

**For Discussion
on 5 May 2021**

Legislative Council Panel on Housing

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

Purpose

This paper briefs 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 assist low-income families with housing needs to gain access to affordable housing. At the same time, HA also provides other ancillary facilities in its public housing estates including retail shops, car parks, as well as community, educational and welfare facilities, etc. to cater for the daily needs of residents. As at the end of December 2020, there were about 1.81 million square metres of non-domestic facilities under HA, of which about 48% were welfare and community facilities, about 15% were retail facilities, 11% were factory estates and the remaining 26% were for other purposes¹. In addition, HA has a portfolio of around 180 carparks, providing about 32 200 car parking spaces.

3. HA reviews the use of non-domestic facilities in public housing estates from time to time to enable better utilisation of resources and provision of various kinds of facilities to serve residents. Over the past year, Hong Kong has experienced an economic downturn under the impact of the COVID-19 epidemic, and various sectors of the economy have been facing tremendous challenge. Complementing the Government's anti-epidemic and relief measures, HA has implemented various measures in the light of the circumstances to fight against the epidemic and assist its commercial tenants to tide over difficult times.

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

Strengthened anti-epidemic measures

4. The Government announced the activation of the Emergency Response Level under the “Preparedness and Response Plan for Novel Infectious Disease of Public Health Significance” in January 2020. HA responded immediately by stepping up the daily cleansing and disinfection of common areas, including escalators, lifts, passages, drainage facilities, etc., in its shopping centres and markets. Besides, in view of the emergence of confirmed COVID-19 cases in some private shopping centres and markets in mid-2020, HA progressively implemented a series of strengthened anti-epidemic measures in its shopping centres and markets, including regular deep cleansing and disinfection of markets, putting up posters/ notices at shopping centres and markets reminding the public to wear masks, providing hand sanitisers at more locations in the shopping centres and markets for public use, distributing masks and hand sanitisers to stall operators of markets and cooked food stalls, conducting temperature screening for visitors at the entrances to enclosed shopping centres and markets with air-conditioning, intensifying the cleansing of air-conditioning and ventilation systems for markets, etc. HA also employed additional manpower, including some 100 anti-epidemic ambassadors, to monitor temperature screening for visitors, advise visitors to wear masks, monitor the cleansing condition and provision of hand sanitisers in shopping centres and markets, etc.

5. In addition, the Government launched a subsidy scheme under the Anti-epidemic Fund in October 2020 to provide a one-off subsidy of \$5,000 to stall tenants of markets and cooked food stalls under the Food and Environmental Hygiene Department and HA, with a view to encouraging stall tenants to use contactless payment to safeguard public health. Following the Government’s announcement on 21 April this year to launch the second round of the subsidy scheme, HA has informed its individual stall tenants of the relevant application arrangements. As soon as the LeaveHomeSafe Mobile App was launched by the Government in November 2020, HA displayed relevant QR codes at various shopping centres and markets to enable the public to record their visits. HA will continue to implement various preventive measures with a view to maintaining good hygiene conditions in its commercial facilities and providing a safe shopping environment for residents and visitors.

Rent concession measures

6. In order to complement the Government’s measures to support enterprises and relieve people’s financial burden, HA provided a 50% rent concession to eligible retail and factory tenants for the period from 1 October 2019 to 31 March 2020. The rent concession for these tenants was subsequently extended for another 12 months from 1 April 2020 to 31 March 2021 and

increased to 75%. HA also extended the coverage of the 75% rent concession to other eligible non-domestic tenants/ licensees, including carpark users for the monthly parking of commercial vehicles. Eligible tenants/ licensees of HA's non-domestic premises, such as beauty parlours, amusement game centres, etc., could apply for 100% rent concession for the period during which their operation at the premises concerned was required to be closed under anti-epidemic regulations or directions of the Government. In line with the Government's further measures, the Commercial Properties Committee of HA also approved in March 2021 to further extend the 75% rent concession up to 30 September 2021. For the 24-month period from 1 October 2019 to 30 September 2021, the total rent foregone by HA as a result of the rent concession is estimated to be around \$2,290 million.

7. The above measures have provided assistance to HA's commercial tenants to tide over the difficult business environment amidst the epidemic. As a result, the overall vacancy rate of HA's retail facilities managed to maintain at a low rate of 2.0%, and the rent arrears rate was kept at a low rate of 1.8% as at the end of December 2020.

Measures relating to shopping centres and retail facilities

8. Amidst the COVID-19 epidemic, HA continued to adopt proactive and flexible leasing and promotion strategies in order to enhance the potential of its commercial properties and to improve business environment. In view of the growing popularity of online shopping, especially amidst the epidemic, and the increasing demand for logistics services, HA kept pace with market trend whereby in addition to letting retail premises to express delivery service providers, HA also set up more than 60 parcel lockers in various estates to facilitate residents to pick up their purchases. Besides, HA has arranged short-term letting of promotional venues in 19 shopping centres for roadshows, pop-up stores and trade fairs, etc. to provide business opportunities for small and medium enterprises and business start-ups, and broaden the shopping choices for residents and the community at the same time.

9. To complement with the social distancing measures of the Government with a view to reducing the risk of COVID-19 transmission, HA has suspended large-scale promotional activities in its shopping centres since February 2020. However, to enhance shopping ambience and attract patronage to its shopping centres and retail facilities with a view to providing a good business environment for tenants, HA continues to arrange festive decorations for its shopping facilities during major festive seasons and special days, and launch small scale promotion activities such as gift redemption and lucky draws. While maintaining social

distancing, these small-scale promotional activities can help boost sales for shop operators and are well received by customers, shop tenants and residents.

Measures relating to carparks

10. In view of the keen demand for car parking spaces, HA has been endeavoring to create more car parking spaces. Subject to technical feasibility and obtaining the necessary approval, HA would create additional car parking spaces in existing carparks and estates by making use of open spaces, realignment of car parking spaces and re-designation of car parking spaces for the parking of other types of vehicles, etc. As at the end of December 2020, HA has already created 128 additional car parking spaces in 18 estates. HA has also identified suitable spaces in another five estates for possible creation of 70 additional car parking spaces and is now undertaking related work. HA will continue to keep in view the usage of its car parking facilities and seek opportunities for further addition of car parking spaces if there is demand and where circumstances permit.

11. As for HA's new public housing development projects, if it is technically feasible, HA will provide car parking spaces in accordance with the upper limit of the standards stipulated in the Hong Kong Planning Standards and Guidelines (HKPSG). Besides, HA will consider providing car parking spaces on top of the HKPSG requirements according to the circumstances of individual cases. HA will continue to complement the Government's policy and requirements and consider increasing the provision of car parking spaces in new public housing developments.

12. In support of the Government's policy to promote wider use of electric vehicles (EVs), HA has provided EV chargers at about 1 200 private car parking spaces in around 50 carparks. To support the Government's initiatives in the next step, HA has been gradually increasing the number of medium chargers (MCs) at hourly private car parking spaces in its existing carparks. At present, HA has completed or is carrying out the installation of 24 MCs in 6 carparks. In order to make good use of the resources, HA will keep in view the usage of these chargers, and will consider gradually increasing the number of MCs in existing carparks if there is demand and if it is technically feasible.

13. In addition, the Environmental Protection Department issued the Hong Kong Roadmap on Popularisation of Electric Vehicles in March this year and is coordinating with relevant government departments to update the requirements under HKPSG as well as relevant technical guidelines on EV charging facilities regarding the provision of MCs in new developments. To complement the Government's policy on popularisation of EVs, HA will install MCs and its charging-enabling facilities instead of standard chargers in new public housing

projects under planning and early design stages. For projects at advanced design and tender stages or under construction, HA will review the feasibility of providing MCs on a case by case basis, taking into consideration the time and cost implications as well as other technical and spatial requirements.

Conclusion

14. HA will continue to review the use of its non-domestic facilities and, to keep pace with the market situation, implement various measures to provide more suitable and diversified services to residents.

**Transport and Housing Bureau
April 2021**