Revitalization Projects (Case Study)

Cheung Fai Industrial Building
No. 133 Wai Yip Street
Kwun Tong, Kowloon, Hong Kong

Pioneer Place
33 Hoi Yuen Road
Kwun Tong, Kowloon, Hong Kong
The package of measures to facilitate redevelopment and wholesale conversion of older industrial buildings (the “revitalization measures”) came into operation on **1 April 2010** and expiring by 31 March 2016. Latest status as follows:

<table>
<thead>
<tr>
<th>Applications under the Revitalisation Measures (Position as at the end of October 2014)</th>
<th>Wholesale Conversion</th>
<th>Redevelopment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications received</td>
<td>123</td>
<td>20</td>
<td>143</td>
</tr>
<tr>
<td>Approved</td>
<td>87</td>
<td>17</td>
<td>104</td>
</tr>
<tr>
<td>Withdrawn/terminated by applicants after approval/execution</td>
<td>(22%) 19</td>
<td>5</td>
<td>24</td>
</tr>
<tr>
<td>Under processing</td>
<td>18</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Withdrawn by applicants during processing</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Rejected due to not meeting the eligibility criteria</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>
Special Waiver - Eligibility Criteria

Under Industrial Buildings Revitalization measures, to enjoy Wholesale Conversion at $0 waiver fee for change in use of entire existing building (during the lifetime of the building or until expiry of the current lease), SPECIAL WAIVER has to be applied to Lands Department. Eligibility:

- The industrial building should be at least 15 years old (counting from Occupation Permit date);
- The building should be situated in "Industrial", "Commercial" or "Other Specified Uses";
- The application should be jointly submitted by ALL owners of the building;
- All newly proposed uses in the building should be under the category of “Always Permitted” in the respective zone or otherwise a “Planning Permission” will be required by the TPB;
- There should be NO increase in building height & building bulk;
- Any minor demolition to the existing building structures must be < 10% of the total GFA of the existing building;
- NO increase in GFA after conversion;
- proposed conversion works have to be completed within three years from the date of execution of “Special Waiver”.

Under Industrial Buildings Revitalization measures, to enjoy Wholesale Conversion at $0 waiver fee for change in use of entire existing building (during the lifetime of the building or until expiry of the current lease), SPECIAL WAIVER has to be applied to Lands Department. Eligibility:
Wholesale Conversion of Industrial Buildings (the Planning and Lands Process)

1. **Building age ≥15 years**
   - **Y**: Located in Industrial, Commercial or Other Specified Uses (Business) zones
   - **N**: Application not successful under this scheme

2. **Located in Industrial, Commercial or Other Specified Uses (Business) zones**
   - **Y**: Single owned or joint application by all owners
   - **N**: Propose new use always permitted in the zone

3. **Single owned or joint application by all owners**
   - **Y**: Proposed new use always permitted in the zone
   - **N**: Apply to TPB for planning permission

4. **Proposed new use always permitted in the zone**
   - **Y**: Owners to address adverse comments and modify application
   - **N**: Owners to submit application to LandsD for waiver

5. **Owners to submit application to LandsD for waiver**
   - **Y**: LandsD to circulate applications to relevant departments for comments within 2 weeks
   - **N**: Any adverse comments

6. **LandsD to circulate applications to relevant departments for comments within 2 weeks**
   - **Y**: LandsD advises applicants of reasons for rejection
   - **N**: Any adverse comments

7. **Any adverse comments**
   - **Y**: LandsD issues waiver
   - **N**: Owner to appoint AP to carry out structure survey, check fire safety requirements, etc. (Applicants may choose to do this in parallel)

Legend:
- Pink: Action by government department
- Blue: Action by applicant
General Hurdles/Difficulties

CAR PARKING - During Waiver application process, the requirement for car parking spaces provision for office/commercial buildings is higher than that for industrial buildings (about 4 times!) as stipulated under "Hong Kong Planning Standards and Guidelines (HKPSG)". It is very difficult for the existing industrial building to meet these stringent requirements:

- **Industrial buildings** - 1 car parking space per 600-1200m² GFA
- **Commercial buildings** - 1 car parking space per 150-300m² GFA

Solution - to persuade Transport Department (TD) to exercise flexibility approach i.e. DISCRETION in accepting lower provisions for car parking spaces based on site-specific traffic situation by proving that:

- applicant has made the best use of all existing spaces (e.g. use of decked mechanized parking) within the original buildings
- the subject site is located within a walking distance of 500 m from public transport services, including MTR stations, public transport interchanges, or franchised bus/green mini-bus stops of no less than 5 routes
- there are surplus parking spaces available for hourly rental by visitors near the subject site.
LIGHTING & VENTILATION -

Under Buildings (Planning) Regulation 29 & 30:

‘Every storey of every building used or intended to be used for the purpose of OFFICE shall be provided with effectual means of lighting and ventilation ...... Such natural lighting and ventilation shall be provided by means of windows (Prescribed Window) fulfilling the following:

- aggregate superficial glass area in windows is NOT less than 1/10 of floor area and windows being faced directly into the external air; and

- windows can be opened in prescribed manner to an extent at least equal in aggregate to 1/16 of floor area,

However, there may be insufficient prescribed windows on the original building envelope, thus violating the regulations and creating problems.

Solution

- To fully utilize all available façade enclosure to turn into glazed / openable windows
GENERAL HURDLES/DIFFICULTIES

UNPREDICTED EXISTING BUILDING CONDITION

- Discrepancies between existing building condition and ‘approved plan’ record e.g. column dimension, beam width/depth, structural level etc.
- Dilapidated building condition being more severe than expected e.g. spalling concrete, seriously eroded reinforcement bar, water leakage etc.

Solution

- To conduct more in-depth survey on the existing condition of the subject building;
- To consult Registered Structural Engineer (RSE) for appropriate remedial measures including structural strengthening and even ‘re-casting’ of concrete elements
The Building - Before Conversion

- Built in 1973
- GFA ~ 230,000 sfg
- Typical Floor Plate ~ 21,000 sfg
- G/F - 10/F

Facing Wai Yip Street
The Building - Before Conversion

Facing Hoi Yuen Road
**Project Program (4 years)**

- **Longer than normal case;**
- **Spent almost 1 year to convince TD to lower the car parking requirement.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Design Development</td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>2</td>
<td>Statutory Submission</td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>3</td>
<td>Tender Process</td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>4</td>
<td>Construction</td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>1Q</td>
</tr>
</tbody>
</table>
Existing Provision (Before Conversion)
- 14 nos. L/UL
- 9 nos. Car Park

Planning Standard (HKPSG)
- 15 nos. L/UL
- 90 nos. Car Park
- 8 nos. Motorcycle Space

New Provision (After Conversion)
- 15 nos. L/UL
- 11 nos. Car Park
- 2 nos. Motorcycle Space
After Conversion - Ground Floor

Shop
The Building - After Conversion (Nov 2014)

- Central A/C System
- Low-E double glazed curtain wall
- Bronze standard for BEAM Plus
The Building - After Conversion (Nov 2014)

Facing Hoi Yuen Road
Main Entrance (G/F)
Main Entrance (G/F & 1/F)
After Conversion - 3rd Floor

Outdoor Garden

Existing Flat Roofs
Atrium Green Wall (3/F - 10/F)

Probably one of the tallest green wall (8 storeys) in HK
After Conversion - 4th to 10th Floor

Atrium Void with Green Wall
## Area of Loss GFA due to Atrium Space

<table>
<thead>
<tr>
<th>Floor</th>
<th>Small Atrium (SF)</th>
<th>Large Atrium (SF)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>9/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>8/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>7/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>6/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>5/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td>4/F</td>
<td>390</td>
<td>790</td>
<td>1180</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL 8,260</strong></td>
</tr>
</tbody>
</table>
After Conversion - Roof Floor

Area for Future Roof Extension ~ 5,500 Sq.Ft.
Typical Corridor
Washroom

Executive Washroom
## Stacking Plan (Leasing Status)

<table>
<thead>
<tr>
<th>Floor</th>
<th>Area (sf G)</th>
<th>Pioneer Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/F</td>
<td>21,093</td>
<td>Under Negotiation ($22-$25)</td>
</tr>
<tr>
<td>9/F</td>
<td>21,093</td>
<td>Leased</td>
</tr>
<tr>
<td>8/F</td>
<td>21,093</td>
<td>Retail / Semi-retail</td>
</tr>
<tr>
<td>7/F</td>
<td>21,093</td>
<td></td>
</tr>
<tr>
<td>6/F</td>
<td>21,093</td>
<td></td>
</tr>
<tr>
<td>5/F</td>
<td>21,093</td>
<td></td>
</tr>
<tr>
<td>4/F</td>
<td>21,093</td>
<td></td>
</tr>
<tr>
<td>3/F</td>
<td>19,062</td>
<td></td>
</tr>
<tr>
<td>2/F</td>
<td>26,715</td>
<td></td>
</tr>
<tr>
<td>1/F</td>
<td>26,715</td>
<td></td>
</tr>
<tr>
<td>G/F</td>
<td>9,987</td>
<td>Shop 1 Leased, Retail and Car Park</td>
</tr>
<tr>
<td>Total</td>
<td>230,130</td>
<td></td>
</tr>
</tbody>
</table>

Prospects: Shipping, Garment, Showroom, Insurance, Banking, Consultancy, IT related, etc.
133 Wai Yip Street (Project East)
Business Plan - Repositioning

Current

193,000 sf. (GFA)

1/F – 12/F & Top Floor

Industrial

G/F - Shop

Future

Reposition

Renovation

Revitalization

3/F – 12/F & Top Floor

Grade A Office

G/F – 2/F - Shop
Project East – The Team

 Client : Hayson Development Limited & Meriton Development Ltd.

 Authorized Person & Project Manager : RAYMOND CHAN SURVEYORS LIMITED 陳旭明測計師行有限公司

 Design Architect : MVRDV

 Executive Architect : ARCHITECTURE:INNOMATIV

 Registered Structural Engineer : AC TECHNIK (HK) Limited 天力建設(香港)有限公司

 E&M Engineer : IGOR (M&E) Engineering Consultants Ltd

 Quantity Surveyor : LangdonSeah 威寧謝

 Environmental Consultant : ERM

 Property Manager : CBRE

 Main Contract Main Contract : KIN SHING (LEUNG’S) GENERAL CONTRACTORS LTD.
Project East – Proposed Conversion

Façade Design

- Facing Wai Yip Street
Target Construction Completion Date: **November 2015**
## Special Features of Project East

### Reduced Nos. of Loading/Unloading (L/U) and Car Park

<table>
<thead>
<tr>
<th>Existing Provision (Before Conversion)</th>
<th>Planning Standard (HKPSG)</th>
<th>New Provision (After Conversion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ 1 no. L/UL ;</td>
<td>➢ 8 – 12 nos. L/UL ;</td>
<td>➢ 6 nos. L/UL ;</td>
</tr>
<tr>
<td>➢ NIL Car Park ;</td>
<td>➢ 81 – 109 nos. Car Park ;</td>
<td>➢ 11 nos. Car Park (incl. Disabled)</td>
</tr>
<tr>
<td>➢ NIL Disabled Car Park</td>
<td>➢ 2 nos. Disabled Car Park</td>
<td></td>
</tr>
</tbody>
</table>
Special Features of Project East

New Ground Floor

Legend:
- Demolished Structure in BLUE

Old Ground Floor
GREEN Balconies

In sub-divided Office unit, Green balconies are created:

- To Introduce more natural sunlight into the office interior space;

- To create pleasant semi-outdoor space for office users;

- To enrich building façade design;
**Special Features of Project East**

**BEAM Plus (New Buildings Version 1.1)**

The conversion of this vacant industrial building for other more gainful uses is itself a sustainable way to conserve natural resources and reduce construction waste. We would like to go one step further by engaging into BEAM Plus assessment.

4 major areas are covered:


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### MATERIAL ASPECT

- 1.1 Timber Used For Temporary Works
- 1.2 Use of Non-CFC Based Refrigerants
- 1.3 Construction Waste Management Plan
- 1.4 Waste Recycle Facilities

### WATER USE ASPECT

- 2.1 Water Quality Survey
- 2.2 Minimum Water Saving Performance

### ENERGY USE ASPECT

- 3.1 Minimum Energy Performance
- 3.2 Reduction of CO2 Emission
- 3.3 Peak Electricity Demand Reduction
- 3.4 Testing and Commissioning
- 3.5 Operation and Maintenance
- 3.6 Metering and Monitoring

### INDOOR ENVIRONMENTAL QUALITY

- 4.1 Minimum Ventilation Performance
- 4.2 Plumbing and Drainage
- 4.3 Biological Contamination
- 4.4 Construction IAQ Management
- 4.5 Outdoor Sources of Air Pollution
- 4.6 Indoor Sources of Air Pollution
- 4.7 Localised Ventilation
- 4.8 Ventilation in Common Areas
- 4.9 Interior Lighting in Normally Occupied Areas
Appendix - Proposed Conversion

Façade Design

Facing Lai Yip Street
Appendix - Proposed Conversion

Interior Design

G/F Main Lobby
Appendix - Proposed Conversion

OLD Vs NEW DESIGN
Appendix - Proposed Conversion

OLD Vs NEW DESIGN
Appendix - Proposed Conversion

OLD Vs NEW DESIGN
The information contained in this presentation is confidential and intended solely for discussion purposes only.

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THANK YOU