

Issue No. 4/2019

## Application for Waivers for Industrial Premises (other than for waivers to allow data centre use<sup>1</sup> and testing laboratory use<sup>2</sup> in industrial premises)

To expedite the processing of applications for waivers for use of existing premises in part(s) of an industrial building<sup>3</sup> held under lease<sup>4</sup> with an "industrial purposes" ("Industrial Premises")<sup>5</sup> for non-industrial purposes (other than for data centre use and testing laboratory use), a streamlined procedure has been introduced since June 2003 for processing applications from owners of Industrial Premises for waiver ("the Waiver") for uses specified in paragraphs 2 and 4 below.

2. With effect from 1 April 2019, applications should be made in the form of the application letter at **Appendix I** and the grant of waivers shall be subject to such terms and conditions including administrative fee, as may be determined. Further, under this procedure,

- For waivers for data centre use in industrial buildings, see LandsD LAO Practice Note Nos. 3/2012, 3/2012A and 3/2012B or any Practice Note amending, varying or substituting the same.
- For waivers for testing laboratory use in industrial buildings, see LandsD LAO Practice Note No. 1/2016 or any Practice Note amending, varying or substituting the same.
- An industrial building refers to a building lawfully erected on a lot which, under the lease conditions, shall not be used for any purpose other than for industrial purpose or for industrial and / or godown purposes. It does not include special factories such as those located in storage premises in container terminals and flatted factories built by the Hong Kong Housing Authority, or lots for special industries such as cargo handling uses, ship building and repairing, oil storage and refining and production of associated chemical by-product, manufacture of polystyrene plastics, manufacture and storage of chlorine, hydrogen and textile chemicals, etc.
- All references to "lease" in this Practice Note cover Government Lease or Conditions of Sale / Grant / Exchange, etc. (as the case may be) and "leases" shall be construed accordingly.
- Industrial Premises may only be used for purposes involving a manufacturing process. However, "technology-based crop and aquaculture production" will generally be accepted in industrial buildings (as referred in footnote 3 above) as an industrial use under lease by Lands Department. Further, it should be noted that the production of crops and aquatic organisms in a controlled process through technological means; whereby the inputs, process and environmental factors, including but not limited to light intensity, temperature, humidity, carbon dioxide and air flow, are constantly monitored and adjusted for an optimal output will be regarded as falling within the meaning of the expression "technology-based crop and aquaculture production". Yet, activities involving direct provision of customer services or goods are excluded. In determining whether a particular activity is an activity involving direct provision of customer services or goods, the decision of the Director of Lands shall be final.

waivers to be issued will make reference to a Schedule of Permitted Uses<sup>6</sup> annexed to the Waiver Letter concerned (Please see **Appendix II**) and waiver fees at standard rates as set out at **Appendix III** will be charged in applicable cases.

- 3. Notwithstanding paragraph 2 above, the above procedure is not applicable to:
- (i) Industrial Premises located on the basement, ground and podium floors<sup>7</sup>; and/or
- (ii) buildings with building plans approved by the Building Authority on or after 1 April 2007 or with building plans approved before 1 April 2007 but with major amendments<sup>8</sup> made to these plans on or after 1 April 2007.
- 4. Alternatively, owners of Industrial Premises may choose to apply for waivers exclusively for the purposes of information technology and telecommunications industries<sup>9</sup> for the manufacture, design, development, production, operation, processing or assembly of, or research into, any of the following (together with office and storage facilities ancillary and directly related thereto):
- (i) electronic and micro-electronic systems, goods and components;
- (ii) information technology products and services including any computer hardware and software, contents and applications; and
- (iii) telecommunications facilities and telecommunications services, "telecommunications" and "telecommunications service" having the same meaning as defined in the Telecommunications Ordinance (Cap. 106) and its amending legislation,

provided always that the provision of customer services and retail services, which involve the physical attendance of the customers or the public at the premises concerned, will not be permitted. Whilst the Waiver will be subject to such terms and conditions including administrative fee, as may be determined, the use of the premises will be restricted to information technology and telecommunications industries purposes and the waiver fee will be charged in accordance with the standard rates as set out at **Appendix IV**. For radio base stations (including antennae) for provision of mobile services installed or to be installed

<sup>&</sup>lt;sup>6</sup> In determining whether a particular user is a use specified in the Schedule of Permitted Uses, the decision of the Director of Lands shall be final.

In determining whether the Industrial Premises are located on basement, ground and podium floors, the decision of the Director of Lands shall be final.

<sup>&</sup>lt;sup>8</sup> In determining whether the amendments are major or minor, the decision of the Director of Lands shall be final.

By way of illustration, the uses would include those operations commonly known as gateways, exchanges, switching centres, radio base stations, paging centres, computer centres, data centres, data processing centres, and telesites or carrier hotels. General commercial / office uses are excluded notwithstanding that these uses may adopt, in their process of working or operation, equipment or facilities that fall within those set out in (i) to (iii) of this paragraph (such as the operation of computer hardware or application of computer software). Examples of these uses being excluded are trading firms, accounting firms, architectural firms, engineering consultancy firms, travel agencies, estate agents, employment agencies, financial consultants, brokerage firms etc. In determining whether a particular use is a use specified in this paragraph, the decision of the Director of Lands shall be final.

outside the building, including on the rooftop of the building, Lands Department ("LandsD") Lands Administration Office ("LAO") Practice Note No. 5/2019 or any Practice Note amending, varying or substituting the same should be referred to.

- 5. For the avoidance of doubt, for a waiver to allow data centre use in Industrial Premises, LandsD LAO Practice Note Nos. 3/2012, 3/2012A and 3/2012B or any Practice Note amending, varying or substituting the same should be referred to. For a waiver to allow testing laboratory use in Industrial Premises, LandsD LAO Practice Note No. 1/2016 or any Practice Note amending, varying or substituting the same is applicable.
- 6. Our aim is to issue waivers covered by this Practice Note not later than two months from the date of receipt of a valid application.
- An owner shall pay an administrative fee as and when demanded by LandsD upon submission of an application. The administrative fee for the application for the Waiver is not refundable, including but not limited to where the owner subsequently withdraws the application, or rejects LandsD's offer in respect of the application, or is unable for any reason to duly execute the legal document effecting the Waiver in all respects to the satisfaction of LandsD or shall in any of the circumstances rendering such administrative fee non-refundable as set out in any letters demanding payment thereof.
- 8. The Waiver, if approved by LandsD under the procedure described above will only cover temporary variation to the user restriction under lease. Owners are reminded of the need to approach other relevant authorities and departments, such as the Town Planning Board, Fire Services Department and Building Authority to ensure compliance with all applicable requirements and to obtain all necessary approvals, permits, permissions or licences that may be required under any Ordinances, by-laws or regulations that are in force from time to time, whether or not the proposed uses that may be required or permitted under the Waiver would involve any alteration, structural or otherwise, to the existing building. The issue of the Waiver should not be construed as any guarantee by LandsD on the feasibility of the proposed uses of the premises nor accepting any liability on the expenses the owners may or had incurred.

#### Other Points to Note

- 9. The application should be submitted to the relevant District Lands Office of the LandsD at the address as set out in LandsD's website (<a href="www.landsd.gov.hk/en/about/enquiries.htm">www.landsd.gov.hk/en/about/enquiries.htm</a>). An applicant may wish to refer to Appendix I for a sample of the format of such application and Appendix V for a note on the use of the personal information provided in the application.
- 10. Owners are advised to engage competent professionals to assist them in submitting the applications.
- 11. 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. It must be pointed out that in determining whether a particular user is a use referred to in this Practice Note, the decision of the Director of Lands shall be final. The standard rates of waiver fees set out in **Appendices III and IV** to this Practice Note are subject to review from time to time as the Government shall at its absolute discretion consider appropriate. This Practice Note shall not constitute any representation on the part of the Government or give rise

to any expectation on the part of the owners that any application submitted to LandsD will be processed or approved.

- 12. 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.
- 13. LandsD LAO Practice Note Nos. 5/2001, 5/2001A, 2/2003 and 1/2015 are superseded by this LAO Practice Note No. 4/2019 and another LAO Practice Note No. 5/2019 from 1 April 2019.

(Thomas Chan) Director of Lands 22 March 2019

### **Sample of an Application**

Application for Waiver for Industrial Premises

To: District Lands Officer,
Dear Sirs,  (Address of the Industrial Promises and Let Number being Subject of the Application)
(Address of the Industrial Premises and Lot Number being Subject of the Application)
I/We, [
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 understand that if I / we do not provide sufficient documents / information including, without limitation, the above required documents / information, the Lands Department may not be able to process my / our application. I / We hereby acknowledge that you may nevertheless request for further relevant information or convening meetings to clarify any aspects of this application as appropriate and necessary.
I / We hereby expressly declare, confirm, acknowledge and agree that all the particulars and the information provided herein and in support of my / our application are true and correct in all respects. I / We have not withheld any information required in the application, nor have I/we provided any misleading information.
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 hereby authorize the Lands Department to disclose my / our personal data in the application and the attached documents to such 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 documents / information which it may require.

Yours faithfully,	
(Agent's / Applicant(s)'s)* Signature: (H.K.I.D. 0	Card Number(s):
Name of the (Agent / Applicant(s))* in Block Letters:	
Address:	
Telephone Number:	
Date:	

#### \* Delete as appropriate

- (1) Contacts of the District Lands Offices are set out in Lands Department's website (www.landsd.gov.hk/en/about/enquiries.htm)
- (2) All owners (including intending purchaser under an Agreement for Sale and Purchase of the Premises) must sign in the capacity of applicants.

### **Checklist of Basic Requirements**

## **Application for Waiver for Industrial Premises**

Informa	ation / Documents that must be submitted (1):	
(i)	Two copies <sup>(2)</sup> of a complete set of Government land grant documents (including all executed lease modification letters and extension letters, if any) affecting the premises <sup>(3)</sup> .	
(ii)	Two copies <sup>(2)</sup> of a computer printout containing the historical and current ownership particulars of the premises.	
(iii)	If submitted by an agent, a written authorization from all registered owners and prospective purchasers <sup>(4)</sup> (if applicable) of the premises.	
(iv)	A copy of an up-to-date location / site / floor plan on an appropriate scale showing the premises.	
(v)	Two copies of the Town Planning Board permission letter for the proposed uses, if applicable. For claims of the use of the premises being an existing use ('EU'), if applicable, two copies of document demonstrating the 'EU' status should be provided. Please refer to the Town Planning Board Guidelines No. 24C for Interpretation of Existing Use in the Urban and New Town Areas (TPB PG-No. 24C) and any subsequent guidelines or otherwise amending or substituting the same for details.	
(vi)	Two sets of drawings on an appropriate scale showing the size and detailed dimensions of the area under application, including the internal floor area calculation, prepared and certified by an Authorized Person or a Registered Professional Surveyor.	
(vii)	A clear description of the proposed operation to be carried out in and uses of the premises	

- (1) Please put a tick in the relevant box if applicable unless otherwise specified; and delete as appropriate.
- 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) Premises include all premises of the existing building(s) under the waiver application.
- (4) A prospective purchaser is an intending purchaser under an existing Agreement for Sale and Purchase registered in the Land Registry.

# Schedule of Permitted Uses<sup>1</sup> for Standard Rates of Waiver Fees as referred to at Appendix III (with effect from 1 April 2019)

- (1) headquarters or back-office operations;
- (2) offices for professional consultants, such as architects, engineers, surveyors, planning consultants, solicitors and accountants;
- (3) offices for business services, such as advertising agencies, management consultants, public relations agencies and interior / graphic designers;
- (4) information technology and telecommunications industries<sup>2</sup>;
- (5) cargo handling and forwarding facilities<sup>3</sup>;
- (6) recyclable collection centres<sup>3</sup>; and
- (7) such other uses for non-residential purposes not involving direct provision of customer services or goods to the general public.

In determining whether a particular use of the premises under application falls within any of the uses under this Schedule of Permitted Uses, the decision of the Director of Lands shall be final.

For the avoidance of doubt, information technology and telecommunications industries exclude radio base stations (including antennae) for provision of mobile services mentioned in LandsD LAO Practice Note No. 5/2019 or any Practice Note amending, varying or substituting the same.

In accordance with LandsD LAO Practice Note No. 1/2019, "cargo handling and forwarding facility" and "recyclable collection centre" as described therein in premises in parts of a building held under lease with a 'godown purposes' will generally be accepted under lease by Lands Department. Hence, temporary waiver for "cargo handling and forwarding facility" and/ or "recyclable collection centre" uses falling within the definitions as described under LandsD LAO Practice Note No. 1/2019 would not be applicable for Industrial Premises held under lease with a 'godown purposes'.

For the avoidance of doubt, "cargo handling and forwarding facility" and "recyclable collection centre" as referred in this Appendix do not include container freight station or free-standing purpose-design logistics centre and sorting of municipal solid waste respectively.

## Standard Rates of Waiver Fees for the Permitted Uses as referred to at Appendix II in Industrial Premises (with effect from 1 April 2019)

Location of Premises	Standard Rates <sup>(1)</sup> for Annual Waiver Fee (based on Internal Floor Area <sup>(2)</sup> ) of the concerned premises	Standard Rates <sup>(1)</sup> of Lump Sum Fee (based on Internal Floor Area <sup>(2)</sup> ) payable upfront for waivers for the lifetime of the concerned building
Urban Area and Tsuen Wan / Kwai Tsing	\$718/m² p.a.	\$6,540/m²
New Territories other than Tsuen Wan / Kwai Tsing	\$549/m² p.a.	\$4,980/m²

- (1) (a) The standard rates will not be applicable to premises located on basement, ground or podium floors; and buildings with building plans approved by the Building Authority on or after 1 April 2007 or with building plans approved before 1 April 2007 but with major amendments made to these plans on or after 1 April 2007. Waiver fees for premises in these locations or buildings will be subject to individual assessment. In determining whether the location of the concerned premises is within the basement, ground or podium floors of a development or whether the amendments to the building plans are major or minor, the decision of the Director of Lands shall be final.
  - (b) For the avoidance of doubt, subject to (a) above, the Director of Lands reserves the right to determine as to which rate should be applicable in respect of any application and the decision of the Director of Lands in this matter shall be final.
  - (c) These standard rates are subject to review from time to time as the Government shall at its absolute discretion consider appropriate.
- (2) The **Internal Floor Area** of a unit comprises the enclosed internal space of the unit for the exclusive use of the occupier including balconies, toilets and lift lobbies forming part of that unit. It shall be the area contained within the enclosing walls of that unit measured to the interior face of the external wall or separating wall. All internal partitions and columns within the unit shall be included.

## Standard Rates of Waiver Fees for <u>Information Technology and Telecommunications Industries in Industrial Premises</u> (with effect from 1 April 2019)

Location of Premises	Standard Rates <sup>(1) &amp; (2)</sup> of Annual Waiver Fee based on Internal Floor Area <sup>(3)</sup> of the concerned premises	Standard Rates <sup>(1) &amp; (2)</sup> of Lump Sum Fee (based on Internal Floor Area <sup>(3)</sup> ) payable upfront for waiver for the lifetime of the concerned building
For those premises within the district boundary of District Lands Office (Hong Kong West and South), District Lands Office (Hong Kong East), District Lands Office (Kowloon East), District Lands Office (Kowloon West), District Lands Office (Tsuen Wan and Kwai Tsing)	\$104/m² p.a.	\$920/m²
For those premises within the district boundary of District Lands Office (Tuen Mun), District Lands Office (Yuen Long), District Lands Office (North), District Lands Office (Tai Po), District Lands Office (Shatin), District Lands Office (Sai Kung) and District Lands Office (Islands)	\$69/m² p.a.	\$610/m²

- (1) These standard rates are subject to review from time to time as the Government shall at its absolute discretion consider appropriate.
- These standard rates are not applicable to radio base stations (including antennae) for provision of mobile phone services installed or to be installed outside the building, including on the rooftop of the building. For radio base stations installed or to be installed outside the building, including on the rooftop of the building, LandsD LAO Practice Note No. 5/2019 for Application for Waivers for Installation of Radio Base Stations for Mobile Services in Existing Buildings or any Practice Note amending, varying or substituting the same should be referred to.
- (3) The **Internal Floor Area** of a unit comprises the enclosed internal space of the unit for the exclusive use of the occupier including balconies, toilets and lift lobbies forming part of that unit. It shall be the area contained within the enclosing walls of that unit measured to the interior face of the external wall or separating wall. All internal partitions and columns within the unit shall be included.

## Note on Use of Personal Information Required in the Application

Purpose of Collection	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. 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.
Class of Transferees	The personal data you provided by means of this form may be disclosed to other Government bureaux / departments for the purpose mentioned above.
Access to Personal Data	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.
Enquiries	Enquiries concerning the personal data collected, including the request for access and corrections, should be addressed to:  The Office Personal Data Controlling Officer of the Lands Department