

**立法會**  
**Legislative Council**

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**Panel on Housing**

**Meeting on 7 June 2021**

**Background brief on redevelopment of factory estates under the  
Hong Kong Housing Authority**

**Purpose**

This paper provides background information on redevelopment of factory estates under the Hong Kong Housing Authority ("HA"), and gives a summary of the views and concerns expressed by Members during relevant discussions in recent years.

**Background**

2. HA has six factory estates<sup>1</sup> which provide small-sized units to manufacturers of light industries for industrial purposes. During the three-year period from early-December 2016 to end-November 2019, the average yearly occupancy rates of these factory estates were over 98%. There were about 3 320 tenants as at January 2020.<sup>2</sup>

3. In the 2019 Policy Address, the Chief Executive invited HA to explore the feasibility of redeveloping its factory estates for public housing use, particularly to increase the supply of public rental housing units. According to the Administration, HA expected to complete the necessary study in the first quarter of 2021.<sup>3</sup>

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<sup>1</sup> Including Yip On Factory Estate in Kowloon Bay, Sui Fai Factory Estate in Fo Tan, Wang Cheong Factory Estate in Cheung Sha Wan, Kwai On and Chun Shing Factory Estates in Kwai Chung, and Hoi Tai Factory Estate in Tuen Mun.

<sup>2</sup> Government's [press release](#) dated 8 January 2020

<sup>3</sup> According to the Government's [press release](#) dated 24 May 2021, HA had completed the study.

## **Members' views and concerns**

4. The major views and concerns expressed by Members during relevant discussions in recent years are summarized in the ensuing paragraphs.

### Progress of the study and follow-up actions

5. Members opined that HA should expedite the study on the feasibility of redeveloping its factory estates for public housing use, and asked what follow-up actions the Administration/HA would take upon completion of the study. Some Members enquired about the supporting facilities to be provided for residents of the future public housing developments at these factory estate sites, and whether the factory estates which were not suitable for redevelopment would be converted into transitional housing.

6. The Administration advised that as all six factory estates were situated in industrial or industrial-office areas, the Administration/HA must carry out relevant technical assessments to ascertain whether these sites were suitable for residential use. Upon completion of the study, HA would release the findings and recommendations at appropriate time, and would take account of the findings and recommendations and views of other stakeholders before deciding whether individual factory estates would be demolished for public housing use. Rezoning under the Town Planning Ordinance (Cap. 131) was required to change the use of these sites for public housing development, and demolition and decontamination works would be conducted upon departure of the factory tenants. HA would follow the established mechanism for including suitable community facilities in new public housing developments with reference to the requirements of the Hong Kong Planning Standards and Guidelines and in consultation with relevant departments/organizations as well as other stakeholders including the District Councils. For the individual factory estates that would not be redeveloped, the Administration/HA would study the improvement works required to fulfil the statutory requirements and the related estimated costs after the enactment of the Fire Safety (Industrial Buildings) Ordinance (Cap. 636).<sup>4</sup>

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<sup>4</sup> The Fire Safety (Industrial Buildings) Bill was passed in June 2020.

### Relocation and clearance arrangements

7. Members enquired about the measures to assist the tenants affected by redevelopment of HA's factory estates in future and whether HA would arrange for relocation of those tenants who wished to continue with their businesses to other factory estates/units.

8. The Administration advised that 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 draw reference from the previous practices and consider the then circumstances in making appropriate arrangements.

### **Council questions**

9. Council questions on redevelopment of factory estates under HA were raised at the Council meetings of 18 December 2019, 8 January and 20 May 2020. The Council questions and the Administration's replies are hyperlinked in the **Appendix**.

### **Latest development**

10. The Administration will brief the Panel on the study results of the redevelopment of HA's factory estates and clearance arrangements at the meeting on 7 June 2021.

### **Relevant papers**

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

## Appendix

### Redevelopment of factory estates under the Hong Kong Housing Authority

#### List of relevant papers

Council/Committee	Date of meeting	Papers
Panel on Housing	8 November 2019	Administration's paper (LC Paper No. <a href="#">CB(1)32/19-20(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)492/19-20</a> )
Council	18 December 2019	<a href="#">Council question</a> on redevelopment of the factory estates under the Hong Kong Housing Authority
Council	8 January 2020	<a href="#">Council question</a> on redevelopment of the factory estates under the Hong Kong Housing Authority
Council	20 May 2020	<a href="#">Council question</a> on redevelopment of the factory estates under the Hong Kong Housing Authority
Panel on Housing	17 December 2020	Administration's paper (LC Paper No. <a href="#">CB(1)293/20-21(07)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)685/20-21</a> )
Panel on Housing	5 May 2021	Administration's paper (LC Paper No. <a href="#">CB(1)842/20-21(05)</a> )