
THE HONG KONG HOUSING AUTHORITY

Memorandum for the Commercial Properties Committee

Improvement of Tin Ping Shopping Centre, Sheung Shui

PURPOSE

To inform Members of the improvement proposals for Tin Ping Shopping Centre.

BACKGROUND

2. Tin Ping Shopping Centre is included in the five-year rolling programme for major improvement in 1999/2000. Proposals were endorsed by the Department's Shopping Centre Improvement Committee in June 1999.

TIN PING SHOPPING CENTRE

3. Tin Ping Shopping Centre is a small neighbourhood centre (Type D) completed in 1989, primarily serving about 25,700 residents of Tin Ping Estate and On Shing Court (HOS) and facing keen competition from the shopping centres and market in its vicinity, including Metropolis Centre, Regional Council (RC) Shek Wu Hui Market and other facilities in Sheung Shui Town Centre.

4. The shopping centre has few anchor tenants and lacks some basic services/trades (such as bank, personal store and hamburger restaurant). The high vacancy rate in the market reflects a substantial outflow of patronage to the nearby RC market, and this has further undermined the competitiveness of the centre. A location plan and estate layout plan are at **Annex A**.

IMPROVEMENT PROPOSALS

5. The proposed improvement scheme is aimed to boost business potential by improving the business environment and by increasing the number of anchor tenants. Provision of central air-conditioning to the centre and market would not be cost-effective given the design of the centre, but natural ventilation to the shopping centre will be enhanced.

6. The proposed improvements are summarized below -

- (a) conversion of a portion of market stalls into 2 anchor shops and add 1 anchor shop at the rear entrance of Park' N Supermarket;
- (b) relocation of the existing PMA office from G/F to 1/F;
- (c) relocation of the existing ATM house to a small vacant shop at shopping centre;
- (d) replacement of the false ceiling at G/F & 1/F of the shopping centre (except atrium ceiling);
- (e) renovation of the existing staircase adjacent the new anchor shops at market;
- (f) installation of electric ceiling fans at market;
- (g) replacement of floor tiles and channel cover at market;
- (h) removal of flower beds and upgrading of railings;
- (i) renovation of loading and unloading area;
- (j) upgrading of two shopping centre toilets;
- (k) repainting of internal/external wall finishes;
- (l) signage improvement;
- (m) general lighting improvement; and

- (n) to install sprinklers and otherwise fulfill the requirements of the Fire Safety (Commercial Premises) Ordinance.

7. A net increase of about 412m² retail space created under the scheme, resulting in a total space of 5,116.60m², is acceptable to the Planning Authority. Design drawings are at **Annex B**.

IMPLEMENTATION/PROGRAMME

8. The project will be implemented by lump sum contract and will take about 16 months to complete, taking into account lead time for detailed design and preparation of tender documents. Construction is scheduled to commence in February 2000 and completion in August 2000. A tentative works programme is shown at **Annex C**.

FINANCIAL IMPLICATIONS

9. Estimated cost for the proposed improvements is \$12.77M at 1999/2000 price level, of which \$3.91M is attributable to maintenance. The net cost of \$8.86M is expected to generate a 12.5% internal rate of return (IRR) and payback period of 14 years. An IRR sensitivity analysis is at **Annex D**. It is estimated that upon completion in August 2000, rental income will be increased to \$16.76M per annum, including \$1.57M from new retail space.

FUNDING

10. Budget has been set aside under Housing Capital Works Fund from 1999/2000 - 2000/2001.

CONSULTATION

11. Liaison with affected tenants and local representatives arranged by estate staff indicated general acceptance of the improvement scheme. Supplementary briefings will be arranged by the estate staff throughout implementation.

INFORMAITON

12. This paper is issued for Members' information.

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

File Ref. : HD(H)CP 6/80/64

Date : 24 September 1999