LCH Planning and Development
Consultants Limited

Section 12A Application for Proposed Rezoning from "Commercial" to "Residential (Group A)13"and Amend the Notes of the Zone Applicable to the Site for Proposed Flat, Shops and Services, Eating Place and Social Welfare Facility (Child Care Centre) Uses at 16 Po Tai Street, Ma On Shan

Retail Floorspace Assessment Report

Prepared by
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1 INTRODUCTION

1.1.1 There is an existing 5-storey neighbourhood shopping centre known as the "We Go Mall" on the Site. Upon review of the planning history and context, the existing usage and occupancy, the shortage of middle to long term housing supply and the change in the Hong Kong's retail landscape, the Applicant would like to unleash the development potential by redeveloping the Site into a residential development.

1.1.2 We are commissioned by the Applicant to prepare the planning assessment report on its behalf for proposing amendment (hereinafter referred to as the "**Proposed Amendment**") to the Approved Ma On Shan Outline Zoning Plan No. S/MOS/28 ("**Approved Ma On Shan OZP**") under Section 12A of the Town Planning Ordinance ("**the Ordinance**") at 16 Po Tai Street, Ma On Shan (**Figure 1**) (hereinafter referred to as the "**Application Site**" / "**the Site**") in order to implement the redevelopment project.

1.1.3 The Application Site covers an area of about 5,090 square metres ("**sq.m.**") and involves a 26-storey building block including 1-storey of basement carpark. The development proposal involves 539 nos. of residential flats with support of commercial space cum a 100-place standalone child care centre (CCC) in the 2nd floor (podium), which is expected to accommodate about 1,456 residents.

1.1.4 This Retail Floorspace Assessment Report aims to match the projected demand with the existing supply and projected major new supply from the planned and/or proposed developments to derive any shortfall or/and surplus of retail facilities in the vicinity of the Proposed Development, to support this planning application.

2 METHODOLOGY

2.1.1 To determine the appropriate level of retail facilities for Ma On Shan area (MOS area), the followings are considered: -

- Chapter 6 of Hong Kong Planning Standards and Guidelines (HKPSG) – Retail Facilities;
- Current and planned retail facilities in the area; and
- Existing retail facilities of comparable development context with MOS area.

2.1.2 Based on the HKPSG, retail facilities can be categorized into a three-tier hierarchy, including: -

- Territorial Shopping Centres: to serve the territory as a whole and provide the greatest variety of high order comparison goods and dining, leisure and entertainment services, with territorial significance as they are most popular among consumers and they attract consumers from all over the territory;
- District Shopping Centres: to serve the population within the district providing a variety of household durable goods, personal consumer goods, personal durable goods, leisure and entertainment facilities as well as dining services in scale of medium-sized with a district-wide significance; and
- Neighbourhood Shopping Centres: to provide convenience goods, household retail services, personal retail services and dining services to the local population within walking distance from residential neighbourhoods such as public and private housing estates and predominantly residential areas.

2.1.3 According to the Approved Ma On Shan OZP No. S/MOS/28, the Application Site falls within an area zoned as “Commercial” (“C”), in which the planning intention of the “C” zone is “*primarily for commercial developments, which may include shop, services, place of entertainment and eating place, functioning mainly as local shopping centre serving the immediate neighbourhood”.*

2.1.4 An Expenditure-based Model could be referenced in this assessment to review the level of retail expenditure and aggregated retail floorspace demand in MOS area, which is commonly used for planning at the district or local level and stipulated in Chapter 6 of HKPSG. The following key attributes could be examined in the assessment: -

- Population, no. of household and visitors;
- Consumer expenditure;
- Shopping habits;

- Current and planned Existing retail facilities in the area; and
- Retail turnover.

2.1.5 However, expenditure-based model as suggested in the HKPSG requires assumption on the floorspace efficiency. With the lack of this critical factor, it may not be applicable to assess the supportable floorspace. hence, other key attributes in the model can be reviewed as well as to assess the retail floorspace provision.

3 DEMOGRAPHIC PROFILE

3.1 Population Profile in the Area

3.1.1 According to the latest population census conducted in 2021 by the Census and Statistics Department (C&SD), there were approximately 210,356 residents in Tertiary Planning Unis (TPU) 757 (**Diagram 1**). Since Sha Tin District (of about 692,806 residents) also covers the Application Site and the neighbouring developments in a wider context, it would also be adopted in the analysis.

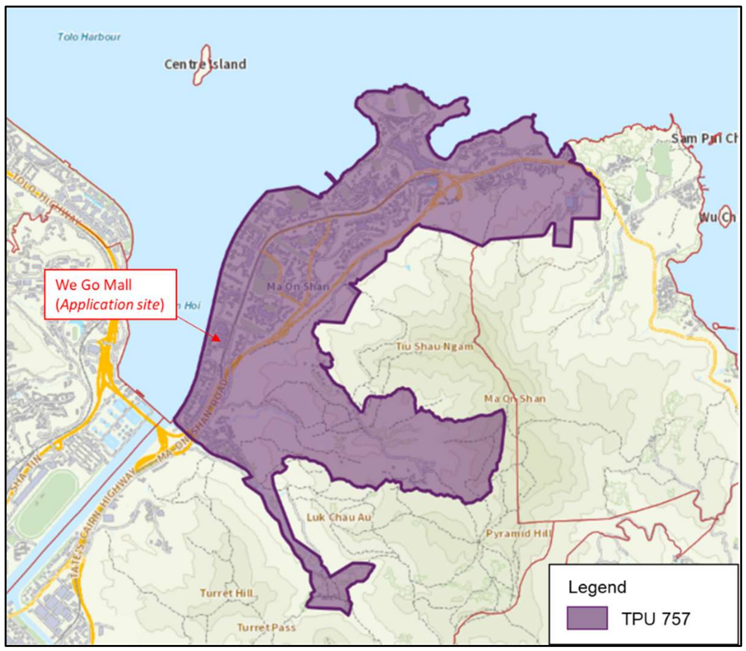


Diagram 1 Location of TPU 757
(Source: GeoInfo Map, HKSAR Government)

3.1.2 Referring to the Explanatory Statement of the Approved Ma On Shan OZP No. S/MOS/28 (Approved Ma On Shan OZP), the population of the Area was reported by Planning Department (PlanD) as about 210,300 persons in 2021, comprising 112,950 in public housing (including public rental housing estates, Subsidised Sale Flats (SSF) and Private Sector Participation Scheme (PSPS)) and 97,350 in private housing including village type development. It is estimated that the total planned population would be about 249,600.

3.1.3 Area of TPU 757 is similar to the planning scheme area of the OZP. Based on the '*Projections of Population Distribution 2023-2031*' by the PlanD, the population projection for TPU 757 will slightly decrease from 210,400 to 207,600, or about -1.3% from year 2021 to year 2027 (equivalent to about -0.22% per annum).

TPU 757	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
Population projection	210,400	207,100	213,400	212,400	209,300	206,000	207,600

Table 1 Population Projection for TPU 757 from 2021 to 2027
(Source: Table 15 Projected Population by Tertiary Planning Unit, 2023-2027, Projections of Population Distribution 2023-2027, Planning Department)

3.1.4 Comparing to the population projection for Sha Tin District, it will also be slightly dropped from 692,800 to 667,700, or about 3.6% from year 2021 to year 2031 (equivalent to about -0.37% per annum).

Sha Tin District	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031
Population projection	692,800	688,600	702,600	702,800	695,300	687,400	683,700	676,500	671,800	664,500	667,700

Table 2 Population Projection for Sha Tin District from 2021 to 2031
(Source: Table 1 Projected Population by District Council District, 2023-2031, Projections of Population Distribution 2023-2031, Planning Department)

3.1.5 Education attainment status of the TPU 757 as compared with Sha Tin District and Hong Kong as a whole. There are about 35.7% of the population in TPU 757 who aged 15 or above have attended post-secondary level of education attainment, in which the proportion is much higher in Sha Tin District (about 32.2%) and Hong Kong in territorial level (about 33.5%).

3.1.6 The portion of larger households (with household size of 6 and over) of TPU 757 (about 3.1%) was the highest compared to Sha Tin District (about 2.6%) and Hong Kong in territorial level (about 2.9%). Meanwhile, the portion of household size 1 to 3 were also the lowest (about 69.1%), compared to Sha Tin District (about 72.3%) and Hong Kong in territorial level (about 72.9%).

3.1.7 Public rental housing, subsidised home ownership housing, private permanent housing, non-domestic housing and temporary housing were found in TPU 757 and Sha Tin District. The proportion of TPU 757 (about 44.8%) households resided in private permanent housing was much higher than the portion in Sha Tin District (about 42.2%), but slightly lower than the portion in Hong Kong in territorial level (about 52.9%) at large. It is noted that the percentage of residence in subsidised home ownership housing in the TPU 757 (about 41.5%) was relatively higher than those in Sha Tin District (about 25.0%) and Hong Kong in territorial level (about 15.7%).

Planned Developments

3.1.8 In addition, a number of housing developments are expected to be completed soon, and hence the Proposed Development shall take into account of the latest development in MOS area for holistic planning. The major planned developments in the vicinity of the subject site have been identified and are listed in **Table 3** and **Diagram 2** below: -

Site Location	Estimated No. of Flats (about)	Targeted Year of Completion
Public Housing		
Kam Chun Court	1,900	2025
Public Housing Development at Ma On Shan Tsuen Road	2,700	2028-2029
Light Public Housing Project at Hang Kwong Street	860	2026
Public Housing Development at Cheung Muk Tau Site 1	1,660	2029-2030
Public Housing Development at Cheung Muk Tau Site 2	1,820	2029-2030
Private Housing		
Private Housing Development at 29 On Chun Street (Planning Application No. Y/MOS/6)	758	Unknown
Shap Sz Heung Development (Planning Application Nos. A/NE-SSH/120; and A/NE-SSH/142)	9,700	2026
Others		
City University of Hong Kong Whitehead Student Hostel (Planning Application No. A/MOS/96)	4,000	2025
Total	**23,398 flats**	

Table 3 Planned Developments in Ma On Shan area
(Sources: Town Planning Board, HKSAR Government; Public Housing Production Forecast, Housing Bureau; and LC Paper No. CB(1)442/2025(04))

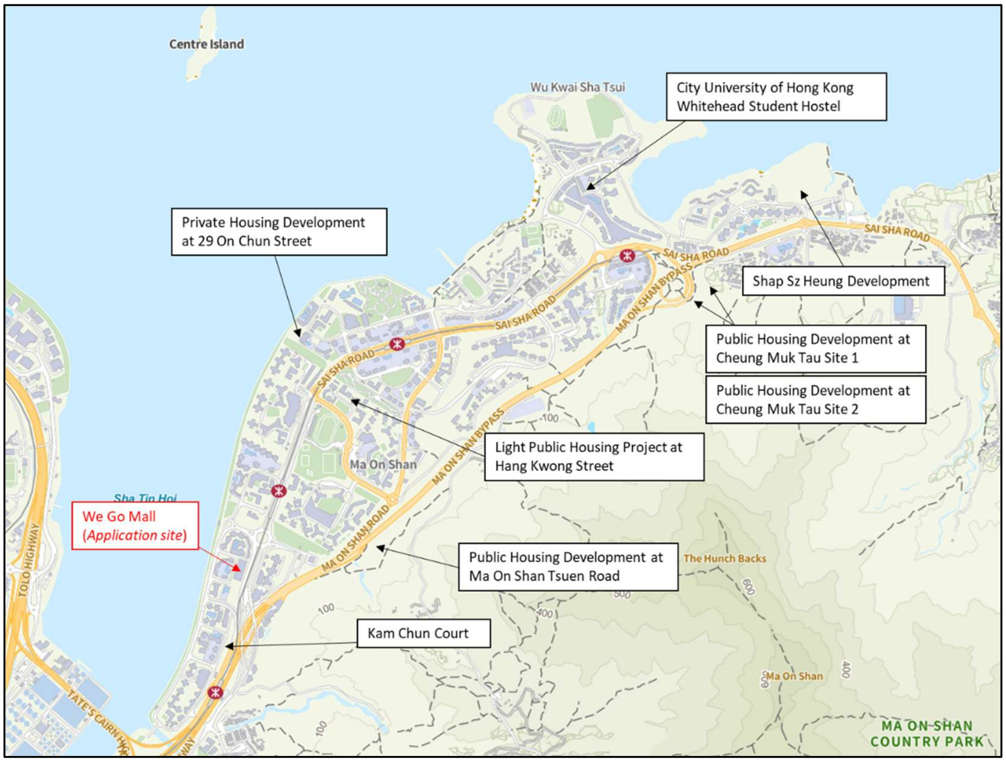


Diagram 2 Planned Development in Ma On Shan area
(Sources: Town Planning Board, HKSAR Government; Public Housing Production Forecast, Housing Bureau; and LC Paper No. CB(1)442/2025(04))

3.2 Working Population Profile in the Area

3.2.1 Referring to the latest population census conducted in 2021 by the C&SD, the working population, place of work, and industry classification are summarized below.

3.2.2 The labour force participation rate in TPU 757 at 61.0% was higher than Sha Tin District (about 59.2%) and Hong Kong in territorial level (4 about 9.3%).

3.2.3 The median monthly domestic household income in TPU 757 was estimated at about HKD$20,000, which was the highest compared with Sha Tin District (about HKD$18,500) and Hong Kong in territorial level (about HKD$18,000). Whilst also the median monthly domestic income for individuals (excluding foreign domestic helpers) of TPU 757 was also the highest (about HKD$20,330), when compared with Sha Tin District (about HKD$20,000) and the whole Hong Kong in territorial level (about HKD$19,500).

3.2.4 Categories of place of work include 'work in the same district', 'work at home', 'work in another districts', 'places outside Hong Kong', and 'not fixed place/ marine'. The proportion of working population work in 'work in the same district' or 'work at home' was much lower in TPU 757 at about 14.7%, when compared with about 21.9% for the whole Sha Tin

District and the whole Hong Kong in territorial level with 21.6%.

3.2.5 Regarding the occupational breakdown, the population employed under 'elementary occupations' in TPU 757 (about 14.7%) is lower than Sha Tin District (about 16.3%) and the whole Hong Kong (about 18.2%). While the population employed in TPU 757 under 'managers', 'professional' and 'associate professionals' are the highest (about 46.8%) compare with Sha Tin District (about 42.5%) and the whole Hong Kong in territorial level (about 39.8%).

3.2.6 In terms of employment distribution by industry sectors, the proportion of working population on 'import/export, wholesale and retail trades' and 'public administration, education, human health and social work activities' are relatively high in TPU 757 with percentage of about 15.1% and 21.7% respectively.

3.2.7 Apart from the above findings on the latest population census by the C&SD, references on the population projections have also been made to the 2021-based Territorial Population and Employment Data Matrix (TPEDM) compiled by the PlanD.

3.2.8 The employment projection in Sha Tin District will slightly decrease from 222,150 to 220,400 or about 0.79%, between 2021 to 2031. The percentage of employment to the population projection in Sha Tin District will remain at around 33% over the years.

Sha Tin District	Year 2021	Year 2026	Year 2031
Employment Projection	222,150	230,600	220,400
Population Projection	692,800	687,450	667,750
% of employment participation	32%	34%	33%

Table 4 Population and Employment Projection for Sha Tin District from 2021 to 2031
(Source: Distributions of Population and Employment in 2021, 2026 and 2031, 2021–based Territorial Population and Employment Data Matrix, Planning Department)

3.2.9 In district level, the employment projection in MOS area is calculated on a pro rata basis as shown in **Table 5** below, in accordance with percentage of employment population presented in the latest TPEDM.

Ma On Shan area	Year 2021	Year 2026	Year 2027
Estimated Employment Projection	69,432	67,980	68,508

[1] Calculation is based on a pro rata basis, using the population and employment projection for Sha Tin District shown in **Table 4** and Population Projection for TPU 757 in **Table 1**, (i.e. Estimated Employment Projection = Population Projection for TPU 757 X % of Employment Population in Sha Tin District (33%) – Year 2021: 210,400 X 33% = 69,432; Year 2026 = 206,000 X 33% = 67,980; Year 2027 = 207,600 X 33% = 68,508)

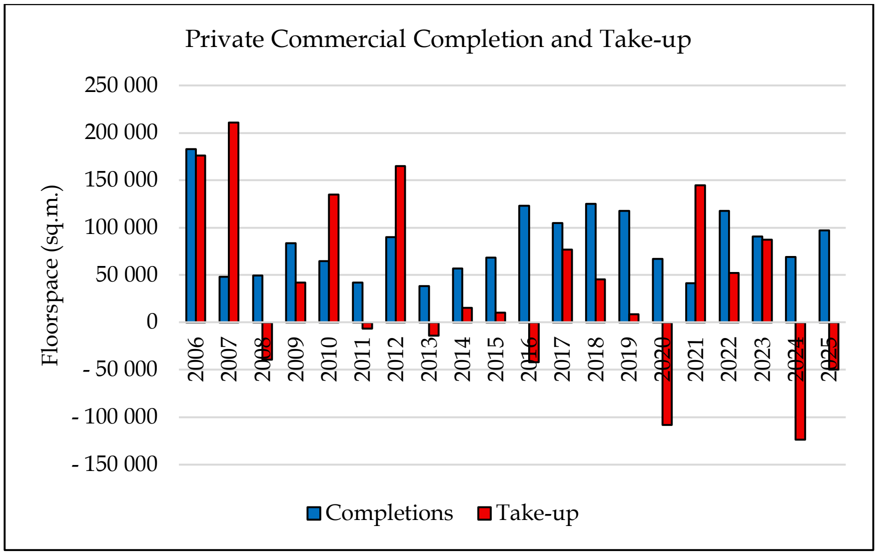
Table 5 Estimated Employment Projection for Ma On Shan area from 2021 to 2027

4 PREVAILING RETAIL LANDSCAPE

4.1 High Vacancy of Retail Floorspace

4.1.1 Based on the *'Hong Kong Property Review 2026'* released by the Rating and Valuation Department (RVD) in April 2026, the vacancy rate of private commercial premises in 2025 was about 12.5%, equivalent to the commercial floorspace of about 1,490,700 sq.m..

4.1.2 Specifically, commercial premises for shop and services has recorded about 62% of the total vacancy in 2025.



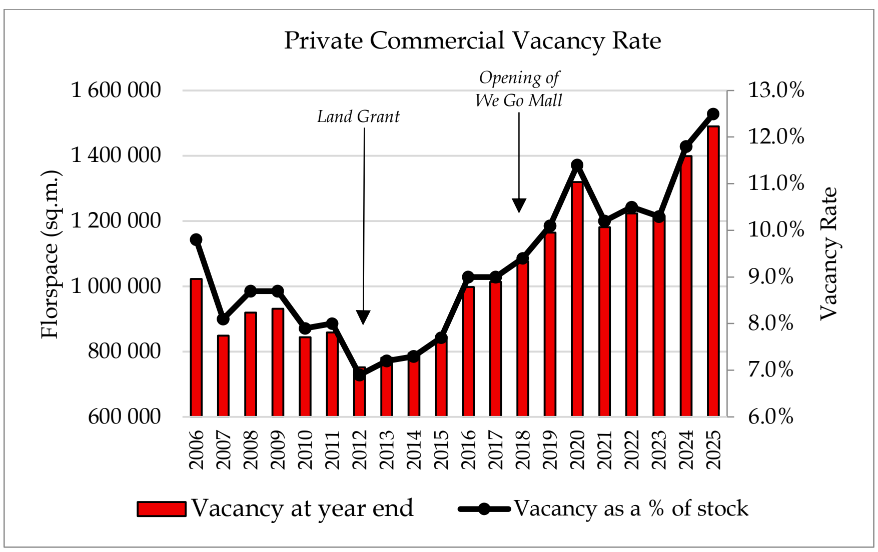


Diagram 3 Completion, Take-up and Vacancy of Private Commercial from 2006 to 2025
(Source: Hong Kong Property Review 2026, Rating and Valuation Department)

4.1.3 It is noteworthy that the overall completion of commercial properties is decreasing with a negative take up in the recent years. The area of vacant commercial premises has been increasing since 2012 and the vacancy rate raise from about 7% in 2012 to 12.5% in 2025.

4.2 Uncertain Spending Trend in Retail and F&B

4.2.1 In terms of the retail trend, reference has been made to the latest statistics of retail sales released by the C&SD in May 2026, the value of total retail sales was in similar level to the past years, equivalent to the value of about HKD$33.8 billion. Of the total retail sales value, the value of online retail sales shows an increasing trend, with the latest value of about HKD$3.4 billion, equivalent to about 10% of the total retail sales value. Over the past five years, the retail sales have been in uncertain trend in terms of both value and volume.

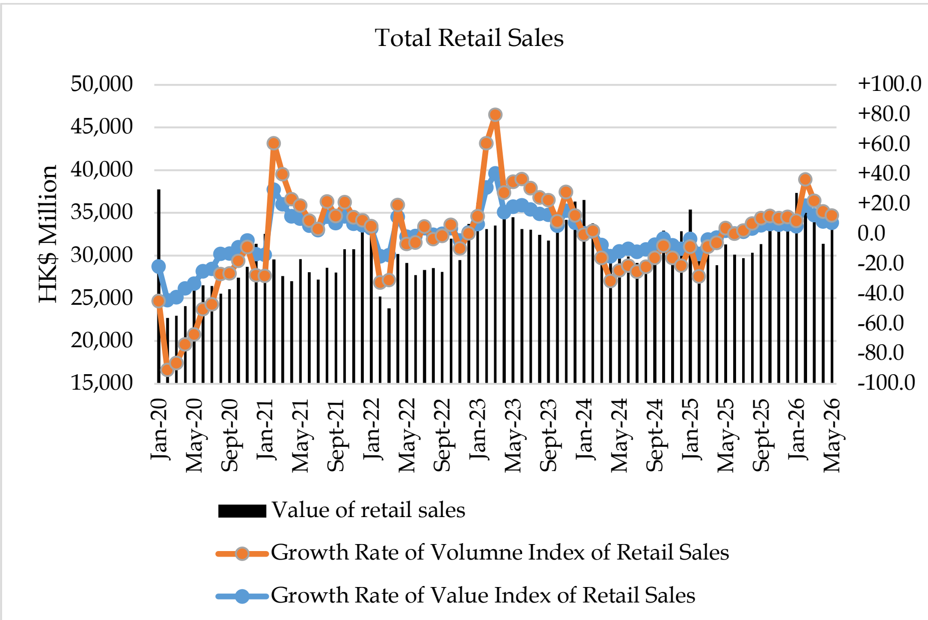


Diagram 4.1 Total Retail Sales from 2020 to 2026
(Source: Provisional statistics of retail sales for May 2026, Census and Statistics Department)

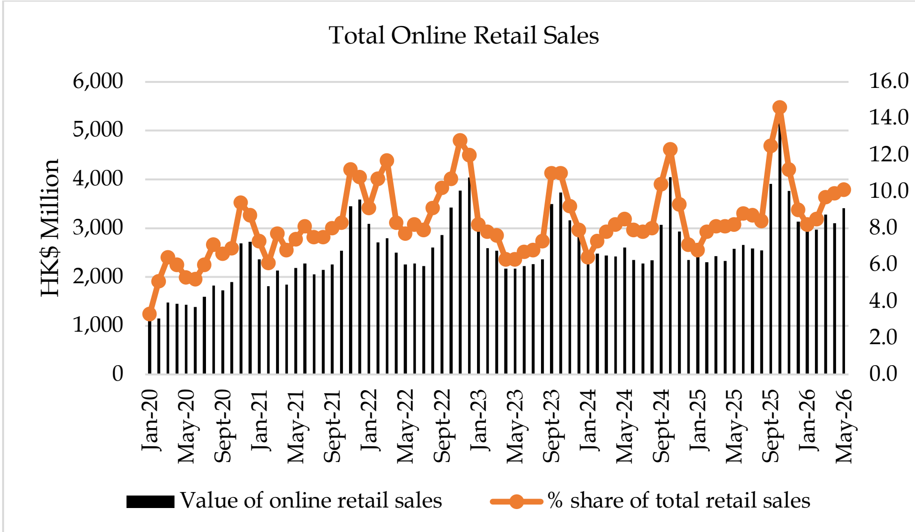


Diagram 4.2 Total Retail Sales (Online) from 2020 to 2026
(Source: Provisional statistics of retail sales for May 2026, Census and Statistics Department)

4.2.2 In term of restaurant receipts, data and findings were selected in accordance with the *'Report on Quarterly Survey of Restaurant Receipts and Purchase'* by the C&SD in June 2026. The value of restaurant receipts in 2023 was about HKD$109,538 million, in 2024 was about HKD$109,393 million, and in 2025 was about HKD$109,633 million, respectively. This is mainly driven by the value grown of the restaurant receipts. Indeed, the volume index of restaurant receipts has been in dropping trend, -2.4% year-over-year change in 2024 and -0.9% year-over-year change in 2025 accordingly.

4.2.3 Both the performance of retail and food and beverage (F&B) sectors could not recover to previous levels. In parallel, the high vacancy of retail floorspace is exacerbated, particularly for the commercial premises for shop and services. Such reduction has demonstrated the diminished demand for retail and restaurant spaces.

4.3 Consumer Expenditure

4.3.1 According to the *'Report on 2024/25 Household Expenditure Survey'* published by the C&SD in June 2026, the households spent an average of about HKD$32,472 per month in all sorts of household expenditures (i.e. food, consumer goods and services, while some of the expenditures, such as housing, electricity, gas and water utilities, and transport, miscellaneous goods and services are not included). Such expenditures are not included in the retail demand model. The concerned household expenditures are summarized in **Table 6** below with the average of about HKD$17,502 per month, excluding housing, electricity, gas and water utilities. It is noted that households in different types of housings had different spending patterns.

Expenditure Category	Types of Housings/ Expenditure (about) (in HKD$)			
	Public Housing	Subsidised Housing	Private Housing	Average
Meals out and takeaway food	3,988	4,772	5,386	*4,715*
Basic Food	2,739	2,843	3,038	*2,873*
Alcoholic drinks and tobacco	152	97	111	*120*
Clothing and footwear	487	497	835	*606*
Durable goods	764	1,084	1,438	*1,095*
Miscellaneous goods[1]	724	850	1,232	*935*
Transport	1,232	1,885	3,273	*2,130*
Miscellaneous services[2]	2,620	3,765	7,348	*4,578*
Total	**12,706**	**15,793**	**22,661**	**17,052**

[1] Miscellaneous goods include proprietary medicines and supplies, newspapers, books and periodicals, stationery, soft furnishings, cosmetics and personal care products, household cleansing tools and supplies, jewellery, toys and hobbies, purchases of textbooks, household goods, etc..
[2] Miscellaneous services include school fees, other educational charges, Medical services, Cinema entertainment, Package tours, Expenses on parties, Other entertainment and holiday expenses, Household services, Hair-dressing, Beauty treatment and fitness services, Information and communications services, etc..

Table 6 Relevant Average Monthly Household Expenditure by Type of Housing
(Source: Report on 2024/25 Household Expenditure Survey, Census and Statistics Department)

4.3.2 As shown in **Table 7** below, the proportion of total household expenditure on online purchases has been rapidly increasing from about 3.3% to 4.5% between year 2019/20 to year 2024/25.

Year	Average monthly household expenditure on online purchase (about) (in HKD$)	Proportion of total household expenditure for online purchase (about)
2019/20	1,002	3.3%
2024/25	1,467	4.5%

Table 7 Average Monthly Household Expenditure on Online Purchases and its Proportion of Total Household Expenditure
(Source: Report on 2024/25 Household Expenditure Survey, Census and Statistics Department)

4.4 Change of Shopping Habits

4.4.1 References on shopping preferences and habits have been made to the *'Review on Shopping Habits'* completed by the PlanD in November 2005, in which a retailers' survey and structured interviews with major stakeholders were conducted to identify the shopping habits of people in Hong Kong and their perceived retail hierarchy.

4.4.2 The *'Review on Shopping Habits'* was conducted with a number of surveys including household survey, retailers' survey and structured interviews with major stakeholders. It revealed that people have a specific locational preference when shopping for different kinds of goods. The preference of consumers on the type of shops is summarized in **Table 8** below: -

Expenditure Category	**Percentage of Expenditure (about) (in %)**		
	% within 10 minutes	**% within District**	**Away from District**
Basic Food	68	26	6
General Household Goods	76	20	4
Personal Consumer Goods	42	30	28
Miscellaneous Services[1]	44	37	19

[1] Miscellaneous services include school fees, other educational charges, Medical services, Cinema entertainment, Package tours, Expenses on parties, Other entertainment and holiday expenses, Household services, Hair-dressing, Beauty treatment and fitness services, Information and communications services, etc..

Table 8 Locational Preference of Household Expenditure Consumed
(Sources: Review on Shopping Habits; and Hong Kong Planning Standards and Guidelines, Planning Department)

4.4.3 It is noted that majority of household expenditures (i.e. basic food, general household goods, personal consumer goods, and miscellaneous services) are mostly spent within 10 minutes' walking distance from their place of residence. The ratios of expenditure spent away from district would be the lowest with the percentage of about 4% to 28%, while a few (about 20% to 37%) would like to purchase within their general district of residence.

Online Shopping

4.4.4 Apart from retail shopping, it is noted that online purchases have been increasingly popular in Hong Kong with the advancement of information technology. Based on the report of *'Online Purchases of Households in Hong Kong'* released by the C&SD in September 2021, it shows that about 60% of the household surveyed had made online purchases during 2019/20. Among those, the average monthly online expenditures was about HKD$1,668. Types of commodity/ services of household on online purchases are summarized in **Table 9**.

Expenditure Category	**Households with Online Purchases / Expenditure (about) (in HKD$)**		
	No. of Households with Online Purchases (in %)		**Average Expenditure**
Meals Ordering	889,000	(37%)	*525*
Digital media, online services and online ordering of services	393,000	(16%)	*205*
Travel and leisure activities	353,000	(15%)	*1,835*
Electronic appliances, audio-visual equipment and information and communication equipment	234,000	(10%)	*1,213*
Clothing and footwear	217,000	(9%)	*1,144*

Foodstuffs and beverages	167,000	(7%)	*1,295*
Health and personal care products	164,000	(7%)	*1,030*
Furniture and household goods	127,000	(5%)	*962*
Accessories and personal effects	105,000	(4%)	*1,052*
Newspapers, toys and hobbies	56,000	(2%)	*651*
Others	52,000	(2%)	*367*
Total	**1,439,000**	**(60%)**	**1,668**

Table 9 Relevant Average Monthly Household Online Expenditure by Type of Housing
(Source: Online Purchases of Households in Hong Kong, Census and Statistics Department)

4.4.5 The highest percentage of online purchase among all types of commodities/services was for meals ordering spending online (of about 37% of households). This was followed by digital media, online services and online ordering of services (of about 16% of households) and travel and leisure activities (of about 15% of households).

4.4.6 Among the above expenditure categories, many of these online purchases involve a physical retail shop (i.e. eating place and shop and services). The above findings reflect that many retailers adopt an integrated business model where they operate both online and physical stores to attract consumers both online and offline. This allows retailers to cater to diverse consumer preferences, providing flexibility and convenience to the shoppers.

4.4.7 Refer to the latest '*Report on 2024/25 Household Expenditure Survey*' published by the C&SD in June 2026, the proportion of total household expenditure on online purchases has been increasing from about 3.3% to 4.5% between year 2019/20 to year 2024/25 already. The latest '*Provisional statistics of retail sales for May 2026*' published by the C&SD in June 2026 reflected that online retails sales was about 10% of the total retail sales.

<u>Cross-border Shopping</u>

4.4.8 In addition, referring to the latest statistics on immigration clearance from Immigration Department (IMMD), the number of Hong Kong residents travelling to mainland China for outbound day trips has steadily increased by about 75% more over the past few years, from about 10.3 million in 2023 to about 18.1 million in 2025. Hence, the growing trend of cross-border shopping to mainland China has significantly impacted Hong Kong's retail sector.

Year	Departure of Hong Kong Resident[1] [2] (about) ('000)	Arrival of Visitors from Mainland and other locations (about) ('000)
2018	92,214	65,148
2021	900	72
2022	2,177	605
2023	72,207	34,000
2024	107,708	44,506
2025	122,718	53,066

Table 10 Departure of Hong Kong Residents and Arrival of Visitors from 2018 to 2025
(Source: Statistics on Immigration Clearance, Immigration Department)

4.4.9 The changes in the consumption patterns of the Hong Kong residents' increased spending in the mainland China have indeed posed challenges to the operation of certain local small and medium enterprises.

Emerging Wellness Industry

4.4.10 Apart from the increasing trend of online shopping, it is observed that there is an emerging trend for wellness industry. Previously, chained fitness centers with large floorspace were operated in core urban area occupying prime locations. However, several large-scale chained fitness operators moved out from the Hong Kong market in 2024 due to the pandemic outbreak. Indeed, some relatively small-scale fitness centers emerged and decentralised in sub-core zones. Thus, a number of fitness centers are currently opening up in on-streets shops with smaller floorspace, or reducing their scale to be located into local shopping malls. **Diagram 5** shows the existing provision of fitness centres in MOS area.

Diagram 5 Provision of Fitness Centres in Ma On Shan area
(Source: On-site Survey)

[1] Hong Kong in Figures, 2024 Edition, Census and Statistics Department.
[2] Statistics on Daily Passenger Traffic, Immigration Department.

5 RETAIL FLOORSPACE ASSESSMENT

5.1 Retail Turnover of the Territory

5.1.1 To determine the retail turnover, reference has been made on the *'Key Statistics on Business Performance and Operating Characteristics of the Import/Export, Wholesale and Retail Trades Sector, and Accommodation and Food Services Sectors (2021 Edition)'* published by the C&SD in December 2022. As shown in **Table 11**, all turnover rates (including food, alcoholic drinks and tobacco; clothing, footwear and allied products; other retail trade; and food services) between 2019 to 2021 have dropped about 11.48%. **Such reduction may relate to broader challenges in the retail landscape, including the changes of shopping habits and consumer preferences, economic conditions, or market competition with other online platforms**.

Expenditure Category	Year/ Expenditure (about) (in HKD$ million)			Rate from 2021 to 2019 (about) (in %)
	2019	2020	2021	
Food, alcoholic drinks and tobacco	67,931.5	70,530.4	66,974.2	-1.41
Clothing, footwear and allied products	27,887.4	18,366.8	23,905.1	-14.28
Other Retail Trade	192,313.1	141,793.5	164,243.8	-14.60
Food Services[1]	44,740.4	33,238.6	39,539.1	-11.63
Total	**332,872.4**	**263,929.3**	**294,662.2**	**-11.48**

[1] Food services include Chinese restaurants, fast food shops, and other food services.

Table 11 Retail Turnover from 2019 to 2021
(Sources: Key Statistics on Business Performance and Operating Characteristics of the Import/Export, Wholesale and Retail Trades, and Accommodation and Food Services Sectors (2021 Edition), Census and Statistics Department)

5.2 Existing and Planned Retail Facilities in the Area

5.2.1 In the district level, the current and planned retail, dining and entertainment (RDE) services in MOS area are examined and summarized in **Table 12** and **Diagram 6**: -

Name of Retail Facility	GFA (about) (in sq.m.)	Key provision
Application Site		
We Go Mall (Application Site)	15,270	• 4-storey with mixed tenant that composing of mainly eating places, learning centre, real estate agencies, and household and personal retail services
Others		

Name of Retail Facility	GFA (about) (in sq.m.)	Key provision
Chevalier Garden Commercial Complex	5,098	• single storey mall incorporated with small-scale grocery stores
Chung On Shopping Centre	13,609	• 3-storey shopping mall, which provides food and beverage and local grocery shopping • a local wet market is located at the ground level
Double Cove Place	9,000	• 2-storey shopping mall, which provides local grocery shopping, food and beverage, ATM banking services, etc.
Fok On Shopping Centre	3,625	• 2-storey shopping mall, which includes small-scale grocery stores and tutorial schools
Heng On Commercial Centre	13,923	• 4-storey with small-scale grocery stores and tutorial schools provided
Kam Chun Court Commercial and Recreational Block	2,220	• 2-storey shopping mall, which provides food and beverage and local grocery shopping for residents
Kam Tai Shopping Mall	2,634	• 2-storey shopping mall, which provides food and beverage and local grocery shopping with a local wet market located at the ground level
Kam Ying Court Shopping Centre	4,471	• 2-storey shopping mall, which includes small-scale grocery stores and tutorial schools
Lake Silver Mall	3,393	• 2-storey shopping mall, which provides food and beverage and local grocery shopping for residents
Lee On Shopping Centre	8,103	• 4-storey with provides food and beverage and local grocery shopping provided • a local wet market located at the ground level
MOSTown	81,160	• at the heart of Ma On Shan, it includes a total of 4 phrases ranging with 1 to 3 storeys, providing about 300 shops such as local grocery shopping, food and beverage, and boutique, to support daily needs and lifestyle activities • a local wet market is located at the ground level at phrase 4
Ma On Shan Centre Shopping Arcade	9,732	• 2-storey shopping mall, which provides food and beverage, tutorial school, small-scale boutiques, medical services, etc.
Ma On Shan Plaza	40,212	• 2-storey shopping mall, which provides local grocery shopping, food and beverage, ATM banking services, etc.

Name of Retail Facility	GFA (about) (in sq.m.)	Key provision
Marbella Mall	4,928	• 2-storey shopping mall, which provides food and beverage, tutorial schools and medical services
Saddle Ridge Garden Commercial Complex	3,000	• 3-storey shopping mall, which provides food and beverage, tutorial school and medical services
The Waterside Shopping Mall	5,255	• 2-storey shopping mall, which provides food and beverage for residents
Yan On Shopping Centre	566	• 3-storey shopping mall, which provides food and beverage and small-scale grocery stores
Yiu On Shopping Centre	9,135	• provides local grocery shopping, food and beverage, and ATM banking services etc.
Sub-total of Others	**220,044#**	
Total	**235,314#**	
# Upon agreement of this planning application, the existing RDE services in MOS area shall exclude the GFA of the Application Site (We Go Mall).		

Table 12 Existing RDE Services in Ma On Shan area
(Sources: Desktop Research and Information provided by the Applicant)

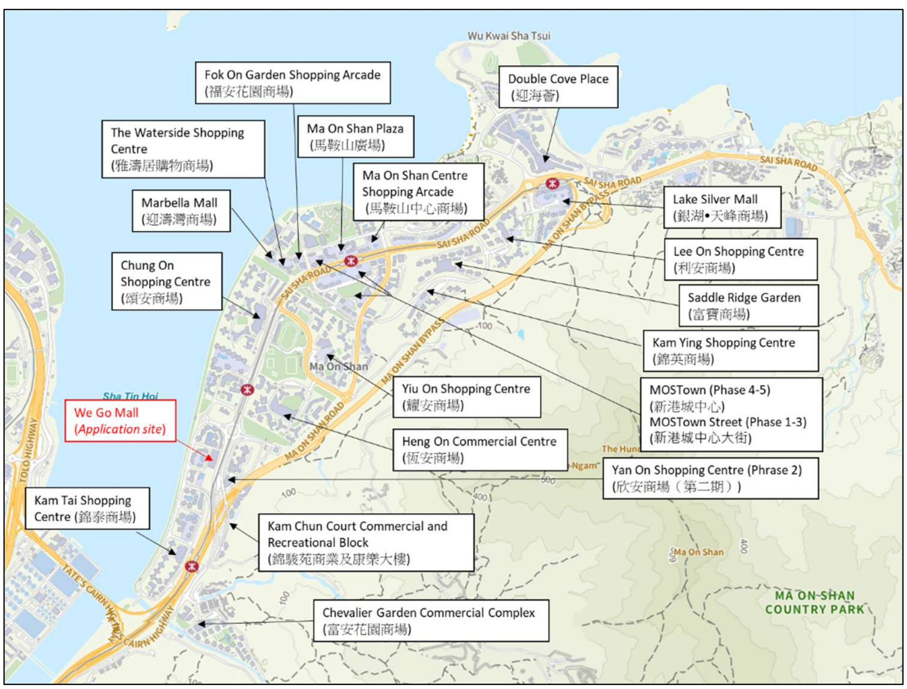


Diagram 6 Existing RDE Services in Ma On Shan area
(Sources: Desktop Research and GeoInfo Map, HKSAR Government)

5.2.2 The planned and/or proposed RDE services in Ma On Shan area are also examined and provided in **Table 13** and **Diagram 7** below. The total gross floor area (GFA) of about 7,991 sq.m. (reduction of about 47.67%) is designed for retail floorspace under this Application. To incorporate other existing RDE services presented in **Table 12** and the planned and/or proposed RDE services in MOS area (together with our Proposed Development), the total commercial GFA would be about 248,905 sq.m. (with the increase of about 5.78%), which would be similar to the total commercial GFA of about 235,314 sq.m..

Name of Retail Facility	GFA (about) (in sq.m.)	Key provision
Application Site		
Captioned Application	7,991	• Shopping arcade and eating place to serve the existing the future local community
Others		
Kam Chun Court	2,200	• Includes Commercial uses (i.e. 'Shop and Services', 'Eating Place' and 'Office')
Public Housing Development at Ma On Shan Tsuen Road	Planning brief with its development parameters shall be provided by the Project Proponents in the later stage	
Public Housing Development at Cheung Muk Tau Site 1	1,550	• Retail provision is subject to the detailed design of its development
Public Housing Development at Cheung Muk Tau Site 2	1,700	• Retail provision is subject to the detailed design of its development
Private Housing Development at 29 On Chun Street (Planning Application No. Y/MOS/6)	5,543	• Includes Commercial uses (i.e. 'Shop and Services' and 'Eating Place')
Shap Sz Heung Development (Planning Application Nos. A/NE-SSH/120; and A/NE-SSH/142)	12,077	• Includes Commercial use (i.e. 'Eating Place' and 'Shop and Services'), 'School', 'Place of Entertainment' and 'Religious Institution'
Sub-total of Others	**20,870**#	
Total	**28,861**#	
# Upon the agreement of this planning application, the planned and/or proposed RDE services in MOS area shall include the GFA of the Proposed Development of this application.		

Table 13 Planned and/or Proposed RDE Services in Ma On Shan area
(Sources: Town Planning Board, HKSAR Government; Public Housing Production Forecast, Housing Bureau; LC Paper No. CB(1)442/2025(04))

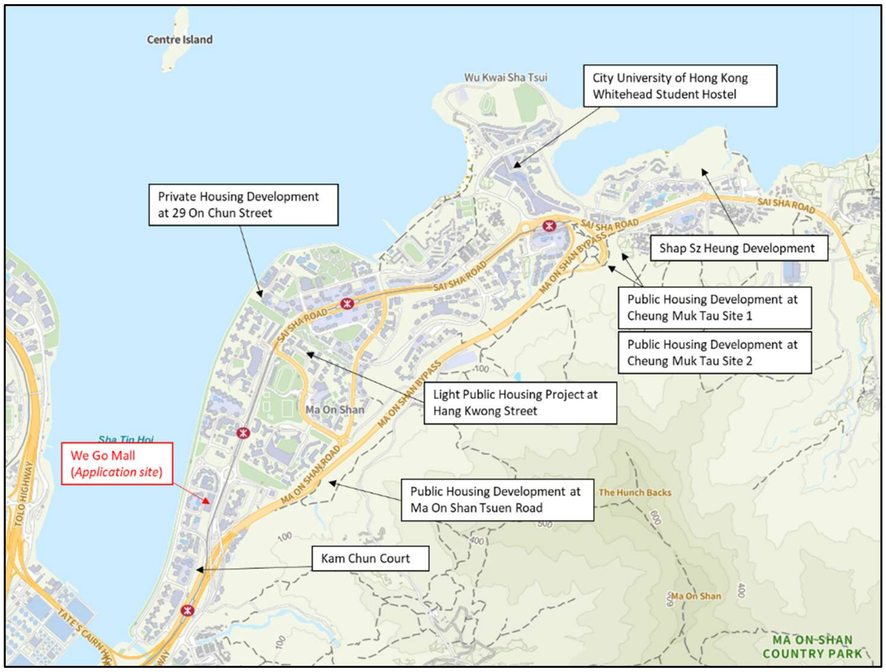


Diagram 7 Planned and/or Proposed RDE Services in Ma On Shan area
(Sources: Town Planning Board, HKSAR Government; and Public Housing Production Forecast, Housing Bureau; LC Paper No. CB(1)442/2025(04))

5.2.3 It is noted that the above RDE services are located within walking distance from residential neighbourhoods of both public and private housing developments and predominantly residential areas.

5.2.4 Taking into account of the location and size (i.e. GFA and number of storeys) of the above existing and planned and/or proposed RDE services, retail facilities in MOS area shall be classified as a neighbourhood shopping centre under HKPSG, in which mainly provide convenience goods, household retail services, personal retail services and dining services to the local population.

5.3 Retail Floorspace Assessment

5.3.1 As suggested in the HKPSG, the retail model shall project and estimate the required retail floorspace to serve the retail system in the design year.

5.3.2 Comparison of retail floorspace between existing condition as well as base case scenario without this Proposed Development and design scenario with this Proposed Development is summarized in **Table 14** below.

Ma On Shan area	**Existing Condition**[1] ***(2026)***	**Base Case Scenario**[2,3] ***(Without this Proposed Development in 2035)***	**Design Scenario**[3,4] ***(With this Proposed Development in 2035)***
Estimated Population Projection (about)	209,300	267,151[5]	268,607[6]
Estimated Employment Projection (about)	69,069[7]	88,160[7]	88,691[8]
Total GFA of Planned and/or Proposed RDE Provision in MOS area (about)	235,314 sq.m.	256,184 sq.m.	248,905 sq.m.
Retail Floorspace per person in term of population *(about)*	***1.1 sq.m.***	***0.9 sq.m.***	***0.9 sq.m.***
Retail Floorspace per person in term of employment *(about)*	***3.4 sq.m.***	***2.9 sq.m.***	***2.8 sq.m.***

[1] Refers to the existing condition in year 2026.
[2] Base Scenario refer to the projection in year 2035 without this Proposed Development.
[3] Both base case and design scenarios are assumed for the estimated completion year of the Proposed Development in 2035. Calculation is based on a pro rata basis, using the employment projection for Sha Tin District shown in **Table 4 of Appendix 8**, along with the percentages of working population in TPU 757 (as known as 'MOS area') and Sha Tin District.
[4] Design Scenario includes all planned and/or proposed Development in Ma On Shan district presented in **Tables 3** and **10 of Appendix 8**, as well as this Proposed Development.
[5] Estimation is based on the population projection of TPU 575 in year 2027 under the *'Table 15 Projected Population by Tertiary Planning Unit, 2023-2027'* published by the C&SD, as well as all planned developments as listed in **Table 1 of Appendix 8**, and the percentage of drop per annum (i.e. Estimated Population under Base Case Scenario: Year 2035 Population Projection 203,975 (Population projection for TPU 757 in 2027 207,600 X -0.22% per annum) + Planned Population 23,398 X Person Per Flat 2.7 = 63,176 = 267,151)
[6] Includes the proposed population of about 1,456 persons for the Proposed Development under this planning application. (i.e. Estimated Population under Design Scenario: Year 2035 Population Projection 203,975 (Population projection for TPU 757 in 2027 207,600 X -0.22% per annum) (Year 2035 Population Projection – Population Projection in TPU 575 in 2021 210,400) / 210,400 X 100% = % Drop -1.3% = 207,665) + Planned Population 23,398 X Person Per Flat 2.7 = 63,176 + Estimated Population in this Proposed Development 203,975 = 268,607)
[7] Calculation is based on a pro rata basis, using the employment projection for Sha Tin District shown in **Table 4 of Appendix 8**, along with the percentages of working population in TPU 757 (as known as 'MOS area') and Sha Tin District (i.e. Estimated Employment Projection under Existing Condition = Estimated Employment Projection in 2025 209,300 X % of Working Population in TPU 757 61.0% = 127,673; Estimated Employment Projection under Base Case Scenario 267,150 X % of employment participation 33% = 88,160)
[8] Includes the proposed job opportunities of about 370 for the Proposed Development under this planning application, in line with the figures adopted in the technical assessments. (i.e. Estimated Employment Projection under Design Scenario = Estimated Employment Projection under Base Case Scenario 268,457 X % of employment participation 33% = 88,691)

Table 14 Comparison of Retail Floorspace between Base Case and Design Scenarios

5.3.3

5.3.3 This reduction of retail floorspace is aligned with the reduction of retail turnover as summarized in **Table 11**. It shows that the provision of retail floorspace shall be deducted from the demand in order to reach the existing local market gap and challenges in the retail landscape.

5.3.4 Meanwhile, the Proposed Development would offer retail floorspace of about 7,991 sq.m., in which is aligning with the current planning intention of "C" zone to function as a local shopping centre serving the immediate neighbourhood with provision of shop, services, place of entertainment and eating place.

5.3.5 Comparing the retail floorspace per person in MOS area under both base case and design scenarios, the provision retail floorspace per person in terms of population and employment are similar, with the total between about 0.9 sq.m., and not more than 2.9 sq.m. respectively.

5.3.6 Specifically, for Planning Area 77, the total commercial GFA with the Proposed Development shall be around 11,191 sq.m., while other neighbourhood shopping centres (i.e. Yan On Shopping Centre and Kam Tai Shopping Mall) are located within walking distance (**Diagrams 8 and 9**). Together with the planned retail facility at Kam Chun Court with commercial GFA of about 2,200 sq.m. and our Proposed Development, the total commercial GFA in the vicinity of the Application Site within 500m walking distance would be about 13,391 sq.m., as shown in **Table 15**.

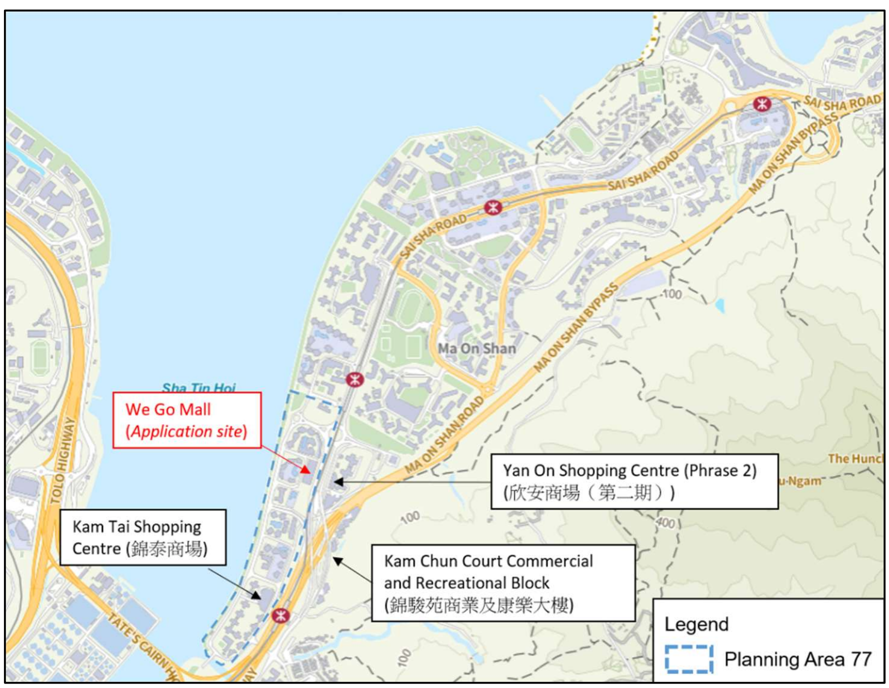


Diagram 8 Existing RDE Services in Planning Area 77
(Source: Town Planning Board, HKSAR Government)

Diagram 9 Planned and/or Proposed RDE Services in Planning Area 77
(Sources: Town Planning Board, HKSAR Government; and Public Housing Production Forecast, Housing Bureau; LC Paper No. CB(1)442/2025(04))

Name of Retail Facility	GFA (about) (in sq.m.)
Application Site	
We Go Mall (Application Site)	7,991
Existing RDE Services	
Yan On Shopping Centre	566
Kam Tai Shopping Mall	2,634
Sub-total	***11,191***
Planned and/or Proposed RDE Services	
Kam Chun Court	2,200
Total	**13,391**

Table 15 Planned and/or Proposed RDE Services in Planning Area 77
(Sources: Town Planning Board, HKSAR Government; and Public Housing Production Forecast, Housing Bureau; LC Paper No. CB(1)442/2025(04))

5.4 Occupancy Survey

5.4.1 In the local context, on-site site survey was conducted in 2026 to examine the vacancy rate of retail spaces in MOS area. Some vacant retail spaces were observed among the existing RDE services as listed in **Table 12**.

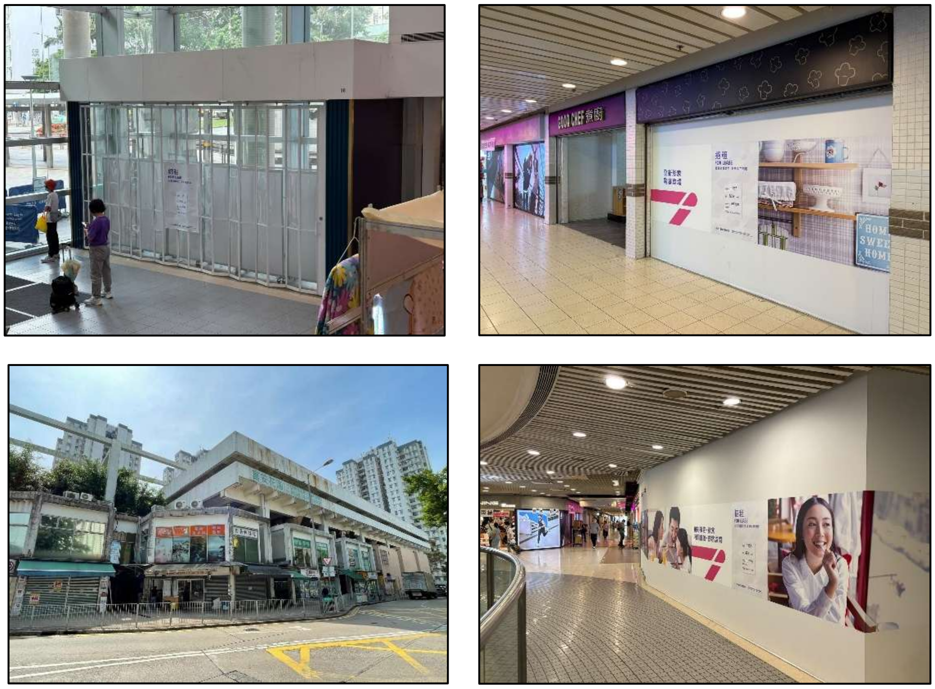


Diagram 10 Vacant Retail Spaces in Ma On Shan area
(Source: On-site Survey)

5.4.2 In addition, according to our first-hand data and desktop research, the occupancy rate of retail floorspace in the Application Site (also known as *"We Go Mall"*) has dropped from around 81% to 75% between 2023 to 2026.

5.4.3 Specifically, three retail facilities within the Planning Area 77 were selected, namely Kam Chun Court Commercial and Recreational Block, Kam Tai Shopping Mall and Yan On Shopping Centre, to explore the utilisation rate surrounding the Proposed Development.

Name of Retail Facility	Key provision	Occupancy Rate (about) (in %)	Average (about) (in%)
Kam Chun Court Commercial and Recreational Block (Neighbourhood Shopping Center)	2-storey shopping mall, which provides food and beverage and local grocery shopping for residents	95	90
Kam Tai Shopping Mall (Neighbourhood Shopping Center)	2-storey shopping mall, which provides food and beverage and local	95	

	grocery shopping with a local wet market located at the ground level		
Yan On Shopping Centre (Neighbourhood Shopping Center)	3-storey shopping mall, which provides food and beverage and small-scale grocery stores	80	

Table 16 Occupancy Rate of Surrounding Retail Facilities in Planning Area 77
(Source: On-site Survey)

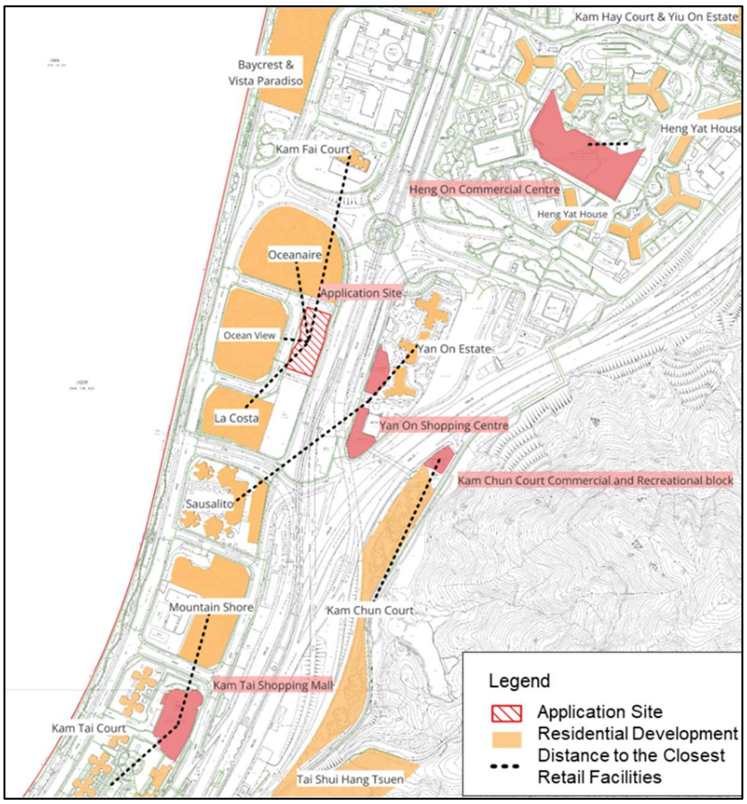


Diagram 11 Surrounding Retail Facilities in the vicinity of the Application Site

5.4.4 Comparing to other types of neighbourhood shopping centres managed by the Hong Kong Housing Authority[3] and Link REIT[4], in which also provide retail and dining services to the surrounding residential neighbourhoods, the occupancy rate of retail premises was recorded about 97% between 2023 and 2026. Of which, lower occupancy rate of retail facilities was observed in the vicinity of the Application Site of about 75%.

[3] Retail facilities in public housing estate (ISSH31/2024), Legislative Council Secretariat Research Office.
[4] Strategic Report Annual Report 2025/2026, Link REIT.

5.4.5 Photos were recorded during the on-site site survey as shown in **Diagram 10**. The higher the percentage of vacant retail facilities, the less supply of retail space shall be required relative to the demand. Findings of the survey showed that relatively high vacancy rate of surrounding retail facilities in the vicinity of the Application Site, and hence to further suggest that oversupply of retail services in MOS area.

6 CONCLUSION

6.1.1 The Application Site is predominately occupied by medium- to high-density residential neighbourhood and situated within walking distance from nearby residential developments.

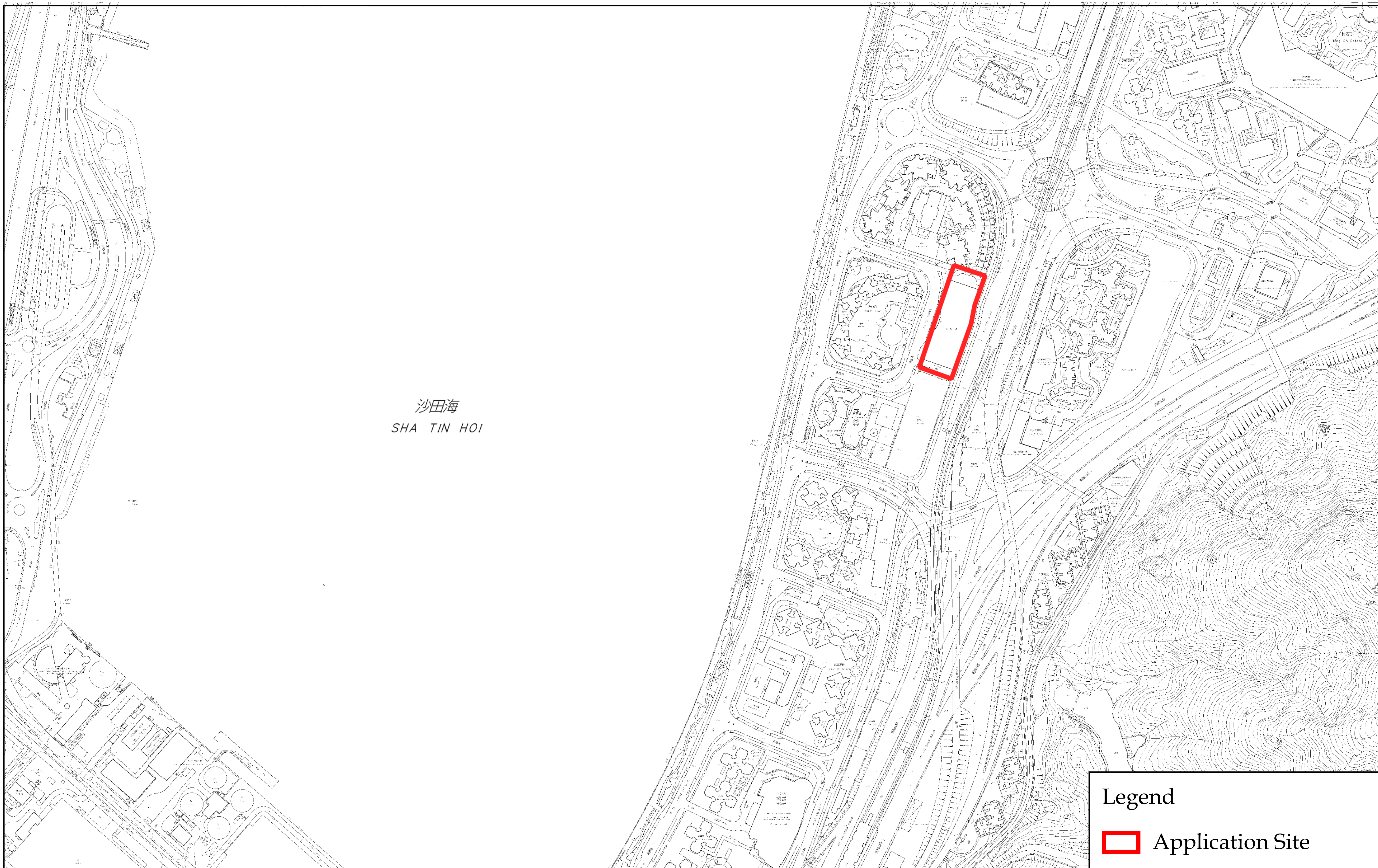
6.1.2 The demand of consumer expenditure in the vicinity of the Proposed Development is elaborated. Due to the evolving shopping habits among Hong Kong residents, people would like to shift their preferences from brick-and-mortar to online and cross-border shopping, as well as the emerging wellness industry to be allocated in the shopping malls.

6.1.3 Both retail floorspace and retail turnover are also reduced, which indicated the declining demand of retail provision in Hong Kong in a wider context.

6.1.4 In the district context, an on-site site survey was conducted in 2026 to examine the vacancy rate of retail spaces in MOS area. Findings of the survey demonstrated that there was a lower occupancy rate of retail facilities was observed in the existing We Go Mall as well as the vicinity of the Application Site.

6.1.5 The positioning of a neighbourhood shopping centre of the Application Site will be kept after the agreement of the application.

6.1.6 Additionally, the retail floorspace per person in MOS area remains consistent under existing condition, as well as both base case and design scenarios in terms of population and employment of about 0.9 sq.m. and around 2.8-2.9 sq.m. respectively, indicating no significant changes in the supply of retail services.



LCH Planning and Development
Consultants Limited

Figure 1 : Site Plan

(For reference only. Not to scale.)

Section 12A Application for Proposed Rezoning from "Commercial" to "Residential (Group A)13"and Amend the Notes of the Zone Applicable to the Site for Proposed Flat, Shops and Services, Eating Place and Social Welfare Facility (Child Care Centre) Uses at 16 Po Tai Street, Ma On Shan

(Source: HK GEODATA STORE, HKSAR Government)