

**立法會**  
***Legislative Council***

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**Panel on Housing**

**Meeting on 6 July 2020**

**Updated background brief prepared by the Legislative Council  
Secretariat on use of non-domestic premises of the Hong Kong  
Housing Authority**

**Purpose**

This paper provides background information on the use of non-domestic premises of the Hong Kong Housing Authority ("HA"), and gives a summary of the views and concerns expressed by members of the Panel on Housing ("the Panel") on issues relating to the subject.

**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 subsidized sale flats. Depending on the circumstances, HA also provides non-domestic facilities such as retail, welfare and car parking facilities to the residents.

3. According to the Administration<sup>1</sup>, as at the end of December 2018, HA had some 1.76 million square metres of non-domestic facilities, of which about 49% were welfare facilities, about 14% were retail facilities and the remaining 37% were for other purposes<sup>2</sup>, and had about 30 900

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<sup>1</sup> LC Paper No. [CB\(1\)634/18-19\(05\)](#)

<sup>2</sup> 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.

parking spaces in 161 car parks.<sup>3</sup>

#### Provision of non-domestic facilities

4. In planning for new public housing developments, HA will take into account relevant government policies and planning requirements to plan for the provision of various facilities. Relevant departments and organizations will also be consulted during the process.<sup>4</sup>

5. Given the limited space in existing public housing estates, HA will, on the premise of ensuring that adequate public space is available for residents' access and leisure, endeavour to balance residents' needs for various facilities and consider increasing the provision of non-domestic facilities where feasible to provide residents with various community, educational, welfare and retail facilities.<sup>5</sup>

#### Welfare facilities

6. HA has been leasing welfare premises at a concessionary rent to eligible non-government organizations ("NGOs")<sup>6</sup> providing services to residents directly as recommended by the Social Welfare Department ("SWD") or relevant government bureaux/departments.<sup>7</sup>

7. Subject to technical feasibility and in compliance with the Buildings Ordinance (Cap. 123), other relevant legislation and land lease conditions (if applicable), HA may, after taking into account the residents' views, convert suitable non-domestic premises to welfare use in response to demand.

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<sup>3</sup> As at end-December 2018, there were about 246 000 square metres of retail facilities under HA. The overall vacancy rate of these retail facilities was around 1.2%. As regards the car parking facilities under HA, the overall occupancy rate was around 96% (LC Paper No. [CB\(1\)634/18-19\(05\)](#)).

<sup>4</sup> LC Paper No. [CB\(1\)634/18-19\(05\)](#)

<sup>5</sup> LC Paper No. [CB\(1\)437/17-18\(01\)](#)

<sup>6</sup> Charitable or non-profit making organizations which are exempted under Section 88 of the Inland Revenue Ordinance (Cap. 112).

<sup>7</sup> HA's Commercial Properties Committee reviews the concessionary rent once every three years, and has approved the adjustment of the concessionary rent from \$55 to \$59 per square metre per month, with effect from 1 April 2019. For Government-funded welfare premises, HA normally charges a nominal rent of \$1 per annum plus a management and maintenance charge which is set at \$41 per square metre per month (LC Paper No. [CB\(1\)634/18-19\(05\)](#)).

## **Members' views and concerns**

8. The major views and concerns expressed by members on issues relating to the subject are summarized in the ensuing paragraphs.

### Restrictions on provision of additional non-domestic facilities in existing estates

9. In view that HA often could not add facilities in existing public housing estates for meeting residents' need owing to planning restrictions, such as restriction on the total permissible gross floor area, members opined that HA should explore with relevant government departments the adoption of a more flexible approach to facilitate the provision of community or social welfare facilities.

10. The Administration explained that in general, in handling requests for additional common facilities in public housing estates, HA needed to conduct feasibility studies including on the technical aspects, requirements under relevant Ordinances and the restrictions under the conditions of Government leases (if applicable), etc., and take into account residents' views. If providing the additional facilities involved alteration and additional works or change of use, submission of plans for the approval of the Independent Checking Unit under the Permanent Secretary for Transport and Housing (Housing) would be required. If the land on which the estate concerned was situated was subject to conditions of a Government lease, application to the Lands Department for approval was required. If there were other owners in the estate, consent from owners concerned would also be required for carrying out works on common areas of the estate.<sup>8</sup>

### Measures to increase non-domestic premises

11. Members suggested that HA should make better use of the rooftops of building blocks in existing public housing estates for providing facilities and plan for the provision of underground space (such as basements) in future public housing projects for use as non-domestic premises.

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<sup>8</sup> LC Paper No. [CB\(1\)358/19-20\(02\)](#)

12. The Administration advised that the main objective of HA was to help low-income families with housing needs to gain access to affordable housing. Then, depending on the circumstances, other non-domestic facilities would be provided. HA had been adopting the public housing development principles of optimizing site potential and building in a sustainable manner in order to make the best use of every piece of land. Therefore, on the premises of the compliance to the statutory requirements and no impact on the public housing development (including its flat production, time and cost effectiveness), on individual project basis, HA would also consider constructing underground space such as basement for non-domestic facilities (e.g. carparks). As regards rooftops of domestic buildings in public housing estates, they formed part of the common areas of domestic areas, and generally accommodated a lot of building services, such as water tanks, common antennae, machine rooms, etc. For safety reasons and to avoid nuisance to residents, it was considered not suitable to use rooftop areas for welfare or other non-domestic purposes.<sup>9</sup>

#### Conversion of storerooms in public housing estates

13. Members opined that HA should properly utilize the storerooms in public housing estates by converting them into domestic units as appropriate and letting idle storerooms to social welfare units or community organizations. In view that only about 60% of the storerooms within domestic areas of public housing estates had been leased out, members enquired how HA would expedite the process of converting vacant storerooms to other uses to meet the demand.<sup>10</sup>

14. The Administration advised that there were pockets of odd spaces in domestic blocks in public housing estates completed in earlier years. As most of these spaces were small and narrow, and often could not meet the lighting, ventilation and other requirements for domestic use, they had been let to domestic and non-domestic tenants for use as storerooms. Conversion of storerooms into other uses was not always feasible due to various constraints such as being too small in size, non-compliance of building and related Ordinances, environmental considerations and

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<sup>9</sup> LC Paper No. [CB\(1\)358/19-20\(02\)](#)

<sup>10</sup> According to LC Paper No. [CB\(1\)634/18-19\(05\)](#), there were about 2 500 storerooms in domestic blocks of public housing estates, of which about 2 100 were within domestic areas and 400 were outside domestic areas. About 60% of storerooms within domestic areas and 80% of storerooms outside domestic areas had been leased out.

residents' views. After identifying a suitable storeroom feasible for conversion, HA had to go through relevant statutory, land administration and technical requirements and obtain necessary consents or approvals as well as consult various stakeholders, prior to conversion works. The conversion works completed and those being carried out currently by HA would provide a total of about 70 domestic units. HA would also continue to conduct feasibility studies and convert storerooms and vacant bays outside domestic areas into other non-domestic uses such as retail shops, offices and welfare premises on a need basis.<sup>11</sup>

### Management of retail facilities

15. Members opined that the vacancy rate of 1.2% of HA's retail facilities might not reflect the stall vacancy situation in HA's single-operator markets ("SOMs"). In view that under the single-operator letting arrangement for HA's markets, the operators to which tenancies were awarded by HA for operating SOMs ("SOM tenants") might directly operate the stalls in the markets instead of leasing them to other stall operators, members were concerned whether there was sufficient competition among stalls.

16. The Administration advised that to ensure the effective operation of the market, SOM tenants might sometimes need to directly operate the stalls according to the actual circumstances. For example, when no operator was interested in providing certain types of goods or services, direct operation of stalls by SOM tenants could meet the tenancy requirement of providing certain proportion of food and miscellaneous trades. This arrangement could also help reduce the vacancy rate and satisfy customers' needs. The HA's Commercial Properties Committee ("CPC") had endorsed enhancement measures in March 2017 to restrict the area of direct operation by the SOM tenants to not more than 20% of the total internal floor area of the market stalls. HA considered that such enhancement would be able to strike a balance between the need to maintain flexibility of the operation of SOMs and the need to address public concern. CPC had time and again deliberated the SOM policy and considered that the current monitoring mechanism for SOMs had already struck a balance between the practical circumstances of commercial operations and shopping needs of residents.<sup>12</sup>

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<sup>11</sup> LC Paper No. [CB\(1\)358/19-20\(02\)](#)

<sup>12</sup> LC Paper No. [CB\(1\)358/19-20\(02\)](#)

### Providing additional car parking facilities

17. Members opined that the Administration/HA should examine the construction of additional car parks or expansion of existing car parks in public housing estates to increase the number of parking spaces. Some members opined that the relevant planning standards for car parking spaces in public housing estates might no longer adequately cater for the demand for such facilities.

18. The Administration advised that in planning the provision of parking spaces for new public housing projects, HA would in general make reference to the requirements of the Hong Kong Planning Standards and Guidelines ("HKPSG"). Moreover, HA would provide parking spaces at the upper end of the standards stipulated in HKPSG if technically feasible, and would liaise with the Transport Department to maximize the number of parking spaces on project basis.<sup>13</sup> As regards existing car parks and estates, it was necessary for HA to consider the technical feasibility for increasing parking spaces, including whether there was adequate turning space for vehicles, and whether there was adequate width for the driveway, etc. It was also necessary for HA to consult the Transport Department. Where the estate was covered by a Government lease with restriction on the number of parking spaces, consent or waiver from the Lands Department might also be required. Most importantly, it was necessary to consult the local residents to ensure that they supported the proposal of increasing parking spaces. HA had identified possible spaces for the provision of about 130 additional parking spaces by making use of open space, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc, and would continue to keep in view the usage of HA's car parking facilities and opportunities for further increase of car parking spaces.<sup>14</sup>

### Redevelopment of factory estates

19. In view that the 2019 Policy Address suggested that HA should explore the feasibility of redeveloping its factory estates for public housing use, members enquired about the HA's plans to take forward the suggestion, and the rehousing arrangements to be put in place for the affected tenants.

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<sup>13</sup> LC Paper No. [CB\(1\)1318/18-19](#)

<sup>14</sup> LC Paper No. [CB\(1\)358/19-20\(02\)](#)

20. The Administration advised that HA was exploring the feasibility of redeveloping individual factory estates under suitable conditions and arrangements for public housing use, particularly to increase the public rental housing supply, and anticipated that the study would be completed progressively in late 2020. As the six factory estates under HA were situated in industrial or industrial-office areas, the Administration must carry out relevant technical assessments to ascertain whether these sites were suitable for residential use. Rezoning under the Town Planning Ordinance (Cap. 131) was also required to change the use of these sites for public housing development. The factory estates provided about 8 200 units, and the occupancy rate was about 98% with about 3 300 tenants. When HA cleared its factory estates in the past, an advance notice of 18 months would normally be given to the affected tenants to facilitate their early planning for vacating the premises. Rent increase would also be normally frozen until clearance, and an ex-gratia allowance would be paid to the concerned tenants to assist them to relocate or terminate their businesses. If HA finally decided to clear its existing factory estates, it would make reference to the previous practices mentioned above and the then circumstances in making appropriate arrangements.<sup>15</sup>

### **Latest development**

21. The Administration will brief the Panel on the utilization of non-domestic premises of HA at the meeting on 6 July 2020.

### **Relevant papers**

22. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
2 July 2020

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<sup>15</sup> Government's [press release](#) dated 20 May 2020

## Appendix

### Use of non-domestic premises of the Hong Kong Housing Authority

#### List of relevant papers

Committee	Date of meeting	Papers
Panel on Housing	10 July 2018	Administration's paper on use of non-domestic premises of the Hong Kong Housing Authority (LC Paper No. <a href="#">CB(1)1220/17-18(03)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)578/18-19</a> )
Panel on Housing	4 March 2019	Administration's paper on use of non-domestic premises of the Hong Kong Housing Authority (LC Paper No. <a href="#">CB(1)634/18-19(05)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)1318/18-19</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)358/19-20(02)</a> )