



**Lands Administration Office
Lands Department**

Practice Note

Issue No. 10/2025

**Offering Private Land to Offset the Land Premium Payable
for Land Exchange under the “Enhanced Conventional New Town Approach”
or Land Grant by Tender under the “Large-scale Land Disposal” Arrangement
in New Development Areas of the Northern Metropolis**

To promote market participation and to expedite the development of the Northern Metropolis (“NM”), a new premium payment arrangement is introduced to allow applicants for lease modification including land exchange (collectively “land exchange”) under the “Enhanced Conventional New Town Approach” (“ECNTA”)¹ or tenderers for grant of land by tender under the “Large-scale Land Disposal” (“LSLD”) arrangement in New Development Areas (“NDAs”) of the NM to offer private land, which is planned to be resumed or has been resumed by the Government but with ex-gratia allowance (“EGA”) yet to be released to the former owners, to offset the balance of land premium payable (“Premium Offsetting”) for the land exchange under the ECNTA and the land granted by tender under the LSLD arrangement.

Land Eligible for Premium Offsetting

2. The private land to be offered for Premium Offsetting (“the Offered Land”) must be agricultural land² located within the NM³ owned by :

- (i) an applicant for land exchange under the ECNTA or its associated company within the meaning of the Companies Ordinance (Cap. 622) as of the date of promulgation of the Practice Note inviting applications for the land exchange under the ECNTA; or
- (ii) a tenderer for grant of land under the LSLD arrangement or its associated company within the meaning of the Companies Ordinance (Cap. 622) as of the date of tender invitation under the LSLD arrangement

(both dates collectively “the relevant date”)⁴. The Offered Land must be included in a list of

¹ Lands Department Lands Administration Office Practice Note No. 13/2023 refers.

² Agricultural land refers to old schedule and new grant lots demised for agricultural use.

³ For the avoidance of doubt, this excludes any private land (agricultural or otherwise) to be surrendered in exchange for grant of a site under the ECNTA.

⁴ For the purpose of this Practice Note, the Offered Land is deemed to be owned by the applicant or the tenderer or their associated company within the meaning of the Companies Ordinance (Cap. 622) as of the relevant date if the Offered Land has been resumed by the Government but the EGA is yet to be released to the applicant or the tenderer or their associated company as former owner as of the relevant date.

projects as the Government may designate from time to time (“the list of designated projects”) which sets out the private land that :

- (i) may be resumed by the Government under the relevant Ordinances⁵ within three years of the relevant date; or
- (ii) has already been resumed by the Government but with EGA yet to be released to the former owners at the relevant date.

The list of designated projects will be published on the website of the Lands Department (“LandsD”) (www.landso.gov.hk/en/land-acq-clearance/new-development-area.html).

Applications for Premium Offsetting

3. Applicants seeking to use or apply the value of the Offered Land for Premium Offsetting in land exchange applications under the ECNTA or in tenders under the LSLD arrangement (collectively “the Applicants”) should refer to the list of designated projects at the relevant date and make their offers (with the ownership and particulars of each of the Offered Land clearly stated) at the time of submitting ECNTA land exchange applications or LSLD tenders (as the case may be). There shall not be any change to the ownership of any of the Offered Land or any amendment or variation to the particulars of any of the Offered Land once the offer is made.

4. Applicants are required to prove title and the area of the Offered Land in all respects to the satisfaction of LandsD and shall within such time limit as required by LandsD submit such documents (including title documents) of the Offered Land for title checking and area verification as required, and answer all requisitions raised by LandsD. If any of the Offered Land is not owned by the Applicants, documentary proof of the owners of the land being their associated companies within the meaning of the Companies Ordinance (Cap. 622) must be provided in all respects to the satisfaction of LandsD. Any delay or failure in submitting the required documents (including title documents) of the Offered Land or answering requisitions may result in the Government’s refusal to accept any of the Offered Land for Premium Offsetting.

5. If any of the Offered Land, which has yet to be resumed by the Government, is found acceptable for Premium Offsetting after completion of checking by the Government, arrangement will be made for a resumption notice under the relevant Ordinances to be gazetted, served and affixed on the respective Offered Land for the ownership of the land to revert to the Government within one month of the resumption notice. The Government will arrange clearance of any households and business operators on the land following the prevailing practice of land resumption in NDAs. The former owners have to sign an Agreement as to Compensation and Indemnity (“ACI”) with the Government within one month of the resumption notice or such other period as may be specified by the Government. The ACI is, *inter alia*, for former owners to indicate agreement to use the value (as determined in the manners specified in paragraph 6 below) of the Offered Land found acceptable by Government for Premium Offsetting and to indemnify the Government from any liabilities, claims, losses, damages etc. arising from the breach of warranty that the former owners had good right and

⁵ These include the Lands Resumption Ordinance (Cap. 124), Roads (Works, Use and Compensation) Ordinance (Cap. 370), Roads (Works, Use and Compensation) (Cap. 370) as applied by section 26 of the Water Pollution Control (Sewerage) Regulation (Cap. 358AL) and Railways Ordinance (Cap. 519).

title to the Offered Land free from encumbrances, and is entitled to the compensation in relation to the Offered Land.

Value of the Offered Land for Premium Offsetting

6. The value of the Offered Land for Premium Offsetting will be determined based on the Tier One zone or Tier Two zone ex-gratia compensation rate⁶ for resumption of agricultural land prevailing as of the date when the resumption notice is affixed or the date of reversion, whichever is the higher. The calculated value, including interest (if any) accrued before the EGA is released⁷, will then be applied for Premium Offsetting for the land exchange under the ECNTA or the land granted by tender under the LSLD arrangement.

For Land Exchange under the ECNTA

7. The Premium Offsetting arrangement has to be completed within a specified time to be stipulated in the Practice Note to be issued for land exchange applications under the ECNTA in order not to affect the project programme of the NM. The EGA amount payable in respect of the Offered Land (as stated in the executed ACI), which has been accepted for Premium Offsetting, will be used or applied to offset the balance of land premium payable for the land exchange. In a case where the EGA amount is not sufficient to cover the entire balance of the land premium, the remaining land premium has to be paid by cash by a designated deadline set by LandsD so as to conclude the land exchange.

For Land Granted by Tender under the LSLD Arrangement

8. Under the LSLD arrangement, tenderers would be allowed to opt for staged payment to settle the balance of land premium (“Staged Payment”), as an alternative payment option to lump sum payment within a specified period from tender award stated in the tender documents (“the Tender Documents”). Only the successful tenderer who has opted for Staged Payment would be allowed to settle the remaining balance of land premium, being at most 75% of the total land premium (or as otherwise specified in the Tender Documents), by Premium Offsetting within three years from tender award (or as otherwise specified in the Tender Documents)⁸. The successful tenderer would also be required to provide a written guarantee from its parent company for the Staged Payment and Premium Offsetting in a form to be approved by LandsD.

⁶ The applicable rates will depend on whether the land concerned is planned to be resumed for development uses (such as NDAs) or non-development uses (such as conservation of wetlands) and are subject to changes by the Government from time to time. For reference, as from 1 October 2025, the Tier One zone and Tier Two zone rates for resumption of agricultural land in the New Territories are \$1,008 and \$504 per square foot respectively.

⁷ For any land already resumed, interest on compensation may accrue for the period from the date of reversion until the date of payment of compensation. In general, where the owner is an individual, payment of compensation will be taken as the date when the former owner signs the ACI; where the owner is a body corporate, payment of compensation will be taken as the date after the checking of execution of the ACI is completed. For Premium Offsetting, however, the day of payment of compensation will be deemed to have taken place on the date of signing or execution of the ACI.

⁸ The Premium Offsetting is confined to successful tenderer who has opted for Staged Payment to allow for completion of the necessary process, including ownership and company status checks, area verification, title check, statutory procedures etc.

9. For any of the Offered Land which has yet to be resumed by the Government, arrangement will be made by LandsD for its resumption as and when the land is found acceptable for Premium Offsetting at any time as the Government considers appropriate. The EGA amount determined in respect of the Offered Land (as stated in the executed ACI), which has been accepted for Premium Offsetting, will be used or applied to offset the balance of land premium payable under the Staged Payment arrangement for the land granted by tender. In a case where the EGA amount is not sufficient to cover the entire balance of the land premium, the remaining land premium has to be paid within three years from tender award (or as otherwise specified in the Tender Documents). Until the full settlement of the remaining balance of land premium through Premium Offsetting or otherwise by cash payment, no alienation of all the relevant land granted by tender under the LSLD arrangement (including underletting or pre-sale but excluding building mortgage for development purpose) would be allowed.

Specific Points to Note

10. Notwithstanding anything in this Practice Note, the Government may, if appropriate, at any time resume any land in NDAs of the NM. The Government has no commitment whatsoever to accept any of the Offered Land offered by an Applicant for Premium Offsetting. The determination of LandsD as to whether any of the Offered Land should be accepted or rejected for Premium Offsetting shall be final and conclusive.

11. The EGA amount determined for the Offered Land should only be used or applied for the purpose of Premium Offsetting for land exchange under the ECNTA or land granted by tender under the LSLD arrangement. No EGA for the Offered Land which has been accepted for Premium Offsetting would in any event be paid in cash by the Government.

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.



(Maurice LOO)
Director of Lands
30 December 2025