

THE HONG KONG HOUSING AUTHORITY**Memorandum for the Commercial Properties Committee****Shatin Area 14B Shopping Centre
Design and Viability****PURPOSE**

To seek Members' endorsement to the scheme design for Shatin Area 14B Shopping Centre and the estimated financial return based on the project budget.

BACKGROUND

2. The Client Brief for Shatin Area 14B Shopping Centre was endorsed by this Committee (Paper No. CPC 60/96) and approved by the Building Committee in December 1996. Based on the brief, a scheme design for the shopping centre has been developed and a project budget prepared. These were considered and endorsed by the Department's Project Design Review Committee on 18 September 1997. Minor revision on the project budget, layout and drawings were finalized in the recent months.

DESIGN

3. The Home Ownership Scheme (HOS) development at Shatin Area 14B is located in Yuen Chau Kok area in eastern part of Shatin New Town. It is bounded by Shatin Wai Road in the south, Ngan Shing Street in the west, Road A in the north and Ngau Pei Sha Street in the east. To the further north across the proposed private residential development at Chap Wai Kon Street will be the future City One Station of the Ma On Shan Railway. The shopping centre will be located at the junction of Road A and Ngau Pei Sha Street with the main facade facing the industrial development along Ngau Pei Sha Street. It is planned as a small neighbourhood shopping

centre (Type D) with an internal floor area of **3,980 m²** retail space. Due to the isolated location of the HOS development, the shopping centre will serve primarily the local residents of about 15,700 with some patrons from the neighbouring small-scaled private residential and industrial developments.

— An estate layout plan is at **Annex A**.

4. The shopping centre will occupy the ground floor and first floor of a 7-storey composite building including a mezzanine floor for the Department's Regional Management Office. On top of the shopping floors will be the carpark and a Housing Department Material Depot. A public transport interchange will be located on the ground floor of the composite building with direct linkage to the entrance foyer of the centre and the market. The main entrance of the centre will be orientated towards the junction of Road A and Ngau Pei Sha Street providing access at street level for a weather protected route for residents and shoppers. Secondary entrances at appropriate locations are planned to supplement the accessibility of the centre. The shopping centre will be connected to the estate covered walkway system via the elevated platform in the mezzanine floor. Footbridge connection reserves have been allowed on the first floor arcade to maximize inflow of outside patronage. Vertical transportation inside the shopping centre will be by means of lifts and escalators at strategic locations for convenient internal circulation.

5. The two-storey shopping centre including the market will be centrally air-conditioned. Retail facilities will include a Chinese restaurant, a supermarket, two fast food/small restaurants, a convenience store, three
— clinics and some general shops. A set of floor plans is at **Annex B**.

VIABILITY

6. The total project budget for the shopping centre is **\$124.592M** at June 1997 price level. Based on the projected income and future growth, the investment is expected to generate an internal rate of return of **11.4%** with a payback period of **12** years. This is in line with similar projects and considered to be acceptable. An information sheet containing the key data
..... and assumptions of the viability test is at **Annex C**.

PRESUMPTION

7. It is not thought that members will object to this scheme design and its estimated financial return. If no objection or request for discussion is received by the Committees' Secretary **by noon on 5 January 1998**, Members' approval will be presumed.

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