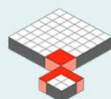


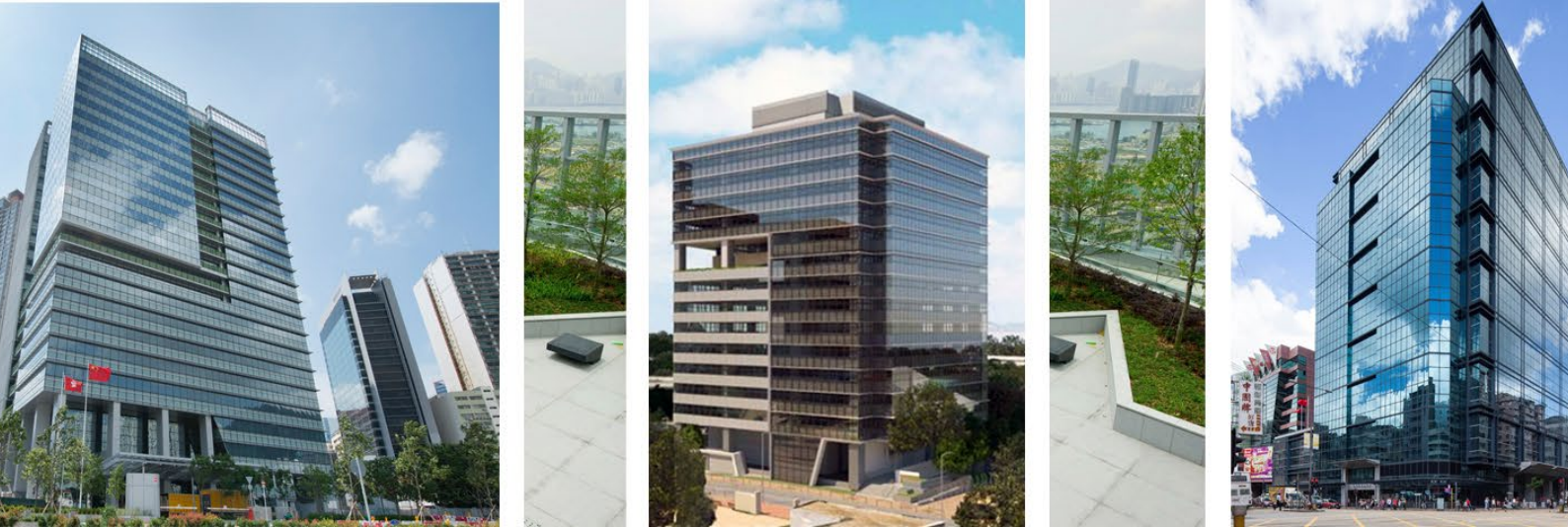
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A **ANNUAL**
REPORT 年報



Government Property Agency

The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

WORK IN 2022



The work of the Government Property Agency (the Agency) mainly covers three programme areas, namely, **acquisition and allocation**, **property management** and **estate utilisation**.



I. ACQUISITION AND ALLOCATION

2. This programme area aims to meet Government's accommodation needs, mainly for offices and quarters, in an economical and cost-effective manner.

◆ Government's accommodation needs arising from COVID-19

3. The Agency has helped bureaux / departments to identify suitable premises to meet their needs for storage of anti-epidemic supplies and setting up operational/support offices/facilities. 18 sites with a total area of about 17 000 m² were allocated to/leased in for bureaux / departments concerned for anti-epidemic operational offices, command centres and vaccination centres. 15 sites with a total area of about 135 000 m² were allocated to/leased in for bureaux / departments concerned for anti-epidemic storage needs.



The Agency has helped to conclude the tenancy agreement with the landlord on one of the vaccination support facilities

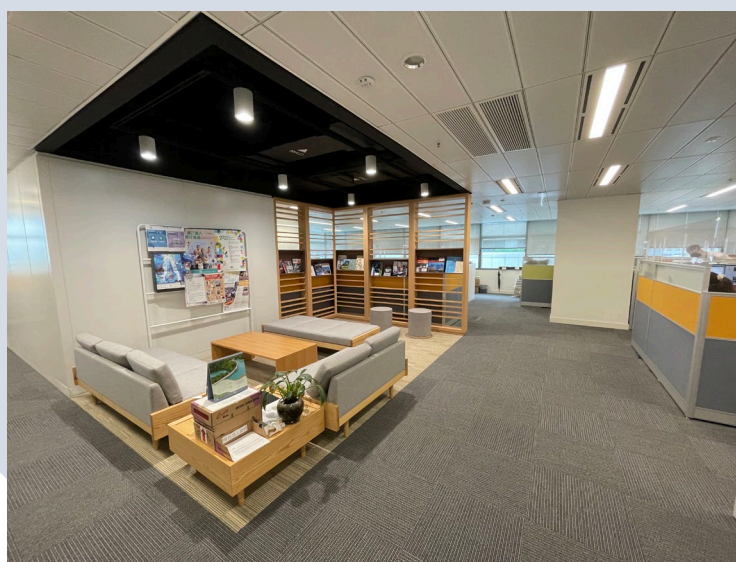


◆ Offices

4. The Agency assisted 32 bureaux / departments to meet their needs for offices and allocated a total floor area of about 50 600 m² to them. New leasing and renewal of leased office accommodation amounted to about 198 700 m² and 124 800 m² respectively. As at 31 December 2022, about 1 285 000 m² of office space were under the purview of the Agency. During the year, the Agency maintained the occupancy rate of office accommodation at 100%.



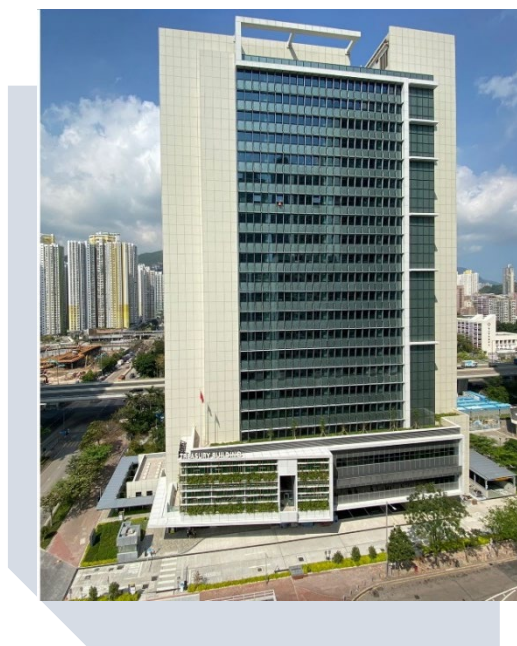
West Kowloon Government Offices (WKGO) was completed in 2019



WKGO Connecting Space, an innovative design for office space



- The Agency continued to pursue deleasing opportunities in consultation with bureaux / departments where practicable. The Agency saved an annual rental of about \$60 million for deleasing cases in 2022. Due to new demand for office space of bureaux / departments arising from various needs, there was a net increase of around 81 200 m² in leased office accommodation as compared with 2021.



Treasury Building was completed in 2022

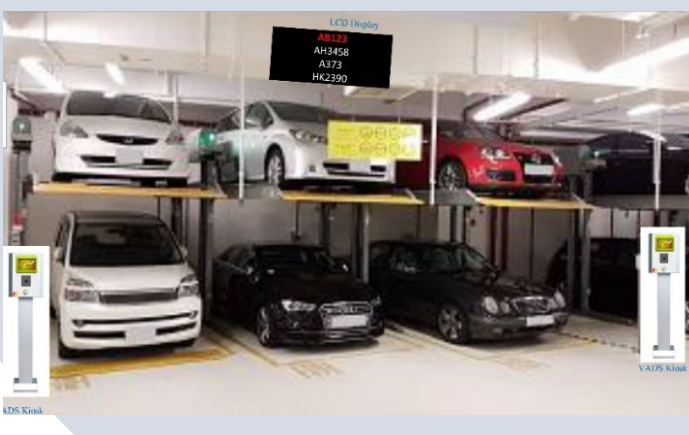


Lift lobby of Treasury Building

- The Agency continued to actively take forward the relocation of the government offices at the Wan Chai Government Offices Compound (WCGOC). Nine replacement building projects were/are being constructed to reprovise the government offices in the WCGOC, as well as other leased office accommodation to reduce rental expenditure. Four reproviseing projects, namely the West Kowloon Government Offices, the Inland Revenue Centre, the Government Data Centre Complex and the Treasury Building were completed. The construction works for the five remaining reproviseing projects, namely, the Drainage Services Tower in Cheung Sha Wan, the Immigration Headquarters and the Tseung Kwan O Government Offices in Tseung Kwan O, the Water Supplies Department Building and the Correctional Services Headquarters Building in Chai Wan and the District Court Building in Causeway Bay were in progress. It is the Government's target to complete all the replacement building projects under the WCGOC relocation exercise by 2026.



*Tseung Kwan O
Government
Offices (TKOGO)
– Artist's
Impression*



*TKOGO
– Reference
Image for
Automated
Parking System*

7. The Agency completed a study on the relocation of government offices in leased and government-owned office premises, allocated by the Agency, from high-value areas (including central business districts) to lower-value areas or the Northern Metropolis. Certain government offices currently in central business districts with no specific location requirements will be relocated to the Northern Metropolis, including for example nearly 40% of the office floor area in the Queensway Government Offices, with a view to driving the development of the area and releasing the land in the central business districts.



◆ Government accommodation outside Hong Kong

8. The Agency managed 11 owned properties (five in North America, three in Asia, two in Europe, and one in Australia) and 24 leased properties (one each in Bangkok, Berlin, Brussels, Dubai, Jakarta, London, Chengdu, Chongqing, Fujian, Guangxi, Henan, Hunan, Liaoning, Shaanxi, Shandong, Shenzhen, Tianjin, Wuhan, Zhejiang, two in Guangzhou and three in Shanghai) outside Hong Kong for various Economic and Trade Offices and Liaison Units.



Government-owned premises in Singapore – 34/F of Suntec Tower 2

◆ Government quarters

9. There are three broad types of quarters, namely non-departmental quarters, departmental quarters (which comprise disciplined services quarters, judiciary quarters, operational quarters and general quarters) and post-tied quarters. At the end of 2022, there were 299 non-departmental quarters, 25 367 departmental quarters and 166 post-tied quarters.
10. The Agency continued to review regularly the use of operational quarters and post-tied quarters to ensure their proper and effective utilisation by departments. The Agency assisted departments in putting quarters which were no longer required for their originally approved purposes to alternative gainful uses.



◆ **New government quarters projects**

11. Funding approval was obtained from the Legislative Council to take forward eight departmental quarters projects in 2015-2018 and two new departmental quarters projects in 2021 for disciplined services. Among them, seven projects in Lok Fu, Tseung Kwan O (comprising two projects), Kwun Tong, Tin Wan, Fanling and Tsz Wan Shan were completed in 2018-2022 to provide a total of 2 789 units for various disciplined services departments.

◆ **Vetting of accommodation requirements**

12. One of the Agency's functions in connection with acquisition and allocation of government accommodation by the Agency or other bureaux / departments is setting space standards and vetting space provision proposals.
13. Since October 2021, the approving authority for schedules of accommodation for minor works projects under specified block allocations has also been given to bureaux / departments. Such streamlined arrangements aim at providing bureaux / departments with more flexibility to adapt promptly to changes in accommodation requirements arising from their operational needs.
14. The Agency completed the vetting of 1 521 applications for accommodation from 62 bureaux / departments covering a total area of about 992 000 m².

◆ **Minor building works projects**

15. The Government Property Administrator and the Deputy Government Property Administrator are members of the Accommodation Strategy Group (ASG) and the Minor Building Works Committee (MBWC) respectively. The ASG and MBWC vet, examine and approve funding applications from bureaux / departments for minor building works projects under block vote 3101GX. The Agency supported 73 applications.



◆ **“Single Site, Multiple Use” initiative**

16. The Agency is responsible for taking forward public works projects under the “Single Site, Multiple Use” multi-storey development model, which includes taking the lead in co-ordinating and collaborating with relevant departments on the user requirements of these complexes.
17. The Agency was working with relevant bureaux / departments on the specific implementation arrangements of various projects, including redevelopment of the Tuen Mun Clinic, construction of joint-user buildings for community facilities at the former Anderson Road Quarry (ARQ) site, Shan Mei Street in Shatin, Cheung Sha Wan Road in Sham Shui Po and Carpenter Road in Kowloon City. The Finance Committee of the Legislative Council approved the funding proposal of the ARQ project in July 2022.

◆ **Purchase of premises for welfare facilities**

18. During the year, the Agency assisted Social Welfare Department in identifying potential premises for purchase as premises for the provision of welfare facilities.



II. PROPERTY MANAGEMENT

19. This programme area aims to manage government properties under the control of the Agency in an efficient and cost-effective manner, and improve and modernise them to meet changing needs.
20. The Agency managed 46 joint-user office buildings covering about 716 008 m², some 24 618 quarters totalling about 1 620 040 m² and 245 non-residential Financial Secretary Incorporated (FSI) owned properties in 2022.



Government Quarters



Joint-user Office Buildings



◆ Property management service contracts

21. The Agency continued to outsource property management service (PMS) for all owned properties in the territory under its direct management through six outcome-based PMS contracts (PMSCs) awarded to private service contractors, one each in respect of six areas on Hong Kong Island, in Kowloon and the New Territories.



Daily Property Management Operations

22. The PMSCs operated efficiently in 2022, all exceeding the target performance level of 95%. During the year, the Agency had conducted around 800 inspections to monitor the PMS contractors' performance. On handling of property management complaints, the Agency had achieved 96% in initiating the response within 2 working days for detailed investigation and follow-up action, exceeding the target of 90%.



◆ Management of buildings/facilities at boundary control points

23. To enhance the effectiveness of managing the joint-user government facilities at boundary control points (BCPs), the Agency took up the property and facilities management responsibilities at Hong Kong-Zhuhai-Macao-Bridge Hong Kong Port (HZMB HKP) and Heung Yuen Wai Boundary Control Point (HYW BCP) with effect from 1 January 2020 and 29 July 2022 respectively. The Agency is responsible for managing 58 joint-user port buildings/facilities and a landscape area of about 400 000 m² at HZMB HKP, with the largest landmark being the Passenger Clearance Building which has a construction floor area of about 90 000 m². Also, the Agency is responsible for managing a construction floor area of about 145 400 m² at HYW BCP, with 33 facilities including Passenger Terminal Building, Cargo Examination Buildings, Goods Vehicle Kiosks, Coach and Private Car Kiosks, and other ancillary facilities. The Agency will map out plans for taking over property and facilities management responsibilities of other BCPs concerned in a phased approach.



*Goods vehicle kiosk
(inbound) of HYW BCP*



*Passenger Clearance
Building of HZMB HKP*

III. ESTATE UTILISATION

24. This programme area aims to optimise the utilisation of government sites and surplus government properties with potential for alternative government uses or commercialisation.
25. The Agency reviewed a total of 85 government sites covering an area of about 468 000 m². Besides, the Agency released a site at the junction of Shanghai Street and Waterloo Road (Former Shanghai Street Temporary Refuse Collection Point, Street Sleepers' Services Units and Shanghai Street / Waterloo Road Public Toilet) (site area of about 572 m²) for a cultural facilities project and Ex-Kennedy Town Police Married Quarters Block B (site area of about 2 500 m²) for a public housing development respectively. Furthermore, the Agency completed an assessment on site utilisation for 57 capital works projects during the year.



Site at junction of Shanghai Street and Waterloo Road (Former Shanghai Street Temporary Refuse Collection Point, Street Sleepers' Services Units and Shanghai Street / Waterloo Road Public Toilet)



◆ Commercialisation

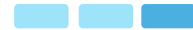
26. The Agency's work in this regard covers commercialisation of suitable government-owned accommodation. Such commercialisation activities include tendering of commercial opportunities; direct negotiation of lettings for commercial uses; leasing of surplus government accommodation to non-governmental organisations (NGOs); and management of these tenancies. In 2022, there were 1 183 lettings for commercial uses generating a revenue of about \$152.3 million.



Fee-paying public car park at Chai Wan Municipal Services Building

◆ Socially Caring Leasing Arrangements

27. In line with Government's policy objective to build a caring society, the Agency has implemented the "Socially Caring Leasing Arrangements" (the Arrangements) since 2019.
28. Under the Arrangements, the Agency invites bureaux / departments to take up surplus government premises for direct allocation to their sponsored non-profit making NGOs with policy support at nominal rent. If the selected government premises are not taken up through direct allocation, the Agency then invites bids from NGOs and social enterprises (SEs) for leasing these premises. The successful bidders will pay the fixed rent they offer in the tender. In 2022, for the three government premises processed under the Arrangements, the Agency prepared for invitation of bids from NGOs and SEs.



29. Under the Arrangements, the Agency also incorporates improvement features including a tenancy period of “3+3” years arrangement¹ and turnover rent where applicable to facilitate business operations of small and medium-sized enterprises. A total of 14 premises were leased out under the aforementioned enhanced improvement features, with three of them charged with turnover rent.

◆ **Public vehicle park projects**

30. The Agency has taken up the management, operation and maintenance (MOM) responsibilities of new public vehicle parks (PVPs) within Government premises as the MOM agent of the Transport Department. Upon project completion, the Agency would procure carpark operators to run the PVPs concerned by way of revenue contract and undertake the contract management. Among the PVP projects under GPA's purview, five of them are targeted for completion in 2024 and 2025 respectively.

◆ **Leasing out surplus government quarters**

31. Another key initiative to optimise the use of government accommodation is to lease out surplus government quarters. In 2022, the Agency leased out 287 surplus quarters to private tenants generating a revenue of about \$161.4 million.

◆ **Sale of surplus government properties**

32. The Government's established policy is to dispose of surplus government properties as circumstances permit. The sale of 5 surplus government quarters originally scheduled for 2022 was deferred to 2023 due to epidemic situation.

¹ Under the “3+3” years arrangement, the Agency will exercise the extension option on the same terms and conditions as those for the first 3-year term, subject to satisfactory performance of the sitting tenant and his/her acceptance of the extension.



◆ **New policy on the tenancy duration of declared monuments and graded historic buildings let out by the Agency**

33. A new leasing policy has been introduced for the declared monuments and graded historic buildings let out by the Agency. In general, duration of the tenancies is set at not more than three years, irrespective of whether nominal or market rental is charged, and these tenancies will not be renewed automatically. The new leasing policy allows a certain degree of flexibility in the use of declared monuments and graded historic buildings and meets the Government's policy and objectives and the development needs of Hong Kong better at different times.

Government Property Agency
August 2023