

**400IO – Transformation of the former Police Married Quarters on  
Hollywood Road into a Creative Industries Landmark  
Supplementary Information**

**Purpose**

As requested by Members at the meeting of the Finance Committee (FC) held on 8 July 2011, this paper provides supplementary information on Item 400IO – Transformation of the former Police Married Quarters on Hollywood Road into a Creative Industries Landmark (*vide* PWSC (2011-12)26).

**Capital Cost for Transformation Works**

2. As indicated in the cost breakdown provided in the supplementary information note provided to the Public Works Subcommittee (PWSC) in July 2011 (paper no. PWSC 80/10-11), of the total estimated costs of \$305.6 million (in September 2010 prices) for the building works, \$182.5 million is attributable to the revitalisation and conversion of the two existing quarters blocks and the Junior Police Call House (JPC House) in order to meet major functional needs (please refer to paragraphs 4(a), 4(b) and 4(i) of PWSC(2011-12)26 for details on works to meet major functional needs) and to comply with the prevailing statutory building and fire services requirements. These works include conversion works, refurbishment works, structural strengthening with steel, concrete repair, addition of lift shafts, alterations to existing lift shafts, replacement of steel windows, reprovisioning and addition of toilets, construction of new plant rooms, and improvements to construction site safety and environment. A detailed breakdown of the estimated cost of \$182.5 million is at **Annex 1**.

3. It is noteworthy that the two existing quarters buildings and the JPC House were built almost 60 years ago primarily for residential and ancillary recreational uses and for serving residents in the quarters buildings. Taking into account the comments received during the public engagement exercise on the revitalisation of the site, the two existing quarters buildings and the JPC House, which are all Grade 3 historical buildings, will be preserved and suitably converted to support the operation of a creative industries landmark called “PMQ”. This involves extensive upgrading works for the existing building fabric in order to meet the prevailing building and fire safety requirements and to cater for the new functional requirements arising from the operation of “PMQ”.

4. Apart from the \$182.5 million mentioned in paragraph 2 above, the \$305.6 million (in September 2010 prices) for building works also included the following (totalling \$123.1 million):

- (a) \$12.4 million for the conversion works of basic facilities of existing buildings (including the alteration of the partition walls, doors, windows etc of existing quarters) to meet the needs of creative industries;
- (b) \$24.1 million for the ancillary facilities including restaurants and cafes, etc.;
- (c) \$35.1 million for the construction of an Underground Interpretation Area to display and conserve the archaeological remnants of the Former Central School at this site, as well as provision of historic photo galleries and glass enclosures at the Ground Floor of the quarters blocks, displays showcases, etc.; and

- (d) \$51.5 million for the construction of a new elevated i-Cube (including constructing a public open space on the roof of i-Cube and the conversion of the covered area under i-Cube) and the construction of a glazed canopy between the two quarters blocks.

### **Business Plan of “PMQ”**

5. As explained in the supplementary information note of July 2011, the creative industry is one of the six new economic areas that the Government seeks to drive forward. The Government has developed a comprehensive strategy for driving the development of creative industries. Developing creative clusters in the territory to generate synergy and facilitate exchanges is one of the key elements of the strategy. Among the various creative sectors, Hong Kong has a leading edge in design. The value added of the design sector has more than doubled from around \$1,000 million in 2005 to around \$2,300 million in 2009. Local design talent has gained international recognition, achieving impressive results in international competitions. Hong Kong itself has been increasingly recognised as a centre of design excellence, drawing design talent and professionals to Hong Kong for exchange and collaboration. For example, the Business of Design Week (BODW)<sup>1</sup> organised by the Hong Kong Design Centre has become the largest annual design event in Asia and a leading design activity in the international arena. Since 2005, it has drawn over 50 000 attendees and visitors annually, with many coming from the Mainland and different parts of the world. The BODW 2010 and its concurrent programmes attracted over 95 000 participants.

---

<sup>1</sup> BODW is a week-long programme dedicated to design, brands and innovation, and comprises conferences, forums, exhibitions, outreach programmes, etc.

6. The PMQ site is well-placed as it is in close proximity with the existing cluster of cultural and creative industries establishments (e.g. antique shops and galleries) in the vicinity of Hollywood Road as well as the colourful cultural landscape of the South of the Hollywood Road and Lan Kwai Fong areas. Capitalising on the geographical advantages of the PMQ site, the “PMQ” project aims to provide a focal point and service platforms for emerging designers and start-up design entrepreneurs, as well as studios for the display and sale of creative products and demonstration of creative activities. The “PMQ” project has brought together parties with relevant background and expertise (e.g. Musketeers Foundation, the Hong Kong Design Centre, the Hong Kong Polytechnic University, the Hong Kong Design Institute of the Vocational Training Council, the advisory board of renowned designers, etc.) and a business plan has been drawn up with a view to developing the site into a design hub.

7. Building on these strengths, we believe that the “PMQ” is well positioned to become a creative industries landmark and one of the most important creative clusters in Hong Kong. The “PMQ” as a focal point for creative industries will also supplement our strategy to nurture creative talent, support the development of creative start-ups, expand the Mainland and overseas markets for creative products, foster a creative atmosphere within the community and support the organisation of signature events for promotion of Hong Kong as Asia’s creative capital.

8. As indicated in the business plan of “PMQ” outlined in the supplementary information note to PWSC in July 2011, the PMQ Management

Co. Ltd.<sup>2</sup> plans to develop “PMQ” by three stages in the coming ten years. During the first stage of operation, the “PMQ” will house about 130 design studios run by emerging designers principally from Hong Kong showcasing a range of lifestyle products (such as fashion, household products, entertainment facilities, arts and craft, etc.) and other design services. In addition, the PMQ Management Co. Ltd. will also, through partnering with the Hong Kong Design Centre, jointly host internationally renowned flagship programmes such as the BODW and the Knowledge of Design Week with a view to:

- (a) building up extensive networks with overseas design centres, enterprises and institutes with rich culture of design and innovation across the diverse fields of design, communications, culture, technology sectors; and
- (b) gathering together world-class speakers from the academia and design studios or companies across different design fields to share their experience and interact with local design practitioners and business executives through conferences, seminars and workshops.

9. Furthermore, the PMQ Management Co. Ltd. will also team up with the Hong Kong Ambassadors of Design (AoD) to jointly host one of their networking programmes, PechaKucha, which is part of a wider international network aimed at bringing together design practitioners, executives and those interested in design for sharing their creative ideas, raising the quality of creative designers and promoting a creative culture. It is also their intention to

---

<sup>2</sup> PMQ Management Co. Ltd. is a special purpose company set up by the Musketeers Foundation, which has acquired charitable status under section 88 of the Inland Revenue Ordinance (Cap. 112), for the implementation of the project and future day-to-day operation of the revitalised site.

join hands with their partners e.g. AoD, the Hong Kong Design Centre, etc. in organising other community engagement programmes (such as DETOUR<sup>3</sup>, Design For Asia Awards, Design Leadership Awards, World Outstanding Chinese Designer Awards, etc.) which will embrace an international mix of design talents. These programmes aim to develop design clusters to generate synergy and facilitate exchange among practitioners while at the same time foster a creative atmosphere within the community. Such experience and networks will enable “PMQ” to orchestrate and co-ordinate diverse resources and organise programmes both of local relevance and international standing.

10. On the academic front, the PMQ Management Co. Ltd. will collaborate with the other two publicly-funded co-applicants in education, namely the Hong Kong Polytechnic University and the Hong Kong Design Institute of the Vocational Training Council which have already established good partnerships and networks with many overseas design institutes on academic exchanges, internships and joint research.

11. During the second and third stages of operation, the PMQ Management Co. Ltd. will strive to develop “PMQ” into an incubation platform for developing local brands, and then in collaboration with the creative industries to help “PMQ” develop and mature gradually into a hub for creative talents and brands that gathers together the city’s creative forces to achieve synergy.

12. To closely monitor progress in achieving the envisaged performance outcome, the PMQ Management Co. Ltd., which will operate the future creative industries landmark, will during early stage of operation, collect figures, data and feedback from users, tenants, visitors, related bodies, agencies and

---

<sup>3</sup> DETOUR is the annual flagship programme of Hong Kong Ambassadors of Design, aimed at showcasing Hong Kong as a regional creative hub and featuring inspiring designs from Hong Kong’s young and emerging creative talent.

organisations, professional groups and consultants to help assess the initial performance of the “PMQ” project under the following pre-determined Key Performance Indicators (KPIs):

- (a) number of patronage visits by local and non-local visitors – target for not less than one million in the first two years of operation;
- (b) number of events/ activities to be organised – target for over 200 in the first two years of operation;
- (c) participation rate of programmes/ activities by tenants and visitors – target for 50%; and
- (d) satisfaction rate of visitors on programmes/ activities – target for 70%.

13. The PMQ Management Co. Ltd. will review the performance of “PMQ” at the end of the first stage of operation with reference to the figures, data and feedback collected. Their board of directors, comprising members nominated by the Musketeers Foundation and the three co-applicants, will make reference to these figures as a management tool to steer the “PMQ” project and to drive continual improvement in the performance of the “PMQ” project throughout the operation period. Government will work with the PMQ Management Co. Ltd. in reviewing the KPIs at appropriate junctures.

14. The Musketeers Foundation believes that, with the concerted effort of the Foundation, the co-applicants, and its strategic partners and advisors, “PMQ” will be transformed into an internationally renowned creative industry

landmark within the tenancy period.

**Visit to “PMQ”**

15. The Development Bureau, in coordination with PMQ Management Co. Ltd., will organise a visit for interested Members of the Legislative Council to “PMQ”, upon its commissioning in early 2014.

Development Bureau

October 2011



**Detailed Breakdown of the Estimated Costs of \$182.5 Million for Building Works for Project Item 400IO**

<b>Works item</b>	<b>\$ million</b> (in September 2010 prices)
(a) Revitalisation and conversion of the two existing quarters blocks (Blocks A and B)	
(i) Conversion works to comply with prevailing statutory building and fire safety regulations [Including addition of staircases and modification of existing staircases; addition of fire doors, shutters and switch rooms; extending the height of railings, etc.]	37.9
(ii) Conversion works to meet major functional needs and to comply with administrative building and fire services requirements stipulated in relevant practice notes [Including demolition works (involving removal of asbestos, etc.); repairs to existing partition walls; construction of new partition walls; plastering and painting; steel and metal works; rainwater drainage system; replacement of roofing and waterproofing system, etc.]	60.6
(iii) Concrete repair works	14.7
(iv) Structural strengthening works	8.9
(v) Structural modification works to the existing lift shafts; addition of lift shafts and related structural modification works	14.9
(vi) Replacement of or repair to dilapidated external windows and associated waterproofing works	6.7

Works item	\$ million (in September 2010 prices)
(vii) Reprovisioning of toilets [Including new plumbing and drainage system]	9.5
<i>Sub-total :</i>	<b>153.2</b>
(b) Revitalisation and conversion of the former Junior Police Call House [Including conversion, repair and strengthening works required to meet major functional needs and to comply with prevailing statutory building and fire safety requirements]	11.0
(c) Construction of a new plant room	3.7
(d) Improvements to construction site safety and environment, etc. [Including implementation of "Pay for Safety and Environment Scheme"; provision of uniform for personnel working on site, etc]	14.6
<b>Total:</b>	<b>182.5</b>