

LCQ7: Commercial premises under Hong Kong Housing Authority

â€œFollowing is a question by the Hon Chan Hak-kan and a reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (February 26):

Question:

Regarding the leasing status of commercial premises under the Hong Kong Housing Authority (HA), will the Government inform this Council:

- (1) of the respective vacancy rates of shopping centres and markets under HA in the past three years (set out in a table);
- (2) of the respective areas of HA's commercial premises designated in each of the past three years for (i) leasing to government departments, (ii) handover to government departments for allocation on its behalf, and (iii) leasing to non-governmental organisations at concessionary rent, together with the respective vacancy rates of such areas (set out in a table); the respective ratios of the areas leased out or utilised under these three arrangements to the total area of the commercial premises;
- (3) given that nine of HA's shopping centres do not have western medical clinics, whether HA will consider inviting Chinese medicine practitioners to set up clinics in these shopping centres to increase healthcare services in the respective districts;
- (4) given that HA has earlier launched the "Well Being•Start-Up" Programme in its shopping centres, which offers rent-free shop premises to young people, of the current status of implementation of the programme; whether HA will consider renewing the tenancies of such commercial tenants after the programme ends, and whether it will seek other business premises to continue the implementation of the programme; if so, of the details; if not, the reasons for that; and
- (5) whether the authorities have reviewed if the trade mix of HA's shopping centres can provide an adequate and comprehensive range of social services for the respective districts (e.g. to address the problem of ageing population in public rental housing estates); if they have, of the details; if not, whether they will undertake such a review from the perspective of usage?

Reply:

President,

The reply to the question raised by the Hon Chan Hak-kan is as follows:

- (1) The policy objective of the Hong Kong Housing Authority (HA) is to

provide affordable rental housing to low-income families with housing needs. The HA also provides, where appropriate, various ancillary facilities such as retail facilities and actively introduces different trades of goods and services to bring shopping convenience to residents, with a view to catering for and meeting their basic needs in daily life. As at end-December 2024, the overall vacancy rate (Note) of the HA's commercial premises was 3.87 per cent, indicating an improvement compared with the rate of 3.95 per cent in the previous quarter (at September 2024). Compared with the rate of about 7.8 per cent in the private sector in the same period (at December 2024), the leasing status of the HA's commercial premises was relatively better. At present, about 85 per cent of the HA's retail facilities have maintained a vacancy rate lower than four per cent despite the impact brought by the changes in consumption patterns (such as going north for spending and shopping online) of some residents. In many of the HA's shopping centres, including Ching Long Shopping Centre, JoysMark, Ying Tung Shopping Centre and Ping Yan Shopping Centre, most of the commercial premises, if not all, have been leased out. As for the HA's markets, all the shopstalls in many of the markets have been leased out, including Choi Hung Estate Market, Ping Shek Estate Market, Ying Tung Market, Mun Tung Market and Tin Yan Market.

The vacancy rates of shopping centres and markets under the HA in the past three years are set out as follows:

	Vacancy Rate€€(As at January 31 of each year)		
HA's Retail Facilities	2023	2024	2025
Shopping centres	1.2 per cent	2.52 per cent	3.73 per cent
Markets	7.01 per cent	10.71 per cent	13.32 per cent

(2) When planning for public housing projects, the HA follows relevant government policies as well as planning requirements and liaises with relevant departments to reserve space for the provision of suitable welfare, community and recreational as well as sports facilities to serve the residents.

The non-domestic space in public housing estates (PHEs) is limited and the demand of residents for various non-domestic facilities to cater for their daily needs, such as retail shops, community, education and welfare facilities, car parks and ward offices, is keen. Over the past three years, no commercial premises under the HA have been designated for leasing to government departments or handover to departments for allocation on the behalf of the HA. As for leasing of non-domestic premises at a concessionary rent to eligible non-government organisations (NGOs) for the provision of welfare or community services to residents, the HA strives to provide suitable premises in PHEs as welfare premises. We will keep in view the use of non-domestic properties in PHEs and will update information on vacant welfare premises available for direct application by NGOs on a monthly basis. The information will also be uploaded onto the HA/Housing Department's websites, allowing eligible NGOs which are interested in leasing welfare premises to make applications.

(3) and (5) The HA has all along been letting out its commercial premises through invitation of tenders in accordance with business principles, and the rental amount is assessed based on the prevailing market value. It has been the HA's established policy to accord priority to business trades that are able to meet the basic needs of residents, such as pharmacies and Chinese and western medical clinic services catering for the daily needs of the elderly.

Currently, among the nine HA's shopping centres which are not equipped with western medical clinics, apart from Tin Ching Shopping Centre, there is at least one Chinese medical clinic and/or a pharmacy with provision of Chinese medicine consultation services, providing healthcare services to residents at their convenience. As for Tin Ching Shopping Centre, in its vicinity, there is a Jockey Club Tin Shui Wai Community Health Centre in the Tin Ching Amenity and Community Building, which provides healthcare services such as Chinese and western medical consultation and treatment as well as health checks. In the past, the HA had attempted for many times to invite tenders for the vacant premises in the shopping centre for Chinese and western medical clinics or relevant trades, but the tenders were unsuccessful. To better utilise the resources, the premises concerned were eventually leased out for other trades and all of the premises in Tin Ching Shopping Centre are now occupied.

The HA has been collaborating with charitable organisations and NGOs to provide regular and convenient mobile Chinese medical or physiotherapy services in PHEs. Equipped with various medical equipment such as lifting platforms for the disabled, the "mobile Chinese medical vehicles" provide healthcare services including a range of medical services such as acupuncture, to residents in PHEs where Chinese medical or physiotherapy services are not available. From November 2023 to October 2024, the "mobile Chinese medical vehicles" have provided to 33 PHEs a total of more than 1 800 days of Chinese medical or physiotherapy services.

The HA will review the trade mix of its commercial facilities from time to time and will conduct appropriate and timely feasibility studies on the conversion of vacant premises for other suitable trades. The HA will adopt flexible marketing and leasing strategies and respond duly to the ever-changing market trends and customer expectations, with a view to providing more shopping choices and a wide variety of services to the residents and local community. In estates with a higher population ratio of elderly residents, the HA will take the initiative to approach potential tenants/organisations which target at serving the needs of the elderly and invite them to operate trades such as sale of rehabilitation and medical products, pharmacies, clinics and community centres to cater for the daily needs of the elderly. In addition, the HA has set up a hotline to provide leasing information on its commercial premises to facilitate potential tenants to contact the HA directly. To increase the chance of successful letting, QR codes have also been posted at shopping centres and markets, enabling potential tenants to browse the latest tender notices and subscribe to tender information related to commercial premises. Over the past year (from February 2024 to January 2025), the HA has successfully leased out over 200 shops and market shopstalls, with a certain portion of shops catering for

the needs of the elderly for healthy lifestyles. These shop premises were successfully leased out after marketing efforts and formulation of/change for suitable trades in response to market trends. Examples include the Chinese and western medical clinic(s) in Lai Kok Estate, Ching Tao Court, Fuk Loi Estate and Shek Kip Mei Estate, the shop(s) selling rehabilitation and medical products in Tin Ching Estate, as well as the community service centres (with Chinese medicine services) run by NGOs in Shek Mun Shopping Centre and Shui Chuen O Plaza. This demonstrates the positive impact of the abovementioned flexible, effective and comprehensive leasing strategies.

(4) To encourage and support young people in pursuing their entrepreneurial dreams, the HA launched the "Well Being • Start-Up" Programme last year, offering rent-free shop premises in its shopping centres for young people to trial their business plans. If the participants make a profit from the programme, 20 per cent of the net profits will go to the HA to fund and sustain the development of the programme. The programme has been well received since its launch, with about 180 applications received. Currently, 17 selected teams are operating in different shopping centres under the HA. In view of the widespread support from young people and various sectors of the community for the programme, the HA is now actively considering the expansion of the programme. Private shopping arcades and landlords in the commercial sector will be encouraged to provide more chances for young people to start their businesses, make use of the vitality and innovative ideas of young people to provide residents with a more diversified choice of goods and shopping experience, and provide young people with more resources and opportunities to start their businesses and realise business plans with great potential.

Note: Overall vacancy rate is calculated by: vacant lettable indoor floor area/lettable indoor floor area x 100 per cent.