



**Lands Administration Office
Lands Department**

Practice Note

Issue No. 11/2023A

**Pilot Scheme for Charging Land Premium
at Standard Rates on Lease Modification including Land Exchange
for Development of Agricultural Land in the New Territories
outside New Development Areas**

This Practice Note (“PN”) supplements Lands Department (“LandsD”) Lands Administration Office (“LAO”) PN No. 11/2023 (“PN 11/2023”).

Standard Rates

2. With effect from 1 April 2024, the standard rates applicable to land exchange for development of agricultural land in the New Territories outside New Development Areas will be based on the following in accordance with the respective zones (as set out under paragraph 4 of PN 11/2023) where the lot(s) is/are situated.

No.	Districts	Zone ¹	Uses <u>Before</u> Land Exchange			Uses <u>After</u> Land Exchange ²	
			Agricultural Use	Non-residential Use ³	Residential Use	Non-residential Use ⁴	Residential Use
1	Yuen Long	#Yuen Long Town	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$24,000/m ²	\$34,000/m ²
2		^*Hung Shui Kiu Station	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$24,000/m ²	\$34,000/m ²

¹ For land falling within overlapping zones, the higher rates will apply. Where an application site straddles the boundary of the geographical coverage (i.e. partly within a zone and partly outside a zone), the whole site will be eligible for standard rates and the decision of LandsD in respect of the rates of respective zones applicable to the part falling outside the geographical coverage shall be final and binding on the applicant. In case an application site straddles two zones or two subzones, the respective rates of the two zones or two subzones will be applied to the Gross Floor Area (“GFA”) after the land exchange on a pro-rata basis according to the site area falling within the two zones or two subzones, assuming that the GFA would be evenly distributed.

² The rate for residential use is applicable to all GFA not prohibiting residential use; the rate for non-residential use is applicable to the remainder of the GFA (except where the non-residential use involved is petrol filling station, storage of dangerous goods or offensive trades to which standard rates for non-residential use are not applicable).

³ “Non-residential Use” includes commercial and industrial uses. The decision of LandsD as to what type of use is non-residential use for the purpose of this PN shall be final and binding on the applicant.

⁴ “Non-residential Use” includes commercial and modern industrial uses but excludes columbarium, petrol filling station, storage of dangerous goods or offensive trades use, to which the standard rates are not applicable. For the avoidance of doubt, hotel and its ancillary use will be treated as non-residential use. The decision of LandsD as to what type of use is non-residential use for the purpose of this PN shall be final and binding on the applicant.

3		^Kam Sheung Road Station	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$20,000/m ²	\$32,000/m ²
4		#Tin Shui Wai Town	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$20,000/m ²	\$32,000/m ²
5		^*San Tin Station	\$4,500/m ²	\$10,000/m ²	\$20,000/m ²	\$18,500/m ²	\$25,500/m ²
6		^*Ngau Tam Mei Station	\$4,500/m ²	\$10,000/m ²	\$20,000/m ²	\$18,500/m ²	\$25,500/m ²
7		^*Au Tau Station	\$4,500/m ²	\$10,500/m ²	\$21,000/m ²	\$20,000/m ²	\$27,000/m ²
8	North	#Fanling/Sheung Shui Town	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$24,000/m ²	\$34,000/m ²
9		^*Kwu Tung Station	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$24,000/m ²	\$34,000/m ²
10 (a)	Tuen Mun	#Tuen Mun Town (Sub-zone 1)	\$4,500/m ²	\$13,500/m ²	\$26,500/m ²	\$20,000/m ²	\$32,000/m ²
10 (b)		#Tuen Mun Town (Sub-zone 2)	\$4,500/m ²	\$10,500/m ²	\$21,000/m ²	\$16,000/m ²	\$25,500/m ²

Note:

All standard rates are expressed on a per GFA basis, except those for agricultural use which are expressed on a per site area basis.

New town (as delineated by the relevant Outline Zoning Plan, plus its fringe areas which are generally within 1-km radius from its railway station(s)). The decision on the determination of the 1-km radius from relevant railway station(s) by LandsD shall be final and binding on the applicant.

^ Railway catchment (generally within 1-km radius from the relevant railway station). The decision on the determination of the 1-km radius from relevant railway station(s) by LandsD shall be final and binding on the applicant.

* Proposed railway station.

Premium Calculation

3. The premium to be charged at standard rates⁵ is not negotiable. It is the **difference** between the product of A and B **and** the product of C and D **less** E, i.e. premium⁶ = A × B – C × D – E, where –

⁵ In the event that a land exchange application involves eligible pre-1987 IBs as referred to in LandsD LAO PN 12/2023, the applicant shall only be allowed to opt for the standard rates under this PN but not those under other PN.

⁶ In case the premium as calculated is negative, no premium will be charged.

- (i) **A** is the maximum total GFA after the land exchange as stipulated in the land exchange document(s)⁷ to be determined by LandsD at its absolute discretion;
- (ii) **B** is the applicable standard rate(s) for use(s) after land exchange as per paragraph 2 above in accordance with the geographical location of the lot(s) under application. In respect of the use(s) after the land exchange, the rate for residential use is applicable to all GFA not prohibiting private residential use, whereas the rate for non-residential use is applicable to the remainder of the GFA so specified in the land exchange document(s);
- (iii) **C** is the total site area of the Agricultural land⁸ to be surrendered and/or the total permissible GFA of the Building land⁹ to be surrendered. The site area of Agricultural land and/or the GFA figure of Building land (as the case may be) for “C” will be determined by LandsD taking into account any supporting information provided by the applicant as per paragraph 4 below;
- (iv) **D** is the applicable standard rate(s) for use(s) before land exchange as per paragraph 2 above in accordance with the geographical location of the lot(s) under application. In respect of Building land, the rate for residential use is applicable to all GFA not prohibiting residential use, whereas the rate for non-residential use is applicable to the remainder of the GFA so specified in the lease(s) or land document(s); and
- (v) **E** is a deductible being the construction cost of the Government Accommodation which has to be constructed by the applicant under the land exchange document(s), to be assigned or handed back to the Government (either upon completion or upon demand) or to be operated, managed and maintained on behalf of the Government for public use. Such construction cost will be assessed by proponent Government department and, if practicable, conveyed to the applicant before the deadline of making the Option (as referred to in PN 11/2023). If no such construction cost is conveyed, there will not be such deductible for the premium to be charged at standard rates under this paragraph. The definition of Government Accommodation

⁷ In determining the maximum total GFA for the purposes of paragraph 3(i) of this PN, any floor space that is constructed or intended for use solely as a Government Accommodation may be disregarded. If the Net Operation Floor Area (“NOFA”) of the Government Accommodation is stated in the land exchange document(s), for the purpose of this PN, the conversion ratio of the NOFA to GFA of the Government Accommodation is 1:1.8, e.g. 100m² NOFA = 180m² GFA. For other floor space, only that which is expressly exempted from the calculation of GFA under the land exchange document will be disregarded. If no maximum total GFA is stipulated in the land exchange document, the arrangement in this PN is not applicable.

⁸ Agricultural land refers to old schedule and new grant lots demised for agricultural use, and the agricultural land portion within mixed lots (i.e. lots with portions designated for agriculture and building purposes respectively). Agricultural land will be assessed using the standard rates on site area basis.

⁹ Building land refers to land on which building structure(s) is allowed, and the building land portion within mixed lots (as defined under footnote 8 above). Regarding old schedule lots, the descriptive terms mentioned in the Schedules to the Block Government Leases must be one or more of the following so as to be regarded as Building land: house, building, mat shed, boat hut, temple, nunnery, latrine, shop, cow shed, cattle shed, duck shed, cow byre, pigsty, school or such other uses as to be determined by LandsD at its absolute discretion; and such old schedule lots will be regarded as Building land for residential use (as residential use is not prohibited). The total permissible GFA shall refer to those GFA specified in the lease(s) or land document(s). In the absence of express permissible GFA under the lease(s) or land grant document(s), a plot ratio of 1.33 will be adopted. In case the lease(s) or land document(s) of the lots to be surrendered are untraceable, the use and the site area of these lots will be determined by LandsD at its absolute discretion.

for the purpose of this PN and whether any Government Accommodation is eligible for the deduction from the premium shall be at the sole and absolute discretion of LandsD and the decision of LandsD shall be final and binding on the applicant.

Submission of Documents

4. To facilitate timely determination by LandsD of the site area of the Agricultural land to be surrendered and/or the GFA figure of the Building land to be surrendered for premium calculation at standard rates (i.e. "C" as referred to in paragraph 3(iii) above) ("the site area and/or GFA figure for "C"), an applicant shall provide LandsD with –

- (i) Survey Submission¹⁰ of the land boundary survey carried out by an Authorised Land Surveyor¹¹ showing (a) the areas (surveyed and registered areas) and boundaries of the lots to be wholly surrendered; (b) the proposed areas and boundaries of the lots to be partially surrendered; (c) the proposed area and boundary of the application site to be regranted; and
- (ii) the title deeds/documents of all the lots to be surrendered.

Based on the above submission and documents provided by the applicant **not later than** the settlement of initial administrative fee as demanded by LandsD for the proposed land exchange application or two months from the date of this PN for applications already accepted for further processing before the date of this PN, LandsD will inform the applicant of the site area and/or GFA figure for "C" for premium calculation at standard rates at the time of the issuance of the PBTO by a separate letter so as to facilitate the applicant's choice of the premium assessment option. In case the applicant chooses not to provide the above submission and documents by the said timeframe and opts to assess premium at standard rates, LandsD will determine the site area and/or GFA figure for "C" according to the information known to LandsD and issue the BBTO accordingly. LandsD reserves the right to require the applicant to provide additional supporting documents to facilitate processing and the applicant shall within such time as required by LandsD provide such documents. The decision of LandsD on the site area and/or GFA figure for "C"¹² will be final and binding on the applicant.

5. As a transitional arrangement, for on-going land exchange applications with the PBTO already accepted or with the BBTO already issued but without acceptance of the premium offered as of the date of this PN that would otherwise be eligible to opt for the premium to be charged at the standard rates, the applicants will be invited to opt for the standard rates once without having to resubmit the land exchange applications and payment of administrative fee again by completing and submitting to LandsD the Option Form at **Appendix I** ("Option Form") by **31 May 2024**. If the duly completed Option Form is not submitted to LandsD on or before that date, the applicant is deemed to have selected the premium to be assessed in accordance with the established case-by-case basis. This transitional arrangement will not apply to any land exchange application where the BBTO (including the

¹⁰ Survey Submission includes Survey Record Plan, Land Boundary Plan and Survey Report prepared in accordance with the requirements of the latest Code of Practice under the Land Survey Ordinance (Cap. 473).

¹¹ Authorised Land Surveyor is a land surveyor registered under Part IV of the Land Survey Ordinance (Cap 473). A list of practising authorised land surveyors is available at: <https://www.landsd.gov.hk/en/survey-mapping/authority/als.html>

¹² The site area and/or GFA figure for "C" as determined by LandsD may not be the same as that shown on the Block Government Lease or other land document(s).

premium offered) has already been accepted as of the date of this PN, in which case the land exchange will proceed to execution.

6. Subject to paragraph 5 above which is applicable only to cases eligible for the transitional arrangement, if the duly completed Option Form is not received by LandsD on or before the acceptance of the PBTO, the premium will be assessed in accordance with the established case-by-case basis. If an applicant subsequently wishes to opt for the use of standard rates after acceptance of the PBTO but before the acceptance of the BBTO, the applicant is required to withdraw and resubmit the land exchange application. The re-submitted application will be considered **afresh** subject to the established mechanism and time frame including the payment of the prescribed fees. If an applicant decides not to accept the BBTO and not to proceed with the land exchange with the premium assessed in accordance with the established case-by-case basis, any fees paid for the application will be forfeited.

7. Each Option Form submitted to LandsD pursuant to PN 11/2023, as supplemented by this PN, will be considered on its own merits by LandsD acting in its capacity as a landlord and LandsD has the absolute discretion to decide whether or not to accept the Option. This PN and PN 11/2023 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 land exchange application or the Option Form submitted to LandsD will be processed or approved. The premium for a land exchange is to be determined by LandsD at its absolute discretion. The decision by LandsD as to whether a land exchange application is eligible for opting the premium to be charged at standard rates shall be final and binding on the applicant.

8. This PN is issued for general reference purpose only. All rights to modify the whole or any part of this PN are hereby reserved.


(Andrew LAI)
Director of Lands
2 April 2024

First issued December 2023 (PN 11/2023)
This revision April 2024

OPTION FORM

To : *Chief Estate Surveyor/ Land Supply/ District Lands Officer/_____, Lands Department

Fax :

Email :

Date : _____

Lot No.: _____ ("the Lot")

Address: _____

Proposed *Lease Modification/Land Exchange

Pursuant to the Lands Department ("LandsD") Land Administration Office ("LAO") Practice Note ("PN") No. 11/2023, as supplemented by LAO PN No. 11/2023A, *I/we hereby opt for the land premium payable for the proposed *lease modification/land exchange transaction ("proposed transaction") to be assessed at standard rates.

2. *I/We understand and acknowledge that :-

- (i) the relevant site area and/or gross floor area ("GFA") figures *have been determined by LandsD and confirmed to *me/us / will be determined by LandsD at its absolute discretion;
- (ii) LandsD has the absolute discretion to decide whether to accept *my/our application for opting the premium to be charged at standard rates;
- (iii) if *my/our application for opting the premium to be charged at standard rates is not accepted by LandsD, the premium will be assessed in accordance with the established case-by-case basis; and
- (iv) *my/our application for opting the premium to be charged at standard rates is irreversible upon acceptance of Provisional Basic Term Offer. If such application is accepted by LandsD, *I/we will no longer be entitled to appeal against the premium to be offered under the Binding Basic Terms Offer for the proposed transaction. Fees paid for the application of the proposed transaction will be forfeited if *I/we decide not to proceed with it.

3. *I/We have read and understood the attached Note on Use of Personal Information.

Yours faithfully,

Signature(s) of the *Applicant / authorized officer(s) for and on
behalf of the Applicant(s) : _____

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

*Name(s) and capacity of the authorized officer(s) of the
Applicant(s): _____

Address of the Applicant(s): _____

Telephone Number of the Applicant(s): _____

Date: _____

* Delete as appropriate

c.c. Chief Estate Surveyor/Valuation, Lands Department (email : cesv@landsd.gov.hk)
(Fax : 2523 1620)

Note on Use of Personal Information

Purpose of Collection	The personal data provided in this Option Form will be used by the Lands Department for the purpose of considering and processing this Option Form. The provision of personal data as required in this Option Form is obligatory. If you do not provide the personal data, the Lands Department may not be able to process this Option Form.
Class of Transferees	The personal data you provided in this Option Form may be disclosed to other Government bureaux / departments for the purpose mentioned above.
Access to Personal Data	The individual who is the subject of the personal data has 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 in this Option Form upon payment of the applicable charge.
Enquiries	Enquiries concerning the personal data collected, including the request for access and corrections, should be addressed to: Departmental Personal Data Controlling Officer of the Lands Department 20/F., North Point Government Offices 333 Java Road, North Point Hong Kong