

**Motion on “Assisting in the transformation of factory buildings”
moved by Hon Mrs Selina CHOW and passed at
the Legislative Council Meeting on 31 January 2007**

“That, as factories have been relocated to the north in large numbers and the economy of Hong Kong has totally shifted towards being dominated by service industries, which has resulted in a high vacancy rate of local factory buildings and has turned some traditional industrial districts into “stricken areas”, which is a tremendous waste of social resources, this Council urges the Government to adopt in a timely and appropriate manner more flexible policies to assist in the transformation of traditional factory buildings, so as to adapt to the present economic and commercial development situation, which include:

- (a) reviewing afresh and amending the definitions of “industrial use” and “factory” in the relevant legislation and policies;
- (b) on the premise of meeting building safety requirements, enhancing the coordination among relevant departments to provide one-stop services, so as to streamline and expedite the processing and approval of applications by factory building owners for changing the use of land or factory buildings; and
- (c) at town planning level, encouraging overall planning for vacated factory buildings in old industrial areas, such as developing theme areas for creative industries, electrical appliance cities and merchandizing cities,

so that trades other than the traditional industries can also make use of factory buildings for their development, with a view to revitalizing old industrial areas, reviving community economy and creating more employment opportunities.”

Progress Report

At the Legislative Council meeting held on 31 January 2007, the above motion moved by Hon Mrs Selina CHOW was passed. This paper reports to Members on matters of concern to them in relation to the motion.

- (a) It is our policy to assist in the transformation of old industrial buildings by means of planning. The Town Planning Board (TPB) has been paying due attention to the demand in this respect and has updated the definition of “Industrial Use” and the uses permitted in the “Industrial” zone from time to time to cater for the development of our society. The current definition of “Industrial Use” is wide enough to cover industrial operations and processes as well as related uses such as training, research, design, development, etc. New uses like “IT and Telecommunications Industries” and “Research, Design and Development Centres” can be carried out in the “Industrial” zone and no planning permission is

required. There are many successful cases of transformation of old industrial buildings by means of planning. The TPB will, having regard to social and economic development, continue to review and update land uses and the definition of such uses according to actual needs.

- (b) We agree that the approval procedures of Government departments should be streamlined as far as practicable to facilitate the transformation of old factory buildings. The TPB has been processing applications for change of land use in accordance with the Town Planning Ordinance in a one-stop manner. Applicants do not need to submit their applications to different departments. Comments and requirements of various departments are considered in the process of handling planning applications. We will continue to enhance communication among departments and review the approval procedures from time to time with a view to shortening the time required. In addition, the Lands Department (LandsD) also has measures to facilitate applications for relaxing restrictions on the use of industrial buildings. The LandsD has simplified the processing procedures for approving short term waivers. In general, it takes only three to five months to grant a short term waiver.

During the first two months of 2007, the TPB considered 15 planning applications for change of use of factory buildings, among which 14 were approved. The remaining one was rejected due to failure to meet fire safety requirements. During the same period of time, the LandsD received a total of 13 applications for change of use of factory building units / land, among which three were approved and one rejected. The rest are still under processing.

- (c) The ultimate way to tackle the problem is undoubtedly to convert an industrial building, on a whole building basis, for other suitable development. Though we cannot force owners of old industrial buildings to convert their building to other uses, we will encourage all owners of individual industrial building to apply jointly to the TPB for change of use of their building in whole for commercial use. This will help to speed up their transformation. Individual owners will also not need to be subject to the restriction on commercial floor (which aims at minimizing the potential risks for carrying out industrial and commercial activities within the same building) when they apply for changing part of the industrial building for commercial use.

2. We will continue to monitor and review the market demand for industrial sites in accordance with the above policy so as to optimize our land resources. Meanwhile, we will continue to collaborate with the industry to ensure that market force will drive our economic development in the right direction.