

Our Ref : HD 3-2/M4-35/4/V  
Your Ref : CB(4)/PAC/R56

Tel No. : 2761 5341  
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Date : 16 May 2011

Clerk to Public Accounts Committee  
Legislative Council  
8 Jackson Road, Central  
Hong Kong  
(Attention : Ms Macy NG)

Dear Ms NG,

**The Director of Audit's Report on the  
Results of value for money audits (Report No. 56)  
Hong Kong Housing Authority :  
Management of commercial properties (Chapter 7)**

I refer to your letter of 13 May 2011 on the above subject. Please find attached the following for Members' reference –


- (a) The audited Commercial Operating Accounts of the Hong Kong Housing Authority from 2006/07 to 2009/10 is at **Annex I**. Please note that the 2005/06 Commercial Operating Account cannot be compared directly with those of subsequent years since it included both divested and non-divested properties. As we need some time to break down these accounts according to different management modes in view of the wide range of portfolio of commercial, car parking and non-domestic premises scattered around the territory, we will provide the apportioned accounts for the period from 2006/07 to 2009/10 by end May 2011 ;
- (b) A copy of the Estate Management Branch Circular No. 3/97 to deal with gambling activities in public housing estates, as referred to paragraph 2.13 of the Audit Report, is attached at **Annex II** ;
- (c) A copy of the Estate Management Division Instruction No. ND05/2011 providing new guidelines to step up the unit-to-unit inspection to non-domestic properties according to the risk-based approach, as referred to paragraph 2.21(c) of the Audit Report, is attached at **Annex III** ;
- (d) A breakdown of the numbers and percentages of the 251 vacant retail premises given in Table 3 of paragraph 2.23 of the Audit Report is shown at **Annex IV** ;

/....

Estate Management Sub-division (3)  
5/F, Block 2, Housing Authority Headquarters, 33 Fat Kwong Street, Ho Man Tin, Kowloon.

- (e) We would like to highlight that the system to conduct the unit-to-unit inspections to factory estates has been in place for some years. We extended the unit-to-unit inspection system to cover all retail premises in a cycle of 18 months in July 2010. Besides, we have conducted a review of the Factory Estate Operational Manual as referred to paragraph 4.20 of the Audit Report and issued the new version recently. The relevant chapters of the Manual with guidance on patrolling and inspections are at **Annex V** ;
- (f) The Link REIT failed to effect payment of the management fees of estate common areas for a number of public housing estates in July and August 2009. The amount involved was around \$8M. The Link REIT settled all the management fees in arrears in mid-September 2009. This matter was reported to the Legislative Council Panel on Housing at its special meeting on 28 September 2009 ; and
- (g) A breakdown of the 37 major retail facilities listed at Appendix B of the Audit Report into those that are directly managed by the Department and those that are outsourced to property services agents is shown at **Annex VI**.

I would take the opportunity to reiterate that following the Divestment in 2005, Housing Department has been working hard to optimize the use of the residual commercial properties despite the fact that many of them are outdated in design, situated in unpopular location with inferior accessibility, and supported by ageing population in older estates. Through intensified marketing efforts and implementing new measures such as the conversion of surplus retail facilities to other beneficial uses, Housing Department has significantly improved the vacancy rate of overall retail premises from 7.3% to 5% at present. In a similar vein, the vacancy rate for market stalls has drastically fallen from 22% to 9%. We have also significantly boosted the occupancy rate of car parks from 62% to 75% during the corresponding period. For easy reference by Members, we have prepared an additional information sheet on this at **Annex VII**. Notwithstanding the above, we are committed to further improving the use of available commercial properties through various initiatives endorsed by the Commercial Properties Committee.

Yours sincerely,  
  
(LIU King-leung)  
for Director of Housing

encl.

c.c. Secretary for Financial Services and The Treasury (Fax No. : 2147 5239)  
Director of Audit (Fax No. : 2583 9063)

**Hong Kong Housing Authority  
Commercial Operating Account  
2006/07 to 2009/10**

	<b>Total (2006/07) \$M</b>	<b>Total (2007/08) \$M</b>	<b>Total (2008/09) \$M</b>	<b>Total (2009/10) \$M</b>
Income	1,291	1,273	1,267	1,366
Expenditure	<u>(857)</u>	<u>(743)</u>	<u>(731)</u>	<u>(772)</u>
<b>Operating surplus before exceptional items<sup>(Note 1)</sup></b>	<b>434</b>	<b>530</b>	<b>536</b>	<b>594</b>
Exceptional items <sup>(Note 2)</sup>	<u>(76)</u>	<u>(96)</u>	<u>(225)</u>	<u>(133)</u>
Operating surplus/(deficits) for the year	358 =====	434 =====	311 =====	461 =====

Note 1 : The operational surplus before exceptional items has increased progressively for the past 4 years.

Note 2 : These represent demolition and clearance costs, and expenditure incurred on Government Infrastructure and Community facilities funded by the HA.



## HONG KONG HOUSING AUTHORITY

Housing Authority Headquarters, 33, Fat Kwong Street, Kowloon, Hong Kong.

香港房屋委員會

九龍佛光街33號房屋委員會總辦事處

### MEMO

From Senior Assistant Director/  
Estate Management To HMs/Estates  
Our Ref. HD(H)GR 11/28/1 VII Your Ref. \_\_\_\_\_  
Tel. No. 27615009 Date 21 January, 1997 Dated \_\_\_\_\_  
Fax No. 27621110

#### **EMB Circular No. 3/97** **Gambling Activities in states**

Recently, there were a number of reports in the media on gambling activities in public housing estates. We were criticized for not taking positive action in dealing with the matter.

2. It is observed that games which started off as a social gathering of senior citizens living in the estates have developed into concentration of undesirable activities, sometimes with triad involvement.

3. Although the Housing Department is not the proper law enforcement authority to get rid of the illegal gamblers and triad elements, these activities will seriously tarnish our image should we maintain a passive attitude. Estate HMs should, therefore, make a more positive approach to tackle the problem by **reporting at once all suspected gambling activities in domestic and commercial premises and public areas to the Police for appropriate action.** In addition, they should take more noticeable measures to remove the eyesore. The measures include, but not confining to, the following -

- (a) As a start, EAs should be mobilized and formed into small teams to patrol those areas known to the Estate Office with gambling activities. They should take more positive action in stopping these activities and report the case to the Police whenever necessary;
- (b) Organize regular joint abatement action by estate staff and the Police;
- (c) Regularly clear the rendezvous of gambling activities of obstruction articles like chairs, stools, tables, wooden boxes, etc.;
- (d) Promulgate the evil and legal consequences of illegal gambling in estate newsletters;

/....

- (e) Service of Notice-to-quit under Section 19(1)(b) of Housing Ordinance, Cap. 283, to tenants convicted of running gambling activities in domestic and non-domestic premises and to publicize the news widely through estate newsletters and ICRD.

  
(Simon Li)  
Senior Assistant Director/  
Estate Management

c.c. DD/HMW  
SAD/HA  
AD/RM(1)  
AD/RM(2)  
AD/CSMP  
AD/ICR  
RCHMs  
DSHMs  
SHM/MP(E&A)  
HM/RM(1)  
HM/RM(2)  
HM/EM

SL/fm

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<b>From : CES/CP</b>	<b>To : All HMs in Estates/DTMOs/ND/CP/ Shopping Centres &amp; PSMs in PSAUs</b>	<b>Date : 08 April 2011</b>
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**Estate Management Division Instruction No. ND05/2011  
Unit-to-Unit Inspection and Daily Patrol  
of Commercial Properties**

**Status** : Mandatory

**Contact Point** : Mrs. CHAU LEE Tak-yuk HM/CP(3) (Tel.: 2794 5372)  
Ms. WONG Lan-nei Nanny AHM/CP(8) (Tel.: 2794 5374)

**PURPOSE**

1. This instruction promulgates to include storerooms in the unit-to-unit inspection system being carried out by management officers in the Housing Authority (HA)'s commercial properties in the current cycle from 1.7.2010 to 31.12.2011. In addition, a risk-based approach should be adopted in conducting the unit-to-unit inspections, ensuring that high-risk categories are inspected with a higher priority and frequency. The previous EMDI No. ND09/2010 on the same subject is hereby superseded.

**BACKGROUND**

2. To facilitate the Enhanced Marking Scheme for commercial properties, the unit-to-unit inspection system has been implemented since 1.7.2010 and are being carried out by management officers in the HA's commercial premises in a cycle of 18 months which will end on 31.12.2011. AHMs/HMs/PSMs are required to conduct at least 5% random spot checks by paying visits to the units with inspection already conducted by management officers.
3. In parallel, a standard checklist for daily patrol of the HA's commercial properties by management officers has been devised in order to control the proper use of the HA's properties, fixtures and fittings, including lift-rooms, duct-rooms and storerooms used by the Department etc, as well as to monitor tenants' performance in accordance with the Enhanced Marking Scheme for commercial properties.

**RECENT REVIEW**

4. Notwithstanding the implementation of the unit-to-unit inspection system since July 2010 and the daily patrol of the HA's commercial properties by management officers, the recent surprise checks have revealed cases of suspected abuse or improper use of retail premises, suspected gambling activities, retail premises not regularly open for business and obstruction problems in the estate common areas. The surprise checks have also detected irregularities such as unauthorized uses and internal alteration in some storerooms currently leased to commercial tenants for storage purpose.

**EMDI ND05/2011**

5. There is a need for the Department to step up measures in order to combat the problems as mentioned in paragraph 4 above. After conducting a recent review on the management of the HA commercial properties including the day-to-day management of retail premises, we have decided to include storerooms, in addition to shops/shopstalls/cooked food stalls, under the existing unit-to-unit inspection system so that management officers shall carry out visit to each of these premises to verify their internal conditions and detect any breach of tenancy clauses for follow-up actions under the prevailing policies.

**REVISED UNIT-TO-UNIT INSPECTION IMPLEMENTATION DETAILS**

6. Procedures have been revised to include storerooms under the existing unit-to-unit inspection system. Housing officers of the Department or property officers of PMA/PSA/PSC should carry out visit to each shop/shopstall/cooked food stall/storeroom within the 18-month cycle to verify the internal conditions of these premises, and detect any breach of tenancy/licence clauses for follow-up actions under the prevailing policies. In view that there are only about 9 months left under the first unit-to-unit inspection cycle, storerooms charging other than market rent are exempted from the current unit-to-unit inspections.

**Acquisition of the Revised Unit-to-Unit Inspection Form**

7. The revised unit-to-unit inspection form at **Annex I** can be obtained and downloaded from e-Housing Portal via *EM > Property Mgt. > Non-Domestic (ND) Mgt. > ND Circulars & Policies > other ND Useful Information*. Management officers should make sufficient copies for use.

**Higher Priority and Frequency for High-risk Categories**

8. In conducting the unit-to-unit inspections to commercial properties including storerooms, a risk-based approach should be adopted to ensure that those high-risk categories are inspected with a higher priority and frequency. Examples of high-risk categories include gambling activities, unauthorized use and alteration of premises, repeated offenders and retail premises not regularly open for business.
9. For commercial premises including storerooms once suspected to fall into one of the high-risk categories, they should be selected for conducting the unit-to-unit inspections in the first instance. When any irregularity of the high-risk categories is confirmed upon inspection, a systematic warning approach should be adopted for tenancy enforcement actions or in accordance with the Enhanced Marking Scheme (EMDI No. ND18/2006 and EMDI No. ND10/2010 refer) where applicable. The tenants/licensees concerned should be warned through interview, followed by a warning letter of the possible serious consequence if they fail to rectify the observed irregularity. Notice-to-quit (NTQ) should be served to terminate the tenancy/licence if the irregularity persists despite our warnings in two months. For conviction cases such as illegal gambling activities in the HA's commercial premises including storerooms, NTQ can be served without prior warning. A flow chart setting out the procedural guideline on taking enforcement actions against high-risk cases is shown in **Annex II** for easy reference.

**EMDI ND05/2011**

**Monitoring and Reporting Mechanism**

10. In case of any observed irregularities during the unit-to-unit inspections or daily patrol, management officers should carry out the investigation immediately, ascertain the reason(s) for non-compliance and take appropriate follow up actions. All inspection forms and the record of appropriate follow up actions taken, if any, should be documented in tenancy files. Irregularities observed in the unit-to-unit inspections and follow up actions taken/to be taken should be reported in the quarterly progress report for submission to DSHMs/SPSMs with a copy to RCMs for monitoring purpose. Cases under the high-risk categories should also be stated in the quarterly progress report for attention of the senior management. A revised sample of the quarterly progress report is attached at **Annex III**.

**DAILY PATROL**

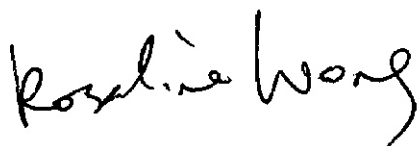
11. It is of crucial importance that public facilities, fixtures and fittings provided in the common areas of shopping centres, markets and cooked food stalls are regularly maintained and kept up to a safe and proper standard. To ensure the proper use and prompt maintenance of HA's properties, fixtures and fittings including lift-rooms, duct-rooms and storerooms used by the Department, and to keep the tenants under control in accordance with the Enhanced Marking Scheme for commercial properties, management officers are required to conduct daily inspections to all the commercial properties within their area of responsibility. To streamline the daily inspection records, a standard form has been devised at **Annex IV** for use by management officers during their daily patrol of HA's commercial properties.
12. To combat obstruction problems in estate common areas, management officers are reminded to step up inspections and daily patrol for taking appropriate enforcement actions against those tenants who have repeatedly committed misdeeds under the Enhanced Marking Scheme and supervising HMs/PSMs should closely monitor the enforcement work. Proper records on the daily patrol at **Annex IV** must be kept and actions on any irregularities/misdeeds detected have to be properly followed up according to the prevailing policies and recorded in tenancy files. Besides, management officers should be conversant with and strictly follow the established procedures under the Enhanced Marking Scheme in taking enforcement actions. After the issue of written warnings or allotment of penalty points, the information system on Marking Scheme in Generic Marking Scheme System (GMSS) under EM Community of e-Housing should be updated simultaneously.
13. The daily patrol form can be obtained and downloaded from e-Housing Portal via *EM > Property Mgt. > Non-Domestic (ND) Mgt. > ND Circulars & Policies > other ND Useful Information*. Management officers should make sufficient copies for use.



**EMDI ND05/2011**

**IMPLEMENTATION**

14. This instruction takes immediate effect.



(Miss WONG Lai-ping, Rosaline)  
Chief Estate Surveyor / Commercial Properties

**Encls.**

**Annex I** - Unit-to-Unit Inspection Form

**Annex II** - Procedural Guideline on Enforcement Actions against High-risk Cases

**Annex III** - Quarterly Progress Report on Unit-to-Unit Inspection

**Annex IV** - Daily Patrol Form

**\*Note by Clerk, PAC:** *Annexes I, II, III and IV of this Instruction not attached.*

Table 3

**Ageing analysis of vacant retail premises  
(31 December 2010)**

<b>Vacant period</b>	<b>Market Stalls</b>	<b>Shopping Centres</b>	<b>Other Places (shops on ground floor and podium)</b>	<b>Total</b>	<b>Percentage</b>
<b>≤1 year</b>	<b>46</b>	<b>19</b>	<b>18</b>	<b>83</b>	<b>33%</b>
<b>&gt;1 year to 2 years</b>	<b>14</b>	<b>2</b>	<b>8</b>	<b>24</b>	<b>9%</b>
<b>&gt;2 years to 3 years</b>	<b>11</b>	<b>3</b>	<b>8</b>	<b>22</b>	<b>9%</b>
<b>&gt;3 years to 4 years</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>17</b>	<b>7%</b>
<b>&gt;4 years to 5 years</b>	<b>6</b>	<b>1</b>	<b>7</b>	<b>14</b>	<b>6%</b>
<b>&gt;5 years</b>	<b>81</b>	<b>1</b>	<b>9</b>	<b>91</b>	<b>36%</b>
<b>Total</b>	<b>166</b>	<b>29</b>	<b>56</b>	<b>251</b>	<b>100%</b>

**Note**

- 1: The majority (66%) of the vacant premises are market stalls locating mainly in old estates, such as Kwai Shing West Estate, Wah Fu (II) Estate, Cheung Ching Estate, Pak Tin Estate and Nam Shan Estate.
- 2: Marked improvement as a result of market re-ordering and other leasing measures bringing the overall vacancy rate of market stalls from 22% in 2005 to 9% at present. More market re-ordering programmes are on the pipeline including the projects at Siu Hong Court, Cheung Ching Estate, Lai Yiu Estate and Ping Shek Estate.

<u>Subject</u>	<u>Patrolling and Inspections</u>
<u>Paper No. FH1</u>	<u>Routine/Regular Patrols and Inspections</u>

Reference

Routine/regular patrols and inspection can help to detect irregularities at the earliest opportunity and ensure that –

- (a) the tenants have complied with the terms and conditions of the tenancy agreement or Tenancy Card and Intake Instructions;
- (b) only authorized machines are installed according to the layout plan approved by the management;
- (c) there is no subletting or unauthorized change of trade;
- (d) all building and electrical defects, damaged standard fittings and installations of the factory blocks are readily spotted and immediate repairs and replacement works are carried out;
- (e) there is no unauthorized parking and obstructions within the factory estate boundary;
- (f) all cargo and passenger lifts are in working order;
- (g) all communal areas, toilets and bathrooms are clean and tidy;
- (h) no unauthorized erections or unlawful activities exist in the factory estate including misuse of

estate storerooms/services rooms; and

- (i) there is no illegal hawking within the estate boundary.

2. Patrolling and inspections are important day-to-day work of the HOs, PSA's Property Officers (POs) and the Estate Assistants/Estate Caretaking Guards. Although the latter are engaged mainly on patrolling common area whereas the HOs/POs carry out inspections inside the premises, the HOs/POs have an overall monitoring responsibility in ensuring that all defects and irregularities are made good and rectified. It is therefore imperative that they should work diligently to ensure that daily patrols are properly carried out to cover the whole blocks or areas under their charge.

- End -

Subject                      Patrolling and Inspections

Paper No. FH2              Special Checks and Inspections

Reference

Thorough Inspections

HOs are required to conduct thorough inspections to every factory unit for the specific purposes of –

- (a)        verifying the certified true copy of the application for Business Registration Certificate; (To detect possibility of unauthorized subletting)
- (b)        comparing the existing machinery with the approved layout plan; (To detect change of machinery without prior permission)

Intake Inspection

2.        As recommended by the ICAC, an inspection should be conducted within the first three months from the date of commencement of a new tenancy.

Tenancy Renewal Inspection

3.        A factory inspection should be conducted about six months before the fixed term tenancy is due for renewal.

Unit-to unit Inspection

4.        HOs are required to conduct unit-to-unit inspections in a cycle of 18 months on aspects as stipulated in the annual inspection form. In case of any irregularity was detected during inspection, proactive action for intensive investigation should be carried out at once and reported on file for monitoring by the senior.

- End -

Subject                      Patrolling and Inspections

Paper No. FH3              Inspection Records and Monitoring System

Reference

Having checked and inspected a factory tenancy, the HO/PO should complete a copy of the Factory Undertaking Inspection Form (**Appendix XIV**) which is to be put in file and submitted to AHM at the end of each month together with a copy of the Summary Sheet (HD(F) 56/82) – (**Appendix XV**).

2. At the same time, the HO/PO should maintain a list of all factory units under his/her charge and enter the date of inspection against the appropriate unit number.
3. Upon receipt of the files with completed Factory Undertaking Inspection Forms, the AHM should check them. He should sign and forward the copies of Summary Sheet (HD(F) 56/82) (Revised 2011) to HM for reference and compilation of monthly return while retaining the completed Inspection Forms for selection of one or 5% of the inspected tenancies whichever is more for the purpose of random checking.
4. In case irregularities were discovered and reported in the Inspection Forms, immediate follow-up actions should be taken.
5. To ensure the task is completed on schedule, a quarterly progress report should be submitted to DSHMs for monitoring purpose.

- End -

**FACTORY UNDERTAKING INSPECTION FORM**

Code Address : \_\_\_\_\_ Tenant : \_\_\_\_\_  
 Approved Factory  
 Name : \_\_\_\_\_ Tel. No. : \_\_\_\_\_  
 \_\_\_\_\_ Tenancy  
 Approved Trade : \_\_\_\_\_ Condition : T.C. / T.A. / Fixed

**I. Document Checked**

a) Business Registration Certificate

Certified true copy of application for B.R.C. to be submitted during first inspection or in case of suspected change of ownership.

	As per certified true copy of application	As per B.R.C. displayed
Cert. No.		
Factory Name		
Business Status		
Name of Applicant		

b) Insurance Policy (if any)

Name of Insurance Co. : \_\_\_\_\_

Policy No : \_\_\_\_\_ Insured By : \_\_\_\_\_

Amount : \_\_\_\_\_ Insured on : \_\_\_\_\_ Expiry Date : \_\_\_\_\_

**II. Personnel Checked**

a) Tenant(s)

Tenant(s) seen during \*inspection / interview

Personal particulars checked during \*inspection / interview

b) Operator(s)

Name : \_\_\_\_\_

Relationship with tenant : \_\_\_\_\_

c) Caretaker(s)

Name : \_\_\_\_\_

Relationship with tenant : \_\_\_\_\_

**III. Factory Situation Checked**

- a) Factory Name : \_\_\_\_\_
- b) Trade : \_\_\_\_\_
- c) Machinery : same as \*same as \*L/O plan / deviate from L/O Plan
- Remarks : \_\_\_\_\_
- d) Any irregularities found (e.g. change of trade, unauthorized installation, domestic use, sub-letting, etc.)

\_\_\_\_\_

Action Taken :

\_\_\_\_\_

**IV. Remarks**

The person(s) \*met in the unit / interviewed in the Estate Office has (have) been informed that :

- (i) provision of personal data is voluntary;
- (ii) the personal data collected will be used for tenancy control by the Housing Department; and
- (iii) the data subject(s) has (have) a right of access and correction in respect of the personal data provided. Requests for access to or correction of the personal data may be addressed to the Departmental Data Controlling Officer.

Inspected by :

Name : \_\_\_\_\_

Post Title : \_\_\_\_\_

Date : \_\_\_\_\_

AHM's Comments : \_\_\_\_\_

\_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Date : \_\_\_\_\_

\*Delete whichever not appropriate



**Summary of Factory Inspection Carried out in the Month of \_\_\_\_/2011**  
( \_\_\_\_\_ Factory Estate)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Block No.	No. of Tenancies			Inspection Monthly Quota (C/18)	No. of Inspection Carried Out			No of Tenancies to be inspected (C-G)	Remarks / Reasons if no. of inspection carried out in this Month (F) is less than Monthly Quota (D)
	As at end of Last Month	*Added in this Month	As at end of this Month (A+B)		Completed Cases b/f from Last Month	Inspection conducted in This Month	c/f to Next Month (E+F)		
Grand Total									

\* Please indicate the additional number of tenancies created as a result of transfer, new intake, etc.

## Major retail facilities (31 December 2010)

Type of facilities	Estate/HOS Court	Year opened	Retail area (m <sup>2</sup> )	Management mode <sup>Note</sup>
Shopping centre	1. Wah Fu (I) Estate	1967	9,932	HD
	2. Cheung Ching Estate	1977	3,821	PSA
	3. Lai Yiu Estate	1977	1,813	PSA
	4. Nam Shan Estate	1977	4,464	PSA
	5. Wah Fu (II) Estate	1978	4,733	PSA
	6. Cheung Shan Estate	1979	3,554	PSA
	7. Pak Tin Estate	1979	4,464	PSA
	8. Shek Kip Mei Estate	1979	8,876	PSA
	9. Ching Lai Court	1981	535	PSA
	10. Pok Hong Estate	1982	5,345	PSA
	11. Yue Tin Court	1983	873	PSA
	12. On Kay Court	1984	4,228	PSA
	13. Siu Hong Court	1984	4,745	PSA
	14. Lung Poon Court	1987	1,999	PSA
	15. Tin Yan Shopping Centre	2002	3,775	HD
	16. Lei Muk Shue Shopping Centre	2004	7,955	PSA
	17. Hoi Lai Shopping Centre	2005	3,801	HD
	18. Kwai Chung Shopping Centre	2005	7,698	HD
	19. Mei Tin Shopping Centre	2005	3,018	PSA
	20. Shek Pai Wan Shopping Centre	2005	1,338	HD
	21. Ching Ho Shopping Centre	2008	2,370	PSA
	22. Choi Ying Place	2008	1,062	PSA
	23. Tin Ching Shopping Centre	2008	1,407	PSA
	24. Upper Ngau Tau Kok Shopping Centre	2009	1,046	PSA
	25. Choi Tak Shopping Centre	2010	4,174	PSA
	26. Yau Lai Shopping Centre	2010	3,270	PSA
Shops on ground floor or podium	27. Choi Hung Estate	1962	4,467	HD
	28. Ma Tau Wai Estate	1962	1,642	PSA
	29. Fuk Loi Estate	1963	2,449	HD
	30. Ping Shek Estate	1970	5,950	HD
	31. Mei Tung Estate	1974	1,541	HD
	32. Kwai Shing West Estate	1975	5,556	HD
	33. Lai King Estate	1975	5,012	HD
	34. Hing Wah (II) Estate	1976	3,497	HD
	35. Yue Wan Estate	1977	4,509	HD
	36. Fu Shan Estate	1978	4,639	PSA
	37. Chak On Estate	1983	1,939	HD

Note: HD – retail facilities managed by Housing Department (14)  
PSA – retail facilities managed by Property Services Agents (23)

**Vacancy Rates for Retail Premises and Markets  
and Occupancy Rate for Carparks**

**Vacancy Rate for Retail Premises**

3/06	3/07	3/08	3/09	3/10	3/11
7.6%	5.2%	4.2%	5.5%	5.5%	5%

- There has been a significant improvement in the overall vacancy rate of retail premises which has dropped from 7.6% in 2006 to 5% in 2011 through implementing a number of improvement measures.
- Given that some of our retail premises are old aged facilities in unpopular locations with inferior accessibility, there has been a high vacancy rate for individual estates with unattractive retail facilities such as Wah Fu (II), Kwai Shing West and Pak Tin Estates.
- We will intensify our efforts to further reduce the vacancy rate of retail premises by adopting flexible letting terms and tendering procedures, conversion of surplus facilities to other uses and implementing major improvement works for asset enhancement under a 5-year rolling programme for retail premises.

**Vacancy Rate for Markets**

12/05	12/06	12/07	12/08	12/09	12/10	3/11
22%	21%	20%	14%	11%	10%	9%

- There has been a drastic improvement in the vacancy rate of markets from 22% in 2005 to 9% in 2011 through market re-ordering and conversion to other uses to suit residents' need.
- We will continue conducting market re-ordering exercises and will adopt a tailor-made approach of initiatives to address the high vacancy problem for a few markets located in Wah Fu (II) and Kwai Shing West Estates.

**Occupancy Rate for Carparks**

3/06	3/07	3/08	3/09	3/10	3/11
62%	64%	68%	70%	73%	75%

- There has been a substantial improvement in the occupancy rate for carparks from 62% in 2006 to 75% in 2011 through conversion of surplus carparking spaces to motorcycle parking spaces and to other uses, such as welfare and community uses.
- We will continue our efforts to further improve the utilization of parking spaces by implementing major improvement works and conversion into other uses under a 5-year rolling programme for carparks. On-going improvement projects include the conversion of Nam Shan Car Park and Shek Pai Wan Car Park into classrooms for a University and welfare premises respectively.