

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Commercial Properties Committee

Improvement of Fu Shin Shopping Centre

PURPOSE

To inform Members of the improvement proposals for Fu Shin Shopping Centre.

BACKGROUND

2. Fu Shin 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 59/97. Following a selection exercise, Ling Chan & Partners Ltd. (LCP) was appointed for the improvement works to Fu Shin and Cheung Wah shopping centres at a lump sum package fee of \$8.9M (Paper No. BC 35/98). The appointment took effect on 15 May 1998.

FU SHIN SHOPPING CENTRE

3. Fu Shin Shopping Centre is a large neighbourhood centre (Type C) completed in 1986 serving primarily the 34,000 residents of Fu Shin Estate, Ming Nga Court and Yee Nga Court. The facilities of this small 3-storey centre are inadequate to meet the rising aspiration of the shoppers and to compete successfully with the nearby private developments in Tai Po. Besides, it is necessary to enhance the centre so that it can satisfy the latest fire safety requirements. A location plan and estate layout plan is at **Annex A**.

IMPROVEMENT PROPOSAL

4. LCP had conducted feasibility study and developed an improvement proposal which was subsequently revised to incorporate comments from the Department (schematic design drawings at **Annex B**). As there are additional improvement works outside the scope of works required by the Design Brief, an extra consultancy fee of \$2.63M will be incurred.

5. The improvement proposal was endorsed by the Department's Shopping Centre Improvement Committee (SCIC) in December 1998. The main areas of improvement are summarized below -

- (a) construction of additional retail space with about 640m² internal floor area;
- (b) construction of a grand entrance from the bus terminus to the main arcade of the centre;
- (c) provision of central air-conditioning (A/C) to common areas and new shops with allowance for extension to the whole centre;
- (d) installation of one additional escalator from G/F to 1/F to improve vertical accessibility;
- (e) construction of internal staircases to enhance vertical circulation;
- (f) replacement of wall, floor and ceiling finishes of the centre;
- (g) construction of a new transformer room;
- (h) renovation of external facade;
- (i) improvement of centre lighting;
- (j) replacement of exit smoke doors;
- (k) demolition of concrete parapet walls and installation of glass balustrade/stainless steel railings;

- (l) upgrading of signages and directories;
- (m) 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. Installation of escalators will be carried out by a separate contract; and other 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 is scheduled for completion in April 2001. A tentative master programme is at **Annex C**.

FINANCIAL IMPLICATIONS

8. The estimated project cost is \$73.87M, excluding consultant fees but including \$1.12M for necessary upgrading work 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 and the capital cost for central A/C plant which will be recouped through A/C charges, the improvement scheme is expected to generate an internal rate of return (inclusive of consultancy fees) at 8.4% with payback period of 15 years. The return is generally in line with similar improvement projects and is considered acceptable.

MEASURES TO MITIGATE DISTURBANCE

10. In view of the extensive improvement works carried out in the shopping centre, a phasing programme including hoarding, overtime night work, saw-out demolition is being worked out in order to minimize the disturbance so caused to shoppers and tenants.

CONSULTATION

11. Local dignitaries and shop tenants have been consulted. The improvement works was generally accepted except the provision of central A/C for which tenants were unwilling to pay the A/C charges. The issue was separately studied by a departmental working group and the proposed implementation plan was endorsed by SCIC in December 1998. Briefing will be maintained by estate staff throughout the development and implementation of the scheme.

INFORMATION

12. 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.

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