

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Commercial Properties Committee

Improvement of Cheung Wah Shopping Centre

PURPOSE

To inform Members of the improvement proposals for Cheung Wah Shopping Centre.

BACKGROUND

2. Cheung Wah Shopping Centre has been programmed for improvement in 1997/98 under a five-year Rolling Programme and has been identified for implementation by consultant. Members have been informed of the Design Brief for this improvement scheme vide Paper No. CPC 55/97. Following a selection exercise, Ling Chan & Partners Ltd. (LCP) was appointed consultant for the improvement works to Cheung Wah and Fu Shin shopping centres at a lump sum package fee of \$8.9M. (Paper No. BC 35/98). The appointment took effect on 15 May 1998.

CHEUNG WAH SHOPPING CENTRE

3. Cheung Wah Shopping Centre is a small neighbourhood centre (Type D) completed in 1986 with 5,515m² retail space serving primarily the 20,800 residents of Cheung Wah Estate. The centre is a 3-storey building linked to the adjacent Fanling KCR Station by a footbridge and covered walkway system at podium level. The centre is facing keen competition from retail facilities in the neighbourhood. Improvements to the centre are necessary to sustain its competitiveness with private shopping centres nearby. It is also necessary to upgrade the centre in such a way as to meet the latest fire safety requirements. A number of areas which required improvement works in the

centre are identified and highlighted in paragraph 5 below. A location plan and estate layout plan is at **Annex A**.

IMPROVEMENT PROPOSAL

4. LCP had, after conducted feasibility study and discussed with the departmental project team, developed schematic design (Drawings at **Annex B**). The improvement proposal was endorsed by the Department's Shopping Centre Improvement Committee in February 1999.

5. The main areas of improvement are summarized below -

- (a) construction of shops of about 300m² internal floor area;
- (b) renewal of internal floor/wall finishes of the centre, and re-decoration to external of the shopping centre and market buildings;
- (c) modification of skylight in the centre;
- (d) renovation of two public toilets in the centre;
- (e) provision of internal and external signages/directories;
- (f) improvement of lighting at areas considered necessary;
- (g) replacement of perspex balustrade and mild steel railing of the centre and addition of screen walls atop market and near cooked food stalls;
- (h) upgrading works necessary to satisfy the requirements of the Fire Safety (Commercial Premises) Ordinance.

IMPLEMENTATION

6. Building works will be by lump sum contract (LSC) in line with the Department's current strategy for works procurement. Building services works will be arranged through domestic sub-contractors under the main LSC.

7. Site works is expected to commence in November 1999 and scheduled for completion in December 2000. A tentative master programme is at **Annex C**.

FINANCIAL IMPLICATIONS

8. The estimated project cost is \$27.74M, excluding consultant fees but including \$0.56M for necessary upgrading works to meet the requirements of the Fire Safety (Commercial Premises) Ordinance. A breakdown is at **Annex D**.

9. Taken into account of the replacement cost of deferred maintenance items, the improvement scheme is expected to generate an internal rate of return (inclusive of consultancy fees) at 8.8% with a payback period of 16 years. The return is generally in line with similar improvement projects and is considered acceptable.

CONSULTATION

10. Local representatives have been consulted and the improvement proposals are generally accepted. Briefing will be maintained by estate staff throughout the development and implementation of the scheme.

INFORMATION

11. This paper is issued for Members' information. Representatives of LCP will be invited to attend the Commercial Properties Committee meeting on 24 March 1999 to present the project in greater detail.

---0---0---0---

File Ref. : HD(H)CP 6/80/7

Date : 18 March 1999