

Creating
Thriving Communities

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With the aim of supporting the daily living needs of our millions of public housing residents, the Housing Authority (HA) also builds and operates a number of retail and community facilities. These offer both residents and the general public a range of invigorating shopping options, along with recreational and leisure opportunities, access to community and social welfare organisations, and even parking convenience. Our letting policies



for retail and factory premises also assist local small businesses gain a footing in the market. As at the end of March 2013, facilities of this type run by the HA included around 198 000 square metres of commercial and retail space; 28 000 car parking spaces; 202 000 square metres of factory premises; 2 121 000 square metres of community, education and welfare facilities; and 388 000 square metres of other space used for miscellaneous purposes. The highlight of the year was the opening of our new mega-mall, Domain, towards the end of 2012. Further details of this, the latest and largest in the HA's retail portfolio, can be found in the feature story on page 57.

Aiming for increased variety

As a community-focused organisation, the HA aims to ensure its retail malls serve local PRH residents effectively by carrying a wide mix of practical shopping outlets catering for everyday living needs. In addition to our open invitation to lease, we maintain an approved Client List, from which operators are invited to take part in leasing exercises when suitable premises become available. Throughout the year, we reviewed our leasing strategies and also proactively invited operators to enroll in the Client List, with the aim of enhancing our trade mix, increasing occupancy rates, and bringing a greater diversity of retail options to HA shopping malls.

Our revised and increasingly flexible leasing strategies helped us optimise the use of our retail facilities during the year, and make them more competitive. Enhanced leasing strategies enabled us to introduce different trade categories (such as convenience stores, personal stores and fast food outlets) at several older estates including Cheung Shan, Cheung Ching and Fu Shan Estates. The introduction of these new brands in turn attracted tenants from other trade categories to occupy previously vacant premises.

Optimising non-domestic resources

The HA has different kinds of non-domestic spaces under its care, including premises set aside for retail purposes, community care and car parking. As the needs of the community change, sometimes it is necessary to review the way such non-domestic space is being utilised.

In some cases, this involves improvement work to enhance our assets and bring them up to a higher standard. During the year, a number of projects were earmarked for asset enhancement in the form of major improvement works and re-designation of the trade mix. These projects included On Kay Court Commercial Centre, Lung Poon Court Commercial Centre, and the retail facilities at Wah Fu (I) & (II) and Ping Shek Estates. In addition, detailed design will be conducted for Pok Hong Commercial Centre and the retail facilities in Nam Shan, Shek Kip Mei and Tai Hang Tung Estates. Under our five-year rolling programme, Kwai Shing West Shopping Centre was shortlisted during the year for a feasibility study on issues such as the scope of improvement works, the optimum trade mix and the possibility of converting premises for other uses. In another move, during the year we retrofitted most of our existing car parks with an electronic payment system, making for greater convenience for users and improved cost effectiveness for the HA. We are also in the process of installing electric vehicle charging facilities in some of our car parks, in anticipation of a move towards greater use of more environmentally friendly vehicles in Hong Kong.



In other cases, when it is clear that retail spaces are unpopular or car park spaces are in surplus, we consider converting these spaces to uses more in tune with the needs of the local community. In Nam Shan Estate, for instance, the existing Carpark Block had suffered from low occupancy rates for years. During the year, we successfully completed the conversion of part of the Carpark Block into a new education centre for use by the City University of Hong Kong. More details of this transformation can be found in our feature story on page 48.

- 1 Visitors enjoying shopping at one of our local small business operators.
- 2 The electric vehicle charging facilities installed in the car park of Domain.

Improving business environments

Business environments are always changing, and it is important that we keep looking for ways to renew, revitalise and otherwise enhance the quality of our non-domestic properties. Over the year, we have kept up a full range of festive and seasonal marketing programmes, which successfully attracted families to our shopping malls to enjoy the fun-filled atmosphere. Altogether we organised 61 promotional events in major shopping centres, including mini-performances, carnivals, and an ad-hoc 2012 Olympic Games event in the summer. Packaged seasonal decorations were also provided at our smaller shopping centres.

To enhance the image and build up the popularity of Domain, our new regional mall at Yau Tong, we held more than 20 promotional and publicity activities following its opening in September 2012. These programmes were well received by residents, shoppers and shop tenants, leading to a steady increase in footfall and gross sales receipts.



To keep our market facilities fresh and attractive, we periodically conduct market re-ordering exercises which involve refreshing market layouts and introducing new tenants. During the year, we carried out market re-ordering work in Lai Yiu and Kwai Shing West Estates. This involved grouping together some vacant shop stalls in these two estates for leasing out as two Chinese restaurants. We also successfully sourced tenants for the long vacant and less attractive retail premises in Cheung Ching, Cheung Shan, Fu Shan, Wah Fu (I) and (II) Estates.

To supplement the HA's own in-house management resources, we have also made efforts to procure services from external property management contractors, who help us manage our commercial facilities in a more cost-effective manner. During the year, we contracted out the facilities management services of Domain and the newly completed commercial properties in Shek Kip Mei Phases 2 and 5, Lower Ngau Tau Kok, Cheung Sha Wan and Lung Yat Estates.

Domain: a bigger, better shopping experience

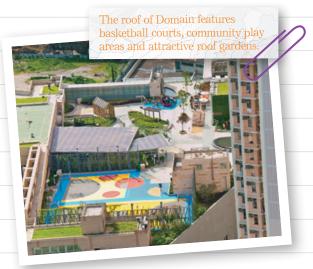
After years of careful planning, development and construction, the HA's new mega-mall Domain in East Kowloon had its soft and grand openings in September and December 2012 respectively. Domain is located at the heart of the Yau Tong and Lei Yue Mun districts and is directly connected with the Yau Tong MTR station, making it a natural focus for the local community.

Domain is the largest and most ambitious of our non-domestic properties. We designed Domain as an integrated retail, lifestyle and entertainment venue for all generations: particularly the young, young families, and the young-at-heart. To reflect this focus, Domain has been positioned as a chic and trendy destination, and divided into six themed shopping zones: Party, Teens, Family, Hip, Princess, and Grab & Go. With a total lettable area of 23 000 square metres, Domain is impressive both in its scale and in the diverse range of tenants, shops and services it offers.



In a move to encourage small and local businesses, Domain also includes a Small Retail Zone (Zone D) especially set aside as a business platform for such enterprises together with other socially beneficial enterprises. This innovative mall feature establishes a clear link between Domain and the HA's larger mission of supporting community life in Hong Kong.

The modern creative spirit inspiring Domain is not restricted to the retail mix. Throughout the complex, Domain features environmentally innovative designs and construction methods, a wide range of leisure facilities, and integrated links to local communities. On the cultural side, it includes a number of art installations commissioned from local creative artists. It incorporates the new Yau Tong Community Hall, along with basketball courts, community play areas, fitness equipment and attractive roof gardens.



As in our domestic developments, we used sustainable and environment-friendly construction methods and materials in Domain. Energy saving and a reduction in the use of raw materials were both priorities, and were achieved through methods such as the fitting of energy efficient lighting, the use of medium-density fibre board and recycled timber, and the installation of a hybrid ventilation system and a water-cooled air conditioning system. The blueprint for the entire development allowed for a generous 30% greening ratio, which can be seen in such features as the rooftop garden area with its outdoor café and a spacious outdoor area that can be used for a variety of activities. All these and more environmental features have seen Domain achieve the top Platinum rating under Hong Kong's environmental building assessment programme, Building Environmental Assessment Methods (BEAM) Version 4/04.