

**For information**

**Subcommittee on Issues Relating to Policy on Industrial Buildings**

**List of follow-up actions arising from the discussion  
at the meeting on 21 January 2020**

The Government's responses to the information requested by Members are as follows –

- (a) **whether the descriptions of (i) “cargo handling and forwarding” in the interpretation of “godown” use under the lease provisions of industrial buildings (“IBs”), and (ii) “services” in the uses approved by the Town Planning Board for relaxation of maximum permissible non-domestic plot ratio of redeveloped IBs, cover “third-party logistics services”;**

Under the current planning regime, the use of “third-party logistics services”<sup>1</sup> is regarded as a “Logistic Centre” use, which is subsumed under the “Cargo Handling and Forwarding Facility”<sup>2</sup> use (instead of “Shop and Services”), according to the Definition of Terms used in Statutory Plans (“DoT”). The “Cargo Handling and Forwarding Facility” use<sup>3</sup>, under the DoT, means any premises or structure which provides facilities for the processing of inbound, transshipment and outbound cargo and/or freight forwarding facilities including the necessary logistics support such as packaging, labelling and final assembly of goods for distribution. Provided that a “third-party logistics services” use in any industrial premises could fit in the said DoT, that there is primarily storage of goods/material in the premises, and that the storage carries attendant consequences, such a use is considered in line with the “godown” user clause under the land lease of the industrial premises concerned.

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<sup>1</sup> In this context, “third-party logistics services” refer to inventory management and other value-added services such as labelling and packaging before the distribution of goods to other countries or regions at the right time and in the right quantity.

<sup>2</sup> Excluding container freight station and free-standing purpose-designed logistics centre.

<sup>3</sup> The “Cargo Handling and Forwarding Facility” use is always permitted in an “Industrial” zone, as well as in an industrial or industrial-office building within an “Other Specified Uses” annotated “Business” zone.

- (b) whether courier services are regarded as “involving direct provision of services or goods” which may not benefit from the relaxation of waiver application policy to permit uses; and**

For the five uses permitted<sup>4</sup> under the waiver relaxation policy in individual units within existing IBs, the prerequisite is that such uses should be “Column 1” (i.e. always permitted) uses under the land use zoning of the site on the relevant Outline Zoning Plan. In addition, for the sake of public safety, the permitted uses should not involve any uses/activities that would attract visiting members of the general public by providing direct services or goods. Accordingly, courier services are regarded as a “Shop and Services” use (which, according to DoT, means any premises where goods are sold or where services are provided to visiting members of the public), thus not covered under the said waiver relaxation policy.

- (c) definition of “vacancy rate of IBs” and whether there were statistics on the period for which an IB was left vacant.**

The vacancy rate of 6.3% at the end of 2018 quoted in the second paragraph in LC Paper No. CB(1)337/19-20(01) was cited from *Hong Kong Property Review 2019* published by Rating and Valuation Department. This snapshot vacancy rate indicates the percentage of the floor area of private flatted factories not physically occupied at the time of the survey conducted at the end of a year<sup>5</sup>, without telling the length of the period for which an individual unit is vacant. Premises under decoration are classified as being vacant for this purpose.

## **Development Bureau April 2020**

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<sup>4</sup> The five permitted uses are (i) “Art Studio”; (ii) “Office (Audio-visual Recording Studio)”; (iii) “Office (Design and Media Production)”; (iv) “Office” (used by “specified creative industries” only); and (v) “Research, Design and Development Centre”. For details about this measure, please visit Development Bureau’s website ([www.devb.gov.hk/en/issues\\_in\\_focus/index.html](http://www.devb.gov.hk/en/issues_in_focus/index.html)) or Lands Department’s website ([www.landso.gov.hk/en/reIntBuild/index.htm](http://www.landso.gov.hk/en/reIntBuild/index.htm)).

<sup>5</sup> The vacancy data is obtained from management offices, owners, occupiers or by inspection.