

**For Discussion
On 24 July 2024**

**Legislative Council House Committee
Subcommittee on Policy Issues Relating to
Strengthening and Promoting the Development of Kowloon East as
the Second Core Business District**

**Review of the implementation of the policy measures for promoting the
development of Kowloon East as the Second Core Business District**

PURPOSE

This paper briefs Members on the implementation of the policy measures for promoting the development of Kowloon East (KE) as the Second Core Business District (CBD2) and the work progress.

Energizing Kowloon East Initiative

2. The Energizing Kowloon East (EKE) initiative was announced in 2011 to facilitate transformation of KE into another core business district to sustain Hong Kong's economic development. The Energizing Kowloon East Office (EKEO) was established under the Development Bureau (DEVB) in June 2012 dedicated to oversee the works necessary for fostering the vision. The tasks EKEO are carrying out focus on four main aspects – (A) Ensuring sufficiency of commercial space in KE for Sustainable Economic Growth; (B) Enhancing Connectivity, Walkability and Mobility in KE; (C) Developing a Smart, Green and Resilient CBD; and (D) Promoting the “Spirit of Creation”. EKEO also adopts a visionary, co-ordinated and integrated approach in carrying out its mission, providing facilitation services to development projects, maintaining cross-bureau and department co-ordination and enhancing public participation in various planning and development processes in order to take forward the four aspects successfully.

3. The coverage of the EKE Initiative includes the Kowloon Bay Business Area (KBBA), Kwun Tong Business Area (KTBA) and Kai Tak Development (KTD), and was extended to the San Po Kong Business Area (SPKBA) in 2017, accounting for a total area of about 514 hectares (Appendix I).

Progress / Achievements

A. Ensuring Sustainable Economic Growth

4. A constant supply of high-grade commercial/office floorspace is a key factor of a successful CBD supporting the sustainable economic growth of Hong Kong and strengthening Hong Kong's global competitiveness. Since the promulgation of the EKE initiative over the past decade or so, the Government has adopted complementary policies through conducting land use reviews and encouraging revitalisation of industrial buildings so as to increase the commercial floor space supply in the district. The total commercial gross floor area (GFA) in KE has been increased more than one fold from 1.7 million m² in 2012 to currently about 3.6 million m², which includes 1.3 million m² floor space from around 70 industrial buildings redeveloped or converted into commercial buildings. Besides, taking into account projects under construction or attained relevant approval, together with the major planned commercial developments in Kwun Tong, Kowloon Bay and Kai Tak, the commercial GFA in KE will further increase to more than 4 million m², which is comparable to the scale of Central CBD.

Land Use Reviews

5. In terms of overall planning, the Government has rezoned the industrial land in Kowloon Bay and Kwun Tong and San Po Kong to "Business" use in an earlier time, to allow the conversion of industrial buildings to office use or the redevelopment of these buildings into commercial/office buildings to increase the supply of commercial land. In addition, through district land use review, suitable government lands with development potential were rezoned for commercial purpose. The Government has disposed a total of eight pieces of government land in KE for commercial development since 2012, providing about 580,000 m² of commercial floor space. EKEO is actively co-ordinating efforts to put forward the Kowloon Bay and Kwun Tong Action Areas by rationalizing the existing government facilities thereat to expedite releasing their development potential with a view to provide more quality commercial land supply for CBD2. The two action areas can provide a total of about 500 000 m² of commercial floor space. There are also other planned

commercial developments include the Lai Yip Street Site and other planned commercial sites in the Kai Tak Development. The Government will take into account the market situation and dispose of the relevant commercial sites in a timely and orderly manner to ensure a steady supply of office space.

Revitalisation of Industrial Buildings Policy

6. KE was once an important industrial base during the heyday of Hong Kong's manufacturing industry. There are about 300 industrial buildings in KE which are mostly privately owned and many are under multiple ownership. While private redevelopment and wholesale conversion projects are largely market-driven, to expedite the transformation of KE, the Government introduced the first round of 6-year industrial buildings revitalisation scheme in 2010 with a series of measures including the exemption of waiver fees in order to encourage owners of industrial buildings to undertake wholesale conversion or redevelopment. To enhance the appeal of the policy to the market, the second round of industrial buildings revitalization scheme (I.B 2.0) with enhanced measures was launched in 2018 with the valid period extended to 2024. The scheme allows application for relaxation of maximum permissible plot ratio up to 20% for industrial redevelopment projects located outside “Residential” zones. To further expedite the revitalisation of industrial buildings, the Government also launched a scheme in 2021 for charging land premium at “standard rates” in respect of lease modification of redevelopment of industrial buildings.

7. From the launch of first round of industrial buildings revitalization scheme in 2010 to end June 2024, a total of 72 cases in KE have been approved with the lease modification or temporary waiver executed and completed, representing around 52% of the relevant cases in Hong Kong. Amongst the 72 cases, nearly 60 industrial buildings have been redeveloped or converted into commercial buildings.

Composition of Businesses

8. In addition to increasing the quantity, the composition of businesses is also critical to the positioning of a commercial district. According to the “Survey on Business Establishments in Kowloon East 2018” conducted by Planning Department, it was revealed that 19% of the establishments in Kwun Tong and Kowloon Bay were engaged in “Banking and financial services and insurance” and “Real estate and professional and business services”, which is about 3 times than that of the 6% as surveyed in 2011. Besides, the number of multi-national companies and financial

enterprises is also climbing in KE which reveals KE has been gradually transformed as CBD2 to facilitate the uplifting of HK as the financial and commerce centre. Apart from Grade A offices, there are also various types of affordable properties of good quality providing space for different types of companies setting up their businesses .

Establishment of Government departments and headquarters in KE

9. Apart from increasing the commercial land supply, the Government also reviewed the land use strategy to relocate government offices from the traditional CBD to Kai Tak and to establish various government facilities and specialised buildings to further spur private developments/redevelopments in Kowloon Bay. Currently, two government facility clusters are gradually being formulated to create synergy. The government facility cluster in Kai Tak involves the Electrical and Mechanical Services Department (EMSD) Headquarters Building (Headquarter of EMSD), the Inland Revenue Centre (Headquarter of Inland Revenue Department), the Trade and Industry Tower (Headquarter of Trade and Industry Department), the Kowloon East Regional Police Headquarters of Hong Kong Police Force and Animal Management and the Animal Welfare Building of Agriculture, Fisheries and Conservation Department. While the Government facility cluster in Kowloon Bay involves the Central Mail Centre, the Hongkong Post Building (Headquarter of Hongkong Post) and the Water Supplies Department Kowloon East Regional Building which was set up in earlier years. In Kwun Tong, apart from the Kowloon East Government Offices which was established in earlier time, the Kwun Tong Composite Development Project at Kwun Tong Road is also under construction.

10. Besides, there are government-owned properties located within private developments and private properties that are leased by the Government for office use in Kwun Tong, Kowloon Bay and San Po Kong, which involved about 40 Government departments. Apart from Government departments, the headquarter of Mandatory Provident Fund Schemes Authority is also located in KE. Aside from office use, there are also the Hong Kong Children's Hospital and facilities that are under construction including the New Acute Hospital and the District Cooling System facilities of Kai Tak Development being located in KE.

11. The establishment of Government departments and facilities not only brought employment to KE, but may also indirectly induce related businesses and services to set up in KE, which would facilitate the transformation of KE to CBD2.

For example, Buildings Department's office in Kwun Tong may attract consultancy firms of construction industry to settle in KE, while the establishment of Government hospitals as mentioned above and the established office of various sections of Health Department in Kwun Tong may also attract related medical and laboratory testing services to establish in KE.

B. Enhancing Connectivity, Walkability and Mobility

12. EKEO has been committed to advocating the concept of "Walkable KE". Previously, it has completed the feasibility studies on pedestrian environment improvement in Kowloon Bay, Kwun Tong, and San Po Kong respectively. Based on the study recommendations, it has formulated an integrated pedestrian network comprising green spine/links, revitalization of back alley, footbridges, subways and travellers to enhance the pedestrian environment. Up till now, EKEO has completed nearly 100 short-term to medium-term pedestrian improvement schemes, including the widely used green spines connecting east/west and north/south of Kowloon Bay Business Area; and the footbridge connecting the MTR Kowloon Bay Station Exit B with the East Kowloon Cultural Centre (EKCC), which was commissioned in 2023. Moreover, a footbridge between Kowloon Bay and the New Acute Hospital is being constructed to facilitate the commissioning of the Hospital; and a new footbridge near MTR Kowloon Bay Station Exit A are being implemented envisaging to divert the pedestrian flow in the existing footbridges so as to alleviate the current congested condition.

13. With the progressive realization of the transformation of KE, and taken into account the development needs and opportunities arising from the new development projects, EKEO has launched a pedestrian environment improvement review covering the whole KE in February 2023, with a view to extending the pedestrian network to the residential areas in KE's hinterland to enhance and strengthen the pedestrian network coverage of CBD2. The review will formulate the short, medium and long terms pedestrian environment improvement measures and is targeted for completion in end 2024 / early 2025.

14. Apart from the Public Works Programme, EKEO has all along been proactively coordinating and incentivizing private participation in the provision of pedestrian links under the Facilitation Policy. Being a pioneer in taking forward the policy, EKEO has been handling all the concerned applications in KE. These

include an approved private participation project, targeted for commencement of work in 2024, for the provision of a pedestrian link between Amoy Plaza and East Kowloon Culture Centre. This together with the newly built footbridge at Kowloon Bay MTR Station Exit B will form an all-weather pedestrian network to Kowloon Bay MTR Station.

15. To promote green transportation, the Government has announced the construction of Smart and Green Mass Transit system in Kai Tak and East Kowloon in 2023 Policy Address. The Government has commenced the relevant investigations and will invite relevant suppliers and operators to submit Expression of Interest for the project in the second half of this year, so as to finalise the specific requirements and design of the systems and their associated infrastructures. In addition, EKEO has been facilitating relevant departments to implement the pedestrian connectivity projects under "multi-model" Environmentally Friendly Linkage System in KE announced by the Government in 2021, to complement the road and railway infrastructures in KE. These include the footbridge system connecting the KBBA; the east-west pedestrian corridor linking the Kowloon Bay and Kwun Tong Action areas; the pedestrian cum cyclist bridge across Kwun Tong Typhoon Shelter connecting Kwun Tong and the Kai Tak Development Area; as well as the pedestrian system linking the Kwun Tong MTR station and the Tsui Ping seaside. EKEO has also planned to provide smart public transport hubs with air-conditioned passenger waiting areas and real-time information display panels in major development projects, such as the Kwun Tong Action Area, Kowloon Bay Action Area, and the main commercial development at Kai Tak runway tip. The smart transport hubs can effectively enhance passenger interchanges and properly connect various transportation services within the area to alleviate the traffic conditions in the district.

C. Developing a Smart, Green and Resilient CBD

A Smart CBD

16. The Government is also committed to develop KE into a smart city pilot area to support research and development, especially for the application of research and development results to enhance various urban functions and achieve smart living, working and leisure. KE is located in a mix of new and old areas, making it an ideal testing ground. For example, the pilot run of the first hydrogen fuel cell double-deck bus in Hong Kong was carried out in KE.

17. EKEO has been adopting a collaborative approach to promote KE as a test bed for the research development of smart city applications. Examples include the ongoing test on Smart Recycling System and the recent launch of an indoor and outdoor audio navigation for the visually impaired and people in need at MTR stations and some large shopping malls in KE ("Walking Assistant" function in the My Kowloon East Mobile App (MyKE)). MyKE launched by EKEO promotes the popularization of information technology. Functions in MyKE such as "Easy Walking," "Easy Transport," and "Easy Parking" facilitate daily travel and enhance wider adoption. EKEO has also spearheaded several innovative technology trials, demonstrating the social benefits of smart city development and providing better understanding of the feasibility of wider application, and hence promote the results to relevant stakeholders for their consideration and research use. So far, the office has completed several proof of concept trials, including the recent completed Real-time Water Quality Monitoring System at the Kwun Tong Typhoon Shelter. EKEO also supports STEM-related learning and courses for secondary and university students by organizing workshops, briefings, and competitions.

18. In terms of hardware, the adoption of green buildings with innovative designs and technologies, and smart infrastructure is the key factor in promoting a smart, green and resilient CBD. Its success relies on the establishment of good standards in government projects, the inclusion of smart, green, and resilient requirements into land sale conditions, and the collaboration with private sectors. Since 2015, KE has pioneered the inclusion of requirements in new private development land leases for achieving BEAM Plus accreditation of Gold or above rating, a higher greening ratio, the provision of smart water meter system and electric vehicle charging facilities, and the sharing of real-time parking vacancy information at appropriate land sale sites. Currently, some of these requirements have been extended across entire Hong Kong. Since 2012, over 70 new private and public buildings in KE have acquired BEAM Plus Gold or above ratings from the Hong Kong Green Building Council, making KE the area with the highest density of green buildings in Hong Kong, significantly enhancing KE's advantages as CBD2.

A Green and Resilient CBD

19. To enhance a green urban environment in CBD2, EKEO is devoted to developing open spaces and environment improvement projects through high-quality urban design, land use reconfiguration and streetscape enhancement to make KE an attractive CBD2. Since the launch of the EKE initiative, over 40 hectares of new

and upgraded open spaces have been completed¹. Moreover, the Kai Tak Development is the largest and most distinctive green urban planning project in Hong Kong. Its open space area is about 100 hectares, accounting for about one-third of the entire development area, not only forming an extensive open space network, but also providing a pedestrian-oriented green connected community. In San Po Kong, the integrated development at Sze Mei Street for re-provision of Kai Tak East Sports Centre is under construction and the redevelopment project of Choi Hung Road Playground and Sports Center (including Choi Hung Road Market) is carrying out technical feasibility studies.

20. Since 2012, through enhancing and beautification of the KE waterfront and areas along Hoi Bun Road, EKEO has been promoting the waterfront development of CBD2 and improving connectivity between business districts and the waterfront. An about 11-kilometer long promenade will be provided in KE. Completed promenade projects include the Kwun Tong Promenade, Kai Tak Runway Park, and the Cha Kwo Ling promenade and adjacent Tsui Ping seaside, which was open for public enjoyment in August 2023. Enhancement works is carrying out along the waterfront near Kwun Tong Pier which is expected to be completed by end 2024, will provide an about 2-kilometer long promenade linking from Cha Kwo Ling to Kwun Tong Typhoon Shelter. In the Kai Tak Runway area, some of the promenades formed by different private developments which returned to government are also opened to the public.

21. To develop a green and resilient CBD2, the government had commenced the project of revitalizing the King Yip Street nullah in Kwun Tong aiming to convert the existing nullah into a green and vibrant infrastructure. It comprises 7 cross-river walkways to enhance the connectivity and walkability between KTBA and the promenade of Kwun Tong and Cha Kwo Ling. Tsui Ping River will become an unique green river corridor in Kwun Tong, creating a river-centric public leisure space with enhancement of the connectivity between the KTBA and the nearby residential areas at the same time. The project will be completed by end 2024.

D. Promoting the “Spirit of Creation”

22. In the past, KE was an important industrial area in Hong Kong embodied with the “Spirit of Creation”. During the transformation of KE, EKEO commits to

¹ Completed open spaces include Kwun Tong Promenade, InPark and Hoi Bun Road Park while Lam Wah Street Playground and Cha Kwo Ling Promenade are recently completed.

respect and inherit this industrial culture and carry forward the “Spirit of Creation” into the future.

Place Making

23. In 2014, EKEO carried out a study on the industrial culture of KE, capturing the “Spirit of Creation” of the area and developed an advocacy statement to encourage private owners and developers to incorporate industrial cultural elements in their future development or conversion plans and showcasing the interesting industrial stories. In addition, the “Spirit of Creation” is strengthened through different urban design and place-making projects such as InPARK, murals on columns under Kwun Tong Bypass and a number of electricity switch boxes in the district adorned with good stories of KE.

24. Since 2013, through the “Fly the Flyover” operation, EKEO has turned the three vacant sites beneath Kwun Tong Bypass into three public venues next to Kwun Tong Promenade for holding public activities. The venues consist of outdoor stages, conference room, gallery, urban farms and restaurant, etc. and are becoming gathering points for public to carry out leisure activities. These venues beneath Kwun Tong Bypass have been turned into welcoming arts and culture, creativity, sports, green and healthy living venues, with over 1 800 events² of arts and cultural, creativity, sports, green and healthy living, attracting more than 880 000 participants. The current tenancy agreement of Fly the Flyover Operation will be expired by end May 2025. After thorough review and making reference to the successful operation mode of some other harbourfront event venues in Hong Kong in the recent years, an open tender will be launched for the upcoming operation. This would enable the tapping of private market forces to further enhance the attractiveness and economic benefits of the venue, striving to create a waterfront that best meets the needs of the public, thereby attracting tourists and boosting economic development so as to facilitate the transformation of KE as CBD2.

25. The Back Alley Project is another important project in respond to promoting the "Spirit of Creation", which comprises 11 groups of back alley in KTBA and 3 back alleys in SPKBA. The project provides alternative pedestrian routes to relieve the crowded pedestrian walkway, while renovates the public space by introducing place-making activities. Groups from various sectors, including

² Many events related to economic activities, including bazaars, food carnivals and some events were held until nighttime, for examples, ‘Night Vibes’ events held in 2023 and the large event namely ‘炒旺香港除夕倒數音樂會暨攤位市集’ in the last new year’s eve.

non-profit organizations, social enterprises, academic institutes, students, local and overseas artists, had participated in the project in beautifying selected back alleys with creation of colorful street art, and activities were introduced such as naming of the alleys was proposed in memory of the industrial era of Kwun Tong. This project not only attracts more pedestrian use but also embraces social inclusion in the process of improving the neighbourhood. According to the survey results in 2019, the pedestrian flow in some of the back alleys in KTBA had increased 20% as compared with the survey in 2014.

Co-use of water body

26. To further enhance the vibrancy and diversity of KE waterfront, EKEO has activated the water bodies in the area to create a vibrant and unique CBD2. To this end, EKEO and the Marine Department jointly formulated the 'Guidelines for Co-using Kwun Tong Typhoon Shelter (KTTS)' in 2017, allowing the shared use of non-pleasure vessel mooring area in the KTTS for sports or recreational activities during non-typhoon periods. In 2018, the vessel passageway along the Kwun Tong Promenade has been widened to 100 meters to facilitate the holding of large-scale water activities and events. Major events held in the vicinity of the KTTS include the Kwun Tong Water Sports Festival, the International Dragon Boat Races, the Hong Kong Stopover of the Volvo Ocean Race, the 'Fly me to the Moon' community event, and the Kowloon East Regatta. Currently, various groups have started organizing water sports activities and training courses in this water area, and the KTTS has also hosted dragon boat racing events. The 15th Asian Dragon Boat Championships will be held in 2024. In the past, EKEO has also facilitated the approval of applications of short-term tenancy for three waterfront sites around KTTS by different non-profit organizations, to promote water sports and training activities. Among them, the Hong Kong China Canoe Union's Kowloon Bay Training Centre was opened on 23 June 2024, and has held canoe and stand-up paddleboard races.

27. The KTTS and Kai Tak Approach Channel (KTAC) are envisaged to be the hot spots for water activities / events. To better understand the public's expectations for the Kwun Tong waterfront and water bodies, EKEO organized the 'Harbour Energizer' event on 13 April 2024, with the aim of promoting the fun experience of water activities in an urban context and the vibrant diversity of the KE waterfront to nearby office workers and residents. EKEO will organize more experiential activities this year, to let the public to enjoy the pleasures of water bodies in the urban area and inject new vitality into the Kwun Tong and Kai Tak areas.

28. Concerning the building of an attractive and diverse CBD2, besides the DEVB, other policy bureaux in fact have also participated in KE's development, particularly in respect of resources input on cultural, sports, and tourism aspects. A number of cultural, sports, and tourism projects is progressively implemented in KE, including the Kai Tak Sports Park and the East Kowloon Cultural Centre.

Public engagement and participation

29. In addition, EKEO also promotes public engagement and participation. EKEO has organized different types of design competition to improve and upgrade district facilities and open spaces, such as City Dress-up Design Competition – ‘Flyover Fantasy Re-run’, Design Competition for the Transformation of Sensory Garden at Kwun Tong Promenade and Design Competition for Redevelopment of Open Space at Choi Hung Road Playground. Design ideas and concepts of the winning entry will be adopted in the implementation of the redevelopment of open space project.

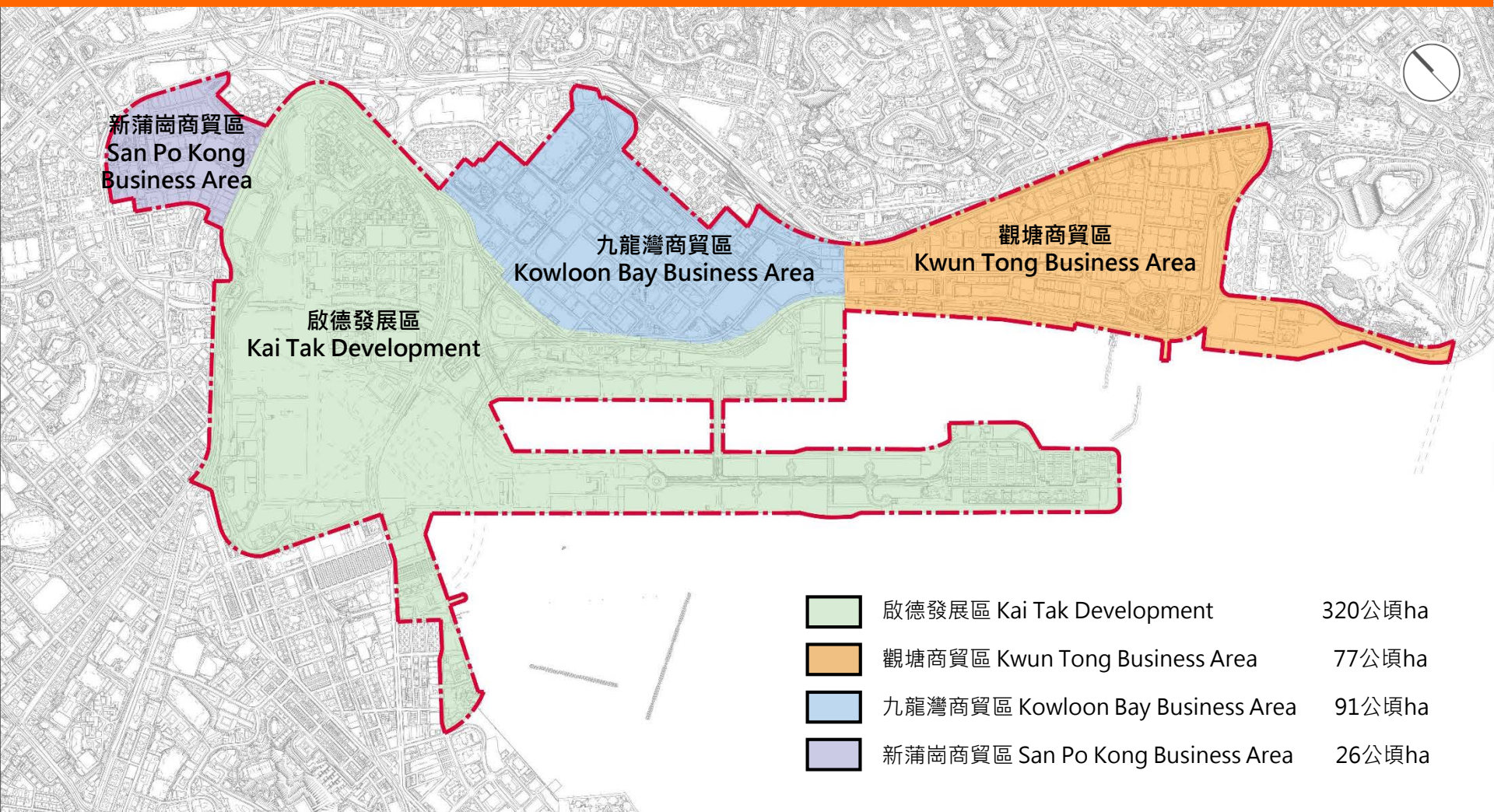
30. EKEO has widely supported various events and activities in KE, which have attracted more than 1 510 000 participants. At the same time, EKEO has been engaging the public and various stakeholders continuously at the envisioning, formulation and implementation stages of various initiatives and projects. We are keen to share our knowledge and experience with local and overseas visitors. We have also joined hands with other organizations in hosting forums and seminars on various topics that align with our vision. So far, EKEO has organized about 860 briefings, seminars, workshops, forums, conferences, exhibitions and visits, involving about 29 000 participants, including those from the Mainland and 25 countries.

Advice Sought

31. Members are invited to note this paper as a reference for detailed discussion in the coming meetings of the sub-committee.

**Development Bureau
July 2024**

起動九龍東政策措施的範圍 Coverage of Energizing Kowloon East Policy Initiative



	啟德發展區 Kai Tak Development	320公頃ha
	觀塘商貿區 Kwun Tong Business Area	77公頃ha
	九龍灣商貿區 Kowloon Bay Business Area	91公頃ha
	新蒲崗商貿區 San Po Kong Business Area	26公頃ha

