

For information

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

Measures to Revitalise Industrial Buildings

**Follow-up Actions Arising from the Discussion
at the Meeting on 19 December 2018**

Supplementary information requested by the Panel on Development at its meeting held on 19 December 2018 is provided below.

“Art Studio” use in industrial buildings (IBs) under the planning regime

2. In order to allow greater flexibility for uses/activities of “Art Studio” in IBs in the “Industrial” (“I”), “Residential (Group E)” (“R(E)”) and “Other Specified Uses” annotated “Business” (“OU(B)”) zones, the Definition of Terms used in statutory plans for “Art Studio” has been revised to state that “Art Studio (excluding those involving direct provision of services or goods)” means “any art studio which would not involve uses/activities that would attract visiting members of the general public by providing direct services or goods, such as hobby classes, seminars and sales of goods, or providing rehearsal facilities for any party other than the operator, owner and tenant(s) of the premises”¹. Also, as at March 2019, the Town Planning Board has amended the Notes of 21 Outline Zoning Plans (“OZPs”) to include “Art Studio (excluding those involving direct provision of services or goods)” as an always permitted use for existing IBs not yet subject to wholesale conversion or redevelopment in “I”, “R(E)” and “OU(B)” zones. It would incorporate this use into other OZPs concerned in a timely manner.

Operating space for certain sectors under the new revitalisation measures

Relaxation of waiver application policy

3. To support the development of a number of sectors and address the demand of current users for safe and lawful space, we have relaxed the waiver application policy to permit five non-industrial uses to take place in individual

¹ Please refer to an announcement issued by the Town Planning Board on 11 January 2019: - <https://www.info.gov.hk/gia/general/201901/11/P2019011100462.htm>.

units within existing IBs, provided that such uses are always permitted under the land use zoning of the site on the relevant OZP. The five uses are “Art Studio”, “Office (Audio-visual Recording Studio)”, “Office (Design and Media Production)”, “Office” (used by “specified creative industries” only), and “Research, Design and Development Centre”. Under the present arrangement², which has been in effect for an initial five-year period starting from 1 February 2019, IB owners do not need to apply for any temporary waiver and pay any waiver or administrative fee for any of the five aforesaid uses in their industrial premises.

4. However, in view of public safety, we must stress that the five uses should not involve uses/activities that would attract visiting members of the general public by providing direct services or goods, such as conducting hobby classes, exhibitions and sales activities, or providing rehearsal facilities for any party other than the operator, owner and tenant(s).

Partial conversion of lower floors to non-industrial uses

5. To facilitate partial conversion in IBs, and with due regard to public safety, Lands Department (LandsD) has issued a Practice Note³ setting out the requirements in respect of any application for waiver for temporary change of use of any buffer floor together with the floors immediately below it (subject to a maximum of three lower floors) of an existing IB upon conversion, and widening the uses in buffer floor to include telecommunications exchange centre and computer or data processing centre. This means that partial conversion is possible for releasing some lower floors of an IB to non-industrial uses⁴, if upon such *en bloc* conversion there is a buffer floor completely separating the lower three floors from the upper portion with industrial uses. The granting of the temporary waiver is subject to payment of waiver fee and administrative fee, as well as compliance with other stipulated criteria.

Wholesale conversion of IBs

6. As set out in the relevant LandsD’s Practice Note⁵, in respect of any

² Please refer to Development Bureau’s announcement via: - https://www.devb.gov.hk/filemanager/en/Content_3/Relaxation_of_the_Waiver_Application_in_Existing_IB.pdf.

³ Please refer to Practice Note No. 3/2019 on “Application for Waivers for Buffer Floor and Lower Floors of an Existing Industrial Building” at LandsD’s website at: - https://www.landsd.gov.hk/en/reIntBuild/relevant_pn.htm.

⁴ These non-industrial uses are permitted under the land use zoning of the site concerned on the OZP or by planning permission given by the Town Planning Board.

⁵ Please refer to Practice Note No. 6/2019 on “Application for Special Waiver for Conversion of an

application to be received in the three-year period ending 31 March 2022, LandsD would exempt the waiver fee otherwise chargeable for the change of use upon wholesale conversion of eligible IBs, on the condition that 10% of the converted total Gross Floor Area (GFA) of the wholesale-converted buildings would be designated for specific uses which would bring wider community benefits (such as those in relation to arts and cultural sectors, creative industries, innovation and technology industries, social service or community healthcare facilities, sports and recreational uses, etc.) to be determined by Government. Development Bureau would chair an inter-departmental Committee to assess the “designated uses” proposed by applicants for wholesale conversion of their IBs, co-ordinate the overall use priorities indicated by bureaux/departments, and decide on the exact parameters about the designated uses as a condition to be imposed by LandsD on an approved application. In so doing, Government would have regard to the positioning, permissible planning uses, location and neighbouring environment, building configuration, zoning, market demand, and relevant policy considerations.

7. To this end, for each approved application for wholesale conversion going forward, LandsD would incorporate in the Waiver Letter relevant conditions to ensure that the 10% GFA would be designated for specific uses prescribed and decided by Government. In case of a breach of the conditions (including the designated GFA not being used for the specified uses, or being left idle for a prolonged duration), Government may demand the owner to execute a long lease to underlet the designated GFA to Government, upon such terms and conditions (including the payment of a nominal annual rent at \$1, if demanded) as may be required or specified by Government, so that Government may put the vacant premises into gainful uses.

New measure to speed up redevelopment of old IBs

8. Under the new revitalisation scheme, we encourage redevelopment of pre-1987 IBs located outside “Residential” zones in Main Urban Areas and New towns by increasing the maximum permissible non-domestic plot ratio (“PR”) by up to 20%, so long as such increase in development intensity is proven to be technically feasible and planning applications made within three years starting from 10 October 2018 have been approved by the Town Planning Board. The Board has so far received seven applications for relaxation of PR under this measure. In leveraging market forces to bring about redevelopment and renewal of industrial districts, we would closely monitor responses to this measure and review its effectiveness in due course. This notwithstanding, Government has no plan to acquire privately-owned industrial properties for redevelopment.

Revitalisation scheme for IBs implemented between 2010 and 2016

Number of applications received and approved

9. By the close of the six-year scheme in March 2016, LandsD received a total of 171 applications (excluding those withdrawn and terminated by applicants). So far, 133 applications were approved (with 110 of the approved applications executed).

Approved wholesale conversion and redevelopment cases

10. The approved applications under the previous round concerned old IBs located in various districts, namely Kowloon East, Kowloon West, Hong Kong East, Hong Kong West and South, Tsuen Wan and Kwai Tsing, Sha Tin, Tuen Mun, Sai Kung, North and Yuen Long, etc. The major distribution is shown in the table below –

Districts	Distribution of the Approved /Executed Applications (about)
Kowloon East	44.4%
Tsuen Wan and Kwai Tsing	18.0%
Kowloon West	7.5%
North	7.5%
Others	22.6%

11. These approved applications, upon completion of the conversion or redevelopment works, would have a capacity to provide about 2 170 000 square metres of floor area for non-industrial uses, including about 200 000 square metres for hotel purposes, about 50 000 square metres involving residential purposes and about 1 920 000 square metres for commercial purposes, such as office, eating place, shop and services, information technology and telecommunications industries, educational institution, research, design and development centres, place of recreation, sports and culture, etc.

Provision of transitional housing in IBs

12. Matters related to alleviating the housing problem of those living in inadequate accommodation (including the provision of transitional housing) were discussed at the LegCo Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies under the Panel on Housing. In essence, to facilitate community-initiated transitional housing projects, the Transport and Housing Bureau has set up a task force to co-ordinate and provide one-stop support. The task force is working with relevant bureaux and departments to

render appropriate assistance for non-government organisations pursuing transitional housing projects. Please refer to LC Paper No. CB(1)485/18-19(02)⁶ for the detail about Government's measures and policies in this regard.

**Development Bureau
Lands Department
Planning Department
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⁶ Available via:-
https://www.legco.gov.hk/yr18-19/english/panels/hg/hg_ihp/papers/hg_ihp20190122cb1-485-2-e.pdf.