

**For discussion
on 6 July 2020**

Legislative Council Panel on Housing

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

Purpose

This paper updates Members on the latest situation of 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 also provides non-domestic facilities such as retail, welfare and car parking facilities to cater for the daily needs of public housing residents. For better utilisation of resources and provision of facilities and services to meet the needs of residents, HA has been reviewing the use of non-domestic facilities in public housing estates from time to time. As at the end of March 2020, there are about 1.79 million square metres of non-domestic facilities under HA, of which about 49% are welfare facilities, about 15% are retail facilities and the remaining 36% are for other purposes¹.

Retail facilities

3. As at the end of March 2020, there are about 260 000 square metres of retail facilities under HA. In designating the trade mix for its retail facilities, HA prioritises the provision of trades that meet the daily basic needs of local residents (such as supermarkets and eateries) and also actively

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.

introduces suitable trades of other goods and services so as to provide a wide variety of choices to residents. In line with the market trend in recent years, HA has been providing various kinds of mobile facilities², such as collaborating with major banks to provide mobile banking services in 30 estates for the convenience of residents. Furthermore, in response to the growing popularity of online shopping and home delivery purchases in recent years, apart from letting retail premises to express delivery service providers, HA has set up more than 50 sets of parcel lockers in various estates to facilitate the residents to pick up their purchases. Besides, HA has arranged for short-term letting of promotional venues in 19 shopping centres for roadshows and trade fairs³, providing business opportunities for small and medium enterprises as well as business start-ups, while at the same time widening shopping choices for residents and the community.

4. Since 2011, HA has formulated the five-year rolling programme for enhancement of its commercial assets, with a view to optimising the use of facilities through major improvement works, re-designation of trade mix, creation of additional shops and conversion of usage, etc. The implementation of the improvement/conversion works together with the enhanced leasing strategies have substantially improved the utilisation of HA's commercial premises. As a result of new production of shops and improvement projects, the total retail floor space under HA has increased from around 165 600 square metres in March 2011 to around 260 000 square metres in March 2020 and the overall vacancy rate of retail premises has dropped from 4.9% to 2.1% in the same period.

Welfare facilities

5. When planning new public housing developments, HA will take into account relevant government policies and planning requirements in providing various facilities. Social Welfare Department (SWD) and relevant departments and organisations will also be consulted during the process in order to provide suitable welfare facilities in the estates under planning. For

² Including mobile banking services, mobile Chinese medical and physiotherapy services, mobile library services as well as mobile postal services, etc..

³ In 2019/20, HA's promotional venues were let for around 3 300 days in total.

Government-funded welfare premises in HA's public housing developments, HA will lease them to eligible non-government organisations (NGOs)⁴ nominated by relevant government bureaux/departments at a nominal rent of \$1 per annum plus a management and maintenance charge (if applicable) which is currently set at \$41 per square metre per month.

6. Furthermore, HA has also been reviewing the use of its non-domestic space from time to time. Subject to technical feasibility and compliance with relevant legislation and land lease conditions, HA may convert suitable non-domestic space in existing estates to welfare use in response to demand. In recent years, HA has successfully converted some vacant storerooms and spaces into over 20 welfare premises. An updated list of vacant non-domestic premises available for letting to NGOs for welfare use is available on HA's website. NGOs interested in leasing these premises may submit applications to HA. HA also regularly shares the list with SWD. HA will lease the welfare premises at a concessionary rent⁵ to eligible NGOs providing services to residents of public housing estates directly which are recommended by SWD or relevant government bureaux/departments. As at the end of March 2020, HA has executed about 1 560 tenancies under the above arrangements for relevant organisations to provide various types of welfare services⁶.

Car parking facilities

7. The car parking facilities under HA are primarily provided for residents or visitors of the respective estates/courts to park their vehicles. As at the end of March 2020, HA has about 31 800 parking spaces in 174 carparks and the overall occupancy rate was around 96%.

⁴ Charitable or non-profit making organisations which are exempted under Section 88 of the Inland Revenue Ordinance.

⁵ HA's Commercial Properties Committee reviews the concessionary rent once every three years. The concessionary rent is currently set at \$59 per square metre per month.

⁶ Including children and youth services, elderly services, family welfare services, as well as child care, medical, rehabilitation and educational services, etc..

8. For better utilisation of resources, HA has all along been taking various measures to maximise the usage of parking spaces⁷. In view of the keen demand for car parking spaces in recent years, HA has been endeavouring to create more parking spaces by making use of open spaces, realignment of parking spaces and re-designation of spaces for the parking of other types of vehicles, etc. As at the end of March 2020, HA has already created 100 additional spaces in total in 12 estates and is working on the addition of a further 70 parking spaces in five other estates. HA will continue to seek opportunities to create additional parking spaces in existing car parks subject to technical feasibility, necessary approvals and local views.

9. As for HA's new development projects, HA will, where technically feasible, provide parking spaces at the upper end of the standards stipulated in the Hong Kong Planning Standards and Guidelines (HKPSG). If feasible, HA will also consider providing additional parking spaces on top of the HKPSG requirements on a case-by-case basis. In determining the number of such parking spaces, our guiding principle is that the provision of additional parking spaces should not result in flat loss, programme delay or substantial costs to HA.

10. To support the Government policy of promoting the wider use of electric vehicles (EVs) in Hong Kong, HA will continue to follow the requirement of the HKPSG and provide EV charging facilities for 30% of the indoor private car parking spaces in new public housing developments. EV charging-enabling infrastructure⁸ will be installed for the remaining 70% indoor private car parking spaces. For existing car parks, HA has already provided EV charging facilities (including standard, medium and quick chargers) in some hourly parking spaces, and will provide, on demand and where technically feasible, standard charging facilities for some monthly parking spaces. Since mid-2019, to further support the Government initiatives of promoting the use of EVs, HA has conducted a feasibility study on the addition of medium chargers at some hourly parking spaces if electricity loading of existing car parks permits. To ensure optimum use of

⁷ These measures include re-designating parking spaces for other types of vehicles, flexible adjustment of the letting arrangement of parking spaces, letting of surplus parking spaces to non-residents upon obtaining the necessary permission, etc..

⁸ Infrastructure includes electricity distribution boards, cables, conduit and trunking, as well as reservation of spaces for future installation of EV chargers.

resources, HA will consider gradually increasing the number of medium chargers according to the utilisation of these chargers. As at the end of March 2020, HA has already provided EV charging facilities (including about 40 medium/quick chargers) at about 250 hourly parking spaces and about 830 monthly parking spaces in its car parks.

Conclusion

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

Transport and Housing Bureau
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