



**Lease Modification (or a Land Exchange) for
Redevelopment of an Industrial Lot
(Special time-limited arrangement for application
for relaxation of development intensity)**

A lot owner of a pre-1987 industrial building¹ who wishes to apply for a lease modification or an in-situ land exchange for the redevelopment of an industrial lot² at a non-domestic plot ratio not exceeding 20% more than the maximum development intensity permitted under the relevant statutory town plans may wish to refer to this Practice Note before submitting an application to the Lands Department (“LandsD”). For the purpose of this Practice Note, any reference to a lease modification shall include a land exchange and any reference to a lease modification letter shall include Conditions of Exchange, where the context so admits or requires.

2. This special time-limited arrangement for application to LandsD for relaxation of non-domestic plot ratio under a lease requires that the planning approval from the Town Planning Board (“TPB”) has to be obtained. During the three-year period commencing from 10 October 2018, the owners of pre-1987 industrial buildings erected on industrial lots located outside “Residential” (“R”) zone in the Main Urban Areas and New Towns³ (“Applicable pre-1987 IBs”), may submit application to TPB for planning approval of the redevelopment above the maximum development intensity permitted under the relevant statutory town plans. Provided that such approval is given or will be given by TPB and the increased non-domestic plot ratio as approved by TPB shall not result in exceeding the maximum non-domestic plot ratio allowed under the Building (Planning) Regulations of the Buildings Ordinance, the owners may apply for lease modification in the manner set out below.

3. The application for lease modification in respect of the Applicable pre-1987 IBs to increase the maximum non-domestic plot ratio to the maximum development intensity as approved by TPB, if approved by LandsD, shall be subject to such terms and conditions, including payment of a premium and administrative fee, as may be imposed by LandsD. The lease modification letter shall be executed no later than three years from the date of the TPB’s

¹ A pre-1987 industrial building refers to building built on an industrial lot (see FN 2 below) which was wholly or partly constructed on or before 1 March 1987, or was constructed in accordance with building plans first submitted to the Building Authority for approval on or before 1 March 1987.

² An industrial lot refers to a lot which, under the terms of its land grant, shall not be used for any purpose other than for industrial or godown purposes or both. For the purpose of this Practice Note, a lot with a pre-1987 industrial building erected thereon under a land grant that does not contain specific user restriction and with a lease modification application submitted under this Practice Note could also be regarded as an industrial lot.

³ According to the Hong Kong Planning Standards and Guidelines, “Main Urban Areas” comprise Hong Kong Island, Kowloon and New Kowloon, Tsuen Wan, Kwai Chung, and Tsing Yi; and “New Towns” comprise Sha Tin, Tai Po, Fanling/Sheung Shui, Tuen Mun, Yuen Long, Tin Shui Wai, Tseung Kwan O and Tung Chung.

approval letter and no extension of time would be granted unless LandsD shall consider that there are strong and valid justifications. In this regard, the decision of LandsD on whether or not there are strong and valid justifications is final and conclusive.

4. Among other terms and conditions, the maximum development intensity for redevelopment allowed under the lease as approved by LandsD and the modified building covenant will be specified as part of the terms and conditions of the lease modification letter. The building covenant will normally specify that the redevelopment shall be completed within five years from the date of the execution of the lease modification letter.

5. An administrative fee⁴ will be payable in two instalments to LandsD for processing the application. The initial instalment will be payable as and when demanded by LandsD upon submission of the application, the balance of the administrative fee being payable on the acceptance of the binding basic terms offer. Where applicable, a fee charged for services rendered by the Legal Advisory and Conveyancing Office of LandsD for processing the application will also be payable as and when demanded (“LACO Fee”)⁵. The administrative fee and (where applicable) LACO Fee will not be refunded in any of the circumstances rendering such fees non-refundable as set out in any letters demanding payment thereof.

Other Points to Note

6. The application for lease modification should be submitted to the LandsD at Units 07-11, 27/F, CDW Building, 382-392 Castle Peak Road, Tsuen Wan, for the attention of the Industrial Buildings Revitalization Unit (“IBRU”). An applicant may wish to refer to Appendix I for a sample of the format of such an application and Appendix II for information on the use of the information provided in the application.

7. Owners are advised to engage competent professionals to assist them in making the applications.

8. In cases where an Applicable pre-1987 IB or an industrial lot with an Applicable pre-1987 IBs is in multiple ownership, the owners shall appoint a firm of solicitors to arrange execution by all interested parties of the lease modification letter and to confirm the up-to-date ownership status for the lot, unless LandsD specifically dispenses with any such requirement.

9. If a lease modification application (“Original Application”) for the redevelopment of an Applicable pre-1987 IB is in the course of being processed prior to the date of this Practice Note, the lot owner may, upon obtaining TPB’s approval referred to in paragraph 2 of this Practice Note, submit a fresh application (the “New Application”) for redevelopment of the lot for the maximum development intensity as approved by TPB referred to in paragraph 3 with a request that LandsD will defer processing the Original Application pending the outcome of the New Application. Should the New Application be rejected, not pursued by the lot owner for any reason or the lease modification letter cannot be executed within the three years from the date of the TPB’s approval letter as specified in paragraph 3 of this Practice Note, LandsD will resume processing the Original Application unless such application is withdrawn by the applicant. If the New Application is approved and the relevant

⁴ The amount of administrative fee will be determined by LandsD from time to time.


⁵ The amount of LACO Fee will be determined by LandsD from time to time.

documentation is formally executed within the said three years, the Original Application will be deemed withdrawn by the applicant. An applicant should also note that:-

- (i) the administrative fee and LACO Fee paid for the Original Application will not be refunded in any case;
- (ii) an administrative fee and LACO Fee for the New Application will be payable as and when demanded by LandsD following submission of the New Application; and
- (iii) the administrative fee for the New Application will not be refunded if the applicant withdraws the New Application, or rejects LandsD's offer in respect of the New Application, or is unable to duly execute the documentation for the New Application for any reason to the satisfaction of LandsD, or shall in any of the circumstances rendering such fees non-refundable as set out in any letters demanding payment thereof.

10. Every application submitted to LandsD pursuant to this Practice Note will be considered on its own merits by LandsD at its absolute discretion acting in its capacity as a landlord. This Practice Note shall not constitute any representation on the part of the Government or other authorities or give rise to any expectation on the part of the applicant that any application submitted to the LandsD will be processed or approved.

11. This Practice Note is issued for general reference purposes only. All rights to modify the whole or any part of this Practice Note are hereby reserved.



(Thomas Chan)
Director of Lands
18 February 2019

Sample of an Application

Application (in triplicate) for
Special Arrangement for a Lease Modification (or a Land Exchange)
for Redevelopment of an Industrial Lot

To : Chief Estate Surveyor/Development Control,
Industrial Buildings Revitalization Unit,
Lands Department

Dear Sirs,

(Address of the building or lot, Lot number)

*I/We, _____ (name(s) of the Applicant(s)) _____, [as the (*Sole Owner / Owners) of (*Lot No. _____ / Lots Nos. _____)] hereby apply for a (please specify [*and note paragraph 2 of Practice Note Issue No. 2/2019*]) in respect of the *Lease/ Special Condition No. _____ of Conditions of _____ / Special Condition No. _____ of New Grant No. _____) under which the *Lot No. _____/Lot Nos. _____ *is/are held. Details of the proposal are provided on separate sheet(s) attached to the application.

*I / We hereby expressly confirm and declare that :

- (i) *Lot No. _____ / Lots Nos. _____ *is/are situated in a zone designated for [*please specify which town plan zoning for the lot(s)*] according to the Outline Zoning Plan (OZP) no. _____ which *is/are outside "Residential" zone in the Main Urban Areas and New Towns referred to in Practice Note Issue No. 2/2019; and
- (ii) *Town Planning Board (TPB) approval letter on redevelopment above the maximum development intensity permitted under the OZP no. _____ has been given on _____; / Application to Town Planning Board (TPB) for redevelopment above the maximum development intensity permitted under the OZP no. _____ has been submitted on _____; and
- (iii) *The occupation permit No. _____ is the latest occupation permit issued by the Building Authority for the building erected on *Lot No. _____/Lots Nos. _____ and the said building is a Pre-1987 industrial building as defined in Practice Note Issue No. 2/2019/ The building plans of the building erected on *Lot No. _____/Lots Nos. _____ were first submitted to the Building Authority for approval on or before 1 March 1987 and the said building is a Pre-1987 industrial building as defined in Practice Note Issue No. 2/2019; and
- (iv) The increased non-domestic plot ratio *as/if approved by TPB shall not result in exceeding the maximum non-domestic plot ratio allowed under the Building (Planning) Regulations of the Buildings Ordinance.

In order to facilitate consideration of *my / our application, *I / we attach the Checklist of Basic Requirements together with the required documents / information for your reference.

*I/We hereby expressly acknowledge and agree that if this application is approved by the Lands Department, the Lease Modification Letter/Conditions of Exchange must be executed by *me/us no later than three years from the date of the approval letter of the Town Planning Board on redevelopment intensity above the maximum permissible intensity.

*I / We hereby expressly warrant and declare that the above information provided in support of *my / our application is correct and genuine and *I / we expressly acknowledge that *I am / we are aware and accept that the decision on the application will be made by the Lands Department on the basis of the information supplied by *me / us and may be immediately cancelled in the event that such information is found to be false or misleading.

*I / We further expressly acknowledge that the personal data provided by *me / us in this application will be used by the Lands Department in connection with the processing of *my / our application. The provision of any personal data requested in the application form is voluntary. *I / We understand that if *I / we do not provide sufficient information, the Lands Department may not be able to process *my / our application.

*I / We hereby authorize the Lands Department to disclose *my / our personal data in the application and the attached documents to the Town Planning Board, the Building Authority, the Planning Department and such other Government Departments and any other body, organization or person(s) as it may see fit at its absolute discretion to obtain such information which is deemed relevant to *my / our application, whether on policy or any other grounds.

*I / We further authorize and direct and request any Government Department or other body which may be approached by the Lands Department to supply any and all information which it may require.

* *Delete as appropriate*

Yours faithfully,

Applicant(s)'s Signature: _____
(H.K.I.D. Card Number(s): _____)

Name of the Applicant(s) in Block Letters: _____

Address: _____

Telephone Number: _____

Date: _____

Notes :

- (1) Details of the proposed redevelopment or proposed uses under application will need to be provided on separate sheet(s) attached to the application.

- (2) All owners must sign in the capacity of applicants.
- (3) This application and the separate sheet referred to in Note (1) above should be submitted in triplicate.

- (vii) Details of the application clearly identifying the property concerned, the variations being sought in respect of any terms and conditions of the existing lease conditions including the modification of any restrictions and development parameters included in the existing lease conditions (e.g. proposed user, maximum gross floor area (GFA), site coverage, number of storeys/building height, etc.); and indicating :- ☐

- (a) whether the proposed redevelopment is above the maximum intensity permitted under the Outline Zoning Plan, and if yes, the proposed amount of GFA; and

☐

Yes

☐

No

(please provide detail)

- (b) the total accountable GFA⁽⁵⁾ of the existing building (if applicable) by a schedule. ☐

- (viii) (a) 2 copies of all occupation permits⁽⁵⁾ issued by the Building Authority for the existing building under application; or ☐

- (b) 2 copies of the approval letter⁽⁵⁾ issued by the Building Authority showing the building plans first submitted to the Building Authority for approval were on or before 1 March 1987 ☐

B. Information / Documents that will facilitate the processing of the application ⁽⁷⁾ :

- (ix) A copy of an extract of the relevant Outline Zoning Plan (together with the explanatory notes, as appropriate) showing the property. ☐

- (x) For an application which involves portion(s) of a lot, or sub-divisions of any lots, to assist the verification of site areas and site boundaries, all relevant assignment plans or Deed Poll plans should be provided together with any relevant information relating to the delineation of the boundaries of these sub-divisions. ☐

- (xi) 2 sets of sketch plans illustrating the proposed redevelopment⁽⁶⁾, if available. ☐

- (xii) 2 copies of any submissions approved by other relevant authorities relating to the development proposal or other relevant study ☐

assessment reports, if applicable (e.g. Approved Master Layout Plans under the Town Planning Ordinance, Environmental / Traffic / Drainage Impact Assessment Reports etc.)

Notes :

- (1) Please put a tick in the relevant box if applicable unless otherwise specified; and delete as appropriate.
- (2) One set of documents should be certified by the Land Registry or by the solicitor acting for the applicant, while the other set may be a photocopy of the certified documents. Certification of the documents should be done not more than one month before submission of the application.
- (3) Property includes all lots involved in a lease modification or land exchange application.
- (4) IBRU refers to the Industrial Buildings Revitalization Unit of the Lands Department at Units 07-11, 27/F, CDW Building, 382-392 Castle Peak Road, Tsuen Wan.
- (5) The plans and documents should be certified by the Authorized Person acting for the applicant.
- (6) The proposal should be prepared and submitted by the Authorized Person or other competent professionals acting for the applicant.
- (7) Any other information may be supplied in triplicate on separate sheet(s) attached to the application.

Note on use of Personal Information Required in the Application

| | |
|-------------------------|---|
| Purpose of Collection | <p>The personal data provided by means of this form will be used by the Lands Department for the purpose of considering and processing the application.</p> <p>The provision of personal data by means of this form is voluntary. If you do not provide sufficient information, the Lands Department may not be able to process your application.</p> |
| Class of Transferees | <p>The personal data you provided by means of this form may be disclosed to other Government bureaux / departments for the purpose mentioned above.</p> |
| Access to Personal Data | <p>The applicants have a right of access and correction with respect to personal data as provided for in Sections 18 and 22 and Principle 6 of Schedule 1 of the Personal Data (Privacy) Ordinance. Such right of access includes the right to obtain a copy of the personal data provided on this form.</p> |
| Enquiries | <p>Enquiries concerning the personal data collected, including the request for access and corrections, should be addressed to:</p> <p>The Office Personal Data Controlling Officer of the Lands Department</p> |