



**Report on Stakeholder Engagement  
on the Proposed Hotel and  
Office Development adjacent  
to the Kai Tak Sports Park**

**Prepared for Home Affairs Bureau  
Prepared by Prudential Surveyors International Limited**

**DECEMBER 2018**



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Prepared for:

Home Affairs Bureau

The Hong Kong Special Administrative Region

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## **Important Notice**

This stakeholder engagement is not an assurance engagement conducted in accordance with any generally accepted assurance standards and consequently no assurance opinion is expressed. In preparing this report, our primary sources have been limited to information provided by the Home Affairs Bureau (HAB), different stakeholders and publicly available market data and information. We do not accept responsibility for such information which remains the responsibility of the sources themselves.

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# Executive Summary

## STAKEHOLDER ENGAGEMENT OBJECTIVES

1. The objective of the Stakeholder Engagement (SE) exercise is to gauge the views from the stakeholders including the sports sector and the hotel sector on the proposed hotel and office (H/O) development and the associated public open space (H/O POS) adjoining the Kai Tak Sports Park (KTSP).
2. Through Sports Federation and Olympic Committee of Hong Kong (SF&OC), all his members (79 “national sports associations”) and 2 sports related associations stationed in Olympic House were invited to provide their views in the SE exercises. For easy reference, hereafter collectively named as NSAs were used in this SE Report to represent the views of the sports sector. The Hong Kong Hotels Association (HKHA) and the Federation of Hong Kong Hotel Owners Limited (FHKHO), hereafter collectively referred to Hotel Operators in the SE report, were contacted for their members’ views on the proposed H/O development.

## METHODOLOGY

3. Both quantitative information from questionnaire surveys and qualitative information from individual meetings were solicited from the stakeholders.
4. Two rounds of the stakeholder engagement exercises were conducted during the period from April to July 2018. A total of 60 completed questionnaires was received from NSAs, with 1 NSA stating that the content of the questionnaires was not applicable to their association. Another 11 completed questionnaires from Hotel Operators were received. Besides, 30 in-depth interviews with NSAs and 7 with Hotel Operators were conducted to gather in-depth views.

## OFFICE ACCOMMODATION

### Demand of Office Space

#### *Insufficient office space*

5. During in-depth interviews, most of the NSAs expressed that their current office space in the Olympic House was insufficient. Some NSAs indicated that they could hardly increase their manpower because of insufficient office space and some needed to rent office space outside the Olympic House.

#### *Planning to increase the office area*

6. 25 out of 59 NSAs have plans to increase the office area within the next five years. The total sum of Net Operational Floor Area (NOFA) for the forecast increase of the office space would be 16,267 square feet among the 22 NSAs who had indicated their area requirements.

#### *Insufficient storage space for sports equipment*

7. Many NSAs expressed that there was insufficient capacity for storage of sports equipment. In light of the crowded office space for staff, these NSAs requested spaces for storage of their equipment and materials for training and competitions. Amongst the respondents, 20 NSAs requested a total NOFA of 8,455 square feet for storage purposes.

# Executive Summary

## *Preferences on future accommodation*

8. Through questionnaire survey, NSAs were asked to indicate their preferred arrangement for future office accommodation and the result is listed in the table below.

	<b>Nos. of Responded NSAs on the first priority</b>	<b>Total sum of NOFA (square feet)</b>
Within the office space of “to-be-redeveloped” Olympic House under the existing rental arrangement	28	42,951 (only 27 NSAs have indicated area requirements)
Within the office space of the office building adjacent to the KTSP at market rate	9	9,930
Office space in other places at market rate	8	6,290 (only 3 NSAs have indicated area requirements)

Base: Nos. of Responded NSAs: 45

## *Rental as the prime concern*

9. 9 NSAs stated that their first priority was to rent office space from the office building adjacent to the KTSP at market rate, another 9 NSAs emphasized that they would only consider renting the office space from the office building adjacent to the KTSP at concessionary rate; otherwise, they would not prioritize KTSP for future office accommodation.

## **Current Establishment and Expansion Plan**

10. In the questionnaire survey, of the 56 NSAs who provided the information of both their current establishment and future expansion plan. A total of 643 full-time staff would be employed in 2022-2023, with an increase of 3.2% when comparing to the figure in 2017-2018. A total of 381 part-time staff would be employed, with an increase of 29.2% in 2022-2023 when comparing to the figure in 2017-2018. The details are as shown in the table below:

	<b>2017-2018</b>		<b>2022-2023</b>		<b>% of increase/ decrease</b>	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Six positions (executive director, coaching director, senior sports executive, technical executive, sports executive and administrative assistant)	397	66	483	103	+21.7	+56.1
Other positions	226	229	160	278	-29.2	+21.4
<b>Total</b>	<b>623</b>	<b>295</b>	<b>643</b>	<b>381</b>	<b>+3.2</b>	<b>+29.2</b>
Base: Nos. of Responded NSAs	<b>56</b>		<b>56</b>		<b>56</b>	

Note: 3 NSAs did not provide the answer.

# Executive Summary

## HOTEL ACCOMMODATION

### Hotel Positioning

#### *High Tariff B Hotel*

11. In the questionnaire survey, 6 of 11 Hotel Operators indicated to operate a High Tariff B Hotel in the proposed hotel. The achievable average room rate ranged from HK\$1,100 to HK\$1,400. The guest room size was about 25 square meters.
12. Through the questionnaire survey, 55 of 59 NSAs indicated that the acceptable amount of the average room rate was ranged from HK\$500 to HK\$2,000.

#### *A 350-room hotel*

13. During in-depth interviews, 3 of 7 Hotel Operators indicated that a 300-room hotel may not be enough for potential demand. Considerations should be made for providing more rooms to optimize the efficiency and revenue. A 350-room hotel was desirable.

### Proposed Hotel Facilities

14. In the questionnaire survey, the responded numbers of NSAs and Hotel Operators indicated their preferred hotel facilities listed in the table below.

Facilities	Nos. of Responded NSAs (out of 59)	Nos. of Responded Hotel Operators (out of 11)
Accessible guestrooms	23	11
Connecting guestrooms	-	11
Food and beverage facilities	-	11
Parking space	45	-
Gym	43	10
Swimming pool	30	10
Other facilities for people with disabilities	7	-
Meeting and event facilities	55	11

#### *Accessible guestrooms*

15. All the responded Hotel Operators indicated that accessible guestrooms should be included in the proposed hotel. 9 of 11 Hotel Operators requested for a lower proportion of accessible guestrooms, i.e. 2% which is the standard provision in the market. 2 Hotel Operators recommended 10% as accessible guestrooms.
16. 23 of 59 NSAs indicated that they would require accessible guestrooms when organizing events in future. The median number required was 10.

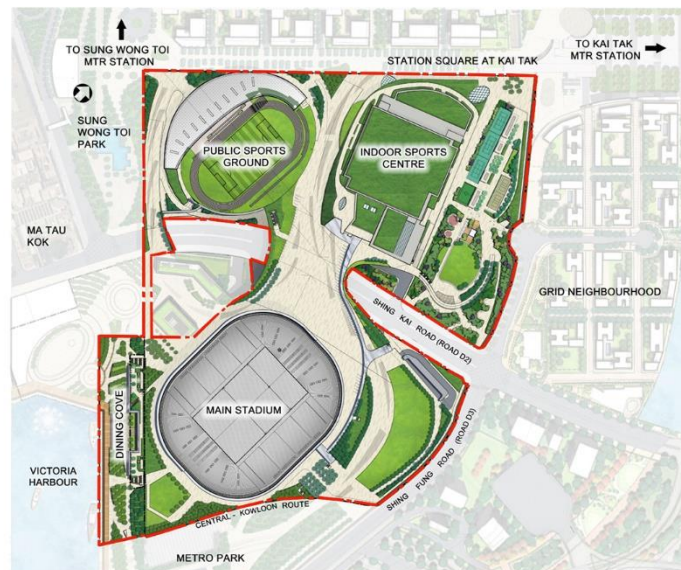


# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND

1.1.1 The Kai Tak Sports Park (“KTSP”) is located on the north apron of the former Kai Tak International Airport, fronting the Victoria Harbour. When completed, the KTSP will provide a wide variety of sports facilities meeting international standards for top level competitions. The sports and leisure facilities provided in the KTSP will be



enjoyed by people of all ages and abilities on a daily basis. It will be the largest sports park for the people of Hong Kong. KTSP will contribute significantly to the achievement of the Government’s sports development objectives which are to (a) promote sports in the community, (b) support the development of elite sports, and (c) establish Hong Kong as a sports events capital in Asia.

1.1.2 The hotel and office (“H/O”) site (“the Site”) was originally part of the KTSP development. The Government now intends to dispose of the Site by a separate land tender for development. It is envisaged that such hotel and office space will provide easy access to KTSP nearby, and thereby create synergy with facilities of KTSP.

1.1.3 The key planning objective of the hotel is to support the operation of KTSP by providing accommodation to visiting athletes, officials, event staff and spectators during event days. Regarding the office development on the Site, it will be for commercial renting, as well as accommodating sports-related organizations, sporting associations and event organizers.





## 1.2 STAKEHOLDER ENGAGEMENT OBJECTIVES

1.2.1 The objective of the stakeholder engagement exercise is to gauge the views from the stakeholders including the sports sector and the hotel sector on the proposed H/O and the associated public open space (POS) development adjoining the KTSP. More specifically, the objectives of the stakeholder engagement exercise are:

- to ascertain the current staff establishment of the NSAs and their manpower forecast;
- to explore the accommodation requirements of the NSAs;
- to identify the existing rental arrangements of the NSAs;
- to explore the expansion plan which include office space, storage needs and other special needs of the NSAs;
- to gather views from the hotel operators on the hotel positioning, proposed hotel facilities and potential impact of sports events in KTSP to the proposed hotel;
- to express the hotel operators' interests in providing offers to the sports organizations and event organizers and possible joint promotion arrangements; and
- to explore the views and consideration in managing the public open space.

## 1.3 ORGANIZATION OF REPORT

1.3.1 This stakeholder engagement report summarizes the responses and views collected from the questionnaire surveys and in-depth interviews.

**Chapter 1** provides a background of the KTSP and H/O development and outlines the objectives of the stakeholder engagement.

**Chapter 2** details the methodology of the stakeholder engagement exercise including the stakeholder consultation stages, the procedures of data collection and the responses from the stakeholders.

**Chapter 3** presents the statistical results of the questionnaire survey of NSAs and the qualitative views collected during the in-depth interviews.

**Chapter 4** presents the statistical results of the questionnaire survey of Hotel Operators and the qualitative views collected during the in-depth interviews.



## CHAPTER 2

# METHODOLOGY OF STAKEHOLDER ENGAGEMENT EXERCISES

### 2.1 METHODOLOGY

- 2.1.1 The public engagement strategy is essential to provide reference for the development of H/O development.
- 2.1.2 Through SF&OC, all his members (79 “national sports associations”) and 2 sports related associations stationed in Olympic House were invited to provide their views in the SE exercises. For easy reference, hereafter collectively named as NSAs were used in this SE Report to represent the views of the sports sector. The Hong Kong Hotels Association (HKHA) and the Federation of Hong Kong Hotel Owners Limited (FHKHO), hereafter collectively referred to Hotel Operators in the SE report, were contacted for their members’ views of hotel sector on the proposed H/O development. LCSD was invited to advise on how the Sports Subvention Scheme (SSS) supported NSAs office space requirements and subsidised sports events. The views from the stakeholders were collected and analyzed in this SE report.
- 2.1.3 A mixed method for SE exercises is adopted. Both quantitative information from questionnaire surveys and qualitative information from individual meetings were solicited from the stakeholders.
- 2.1.4 Regarding the quantitative views, apart from potential demand for office accommodation, the questionnaire for NSAs is also designed to capture views of NSAs on their demand of hotel facilities. On the other hand, the questionnaire for Hotel Operators is designed to obtain views on the ideal hotel positioning, achievable average daily rate and occupancy rate, guestroom size and proposed facilities to be included for the hotel development.
- 2.1.5 Regarding the qualitative views, in-depth interviews with NSAs and Hotel Operators were conducted to probe further views on the development of H/O.



## **2.2 RESPONSES FROM STAKEHOLDERS**

- 2.2.1 Before NSAs were approached to solicit their views on the H/O development, a briefing session had been arranged through SF&OC by HAB on 16 March 2018 to engage their participations and explain to them details of the H/O development. HKHA and FHKHO were contacted separately and with briefing materials sent for use in their board meetings to arouse their interest of the proposed H/O development. After the briefing, NSAs and Hotel Operators were approached to gather views on the H/O development.
- 2.2.2 The questionnaire surveys were conducted during the period from April to July 2018. Questionnaires were sent to NSAs and members of HKHA and FHKHO by fax or email, followed up by telephone calls and if required personal visits to collect the completed questionnaires. A total of 60 completed questionnaires has been received from NSAs, with 1 NSA stated that the content of the questionnaire was not applicable to their association. Another 11 completed questionnaires from Hotel Operators were received.
- 2.2.3 During the period from April to July 2018, 30 in-depth interviews with NSAs, 7 with Hotel Operators and 1 with the Leisure and Cultural Services Department (LCSD) (for information on the SSS) were conducted in order to gather in-depth views.
- 2.2.4 27 NSAs and 2 Hotel Operators have both responded the questionnaire survey and participated in the in-depth interviews. 32 NSAs and 9 Hotel Operators returned the questionnaire survey only. 3 NSAs and 5 Hotel Operators responded completed in-depth interview only.

**Table 2.1 Response records**

	Completed Questionnaires only	Completed Interviews only	Completed both Questionnaires and Interview	Total nos. of stakeholders	No return	<b>Total nos. of Stakeholders approached</b>
NSAs	32	3	27	<b>62</b>	19	<b>81</b>
Hotel Operators	9	5	2	<b>16</b>	132	<b>148</b>

## **2.3 STATISTICAL ANALYSES**

- 2.3.1 Descriptive statistics were used to summarize findings of the questionnaire surveys. Data related to the floor area and amount is expressed in terms of the range, 10th percentile, lower quartile, median, upper quartile and 90th percentile. Amounts reported are shown in Hong Kong dollars, unless specified. The “Net Operational Floor Area” (NOFA) is used, unless otherwise stated. Attention is drawn to the fact that due to rounding up of figures, some figures may not add up to the total or 100%. Likewise, summation of percentages may exceed 100% since more than one answer(s) were allowed to be selected for some questions.



## CHAPTER 3

### VIEWS FROM NSAs

#### 3.1 STAFF ESTABLISHMENT

- 3.1.1 The LCSD administers a SSS which provides annual subsidies for staff, office and equipment as well as events and programmes to “national sports associations” to promote and support the development of the respective sports.
- 3.1.2 In 2017-2018, for those under the LCSD SSS and non-funded, a total of 623 full-time staff and 295 part-time staff are currently employed by the 56 responded NSAs. The six positions include executive director, coaching director, senior sports executive, technical executive, sports executive and administrative assistant. Apart from positions equivalent to those funded by LCSD SSS, NSAs have to employ other staff to support their operation, including staff required to help in organizing sports events, other administrative, accounting or clerical works. The number of other supporting staff is 226 full-time and 229 part-time in 2017-2018. The above figures have not taken into account the total number of temporary staff employed for a specific task on event basis.
- 3.1.3 The 56 responded NSAs provided the manpower forecast in 2022-2023.
- A total of 643 full-time staff would be employed in 2022-2023, with an increase of 3.2% when comparing to the figure in 2017-2018. NSAs estimated that there would be an increase (21.7%) in the number of full-time staff of six positions and a decrease (29.2%) in the number of other full-time supporting staff in 2022-2023.
  - A total of 381 part-time staff would be employed, with an increase of 29.2% in 2022-2023 when comparing to the figure in 2017-2018. NSAs estimated that there would be a notable increase in the number of part-time staff of six positions (56.1%) and other part-time supporting staff (21.4%) in 2022-2023.

**Table 3.1 Manpower forecast of NSAs in 2022-2023**

	2017-2018		2022-2023		% of increase/ decrease	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Six positions (executive director, coaching director, senior sports executive, technical executive, sports executive and administrative assistant)	397	66	483	103	+21.7	+56.1
Other positions	226	229	160	278	-29.2	+21.4
Total	<b>623</b>	<b>295</b>	<b>643</b>	<b>381</b>	<b>+3.2</b>	<b>+29.2</b>
Base: Nos. of Responded NSAs	<b>56</b>		<b>56</b>		<b>56</b>	

Note: 3 NSAs did not provide the answer.



### 3.2 CURRENT OFFICE ACCOMMODATION

- 3.2.1 Through questionnaire survey, 35 out of 59 NSAs indicated that they currently had an office in the Olympic House whereas 24 NSAs did not have an office in the Olympic House.
- 3.2.2 A total of 124 renting places were recorded among the 55 responded NSAs. 35 offices were located in the Olympic House where the remaining 89 renting places included storage places, offices, combined (storage place with office), training centres and clubhouses were located outside the Olympic House.
- 3.2.3 The monthly rent per square feet of 30 renting places at market rate outside the Olympic House were gathered. The rental unit rate for renting storage (in NOFA basis) was ranged from \$7.4 p.s.f. to \$100 p.s.f., with a median of \$21.24 p.s.f.; the rental unit rate for renting office was ranged from \$11.3 p.s.f. to \$45.8 p.s.f., with a median of \$28.57 p.s.f; and the rental unit rate for combined (storage place with office) renting places was ranged from \$25.9 p.s.f to \$45.7 p.s.f., with a median of \$35.79 p.s.f.

**Table 3.2 The monthly rent per square feet of renting places occupied by NSAs outside Olympic House**

Percentile Distribution	Monthly Rent per square feet (HK\$/square feet) of renting place outside Olympic House		
	1. Storage	2. Office	3. Combined (storage place with office)
Lower quartile	14.08	21.15	30.83
Median	21.24	28.57	35.79
Upper quartile	28.60	32.14	40.75
Base: Nos. of renting places at market rate	21	7	2
Base: Nos. of Responded NSAs	23		

Note: 2 NSAs did not provide the details.

- 3.2.4 During in-depth interviews with NSAs, most of the NSAs expressed that their current office space in the Olympic House was insufficient. Some NSAs indicated that they could hardly increase their manpower because of insufficient office space and some needed to rent office space outside the Olympic House. Besides, most of the NSAs stated that there was insufficient capacity for storage of their sports equipment. In light of the crowded office space for staff, some NSAs had to rent the storage facilities in other locations outside the Olympic House for the storage of sporting equipment. These NSAs strongly requested spaces for storage of their equipment and materials for training and competitions.
- 3.2.5 Most of the sports associations organize various training programmes and activities for their members and participants. Some NSAs indicated that it was relatively difficult to book meeting rooms for organizing activities in the Olympic House. Some NSAs expressed that more meeting rooms and function rooms could be provided in the redeveloped Olympic House for meetings, organizing events and trainings.



### 3.3 FUTURE PLANNING OF OFFICE ACCOMMODATION

- 3.3.1 25 out of 59 NSAs indicated that they had a plan to increase the office area within the next five years whereas 11 NSAs did not have any plan. 22 NSAs have not yet decided the future planning of office accommodation.
- 3.3.2 Out of 25 NSAs indicating their plans to increase the office area within the next five years, 22 NSAs provided the NOFA of the forecast increase in office area. The total sum of NOFA was 16,267 square feet.
- 3.3.3 20 NSAs indicated that they had a plan to increase the storage area in the next five years and provided the NOFA of the forecast increase in storage area. The total sum of NOFA for storage area was 8,455 square feet.

**Table 3.3 The total NOFA of the forecast increase in office area and storage area in the next five years**

Percentile Distribution	Office area NOFA (square feet)	Storage area NOFA (square feet)
Lower quartile	480	150
Median	1,615	300
Upper quartile	2,315	500
Sum of NOFA (forecast increase)	16,267	8,455
Base: Nos. of Responded NSAs	22	20

- 3.3.4 Through questionnaire survey, NSAs were asked to indicate their preferred arrangement for future office accommodation.
- 28 NSAs indicated that their first priority was to rent the office space in the redeveloped Olympic House under existing arrangement. The total sum of NOFA was 42,951 square feet among 27 responded NSAs.
  - 9 NSAs stated that their first priority was to rent the office space of the office building adjacent to the KTSP at market rate. The total sum of NOFA was 9,930 square feet among 9 responded NSAs.
  - 8 NSAs stated that their first priority was to rent the office space in other places at market rate. The total sum of NOFA was 6,290 square feet among 3 responded NSAs.
  - 14 NSAs did not indicate their preference in the returned questionnaire.
- 3.3.5 During in-depth interviews with NSAs, 9 NSAs emphasized that they would only consider renting the office space from the office building adjacent to the KTSP at concessionary rate; otherwise, they would not prioritize KTSP for future office accommodation.



### 3.4 HOTEL DEMAND FROM RECENT SPORTS EVENTS ORGANISED BY NSAS

- 3.4.1 50 out of 59 NSAs indicated that they had organized or coordinated the sports event requiring hotel accommodation in the past five years in Hong Kong whereas the remaining 9 NSAs did not.
- 3.4.2 The rental information for hotel rooms arranged in the last sports event were collected.
- 38 out of 50 NSAs had arranged hotel rooms for team leaders in the last sports event and the median room price per night was HK\$965. The median number of rooms booked was 9 rooms.
  - 40 out of 50 NSAs had arranged hotel rooms for athletes in the last sports event and the median room price per night was HK\$950. The median number of rooms booked was 36 rooms.
  - 38 out of 50 NSAs had arranged hotel rooms for other staff in the last sports event and the median room price per night was HK\$1,025. The median number of rooms booked was 7.5 rooms.

**Table 3.5 Room price per night and number of rooms for the last sports event**

Type	Nos. of Responded NSAs	Room price per night (HK\$)		Number of rooms	
	N	Range	Median	Range	Median
Team leaders	38	600 - 1,930	965	1 - 84	9
Athletes	40	250 - 1,800	950	3 - 1,010	36
Other staff	38	225 - 3,938	1,025	1 - 410	7.5

*Base: Nos. of Responded NSAs: 50*

- 3.4.3 For the most recent sports event, 47 NSAs provided information on the amount spent on hotel accommodation. The distribution of the amount spent varied considerably across different NSAs. In 2017-2018, the median amount spent on hotel accommodation in the last sports event was HK\$153,350. The lower quartile and upper quartile were HK\$56,935 and HK\$339,075 respectively.



### 3.5 HOTEL DEMAND AND FACILITIES REQUIRED FOR FUTURE SPORTS EVENTS ORGANISED BY NSAs

3.5.1 NSAs and Hotel Operators provided views on the amount spent on hotel accommodation, as follows:

- 55 NSAs indicated the acceptable amount spent on hotel accommodation in KTSP per night ranged from HK\$500 to HK\$2,000. The median was HK\$800 for a hotel room per night.
- For comparison with the actual expenses for rooms arranged in the last sports event, 47 NSAs indicated that the median of actual expenses per room was HK\$800.
- 11 Hotel Operators indicated that the median of the acceptable amount spent on hotel accommodation in KTSP per night was HK\$1,100.

3.5.2 Regarding the accessible guestrooms required when organizing events in future, 23 out of 59 NSAs indicated that they required accessible guestrooms whereas 30 NSAs did not require and 6 NSAs did not provide comment. Those 23 NSAs indicated that they required the median of 10 accessible guestrooms when organizing future events.

3.5.3 NSAs expressed their views on types of facilities required when organizing events in future, as follows:

- 45 NSAs requested for parking space.
- 43 NSAs requested for gym facilities.
- 30 NSAs requested for swimming pool.
- 7 NSAs requested for other facilities for people with disabilities.
- 13 NSAs requested for other facilities such as conference room, meeting room and ballroom.

3.5.4 NSAs expressed their views on types of function rooms required when organizing events in future, as follows:

- 53 NSAs requested rooms for meeting.
- 40 NSAs requested rooms for administration.
- 29 NSAs requested rooms for accreditation.
- 9 NSAs requested other rooms for holding banquets or press conference.

3.5.5 NSAs expressed their views on the number of months in advance for confirmation of the number of hotel rooms before an event, as follows:

- 30 NSAs could confirm the number of hotel rooms 1 month in advance.
- 15 NSAs could confirm the number of hotel rooms 2 months in advance.
- 12 NSAs could confirm the number of hotel rooms 3 to 4 months in advance.
- 2 NSAs did not provide comments.





## CHAPTER 4

# VIEWS FROM HOTEL OPERATORS

### 4.1 HOTEL POSITIONING

4.1.1 Through questionnaire survey, Hotel Operators were informed to assume that their companies will operate and manage the proposed hotel adjacent to KTSP with a proposed GFA of about 16,000 square meters and 300 rooms. Given the location and buildable area, Hotel Operators were asked to indicate the three standard of hotel classifications<sup>1</sup> (namely Medium Tariff Hotel, High Tariff A Hotel and High Tariff B Hotel) that would be appropriate for the proposed hotel. If the proposed hotel is opened, views on the expected achievable average room rate (ARR)<sup>2</sup>, the occupancy rate<sup>3</sup> and minimum standard guestroom size were solicited.

4.1.2 11 Hotel Operators had returned the questionnaire.

- 2 Hotel Operators stated that a Medium Tariff Hotel (equivalent to three-star rating) was appropriate to be built adjacent to KTSP. Their expected achievable ARR ranged from HK\$900 to HK\$1,000, with a median of HK\$950.
- 6 Hotel Operators indicated that a High Tariff B Hotel (equivalent to four-star rating) was appropriate to be operated in the proposed hotel adjacent to KTSP. Their expected achievable ARR ranged from HK\$950 to HK\$1,400, with a median of HK\$1,070.
- 3 Hotel Operators indicated to operate a High Tariff A Hotel adjacent to KTSP. Their expected achievable ARR ranged from HK\$1,300 to HK\$1,850, with a median of HK\$1,800.
- The guest room size was about 25 square meters.

4.1.3 During in-depth interviews, 3 of 7 Hotel Operators indicated that a 300-room hotel may not be enough for potential demand. Considerations should be made for providing more rooms to optimize the efficiency and revenue. A 350-room hotel was desirable.

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<sup>1</sup> According to the Hong Kong Tourism Board classification system, the score is based on facilities, location, staff-to-room ratio, and achieved room rate and business mix of the hotels. Medium Tariff Hotels: with a composite score between 1.00 and 1.99 and this is the third highest standard of hotel classification. High Tariff A Hotels: with a composite score between 2.00 and 2.99 and this is the second highest standard of hotel classification. High Tariff B Hotels: with a composite score between 3.00 and 3.99 and this is the highest standard of hotel classification.

<sup>2</sup> The average room rate refers to the room revenue of a hotel (including related service charges) during a period divided by the Total Occupied Room Nights of a hotel during the corresponding period.

<sup>3</sup> Total Occupied Room Nights of a hotel during a period divided by the Total Available Room Nights.



## 4.2 PROPOSED HOTEL FACILITIES

- 4.2.1 Through questionnaire survey, Hotel Operators were asked to recommend facilities for the hotel development adjacent to KTSP. 5 out of 11 Hotel Operators indicated that their companies formulated standards/ specifications/ design guidelines on Universal Accessibility requirements for hotel facilities other than statutory requirements whereas 6 Hotel Operators did not have.
- 4.2.2 All the hotel operators held a definite view that accessible guestrooms, connecting guestrooms, food and beverage facilities, and meeting and event facilities would be included for the hotel development. 10 out of 11 Hotel Operators indicated that gym and swimming pool were required for the new hotel.
- 4.2.3 For accessible guestrooms, 9 out of 11 Hotel Operators stated that the accessible guestroom ratio was 2 per 100 guestrooms, i.e. 6 accessible guestrooms for a 300-room hotel. 1 Hotel Operator requested for a higher accessible guestroom ratio, at 8 per 100 guestrooms, i.e. 24 accessible guestrooms for a 300-room hotel.
- 4.2.4 For connecting guestrooms, 5 out of 11 Hotel Operators requested that the connecting guestrooms ratio was from 2 to 5 per 100 guestrooms, i.e. 6 to 15 connecting guestrooms for a 300-room hotel. 4 Hotel Operators requested more connecting guestrooms, i.e. 30 to 36 connecting guestrooms for a 300-room hotel.
- 4.2.5 For food and beverage facilities, 5 out of 11 Hotel Operators requested occupying 10% of total gross floor area of the hotel, i.e. 1,600 square meters of a proposed GFA of about 16,000 square meters hotel. 3 Hotel Operators requested a larger percentage of total gross floor area of the food and beverage facilities, ranging from 20% to 45%.
- 4.2.6 Apart from some common facilities, 7 Hotel Operators expressed that other facilities or special requirements were required to be included for the hotel development. Other facilities included carpark, common area for gathering and coordination, golf driving range, jacuzzi tub, physiotherapy centre, high performance nutrients catering facility and kids/games room. Other special requirements were double glazed window for sound proofing, media supporting facilities, meeting facilities for national representatives and facilities for disease prevention.



### **4.3 POTENTIAL IMPACT TO THE PROPOSED HOTEL**

- 4.3.1 Through questionnaire survey, 8 out of 11 Hotel Operators agreed that the events held at KTSP would bring substantial amount of guests to the proposed hotel whereas only 1 hotel operator disagreed and 2 hotel operators were not sure.
- 4.3.2 Among 8 Hotel Operators who agreed with the positive potential impact of bringing substantial amount of guests to the proposed hotel, 6 out of 8 Hotel Operators agreed that those events related guests would be the major target groups of the proposed hotel whereas the remaining Hotel Operators were not sure.

### **4.4 EXPRESSION OF INTERESTS IN PROVIDING CONCESSIONS TO EVENT ORGANIZERS**

- 4.4.1 Through questionnaire survey, regarding discount rate on block booking, 9 out of 11 Hotel Operators expressed that they would provide offers to event organizers whereas 2 out of 11 Hotel Operators did not provide comments.
- 4.4.2 Regarding joint promotion / priority booking with discount on room rate, all Hotel Operators demonstrated a definite view that they would provide offers to event organizer. Furthermore, 2 Hotel Operators expressed that they could offer discounts or special rates for food and beverages to such organizations. The results generally in line with the NSA's experience.
- 4.4.3 During in-depth interviews, some hotel operators indicated that the sports groups or event organizers could reserve or book the guest rooms up to 1 year in advance and the rates would be negotiable.



## 4.5 CONSIDERATION IN MANAGING THE PUBLIC OPEN SPACE (POS)

- 4.5.1 Through questionnaire survey, 11 Hotel Operators were invited to express their interest in managing the Public Open Space (POS) adjoining the proposed hotel.
- 2 Hotel Operators expressed interests in managing the POS adjoining the proposed hotel.
  - 3 Hotel Operators would not consider and their concerns included high perception of risk additional resources required, complication of insurance premiums and the area being out of the company's full control.
  - 6 Hotel Operators could not make decision on managing the POS adjoining the proposed hotel. The decision could only be made after reviewing the scope of the POS project, conducting a study on the overall layout and business model, and understanding the overall development of the area.
- 4.5.2 11 Hotel Operators were asked whether the facilities of the POS would benefit the hotel development, as follows:
- 8 Hotel Operators considered event plaza and event lawn respectively.
  - 7 Hotel Operators respectively indicated that passive recreational spaces and amenity garden.
  - 6 Hotel Operators requested for open air cafes, eating and/ or drinking kiosk.
  - Other facilities included children's playground (4 Hotel Operators), fitness stations (4 Hotel Operators), interactive water feature (3 Hotel Operators), sightseeing duck boat and waterfront promenade (1 Hotel Operator).
- 4.5.3 Different activities including non-commercial / charitable activities and commercial activities will be held in the POS. Hotel Operators considered holding sport, art and cultural events (10 Hotel Operators), festival activities (9 Hotel Operators), temporary exhibitions (8 Hotel Operators), outdoor performance (7 Hotel Operators) and community / charitable events (6 Hotel Operators) in the POS would benefit the hotel development.
- 4.5.4 Regarding the commercial activities subject to approval from relevant authorities and payment of full market waiver fees, 10 out of 11 Hotel Operators considered holding commercial exhibitions, commercial events / activities and commercial outdoor performance such as sports, musical or entertainment performance respectively in the POS would benefit the hotel development. Other commercial activities included temporary retail stall (6 Hotel Operators), open air cafes, eating and/ or drinking kiosk (5 Hotel Operators) and factory outlets (1 Hotel Operator).