvement works for Upper Ngau Tau Kok Estate, Mei Tin Shopping Centre and Tung Wui Estate were completed while works for Shui Pin Wai Estate, Choi Wan (II) Estate, Shek Yam (East) Estate, Lung Poon Court Commercial Centre and Cheung Sha Wan Estate were in good progress.</li> </ul>	On-going
	<b>PG03</b>	To review the effectiveness upon completion of major asset enhancement projects	On-going	<ul style="list-style-type: none"> <li>Post-implementation review would be conducted to assess the effectiveness of major enhancement works upon completion.</li> </ul>	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2025	
	Performance Goal (PG)	Time Goal		
	<p><b>PG04</b> To maximise the usage of car parking facilities, and seek opportunities to create additional parking spaces to meet increasing parking demand</p>	On-going	<ul style="list-style-type: none"> <li>We continued to implement various measures to maximise the usage of HA's car parking facilities, and to seek opportunities for further creation of additional car parking space subject to demand, technical feasibility and necessary approvals.</li> <li>As at end of March 2025, 430 additional parking spaces had been created in 50 HA's carparks.</li> </ul>	On-going
	<p><b>PG05</b> To explore ways to optimise use of non-domestic premises, including conversion to domestic or other uses</p>	On-going	<ul style="list-style-type: none"> <li>We continued to keep in view the utilisation of storerooms and other spaces and explore feasibility for conversion of suitable spaces to domestic flats as well as welfare, retail or other non-domestic uses.</li> <li>We enhanced the promotion and dissemination of information for the letting of vacant storerooms in public rental housing blocks in order to improve their occupancy rate.</li> </ul>	On-going

<b>Business Objectives</b>					
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>		
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>			
<b>Objective (2) Enhancing HA's commercial properties</b>					
<b>KA (2)</b> To enhance the leasing, promotion and management strategies for HA's new and existing commercial facilities	<b>PG06</b>	To plan ahead and arrange early marketing and leasing of new retail facilities to tie in with residents' intake	On-going	<ul style="list-style-type: none"> <li>• We continued to plan ahead the leasing of new retail facilities to tie in with resident's intake and meet their basic needs.</li> </ul>	On-going
	<b>PG07</b>	To adopt proactive and flexible marketing and leasing strategies, so as to widen the choice of goods and services for customers in line with market trend	On-going	<ul style="list-style-type: none"> <li>• Flexible and market-oriented leasing strategies were adopted to widen the choice of goods and services for customers in line with market trend.</li> </ul>	On-going
	<b>PG08</b>	To arrange promotional activities and seasonal decorations for HA's retail facilities with a view to enhancing shopping ambience and attracting footfall	On-going	<ul style="list-style-type: none"> <li>• A total of some 440 hours in 25 major shopping centres, whilst decoration packages for 28 shopping centres and major retail facilities were provided during major festivals.</li> </ul>	On-going

<b>Business Objectives</b>				
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>	
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>		
	<b>PG09</b> To provide venues for non-government organisations (NGOs), institutions and Government departments for holding events/ activities for charity, civic, cultural, community building and environmental protection purposes	On-going	<ul style="list-style-type: none"> <li>In collaboration with various NGOs/Institutions/ Government departments, 40 civic, education and community building activity involving 432.5 hours was held in HA's shopping centres.</li> </ul>	On-going
	<b>PG10</b> To provide Wi-Fi service in HA's major shopping centres	On-going	<ul style="list-style-type: none"> <li>We continued to provide free Wi-Fi service to the public in HA's shopping centres and major retail facilities.</li> </ul>	On-going
	<b>PG11</b> To explore automation in the management of HA's carpark portfolio with a view to facilitating stock management, applications and processing, formulation of strategies, etc.	On-going	<ul style="list-style-type: none"> <li>The implementation of the new Car Park Management System and development of smart carpark solutions were on schedule.</li> </ul>	On-going

<b>Business Objectives</b>				
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>	
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>		
<b>KA (3)</b> To maintain Domain's market positioning, attractiveness and competitiveness as a regional shopping mall	<b>PG12</b> To adopt strategic planning in renewing tenancies with a view to enhancing tenants' profile and trade mix of Domain	On-going	<ul style="list-style-type: none"> <li>• We continued to take opportunity of the tenancy renewal exercise to widen the trade mix.</li> <li>• We have been adopting a proactive and flexible leasing strategy, actively looking for new tenants and popular brands to enter Domain, and appropriately using short-term leases to attract new start-ups with development potential to operate in Domain.</li> <li>• Four famous special restaurants (shops LG202&amp;LG203, 310, 311, 312) and three preserved food and confectionery shops (shops G26,122, RZ1), one well-known electronics store (shop 104&amp;105) and one trendy shop (shop 215), have been introduced to Domain in 2024.</li> <li>• Fourteen shops are leasing with short term licenses in 2024 to reduce the vacancy rate and provide wider choice to shoppers.</li> </ul>	On-going

<b>Business Objectives</b>				
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>	
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>		
	<p><b>PG13</b> To adopt proactive and flexible marketing and leasing strategies with a view to enhancing tenant and trade mix and providing more shopping choices in line with market trend</p>	On-going	<ul style="list-style-type: none"> <li>• Kiosks, bazaar, road shows and festive trade fairs were arranged to widen the choice of products and services and create new and relaxing shopping experience to visitors and customers. Festival trade fairs such as “Chinese New Year Food Fair” and “Mid-Autumn cum 75<sup>th</sup> Anniversary National Day Market” were welcomed by patrons with increased footfall.</li> <li>• To adopt a flexible leasing approach to attract new tenants and popular brands, utilising short-term leases to support promising start-ups in Domain, fostering their potential for growth and development.</li> </ul>	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2025	
	Performance Goal (PG)	Time Goal		
	<p><b>PG14</b> To arrange tailor-made promotional events and activities targeting young people and families with a view to enhancing Domain's attractiveness and competitiveness</p>	On-going	<ul style="list-style-type: none"> <li>• 27 special themed events were held and consumption stimulating programmes such as Domain Club bonus point rewards, gift redemption activities at selected festive season, e.g. Mother's Day and stage performance were successfully launched to broaden popularity, draw influx of footfall, enhancing sales at Domain.</li> <li>• To enhance the attractiveness of Domain Club, neighboring Yau Lai Shopping Centre was also covered.</li> <li>• The Domain Club was successful in recruiting new members and reinforced customer loyalty. Exclusive redemption plan and signature events such as collaboration with a local TV station for stage show for 2024 Olympics Games and Promotion Campaign for the 75<sup>th</sup> National Day were well received by members.</li> <li>• Since the launch of Domain Club Mobile app in August 2021, the number of members with electronic membership has reached some 60 500. As at March 2025, Domain Club members has reached some 88 300.</li> </ul>	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2025	
	Performance Goal (PG)	Time Goal		
	<p><b>PG15</b> To line up with mass media, renowned brands, Government departments, NGOs, charitable organisations and institutions, etc. and sponsor venues for holding entertainment and community events, so as to enhance Domain's publicity and HA's corporate image</p>	On-going	<ul style="list-style-type: none"> <li>In collaboration with various NGOs/Institutions/ Government departments, a total of 27 community events/activities such as promotion of nature conservation, charity and blood donation activity were held in Domain.</li> </ul>	On-going
	<p><b>PG16</b> To enhance facilities management for Domain so as to provide quality services for our tenants and customers</p>	On-going	<ul style="list-style-type: none"> <li>A new waste system, Food TranSmarter, has been installed in Domain for collection food waste and transfer into useful waste.</li> <li>LED lighting replacement work is continued which aims to save energy and improve Domain's image.</li> <li>We also continued on the introduction of artificial intelligence management, such as installation of People Flow Analyzing System.</li> </ul>	On-going

<b>Business Objectives</b>				
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>	
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>		
<b>KA (4)</b> To enhance the implementation of green measures in HA's commercial facilities	<b>PG17</b> To promote energy saving in the operation of HA's commercial facilities	On-going	<ul style="list-style-type: none"> <li>We continued to arrange shopping centres to join the Energy Saving Charter and the Charter on External Lighting. We also continued to participate in the "Hong Kong Green Shop Alliance" to promote sustainable green measures in tenants' daily operations.</li> </ul>	On-going
	<b>PG18</b> To support Government in food waste collection and encourage tenants to participate in programmes for recycling/reduction of food waste	On-going	<ul style="list-style-type: none"> <li>25 HA's shopping centres/markets had joined Phases 1 and 2 of the Government's Food Waste Collection Pilot Scheme. Food waste generated in the participating shopping centres/markets would be separated at source, collected and transported to the Organic Resources Recovery Centre in Siu Ho Wan for recycling.</li> <li>Tenants of restaurants, supermarkets and market stalls were encouraged to participate in food donation schemes as organised by various NGOs.</li> </ul>	On-going

<b>Business Objectives</b>				
<b>Key Activity (KA)</b>	<b>Target</b>		<b>Progress as at 31 March 2025</b>	
	<b>Performance Goal (PG)</b>	<b>Time Goal</b>		
	<p><b>PG19</b> To collaborate with NGOs, Government departments and institutions in launching educational programmes and green practices in HA’s commercial facilities for environmental protection</p>	On-going	<ul style="list-style-type: none"> <li>● In collaboration with the Hong Kong Productivity Council, “Food TranSmarter” was installed at Domain. The “Food TranSmarter” can help convert food waste into slurry, which can then be easily transported by suction trucks to generate renewable energy and animal feed.</li> <li>● Educational activities held by the Food and Environmental Hygiene Department and the Hong Kong Council on Smoking and Health to raise awareness of environmental protection and green way of living were successfully held at HA’s commercial facilities.</li> </ul>	On-going
	<p><b>PG20</b> To continue providing electric vehicle charging facilities in HA’s new carparks and expand the provision in existing carparks, in support of Government’s policy and long-term objectives</p>	On-going	<ul style="list-style-type: none"> <li>● We continued to provide EV charging facilities in the carparks of new public housing developments according to latest planning guidelines.</li> <li>● We continued to provide EV chargers at PC parking spaces in existing carparks subject to demand and technical feasibility.</li> <li>● As at end of March 2025, we had provided EV chargers at about 890 hourly and about 2 920 monthly PC parking spaces in about 140 carparks.</li> </ul>	On-going

**Progress Report of Key Performance Indicators in  
the 2024/25 Programme of Activities for Commercial Properties**

Key Performance Indicators		Targets for 2024/25	Position as at 31 March 2025
(a)	Vacancy rate for <ul style="list-style-type: none"> <li>• retail premises (shops)</li> <li>• shopstalls and cooked food stalls</li> <li>• carparks</li> <li>• factory estates</li> </ul>	<p style="text-align: center;">Below 2.5%</p> <p style="text-align: center;">Below 5.0%</p> <p style="text-align: center;">Below 5.0%</p> <p style="text-align: center;">Below 2.0%</p>	<p style="text-align: center;">3.3% <sup>Note 1</sup></p> <p style="text-align: center;">3.0%</p> <p style="text-align: center;">2.7%</p> <p style="text-align: center;">0%</p>
(b)	Operating expenditure as a percentage of income (including depreciation and rates)	Below 60%	62.1% <sup>Note 2</sup>
(c)	Operating expenditure per square metre retail space per month (excluding depreciation and rates)	Below \$230	\$205
(d)	Average income per carpark space per month	\$2,200	\$2,529.7

Note 1 The vacancy rate for Retail Premises (Shops) was 3.3% (2.95% if excluding ward offices) against the KPI of below 2.5%. The higher vacancy rate was mainly due to the changing shopping habits of local residents with the growing popularity of online purchase and “going north” for consumption.

Note 2 The operating expenditure as a percentage of income (including depreciation and rates) was 62.1% against the KPI of below 60%. The income has decreased due to the reduction in assessed rent for shops upon tenancy renewal which reflected the latest market trends and the overall environment of commercial property leasing.

**HONG KONG HOUSING AUTHORITY**  
**Commercial Operating Account**  
**for the Year Ended 31 March 2025**

	2024/25				
	2023/24	Provisional	Revised	Variance	
	Actual	(Note)	Budget	\$M	%
	\$M	\$M	\$M	(a)-(b)	(a-b)/(b)
	(a)	(b)			
<b>INCOME</b>					
Rental	3,073	3,435	3,470	(35)	-1.0
Other income	177	225	180	45	25.0
	<u>3,250</u>	<u>3,660</u>	<u>3,650</u>	<u>10</u>	<u>0.3</u>
<b>EXPENDITURE</b>					
Personal emoluments	404	404	443	(39)	-8.8
Government rent and rates	200	216	218	(2)	-0.9
Maintenance and improvements	228	243	247	(4)	-1.6
Other recurrent expenditure	847	897	937	(40)	-4.3
Depreciation and amortisation	452	484	483	1	0.2
Share of corporate supervision and support services expenses	27	26	29	(3)	-10.3
	<u>2,158</u>	<u>2,270</u>	<u>2,357</u>	<u>(87)</u>	<u>-3.7</u>
<b>OPERATING SURPLUS BEFORE EXCEPTIONAL ITEMS</b>	1,092	1,390	1,293	97	7.5
Less: Exceptional items					
- Government non-reimbursable items	37	37	39	(2)	-5.1
	<u>1,055</u>	<u>1,353</u>	<u>1,254</u>	<u>99</u>	<u>7.9</u>

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2024/25 annual accounts.

**HONG KONG HOUSING AUTHORITY**  
**Commercial Operating Account**  
**Capital Expenditure**  
**for the Year Ended 31 March 2025**

	2024/25				
	2023/24	Provisional	Revised	Variance	
	Actual	(Note)	Budget	\$M	%
	\$M	\$M	\$M	(a)-(b)	(a-b)/(b)
	(a)	(b)			
Improvement works	67	84	86	(2)	-2.3
Computer systems and equipment and other equipment	19	13	15	(2)	-13.3
<b>TOTAL</b>	<b>86</b>	<b>97</b>	<b>101</b>	<b>(4)</b>	<b>-4.0</b>

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2024/25 annual accounts.