

## **Survey on Transformation of Industrial Premises**

The Focus Group on the Usage of Industrial Premises, which is formed jointly by the Association, the Chinese General Chamber of Commerce, the Federation of Hong Kong Industries and the Hong Kong General Chamber of Commerce, conducted a questionnaire survey in February 2003 on the 280 participants of the Seminar on Redevelopment of Industrial Premises on 13 January 2003. The survey aimed to collect views of the industry concerning the transformation of industrial buildings.

The results found that over 75% of respondents owned factory buildings, in which, about 30% of them owned a property right in only one building, while about 45% responded companies owned the rights in several buildings. Among all the respondents who owned factory buildings, wholly- and partially-owners accounted for 35.3% and 58.8% respectively. It revealed that partially-owned factory building is more common.

On average, the factory buildings owned by respondents are over 14 years old. More than 80% of them are over 20 years, in which, 20% of the buildings are even over 30 years. It can be seen that they are built in the 70s to early-80s when the industry is well developed in Hong Kong.

Respondents opined that the most critical obstacle for transformation of industrial building is the government requirements and the high premium costs, both accounted for 68.2%. Other important factors included the efficiency of redevelopment caused by the downturn of industry (45.5%), out-dated town planning and ambiguous transformation directions (31.8%), and the diverse property right (31.8%). Apart from that, the overall adverse environment in the district, limited financial resources and difficulties in searching investment partners take 22.7%, 18.2% and 13.6% respectively. This reflects that the most apparent adverse effect on the transformation of industrial buildings come from political (regulations and premium policies) and economical (market trend) areas, follow by technological factors such as property rights, planning and environment, while factors from financial perspective (resources and investment partners) are less important.

Respectively, respondents hope the government could streamline the procedures for redevelopment of industrial buildings (77.3%), allow owners paying premium by installments (50%), and improve infra-structural facilities in industrial zones (45.4%). Besides, 31.8% respondents hope the government could broaden the requirement for the building area and 22.7% of them hope to carry out redevelopment projects jointly with the government. Moreover, some respondents suggest the government to lower the premium requirements, legislate to solve property related matters, and provide funding subsidy.