

**For discussion
on 10 July 2018**

Legislative Council Panel on Housing

Use of Non-domestic Premises of the Hong Kong Housing Authority

Purpose

This paper briefs Members on the use of non-domestic premises of the Hong Kong Housing Authority (HA).

Background

2. The primary function of HA is to provide affordable rental housing to low-income families with housing needs, and to help low to middle-income families achieve home ownership through the provision of subsidised sale flats. At the same time, HA provides good management, proper repair and maintenance, and other housing-related services. Depending on the circumstances, other non-domestic facilities such as retail, welfare and car parking facilities will also be provided for the residents. As at the end of April 2018, there are some 1.746 million square metres of non-domestic facilities under HA, of which about 49% are welfare facilities, about 13% are retail facilities and the remaining 38% are for other purposes¹. Furthermore, HA has 152 car parks providing about 30 000 parking spaces.

Planning and use of non-domestic premises

3. In the planning of new public housing estates, HA will take into account relevant government policies and planning requirements, to plan for the retail and car parking facilities in the estates. Factors such as the scale of the

¹ Including units for light industries, government offices, Mutual Aid Committee offices, residents' association offices, contractors' offices, estate management offices, storerooms, telecommunications base stations, advertising panels, etc.

estates under planning and the provision of shopping centres and retail facilities in the vicinity, will also be considered during the process. Relevant departments and organisations such as District Councils will be consulted. Furthermore, relevant government departments will, having regard to the views of the community, co-ordinate the provision of recreational, educational and welfare facilities, etc. within the estates and the communities concerned. This arrangement enables the Social Welfare Department (SWD) to explore the provision of facilities in a comprehensive manner at the early planning stage, in order to provide suitable welfare facilities in the estates under planning².

4. HA has been reviewing the use of non-domestic facilities in public housing estates from time to time. Given the limited space in public housing estates and the keen demand from many organisations, groups and entities for non-domestic premises to provide various types of services, HA will endeavour to balance the needs of residents for various types of facilities on the premise of ensuring adequate public space for residents' access and leisure. HA will consider adding non-domestic facilities as far as practicable, in order to provide various community, educational, welfare and retail facilities for residents.

Retail facilities

5. As at 30 April 2018, there are some 235 000 square metres of retail facilities under HA. HA has been implementing various enhancement measures for these facilities, including the re-designation of trade mix, conversion of use, proactive and flexible marketing and leasing strategies, etc.; the overall vacancy rate of these retail facilities is only around 1.6%. Moreover, HA has been actively exploring new avenues to provide more shopping choices and variety of services for residents and the community. For

² In drawing up an appropriate mix of proposed welfare facilities, SWD generally takes into account the needs of the local community, the overall demand for welfare services, the floor area requirements of different welfare facilities, the location and transport accessibility of the site for the public housing development, as well as the advice from the Planning Department or HA on site constraints, development parameters and limitations (including environmental issues such as noise and air quality). This is to address the service demand arising from the public housing developments and to cater for the community's demand at large. When considering whether the proposed welfare facilities could be incorporated into a public housing development, HA will take into consideration factors such as individual site constraints, feasibility and suitability of the required facilities, demands for various community facilities, funding arrangements for the facilities concerned, as well as relevant ordinances, rules and regulations (such as the Hong Kong Planning Standards and Guidelines, Town Planning Ordinance, Building (Planning) Regulations and relevant Practice Notes). The collaboration between HA and SWD in this aspect enables the optimal use of the site, so as to meet the society's demand for public rental housing and various community facilities.

example, mobile banking service, mobile Chinese medical and physiotherapy services, as well as parcel lockers for on-line purchase delivery have been introduced in some estates.

Welfare facilities

6. For Government-funded welfare premises in public housing estates, SWD or relevant government departments or bureaux will select appropriate non-governmental organisations (NGOs) to operate the planned services. HA, as the notional landlord, will enter into tenancy agreement with the nominated NGOs, and charge a nominal rent of \$1 per annum (plus a management and maintenance charge³, if applicable) for the leasing of the premises.

7. In addition, subject to the availability of suitable premises, technical feasibility and local views, vacant non-domestic premises under HA (such as storerooms or vacant bays) may be converted to welfare uses, in response to the needs of the local community. The list of vacant non-domestic premises which will be available for welfare lettings to NGOs is available on the HA/Housing Department website for the NGOs' open application. HA also regularly shares the list with SWD. Upon receipt of applications, HA will consult relevant government departments or bureaux including SWD, and arrange the leasing of welfare premises at a concessionary rent⁴ to eligible NGOs⁵ providing welfare or community services to residents, as recommended by relevant government departments or bureaux.

8. As at the end of April 2018, HA has about 1 500 tenancies under the above arrangements. These relevant NGOs provide various types of welfare services in public housing estates under HA, including children and youth services, elderly services, family welfare services, child care, medical services, rehabilitation services, educational services, etc.

³ The current charge is at \$41 per square metre per month, effective from 1 April 2018 and subject to annual review.

⁴ The current rate for concessionary rent is \$55 per square metre per month, exclusive of rates and Government rent (if any). The concessionary rent is subject to review by the Commercial Properties Committee of HA every three years. The next review is due on 1 April 2019.

⁵ Charitable or non-profit making organisations exempted under Section 88 of the Inland Revenue Ordinance.

Car parking facilities

9. The car parking facilities under HA are primarily provided for the parking of vehicles of residents of the estates concerned or their visitors. To ensure the best use of resources, HA has been keeping in view closely the usage and occupancy position of its car parking facilities, and has taken various flexible measures from time to time to maximise the usage of parking spaces and meet the needs of residents and the local communities. These measures include the re-designation of parking spaces for other types of vehicles⁶, flexible adjustment to the letting arrangement of parking spaces⁷, etc. The occupancy rate of HA's car parks has continued to increase and the overall occupancy rate reached around 96% as at end-April 2018.

Conclusion

10. HA will continue to keep in view the use of its non-domestic facilities, in order to meet the needs of residents and ensure the best use of resources.

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⁶ There are three main types of parking spaces under HA, i.e., parking spaces for private cars, motorcycles and light goods vehicles. Where technically feasible, HA will re-designate surplus parking spaces of some vehicle types for the parking of other types in higher demand as appropriate.

⁷ HA will convert surplus monthly parking spaces into hourly parking spaces to cater for the increase in demand during weekends and public holidays. To maximise the utilisation of parking spaces and reduce the number of carpark users on the waiting list, HA will implement a floating parking system in some of its car parks with hourly parking spaces, in order to increase the number of monthly tickets.