

6 Overall Findings and Key Observations

Land Area, Number of IBs and GFA

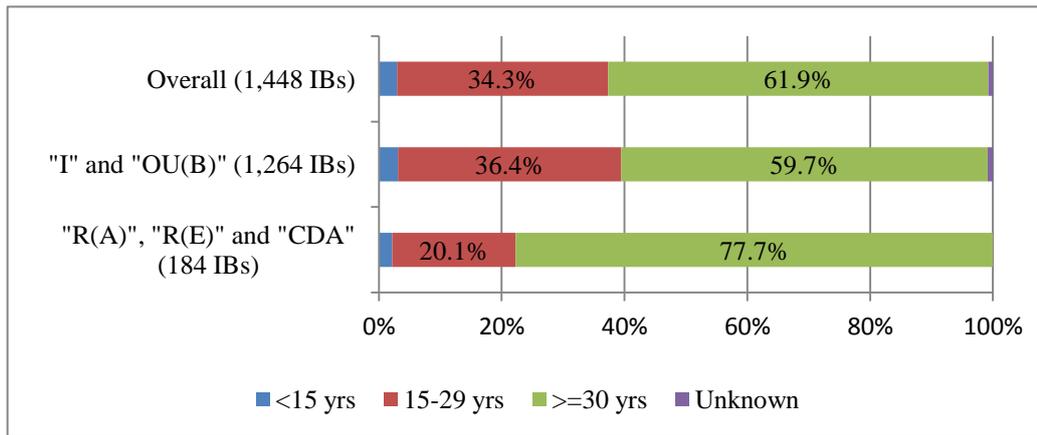
- 6.1 According to the 2014 Area Assessments, the total industrial stock as at April 2015 in the territory is about 509.7 ha¹², involving 1,448 IBs and total GFA of about 27.85 million m². They comprise 75 industrial areas in five zones, namely “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA”, and could be grouped in 13 districts (**Appendix 6.1, Plans 1 and 2**).
- 6.2 Same as the 2009 Area Assessments, both “I” and “OU(B)” areas take up most of the stock in terms of land area (about 89.2%), number of IBs (about 87.3%) and GFA (about 90.1%). “I” area has the largest share of land (about 50.3% or 256.1 ha but is about 41.1 ha less than that in 2009 Area Assessments), while “OU(B)” area has the largest number of IBs (about 54.4% or 788 buildings but is 25 less than that in 2009 Area Assessments) and amount of GFA (about 54.4% or 15.16 million m² but is about 0.21 million m² less than that in 2009 Area Assessments). For the remaining “R(A)”, “R(E)” and “CDA” areas, “CDA” area has the largest land area (32.2 ha or about 6.3%), while “R(E)” area has the largest number of IBs (116 buildings or about 8.0%) and the largest amount of GFA (1.59 million m² or about 5.7%).
- 6.3 Regarding the location of the industrial areas, the major supply falls within East Kowloon and Kwai Tsing (**Appendix 6.2**). East Kowloon has about 96.7 ha of industrial land (about 19.0%), 370 IBs (about 25.6%) and about 5.83 million m² GFA (about 20.9%), while Kwai Tsing has about 87.6 ha of industrial land (about 17.2%), 211 IBs (about 14.6%) and about 6.07 million m² GFA (about 21.8%). The third and fourth largest districts are Fanling/Sheung Shui and Sha Tin in terms of land area (about 59.2 ha/11.6% and about 56.3 ha/11.0% respectively), West Kowloon and Tsuen Wan in terms of number of IBs (190 IBs/about 13.0% and 129 IBs/about 8.9% respectively), and Tsuen Wan and Sha Tin in terms of GFA (about 3.35 million m²/12.7% and about 2.36 million m²/8.5% respectively).

Building Age, Ownership and Condition

- 6.4 In terms of building age, majority of the IBs (897 buildings or 61.9%) are 30 years old or above, followed by 497 or about 34.4% buildings of 15-29 years old (**Figure 6-1**). Spatially, East Kowloon has the largest share of the old IBs (247 or about 27.5% of the buildings of 30 years or above), followed by Kwai Tsing (160 buildings or about 17.8%) and West Kowloon (131 buildings or about 14.6%).

¹² The figure excludes about 147.9 ha of “I” zone in Tsing Yi which is mainly occupied by heavy industrial uses such as oil depots, dockyards, chemical industry, etc..

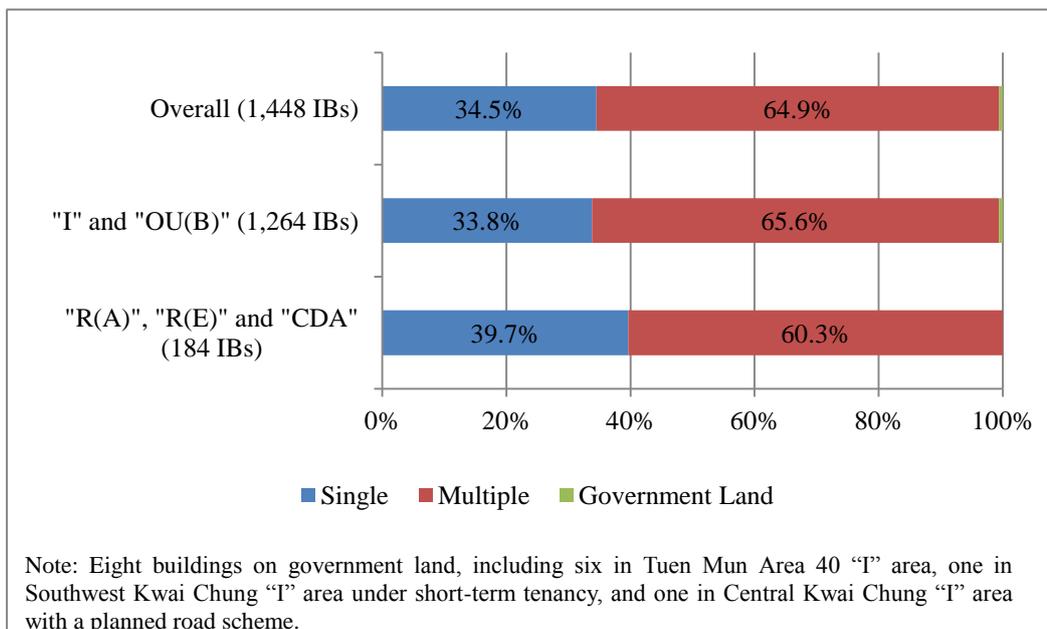
Figure 6-1 Age of IBs



6.5 There is a relatively higher percentage of IBs in “R(A)”, “R(E)” and “CDA” areas with IBs of 30 years or above (about 77.7%), as compared with that in “I” and “OU(B)” areas (about 59.7%) (**Figure 6-1**). Between 2009 and 2014, the percentage of IBs of 30 years or above in “I” and “OU(B)” areas has increased from about 46.3% to about 59.7%, while the percentage of IBs less than 30 years has decreased from about 53.3% to about 39.4%. This implies that most IBs in “I” and “OU(B)” areas found in 2009 Area Assessments still existed in 2014.

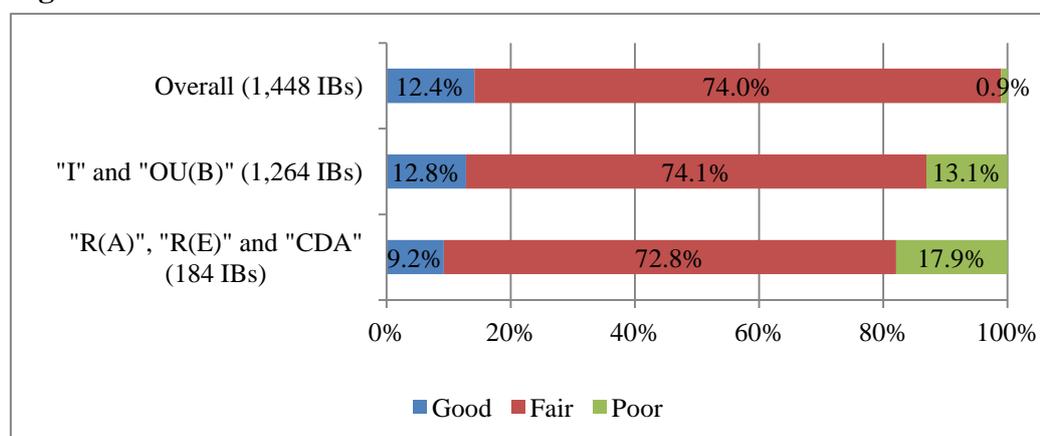
6.6 In terms of building ownership, most of the IBs (940 buildings or about 64.9%) are under multiple ownership (**Figure 6-2**). East Kowloon has the largest number of IBs under multiple ownership (268 buildings), followed by Kwai Tsing (153 buildings) and West Kowloon (147 buildings).

Figure 6-2 Ownership of IBs



- 6.7 A slightly higher percentage of IBs in “I” and “OU(B)” areas are under multiple ownership (about 65.6%), as compared with that in “R(A)”, “R(E)” and “CDA” areas (about 60.3%) (**Figure 6-2**). The percentage of multiple-owned IBs in “I” and “OU(B)” areas has increased from about 63.6% in 2009 to about 65.6% in 2014. Noting that multiple ownership is a major constraint in redevelopment, the above findings indicate that existing IBs in “I” and “OU(B)” areas are more difficult to be redeveloped, as compared with those in “R(A)”, “R(E)” and “CDA” areas and the situation in 2009.
- 6.8 In terms of building condition, a majority of IBs (1,071 buildings or about 74.0%) are in fair condition, while 198 buildings or about 13.7% are in poor condition (**Figure 6-3**). West Kowloon has the largest number of building in poor condition (47 buildings), followed by East Kowloon (42 buildings) and Fanling/Sheung Shui (37 buildings).

Figure 6-3 Condition of IBs



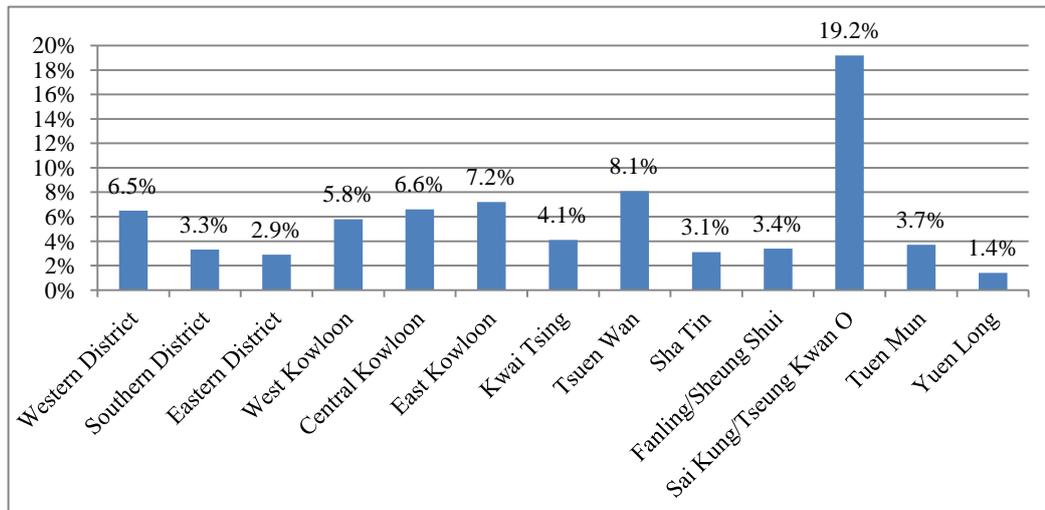
- 6.9 A slightly higher percentage of IBs in “R(A)”, “R(E)” and “CDA” areas are in poor condition (about 17.9%), as compared with that in “I” and “OU(B)” areas (about 13.1%) (**Figure 6-3**). Besides, a much higher percentage of IBs in “I” and “OU(B)” areas are in poor condition (about 9.3% in 2009 and about 13.1% in 2014) when compared with the 2009 Area Assessments.

Vacancy

Overall

- 6.10 The overall vacancy rate of the IBs in terms of GFA in “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA” areas is 5.3% (about 1.47 million m²). Most of the vacant GFA is in “OU(B)” area (about 62.2%), followed by “I” area (about 23.3%), “R(E)” area (about 6.5%), “CDA” area (about 6.1%) and the “R(A)” area (about 1.9%). Amongst the 13 districts in the territory, Sai Kung/Tsuen Kwan O has the highest vacancy rate (19.2%), followed by Tsuen Wan (8.1%) (**Figure 6-4**). In terms of vacant GFA, East Kowloon has the largest share (about 0.42 million m²), followed by Tsuen Wan (about 0.29 million m²).

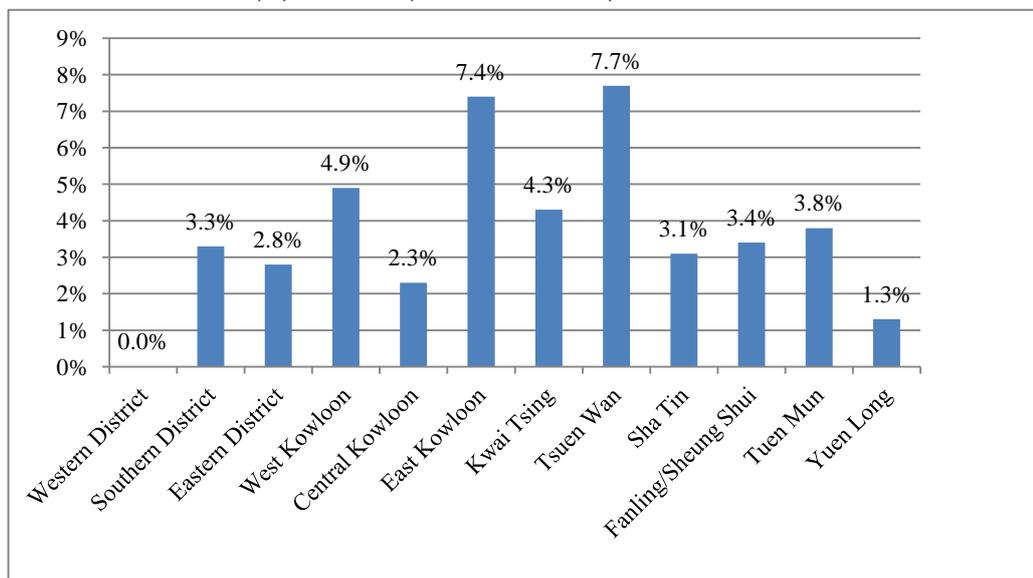
Figure 6-4 Overall Vacancy Rates of 13 Industrial Districts (based on GFA)



“I” and “OU(B)” areas

6.11 The overall vacancy rate in “I” and “OU(B)” areas has decreased from about 7.6% and 1.98 million m² in 2009 to about 5.0% and 1.26 million m² in 2014, while the corresponding occupancy rate has remained quite stable with about 80.0% and 20.74 million m² in 2009 and about 78.9% and 19.79 million m² in 2014. This may partly due to an increase in non-response rate from about 11.5% in 2009 to about 14.6% in 2014. In terms of districts, Tsuen Wan has the highest vacancy rate of about 7.7% (**Figure 6-5**) (with a rate of about 10.0% for Chai Wan Kok) while East Kowloon has the largest amount of vacant GFA of about 0.41 million m² (with about 0.31 million m² in Kwun Tong). Western District has zero vacancy, followed by Yuen Long with a low vacancy rate of about 1.3% and low vacant GFA of about 4,911m².

Figure 6-5 Vacancy Rates of 12 Industrial Districts with “I” and/or “OU(B)” Areas (based on GFA)

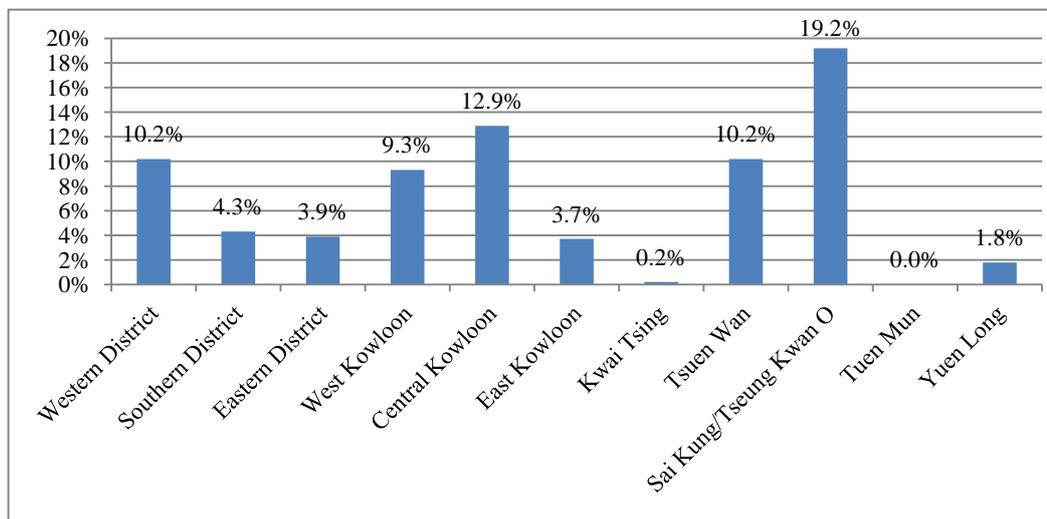


- 6.12 The “I” and “OU(B)” areas have experienced a decreasing vacancy from 6.5% to 3.5% and from 8.4% to 6.0% respectively between 2009 and 2014. In absolute terms, the total vacant GFA identified in “OU(B)” area in 2014 is about 0.91 million m² which is about 2.7 times of the vacant GFA of about 0.34 million m² in “I” area. Such higher vacancy in “OU(B)” area may be partly due to the existence of higher percentage of old IBs (say 30 years or above) and/or IBs of small floor plates (say 450m² or less). IBs with such characteristic(s) usually have less satisfactory maintenance and building services (such as unloading/unloading facilities and fire service installations), making these buildings difficult to meet requirements of modern enterprises and less attractive to the market.
- 6.13 Partly due to the large number of old IBs (173 out of 247 buildings or about 70.0% aged 30 years or above), the existence of five wholly vacant IBs, the 28 sites with special waivers executed for wholesale conversion of existing IBs for commercial/office uses (which are largely either under renovation or in the process of finding new tenants), and the nine sites with planning approvals for hotel and/or commercial developments (which may have started vacating the IBs to pave way for redevelopment), Kwun Tong “OU(B)” area alone has about 0.31 million m² vacant GFA, which equals to about 33.7% of the total vacant GFA in all “OU(B)” areas in the territory. For the “I” area, Chai Wan Kok, having 23 out of 40 IBs or about 57.5% aged 30 years or above and two wholly vacant IBs, has the largest amount of vacant GFA of about 80,922m², which equals to about 23.6% of the total vacant GFA in all “I” areas in the territory. More than half of such vacant GFA is found in old IBs of over 30 years as well as one IB of three years.

“R(A)”, “R(E)” and “CDA” areas

- 6.14 The overall vacancy rate of the IBs in “R(A)”, “R(E)” and “CDA” areas is about 7.7%, which is higher than the 5.0% for “I” and “OU(B)” areas. Such higher vacancy is mainly related to the relatively higher percentage of old IBs in these three types of areas, which generally have more vacant GFA. Overall, about 77.7% of IBs in these three types of areas are 30 years or above, as compared with the 59.7% in “I” and “OU(B)” areas. As explained in paragraph 6.12, maintenance and building services of older IBs are usually less satisfactory, making them difficult to meet requirements of modern enterprises and less attractive to the market.
- 6.15 In terms of districts, Sai Kung/Tsueng Kwan O has the highest vacancy rate of about 19.2% (**Figure 6-6**) while Central Kowloon has the largest vacant GFA of about 67,379m². Such high vacancy is mainly related to the existence of wholly vacant IBs with approvals for redevelopment. Tuen Mun has zero vacancy, followed by Kwai Tsing with a low vacancy rate (about 0.2%) and vacant GFA (about 415m²). Both of them are relatively smaller districts with only two IBs in Tuen Mun and five IBs in Kwai Tsing.

Figure 6-6 Vacancy Rates of 11 Industrial Districts with “R(A)”, “R(E)” and/or “CDA” Areas (based on GFA)



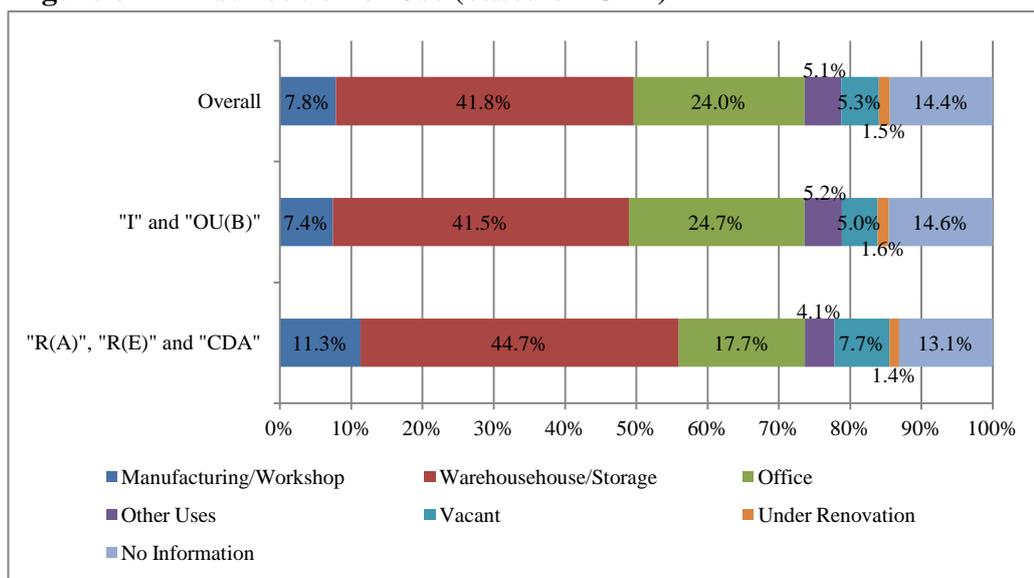
Usage

Overall

- 6.16 In terms of GFA, industrial use (i.e. Warehouse/Storage and Manufacturing/Workshop) is the largest user in the majority of IBs in “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA” areas. Warehouse/Storage takes up about 41.8% or a total of about 11.65 million m², followed by Office (about 24.0% or 6.68 million m²) and Manufacturing/Workshop (about 7.8% or 2.18 million m²) (**Figure 6-7**). For the 13 districts, Sai Kung/Tseung Kwan O and Kwai Tsing have the highest percentage of GFA (about 77.8%) and the largest amount of GFA (about 3.26 million m²) for Warehouse/Storage use respectively. West Kowloon and East Kowloon have the highest percentage of GFA (about 39.0%) and the largest amount of GFA (about 2.00 million m²) for Office use respectively. Southern District and Fanling/Sheung Shui have the highest percentage of GFA for Manufacturing/Workshop use (both of about 13.7%), while Kwai Tsing has the largest amount GFA for Manufacturing/Workshop use (about 0.41 million m²). It should be also noted that Kwai Tsing also has the largest amount of GFA for industrial use¹³ in the territory (about 3.67 million m²).

¹³ Including Manufacturing/Workshop and Warehouse/Storage uses.

Figure 6-7 Distribution of Use (based on GFA)



"I" and "OU(B)" areas

6.17 Warehouse/Storage is the largest user in "I" and "OU(B)" areas, occupying a total of about 41.5% or 10.41 million m² GFA. Office is the second largest user (about 24.7% or 6.19 million m²), followed by Manufacturing/Workshop (about 7.4% or 1.87 million m²) (**Figure 6-7**). Five out of the 12 districts, having "I" and/or "OU(B)" areas, have such pattern of usage. For the remaining seven districts, all three districts in Kowloon (i.e. West Kowloon, Central Kowloon and East Kowloon) have Office as the largest user. Fanling/Sheung Shui, Tuen Mun and Yuen Long have Warehouse/Storage as the largest user but Manufacturing/Workshop and Office as the second and third largest user respectively. Western District has all the GFA for Warehouse/Storage. Among the 12 concerned districts, Kwai Tsing has the largest amounts of GFAs for Warehouse/Storage use (about 3.07 million m²) and Manufacturing/Workshop use (about 0.38 million m²), followed by Tsuen Wan for Warehouse/Storage use (about 1.41 million m²) and East Kowloon for Manufacturing/Workshop use (about 0.30 million m²). East Kowloon has the largest amount of GFA for Office use (about 1.98 million m²), followed by Kwai Tsing (about 1.23 million m²).

6.18 About half of the GFA (about 48.9%) in "I" and "OU(B)" areas is for industrial use. As compared with the 2009 Area Assessments, the overall usage in these two types of areas has stabilised with only slight changes in the percentages of GFA for industrial/non-industrial uses. For "I" area, the percentages for industrial/non-industrial uses are about 65.3%/19.0% in 2009 and about 62.5%/20.3% in 2014, while for "OU(B)" area, the corresponding percentages are about 39.8%/37.3% in 2009 and about 40.1%/36.2% in 2014. Majority of the GFA in both "I" and "OU(B)" areas is for Warehouse/Storage use (about 54.1% and 33.3% for "I" and "OU(B)" areas respectively in 2014). All these indicate that "I" area has a relatively higher percentage of GFA for industrial use (in particular Warehouse/Storage), while "OU(B)" area has more balanced

distribution of GFA in both industrial and non-industrial uses. The relatively higher percentage of non-industrial use also implies more active transformation in “OU(B)” area (particularly for Office use).

“R(A)”, “R(E)” and “CDA” areas

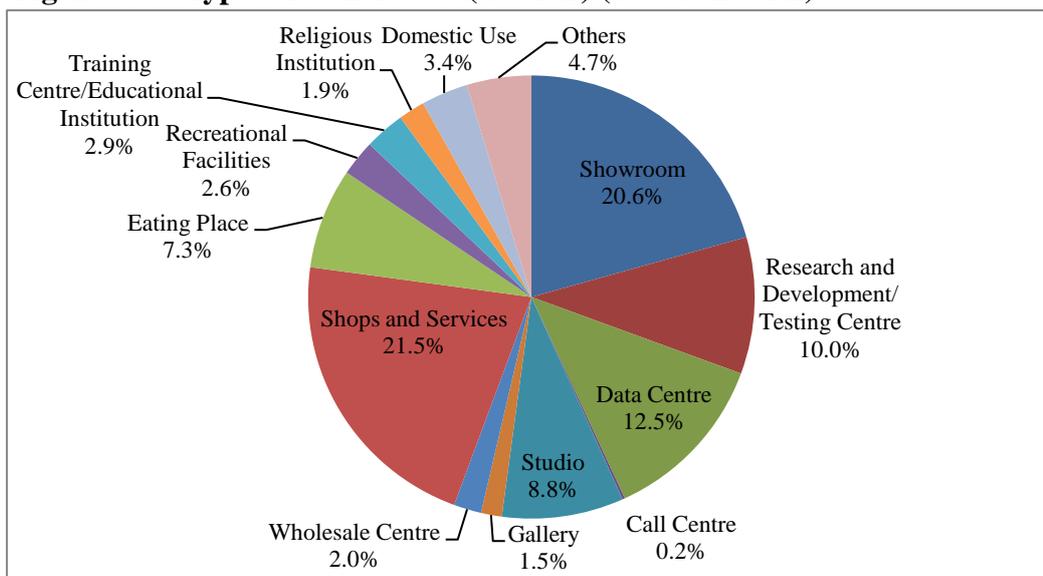
- 6.19 Similar to the overall pattern explained in paragraph 6.16, Warehouse/Storage is also the largest user in “R(A)”, “R(E)” and “CDA” areas (about 44.7% or 1.23 million m²), followed by Office (about 17.7% or 0.49 million m²) and Manufacturing/Workshop (about 11.3% or 0.31 million m²) (**Figure 6-7**). Five out of the 11 districts having “R(A)”, “R(E)” and/or “CDA” areas have such pattern of usage. For the remaining six districts, Eastern District and Yuen Long have Office as the largest user, while East Kowloon, Kwai Tsing, Tsuen Wan and Tuen Mun have Warehouse/Storage as the largest user but Manufacturing/Workshop as the second largest user. Among the 11 concerned districts, West Kowloon has the largest amount of GFA for Warehouse/Storage use (about 0.23 million m²), followed by Tsuen Wan (about 0.19 million m²). Central Kowloon has the largest amount of GFA for Office use (about 0.11 million m²), followed by Eastern District (about 0.10 million m²). Tuen Wan has the largest amount of GFA for Manufacturing/Workshop use (about 0.11 million m²), followed by Kwai Tsing (about 0.03 million m²).
- 6.20 Whilst “R(A)”, “R(E)” and “CDA” areas have a relatively higher overall percentage of GFA in for Manufacturing/Workshop use (about 11.3%) than that in “I” and “OU(B)” areas (about 7.4%), a large portion of the concerned GFA is contributed by a food factory in Sham Tseng “R(E)” area (about 24.7% or 77,014m²) and a textile factory in Tuen Mun Area 9 “R(A)” area (about 8.9% or 27,932m²). Besides, a relatively lower percentage of GFA in “R(A)”, “R(E)” and “CDA” areas is found for Office use (about 17.7%) as compared with 24.7% in “I” and “OU(B)” areas, probably because of the relatively higher percentage of old and poor IBs in “R(A)”, “R(E)” and “CDA” areas as mentioned in paragraphs 6.5 and 6.9 above.

“Other Uses”

Overall

- 6.21 “Other Uses” occupy about 5.1% or a total of 1.43 million m² GFA in “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA” areas, among which about 65.5% or 0.94 million m² is in “OU(B)” area. Shop and services is the largest type of “Other Uses”, occupying about 0.31 million m² or 21.5% of the total “Other Uses” GFA (**Figure 6-8**). The second largest use is showroom (about 0.30 million m² or 20.6%), followed by data centre (about 0.18 million m² or 12.5%), research and development/testing centre (about 0.14 million m² or 10.0%), studio (about 0.13 million m² or 8.8%) and eating place (about 0.10 million m² or 7.3%). Spatially, West Kowloon has the highest percentage of GFA (about 8.7%) and the second largest amount of GFA (about 0.20 million m²) for “Other Uses”, while East Kowloon has the second highest percentage of GFA (about 7.5%) and the largest amount of GFA (about 0.44 million m²) for “Other Uses”.

Figure 6-8 Types of Other Uses (Overall) (based on GFA)



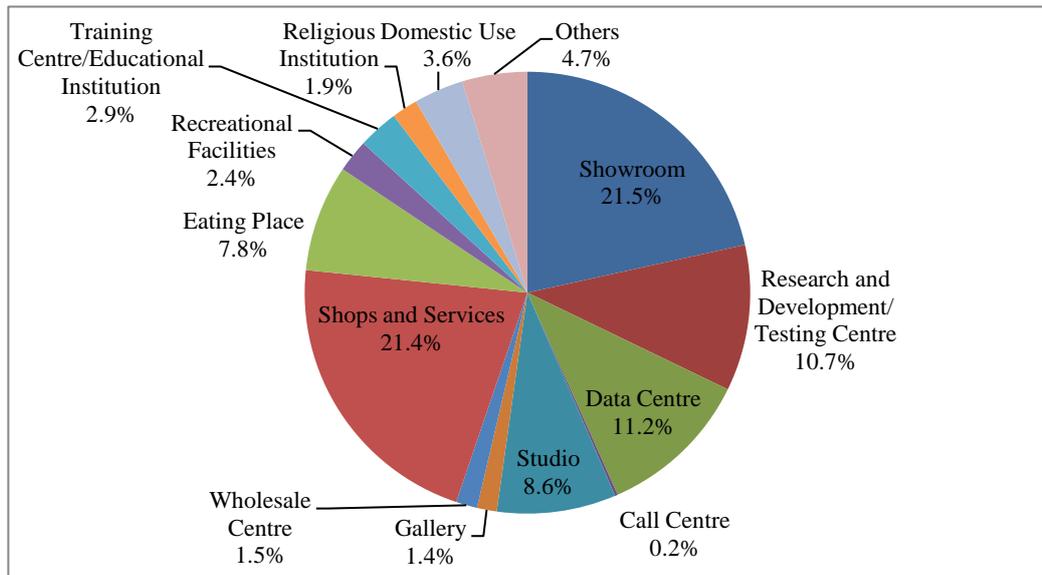
6.22 Apart from those “Other Uses” which are either always permitted under OZP (including ancillary showroom, research and development/testing centre¹⁴ and data centre¹¹) or with provision for application for planning permission from the Board (including wholesale centre, and shop and services on ground floor), some new emerging uses such as hydroponics and aquaculture could be identified, though the GFA involved is not significant.

“I” and “OU(B)” areas

6.23 IBs in “I” and “OU(B)” areas have a total of about 5.2% or 1.32 million m² GFA for “Other Uses”, which is much higher than the 3.0% or 0.79 million m² identified in the 2009 Area Assessments. Taking the two types of areas together, the top four kinds of uses identified are showroom (about 21.5% or 0.28 million m²), shop and services (about 21.4% or 0.28 million m²), data centre (about 11.2% or 0.15 million m²), and research and development/testing centre (about 10.7% or 0.14 million m²) (**Figure 6-9**). In absolute terms, the GFAs for these four kinds of uses have significantly increased by about 99.0%, 36.2%, 80.5% and 57.4% respectively between 2009 and 2014. Spatially, West Kowloon has the highest percentage of GFA for “Other Uses” (about 10.0%), followed by Southern District (about 8.9%). East Kowloon has the largest amount of GFA for “Other Uses” (about 0.43 million m²), followed by West Kowloon (about 0.18 million m²).

¹⁴ Research and development/testing centre is a kind of ‘Research, Design and Development Centre’ under OZP, while data centre is a kind of ‘Information Technology and Telecommunications Industries’ under OZP.

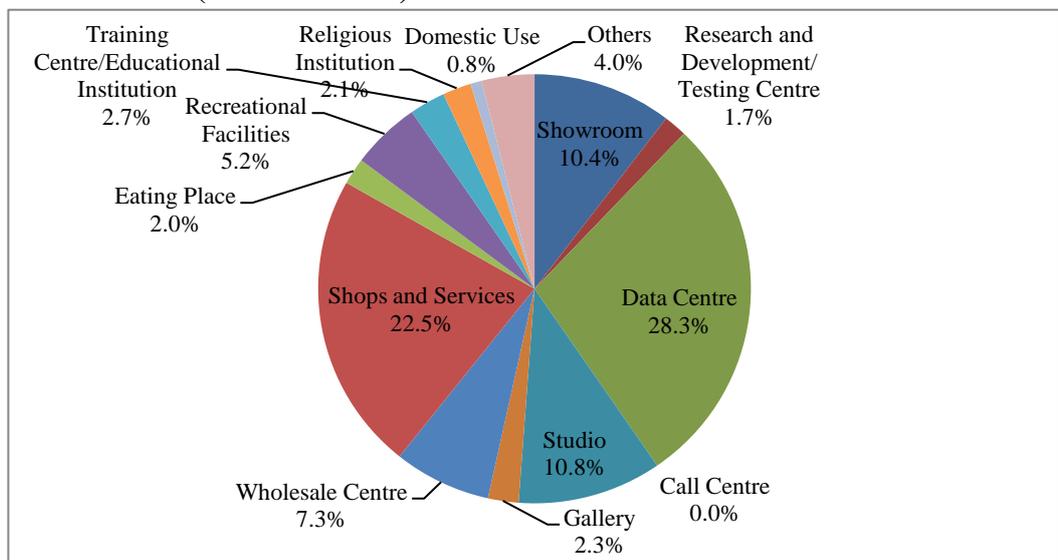
Figure 6-9 Types of Other Uses in “I” and “OU(B)” Areas (based on GFA)



“R(A)”, “R(E)” and “CDA” areas

6.24 IBs in “R(A)”, “R(E)” and “CDA” areas have a total of about 4.1% or 0.11 million m² GFA for “Other Uses”. The top four kinds of uses identified are data centre (about 28.3% or 32,216m²), shop and services (about 22.5% or 25,624m²), studio (about 10.8% or 12,280m²), and showroom (about 10.4% or 11,867m²) (**Figure 6-10**). Spatially, Tsuen Wan has both the highest percentage of GFA (about 7.7%) and the largest amount of GFA (about 40,233m²) for “Other Uses”, followed by Western District for the percentage of GFA (about 6.9%) and Central Kowloon for the amount of GFA (about 27,141m²).

Figure 6-10 Types of Other Uses in “R(A)”, “R(E)” and “CDA” Areas (based on GFA)



Types of Business

Overall

- 6.25 Information on the types of business is only collected for occupied non-subdivided units, the GFA of which accounts for about 92.1% of all the occupied units in the IBs in “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA” areas. While industrial use is the largest user as mentioned in paragraph 6.16 above, majority of the GFA involved (about 79.3% or 16.09 million m²) is occupied by companies of non-manufacturing business. Companies of manufacturing business only take up the remaining 20.7% or 4.20 million m² GFA. Based on a simplified categorisation from C&SD’s HKSIC Version 2.0 as mentioned in Chapter 2, “Import/Export, Wholesale and Retail Trades” and “Transportation, Storage, Postal and Courier Services” are the two largest types of non-manufacturing business, occupying about 7.58 million m² and 5.23 million m² GFA respectively. The four largest types of manufacturing business are “Manufacture of Food Products, Beverages and Tobacco Products” (about 0.74 million m²), “Manufacture of Wearing Apparel” (about 0.58 million m²), “Manufacture of Textiles” (about 0.50 million m²), and “Printing and Reproduction of Recorded Media” (about 0.47 million m²).

“I” and “OU(B)” areas

- 6.26 In “I” and “OU(B)” areas, majority of the GFA (about 14.59 million m² or 79.7%) is occupied by companies of non-manufacturing business (mainly “Import/Export, Wholesale and Retail Trades” and “Transportation, Storage, Postal and Courier Services”), while about 3.71 million m² or 20.3% is occupied by those of manufacturing business (mainly “Manufacture of Food Products, Beverages and Tobacco Products”, “Manufacture of Wearing Apparel”, and “Printing and Reproduction of Recorded Media”). Among the 12 district which have “I” and/or “OU(B)” areas, Kwai Tsing has the largest amounts of GFAs occupied by companies of both non-manufacturing and manufacturing business (about 3.65 million m² and 0.99 million m² respectively), followed by East Kowloon (about 2.67 million m² and 0.69 million m² respectively), Tsuen Wan (about 1.77 million m² and 0.43 million m² respectively) and Sha Tin (about 1.47 million m² and 0.35 million m² respectively).

“R(A)”, “R(E)” and “CDA” areas

- 6.27 In “R(A)”, “R(E)” and “CDA” areas, majority of the GFA (about 1.51 million m² or 75.2%) is also occupied by companies of non-manufacturing business (mainly “Transportation, Storage, Postal and Courier Services” and “Import/Export, Wholesale and Retail Trades”), while about 0.50 million m² or 24.8% GFA is occupied by those of manufacturing business (mainly “Manufacture of Food Products, Beverages and Tobacco Products”, “Manufacture of Textiles”, “Manufacture of Computer, Electronic and Optical Products” and “Manufacture of Wearing Apparel”). Among the 11 district which have “R(A)”, “R(E)” and/or “CDA” areas, West Kowloon has the largest amount of GFA occupied by companies of non-manufacturing business (about

0.28 million m²), followed by Central Kowloon (about 0.26 million m²) and Tsuen Wan (about 0.22 million m²). Tsuen Wan has the amount of largest GFA occupied by companies of manufacturing business (about 0.16 million m²), followed by Kwai Tsing (about 0.06 million m²), Tuen Mun (about 0.06 million m²) and Central Kowloon (about 0.05 million m²).

Estimated No. of Workers Engaged

Overall

- 6.28 Same as types of business, information on number of workers engaged is also collected for occupied non-subdivided units only. IBs in “I”, “OU(B)”, “R(A)”, “R(E)” and “CDA” areas are estimated to engage a total of 401,640 workers, which account for about 14.6% of a total of 2,754,191 persons engaged (other than those in the civil service) in various business in the whole territory identified by C&SD in June 2014. More workers are engaged in companies of non-manufacturing business (about 74.8% or 300,444 workers) than those of manufacturing business (about 25.2% or 101,196 workers). “Import/Export, Wholesale and Retail Trades” and “Transportation, Storage, Postal and Courier Services” are the two types of non-manufacturing business which engage the largest number of workers (159,770 and 48,656 workers respectively). “Manufacture of Wearing Apparel”, “Manufacture of Food Products, Beverages and Tobacco Products”, and “Printing and Reproduction of Recorded Media” are the three types of manufacturing business which engage the largest number of workers (17,071, 16,602 and 13,169 workers respectively).

“I” and “OU(B)” areas

- 6.29 The “I” and “OU(B)” areas are estimated to engage a total of 370,841 workers, which account for about 13.5% of a total of 2,754,191 persons engaged (other than those in the civil service) in various business in the whole territory as identified by C&SD in June 2014. More workers are engaged in companies of non-manufacturing business (about 75.2% or 279,049 workers mainly in “Import/Export, Wholesale and Retail Trades” and “Transportation, Storage, Postal and Courier Services”) than those of manufacturing business (about 24.8% or 91,792 workers mainly in “Manufacture of Wearing Apparel”, “Manufacture of Food Products, Beverages and Tobacco Products” and “Printing and Reproduction of Recorded Media”). Among the 12 district which have “I” and/or “OU(B)” areas, East Kowloon has the largest number of workers engaged in companies of both non-manufacturing and manufacturing business (about 90,090 and 28,373 workers respectively), followed by Kwai Tsing (about 62,553 and 19,150 workers respectively), Sha Tin (about 27,451 and 10,185 workers respectively) and West Kowloon (about 26,934 and 7,429 workers respectively).

“R(A)”, “R(E)” and “CDA” areas

- 6.30 The “R(A)”, “R(E)” and “CDA” areas are estimated to engage 30,799 workers, which account for about 1.1% of a total of 2,754,191 persons engaged (other than those in the civil service) in various business in the whole territory identified by C&SD in June 2014. More workers are engaged in companies of non-manufacturing business (about 69.5% or 21,395 workers mainly in “Import/Export, Wholesale and Retail Trades” and “Transportation, Storage, Postal and Courier Services”) than those of manufacturing business (about 30.5% or 9,404 workers mainly in “Manufacture of Food Products, Beverages and Tobacco Products”, “Printing and Reproduction of Recorded Media”, “Manufacture of Textiles” and “Manufacture of Wearing Apparel”). Among the 11 district which have “R(A)”, “R(E)” and/or “CDA” areas, Central Kowloon has the largest number of workers engaged in companies of non-manufacturing business (about 5,731 workers), followed by West Kowloon (about 3,719 workers) and Tsuen Wan (about 3,309 workers). Tsuen Wan has the largest number of workers engaged in companies of manufacturing business (about 2,494 workers), followed by Central Kowloon (about 1,829 workers), Yuen Long (about 1,116 workers) and Southern District (about 1,090 workers).

New Developments and Redevelopments/Wholesale Conversion

“I” and “OU(B)” areas

- 6.31 In the last five years (from January 2009 to April 2014), a total of 110 sites (100 in “OU(B)” area and 10 in “I” area) have obtained various kinds of approvals for new developments or redevelopment (including wholesale conversion under Revitalisation Policy) for non-industrial use¹⁵, mainly for office/commercial uses (**Appendix 6.3**). Spatially, 55 of the sites are in East Kowloon, 15 in Kwai Tsing, 12 each in Southern District and West Kowloon, six in Sha Tin, three in Fanling/Sheung Shui, two each in Eastern District and Tuen Mun, and one each in Central Kowloon, Tseun Wan, and Yuen Long. Among these 110 sites, 22 of them have their approved non-industrial uses/developments completed, while works for 35 sites are found under progress during the survey. The approved projects for the remaining 53 sites have not yet been taken forward.
- 6.32 During the same period of time, another 39 sites (22 in “I” area and 17 in “OU(B)” area) have obtained various kinds of approvals for new developments or redevelopment for industrial use¹⁶ (**Appendix 6.4**). Seven each of the sites

¹⁵ Including (i) planning approvals under the Town Planning Ordinance (38 sites); (ii) building plan approvals under the Buildings Ordinance (28 sites); (iii) special waivers executed for approvals of wholesale conversion of existing IBs under Revitalisation Policy (51 sites); (iv) lease modifications executed for approvals of redevelopment of old IBs under Revitalisation Policy (four sites); and (v) lease modifications executed for approvals of developments not under Revitalisation Policy (21 sites). It is noted that the executed special waivers for nine of the wholesale conversion sites were subsequently cancelled with seven sites being superseded by new special waivers as at April 2015.

¹⁶ Including (i) planning approvals for minor relaxation of development restrictions under the Town Planning Ordinance (three sites); and (ii) building plan approvals under the Buildings Ordinance (37 sites).

are in Tsuen Wan and Fanling/Sheung Shui, six each in West Kowloon and Kwai Tsing, five each in East Kowloon and Yuen Long, two in Southern District, and the remaining one in Tuen Mun. Among these 39 sites, 14 of them have their approved new industrial developments completed with majority of GFA for Office use. Works for nine sites are found under progress during the survey, while the approved projects for the remaining 16 sites have not yet been taken forward.

- 6.33 The above indicates that more active transformation to non-industrial use has occurred in “OU(B)” area in the last five years, while the pace of redevelopment in “I” area was relatively slower. On the other hand, approvals for new development/redevelopment for industrial use could still be found in both “I” and “OU(B)” areas.

“R(A)”, “R(E)” and “CDA” areas

- 6.34 In the last five years (from January 2009 to April 2014), a total of 18 sites (12 for “R(E)” area, four in “CDA” area and two in “R(A)” area) has obtained various kinds of approvals for new developments or redevelopments for non-industrial use¹⁷, mainly for residential use. Spatially, four sites each are in Ma Tau Kok and Yau Tong, three in Tai Kok Tsui, two in Yuen Long, and one each in Kennedy Town/Shek Tong Tsui, Quarry Bay, Cheung Sha Wan/Lai Chi Kok, Tsuen Wan East and Tseung Kwan O. Among these 18 sites, works for four sites are found under progress during the survey, while the approved projects for the remaining 14 sites have not yet been taken forward.
- 6.35 The above indicates that the redevelopment in “R(E)” area is relatively more active. The slower pace of redevelopment in “R(A)” area may be due to the higher percentage of IBs under multiple ownership while that in “CDA” area may probably be due to the longer time required for consolidation of land titles of different lots within the same site.

Possible Further Reduction of Industrial Land Supply

- 6.36 It should be noted that more industrial land would likely be converted for non-industrial use. Based on the recommendations of 2009 Area Assessments, there are still about 8.6 ha of land zoned “I” under preparation for rezoning in addition to about 35.3 ha already rezoned¹⁸:

¹⁷ Including (i) planning approvals under the Town Planning Ordinance (14 sites); (ii) building plan approvals under the Buildings Ordinance (eight sites); and (iii) lease modification executed for approval of development not under Revitalisation Policy (one site).

¹⁸ Including about 7.9 ha in Cha Wan rezoned mainly to “G/IC” and “O”, about 5.3 ha in Southwest Kwai Chung mainly rezoned for columbarium use, about 5.7 ha in Tsuen Wan Easy mainly rezoned to “CDA”, “O” and “C” and areas shown as ‘Road’, about 6.7 ha in Fo Tan mainly rezoned to “R(A)”, “G/IC”, “Green Belt” (“GB”), “Other Specified Uses” and areas shown as ‘Road’, and about 9.7 ha in Tuen Mun Area 9 mainly rezoned to “CDA”, “OU(B)”, “C” and “GB”. Except for two sites in Fo Tan (about 0.8 ha in total), the statutory rezoning processes of all the said land was completed.

- (a) the whole of Kennedy Town “I” area (about 0.6 ha) has been recommended for rezoning to other environmentally compatible use(s) in the 2009 Area Assessments. In the recently completed land use review on Kennedy Town West, the area is proposed for commercial, leisure and tourism-related uses (**Plan A1 at Appendix 3.6**);
- (b) the whole of Sha Tin Area 65 “I” area (about 2.8 ha) was identified for columbarium use in the 2009 Area Assessments. The proposal is under study by the Food and Health Bureau (**Plan A16 of Appendix 3.6**); and
- (c) the whole of Fanling Area 48 “I” area (about 5.2 ha) has been recommended for rezoning for a comprehensive residential development in the 2009 Area Assessments. The recommendation is being followed up by HD for public housing development in the area (**Plan A18 of Appendix 3.6**).

6.37 Another three outstanding rezoning proposals recommended in the 2009 Area Assessments (involving a total of about 13.1 ha) would be further reviewed in the subject Area Assessments, taking account of the latest local circumstances. They include Ap Lei Chau West “I” area (about 3.7 ha) (**Plan A5 of Appendix 3.6**) and Fo Tan “I” area (about 1.9 ha) (**Plan A14 of Appendix 3.6**) recommended for rezoning to “OU(B)”, and Siu Lek Yuen “I” area (about 7.5 ha) (**Plan A15 of Appendix 3.6**) recommended for rezoning to “R(E)”.

6.38 Apart from the above, the following three “I” sites (involving a total of about 29.2 ha) are subject to other ongoing studies/reviews for possible rezoning to non-industrial use:

- (a) part of Ap Lei Chau West “I” area (about 0.3 ha) for private housing, together with adjoining “OU(Cargo Handling Area)” and “G/IC” sites to the south of Lee Nam Road (**Plan 5 of Appendix 3.6**);
- (b) Sheung Shui “I” area (about 19.0 ha) under study for public housing development by HD (**Plan 19 of Appendix 3.6**); and
- (c) Ping Shan “I” area (about 9.9 ha) covered by the Hung Shui Kiu New Development Area (NDA) Planning and Engineering Study jointly undertaken by the Civil Engineering and Development Department and PlanD (**Plan A26 of Appendix 3.6**). The site is mainly proposed for mixed residential and commercial uses according to the Recommended Outline Development Plan published for stage 3 community engagement in June 2015.