

Lands Administration Office Lands Department

Practice Note

Issue No. 1/2010A

Application for

- (a) Special Arrangement for a Lease Modification (or a Land Exchange) for Redevelopment of an Industrial Lot; or
- (b) Special Waiver for Conversion of an Entire Existing Industrial Building

This Practice Note varies and supplements Lands Department ("LandsD") Lands Administration Office ("LAO") Practice Note No. 1/2010 with effect from 1st April 2012. Except as varied and supplemented by this Practice Note, all other information and provisions in LAO Practice Note No. 1/2010 remain valid. The Checklist attached to this Practice Note will supersede the Checklist in Appendix I to LAO Practice Note No. 1/2010 with effect from the same date. This Practice Note and LAO Practice Note No. 1/2010 are hereafter collectively referred to as "the Practice Notes".

2. The expiry date for submitting an application to LandsD for either a lease modification or land exchange under caption (a) above or a special waiver under caption (b) above for the purpose of LAO Practice Note No. 1/2010 (as varied and supplemented by this Practice Note) is now extended from 31st March 2013 to 31st March 2016 (last date inclusive).

Special Waiver for Conversion of an Entire Existing Industrial Building

- 3. For applications for special waiver submitted on or after 1st April 2012:
 - (a) The requirement to retain the existing building frame after the conversion in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: changes to the external building structures will be permitted on condition that:
 - (i) any changes to the external building structures shall involve not more than 10% of the total accountable gross floor area ("GFA") of the existing building (as set out in the building plans last approved by the Building Authority before the application); and
 - (ii) any changes will not result in any increase in the total accountable GFA of the existing building or addition of new floor spaces outside the existing building envelope, and no bonus GFA as provided for in the relevant building regulations due to such changes shall be applicable.

For the avoidance of doubt, the accountable GFA of all the external building structures to be changed shall be countable in calculating the said 10% total accountable GFA limit as referred to in sub-paragraph (i) above.

- (b) The restriction of variation in building height in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: machine rooms, air-conditioning units, water tanks, stairhoods and similar roof-top utility structures may be erected or placed on the main roof of the existing building where
 - (i) the prior written approval of the Director of Lands has been obtained;
 - (ii) such roof-top utility structures are exempted from the calculation of GFA under the Buildings Ordinance, any regulations made thereunder and any amending legislation; and
 - (iii) such roof-top utility structures do not occupy more than 50% of the roof area of the floor immediately below.
- (c) The restriction of variation in building bulk in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: claddings or curtain walls may be added to the outer face of the external building structures and shall not be taken into account in considering whether there is an increase in the building bulk under the special wavier provided that such claddings or curtain walls are exempted from the calculation of GFA under the Buildings Ordinance, any regulations made thereunder and any amending legislation.
- 4. Upon submission of the application, the applicant shall indicate in the attached Checklist whether the conversion proposal involves changes mentioned in item (a), item (b) or item (c) in paragraph 3 above, or any combination thereof. If such conversion proposal would be in breach of the lease conditions (other than the user restriction to which the special waiver relates), a separate lease modification is required. LandsD will complete processing the lease modification, if approved, before proceeding to execute the special waiver.
- 5. For those applications submitted prior to 1st April 2012, the conditions in LAO Practice Note No. 1/2010 will continue to be imposed in the special waiver, and, if approved and special waivers executed, LandsD will continue to exercise its discretion in approving building plans with utility structures on the main roof and addition of claddings or curtain walls.
- 6. If a special waiver application ("Original Application") is in the course of being processed prior to 1st April 2012, the applicant may choose to withdraw the Original Application and submit a new application with conditions of the special waiver as mentioned in item (a), item (b) and item (c) in paragraph 3 above on or after 1st April 2012. A lot owner who has already obtained a special waiver for conversion of use of an industrial building may apply for a new special waiver to benefit from the conditions mentioned in paragraph 3 above on or after 1st April 2012. If the new special waiver is executed, the existing special waiver will be cancelled or terminated simultaneously. In either of these cases, an applicant should note that:
 - (a) the administrative fee paid for the Original Application or the existing special waiver (as the case may be) will not be refunded in any case;
 - (b) an administrative fee for the new application will be payable as and when demanded by LandsD following submission of the new application; and

¹ The lease modification may take such form and contain such conditions as LandsD may consider appropriate for the case, including, among others, payment of a premium.

- (c) the administrative fee for the new application will not be refunded if
 - (i) the applicant withdraws the new application; or
 - (ii) he rejects LandsD's offer in respect of the new application; or
 - (iii) he is unable to duly execute the documentation for the new application to the satisfaction of LandsD for any reason; or
 - (iv) in any of the circumstances rendering the administrative fee non-refundable as set out in any letter demanding payment of the administrative fee.
- 7. It is a pre-requisite for a special waiver application that an industrial building must be located in a zone designated for use as "Industrial", "Commercial" or "Other Specified Uses (Business)" ("Designated Zones") according to the statutory town plans prepared pursuant to the Town Planning Ordinance, any regulations made thereunder and any amending legislation. For the avoidance of doubt, an application for a special waiver will be rejected if the zone within which the industrial building is located in the statutory town plan is changed to one other than any of the Designated Zones before the execution of the special waiver. In such a situation, the administrative fee paid will be refunded.

Other Points to Note

- 8. Every application submitted to LandsD pursuant to the Practice Notes will be considered on its own merits by LandsD at its absolute discretion acting in its capacity as a landlord. The Practice Notes shall not constitute any representation on the part of the Government or give rise to any expectation on the part of the applicant that any application submitted to the LandsD will be processed or approved.
- 9. This Practice Note is issued for general reference purposes only. All rights to modify the whole or any part of the Practice Notes are hereby reserved.

(Miss Annie TAM) Director of Lands

28 February 2012

<u>Checklist of Basic Requirements</u> <u>for Submission of an Application for</u>

- (a) Special Arrangement for a Lease Modification (or a Land Exchange) for Redevelopment of an Industrial Lot; or
- (b) Special Waiver for Conversion of an Entire Existing Industrial Building

A.	Inform	mation / Documents that must be submitted (1):	
Gen	eral :		
(i)	(inc	opies ⁽²⁾ of a complete set of Government Land Grant documents cluding all executed lease modification letters and extension ers, if any) affecting the property ⁽³⁾ .	
(ii)		copy of an up-to-date location / site plan on an appropriate scale rmally 1:1000) showing the property.	
(iii)		copies (2) of a computer printout containing the historical and rent ownership particulars of the property.	
(iv)	(a)	If any of the registered owners is a limited company, 2 sets of certified true copies of its Certificate of Incorporation, Certificate of Change of Name (if applicable) and Notice of Situation of Registered Office. For overseas companies, documents equivalent to the above should be produced.	
	(b)	If there are any chargees/mortgagees, letter(s) from chargees/mortgagees confirming that they have no objection to / agree to enter into the proposed special waiver letter/lease Modification Letter/Conditions of Exchange.	
	(c)	In the event of the lot being in multiple ownership and unless otherwise consented to by LandsD, a summary list (in duplicate) certified by the solicitor acting for the applicants containing the names of all registered owners/chargees/mortgagees/purchasers who have entered into an Agreement for Sale and Purchase of a unit or units ("Purchasers") (if any) of the property together with details of number of undivided shares held by each owner and an undertaking by the solicitor to inform the RCIB (4) of the Lands Department of any change in the names of the registered owners/chargees/mortgagees/purchasers between the date of application up to the date of the special waiver letter/lease Modification Letter/Conditions of Exchange;	
(v)		opy of the Town Planning Board approval letter for the proposed s or development, if applicable.	
(vi)		submitted by an agent, a written authorization from all the istered owners and purchasers (if applicable) of the property.	

For Lease Modification (including a Land Exchange) only:

(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 intensity is less than the maximum permissible intensity, and if yes, the proposed amount of GFA and the percentage in terms of the maximum permissible development intensity; and
	Yes No (please provide detail)
	(b) in the event that the premium exceeds \$20 million, whether the applicant wishes to pay the premium for the proposed lease modification (if approved) by annual instalments and by how many instalments (not exceeding 5 annual instalments). Yes (please specify no. of instalments)
For Sp	ecial Waiver only :
(viii)	2 copies of a complete set of the building plans (5) last approved by the Building Authority for the existing building under application and a schedule showing the total accountable GFA (5) of the existing building.
(ix)	2 copies of all occupation permits ⁽⁵⁾ issued by the Building Authority for the existing building under application.
(x)	Proposed new use(s) of the building under the application. (please provide details on separate sheet)

(xi)	2 sets of schematic plans ⁽⁶⁾ indicating the layout of the manoeuvring, parking, loading and unloading, picking up and setting
	down spaces to be provided for motor vehicles, motor cycles, goods vehicles, taxis, buses and coaches (if applicable) of the building after conversion.
(xii)	2 copies of any conversion works proposal ⁽⁶⁾ for the existing building, which should include certification:-
	 of any change in GFA, site coverage, number of storeys and building height to the existing building; and
	• that no other non-compliance with the lease conditions.
(xiii)	If applicable, a certified copy of the Deed of Mutual Covenant ("DMC") of the building and a written confirmation by the solicitor
	acting for the applicants as to whether there are any inconsistencies between the provisions of the DMC and the proposed new use(s). If so, a proposal as to how they are going to deal with the inconsistencies should also be submitted.
(xiv)	Does the proposed uses under the special waiver cover among others non-polluting industrial use?
	Yes No (Please clearly specify the type of non-polluting industrial use)
(xv)	Does the applicant for the special waiver wish to place utility structures on the main roof level?
	Yes No (Please provide details of the utility structures (including the height of the structures, the total GFA of the spaces to be occupied by the utility structures and the roof area of the floor immediately below)
	on separate sheet if necessary)

(xvi)	Does the applicant for the special waiver wish to install curtain walls or add claddings to the outer face of the external building structures?
	Yes (Please provide details of the claddings or curtain walls (including the projection from the outer face of the external building structures to the outer face of the claddings or curtain walls) on separate sheet if necessary)
(xvii)	Does the applicant for the special waiver wish to change the existing external building structures?
	Yes No (Please provide details on the change of the existing external building structures such as any accountable GFA involved on separate sheet if necessary)
(xviii)	Does the applicant for the special waiver also wish to modify other lease restrictions (other than the user restriction) in association with the proposed new uses?
	Yes No (Please provide detail on separate sheet if necessary)
	nformation / Documents that will facilitate the processing of the pplication $^{(7)}$:
(xix)	A copy of an extract of the relevant Outline Zoning Plan (together with the explanatory notes, as appropriate) showing the property.
(xx)	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.

(xxi)	2 sets of sketch plans illustrating the proposed redevelopment or the converted building, if available.	
(xxii)	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:

- 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.
- Property includes all lots involved in a lease modification, land exchange or special waiver application.
- RCIB refers to the Redevelopment and Conversion of Industrial Buildings Team of the Lands Department at 19/F, North Point Government Offices, 333 Java Road, North Point.
- 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.
- Any other information may be supplied in triplicate on separate sheet(s) attached to the application.