

**CONTROLLING OFFICER'S REPLY**

**DEVB(PL)179**

**(Question Serial No. 1911)**

Head: (91) Lands Department  
Subhead (No. & title): (-) Not Specified  
Programme: (1) Land Administration  
Controlling Officer: Director of Lands (Thomas CHAN)  
Director of Bureau: Secretary for Development

Question:

Regarding “oversee the implementation of a package of new measures to facilitate revitalisation of industrial buildings” under the Programme, would the Government please set out the following:

1. the number of applications approved under the revitalisation measures previously introduced between 2010 and 2016; the new uses and areas made available by the revitalisation projects with a breakdown by category of development;
2. the details and implementation timetable of the new measures to facilitate revitalisation of industrial buildings; and
3. having regard to the undesirable impacts of the previous round of revitalisation measures, such as rent hikes of industrial buildings, speculative trading of industrial units, and forced eviction of original business undertakings due to conversion of buildings initiated by owners, in what ways will the new measures introduced by the Government prevent such problems from recurring.

Asked by: Hon MAK Mei-kuen, Alice (LegCo internal reference no.: 57)

Reply:

1. The Government announced in October 2009 a set of measures to facilitate the wholesale conversion and redevelopment of old industrial buildings (IBs) to provide more floor space that meets Hong Kong's changing social and economic needs. The measures came into effect on 1 April 2010 and ended on 31 March 2016. Throughout these six years, the Lands Department (LandsD) received 226 applications for wholesale conversion and 22 applications for redevelopment under the measures. As at end-December 2018, 158 applications for wholesale conversion and all the

applications for redevelopment had been approved. The approved applications would provide a total of about 2.17 million square metres<sup>Note 1</sup> of converted or new gross floor area (GFA) after completion of works.

A summary of the major uses of the approved wholesale conversion and redevelopment applications is shown below.

(a) Wholesale Conversion

Uses	Applications approved
(a) Hotel use	24
(b) Office and other major uses <sup>Note 2</sup>	134

(b) Redevelopment

Uses <sup>Note 3</sup>	Applications approved
(a) Hotel use	6
(b) Office / Commercial use	10
(c) Residential use	6

Note 1: Exclude subsequently withdrawn / terminated cases.

Note 2: Except for hotel use, applicants for wholesale conversion usually applied to LandsD for special waivers covering a combination of new uses permitted under the planning regime so as to allow more flexibility for their conversion projects. Such uses include, among others, office, shops and services, eating places, information technology and telecommunications, educational institutions and places of recreation, sports or culture; and they are often not mutually exclusive.

Note 3: Applications for redevelopment may cover more than one category of uses, and only their respective primary proposed uses are stated.

2. The new round of IBs Revitalisation Scheme includes the following six measures:

Wholesale Conversion

- (1) Offer a three-year time-limited exemption of waiver fees for applications made to LandsD for wholesale conversion of existing IBs aged 15 years or above in “Commercial” (“C”), “Other Specified Uses (Business)” (“OU(B)”) and “Industrial” (“I”) zones for uses permitted under the relevant Outline Zoning Plans (OZPs), with an additional condition that 10% of the converted floor space should be designated for specific uses prescribed by Government.

### Redevelopment

- (2) As a policy direction, but subject to approval of the Town Planning Board on a case-by-case basis and the maximum non-domestic plot ratio (PR) allowed under the Buildings (Planning) Regulations, allow increasing the maximum permissible non-domestic PR by up to 20% to incentivise redevelopment of IBs constructed before 1987 (pre-1987 IBs) for sites located outside “Residential” (“R”) zones in Main Urban Areas and New Towns.

### Facilitate Transitional Housing in Wholesale-converted IBs without Industrial Uses

- (3) Facilitate proposals from the community for providing transitional housing in portions or entire blocks of IBs (without any age limit) located in “C”, “Comprehensive Development Area” (CDA), “OU(B)” and “R” zones which have already undergone or will pursue wholesale conversion into non-industrial uses, by exercising flexibility in the application of planning, land lease, and building design requirements, including not charging a waiver fee for this specific use of transitional housing.

### Other Measures Permitting Non-industrial Uses in Existing IBs

- (4) For individual units in existing IBs, relax the waiver application policy on a time-limited basis, initially five years, to permit certain uses for the arts and cultural sectors, creative industries, and innovation and technology sectors in an orderly manner (without the need for owners making separate waiver applications and paying waiver fees), provided that such uses are permitted under the planning regime in the first place.
- (5) Broaden the permissible use of buffer floors, with due regard to public safety, to cover (among other permitted uses at present) “telecommunications exchange centres” and “computer/data processing centres”, to facilitate partial conversion of lower floors of IBs into non-industrial uses.
- (6) Promulgate a broader definition for “godown” use under lease provisions, covering (among other permitted uses at present) “cargo handling and forwarding operation” and “recyclable collection centre” uses.

The timetable and details of the new revitalisation measures introduced under the Scheme are follows:

Revitalisation measure	Timetable
(i) Wholesale conversion	Application should be submitted to LandsD on or before 31 March 2022. Conversion works should be completed within three years after execution of land document. Details are specified in LandsD LAO Practice Note No. 6/2019.
(ii) Redevelopment	Application should be submitted to the Town Planning Board on or before 9 October 2021. If approved, the land document should be executed within three years after planning approval. Redevelopment should be completed within five years after execution of land document. Details are specified in LandsD LAO Practice Note No. 2/2019.
(iii) Transitional housing in converted industrial buildings	No application deadline. Details will be specified in LandsD LAO Practice Note to be issued.
(iv) Relaxation of waiver application policy	Put into force from 1 February 2019 to 31 January 2024. The Government would review the policy and the need for extension towards the end of the five-year period. Details are specified in Development Bureau’s announcement on 1 February 2019.
(v) Broadening the permissible uses of buffer floors	No application deadline. Details are specified in LandsD LAO Practice Note No. 3/2019.
(vi) Broader definition for “Godown” use under lease provisions	Details are specified in LandsD LAO Practice Note No. 1/2019.

3. In light of the experience of the previous revitalisation scheme, an additional condition will be imposed to require owners to designate 10% of converted GFA for specific policy-driven uses (such as those in relation to arts and cultural sectors, creative industries, innovation and technology industries, social service facilities, or sports and recreational uses, etc.) to be decided by Government, while the rent payable by the tenants of those uses and other terms and conditions of the tenancy (such as the duration of the tenancy) are to be freely negotiated between the owners and tenants. This designation requirement would hopefully provide some supply of reasonably affordable space for specific sectors. For any approved applications, LandsD would impose suitable waiver conditions to enable enforcement against substantiated breach and idling of the designated GFA.

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