Lands Administration Office
Lands Department

Practice Note

Issue No. 11/2023

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

In pursuance of the 2023 Policy Address, a new pilot scheme will be introduced to extend the arrangement of providing an option of charging land premium at standard rates (as an alternative to the conventional premium assessment mechanism) for lease modification including land exchange (collectively as "land exchange") to the development of agricultural land in the New Territories outside the New Development Areas[1] ("the Pilot Scheme") by phases. This aims to enhance the certainty on the premium amount and help expedite processing of land exchange applications.

Eligibility

2. The Pilot Scheme is only applicable to land exchange application with not less than 50% of the site area of the private land under application being agricultural land[2].

3. While applicants for land exchanges can continue to choose having the premium to be assessed on the established case-by-case basis, they may **opt** for the premium for the eligible land exchange to be charged at standard rates ("the Option") **not later than** the acceptance of the Provisional Basic Terms Offer ("PBTO") for the proposed land exchange by completing an option form to be specified by LandsD in the supplemental Practice Note ("PN") as referred to in paragraph 5 below. As the Option is irreversible upon the acceptance of the PBTO, no appeal against the premium to be offered at standard rates under the Binding Basic Terms Offer ("BBTO") for the proposed land exchange will be provided for or considered. Fees paid for the application will be forfeited if the applicants decide not to proceed with the land exchange.

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[1] The standard rates arrangement for land exchange applications in Kwu Tung North and Fanling North New Development Areas ("NDAs") is covered by Lands Department ("LandsD") Land Administration Office Practice Note Nos. 3/2022 and 3/2022A. The standard rates arrangement for land exchange applications in other NDAs will be covered by PNs to be issued by the LandsD in due course.

[2] 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). The private land under application may involve the whole of a lot or part thereof or more than one lot to match with the boundary of the development site according to the relevant Outline Zoning Plan. The site area of the private land under application, and the breakdown between agricultural and non-agricultural land, will be determined by LandsD in accordance with its established practices having regard to the area stipulated under lease, relevant land boundary records and ground survey as appropriate, and LandsD's determination shall be final and binding on the applicant. The 50% of the site area of the private land under application refers to the private land proposed to be surrendered.

Geographical Coverage

4. The first phase of the Pilot Scheme covers the following 10 zones in three districts, namely Yuen Long, North and Tuen Mun, comprising four existing new towns and six railway catchments[3] as illustrated at **Appendix I**. As shown in **Appendix I**, certain areas which are within NDAs or area under on-going strategic development studies are carved out ("carved-out area"), meaning that the Option under the Pilot Scheme is not applicable. The decision of LandsD on whether the land exchange application falls within the carved-out areas, shall be final and binding on the applicants.

No.	Districts	Zone[4]
1	Yuen Long	**#Yuen Long Town**
2		**^*Hung Shui Kiu Station**
3		**^Kam Sheung Road Station**
4		**#Tin Shui Wai Town**
5		**^*San Tin Station**
6		**^*Ngau Tam Mei Station**
7		**^*Au Tau Station**
8	North	**#Fanling / Sheung Shui Town**
9		**^*Kwu Tung Station**
10(a)	Tuen Mun	**#Tuen Mun Town (Sub-zone 1)**
10(b)		**Tuen Mun Town (Sub-zone 2)**

3 A railway catchment refers to area falling within one kilometre ("1-km") radius from a railway station, which may include existing railway stations and proposed railway stations with firm commitment on implementation (e.g. those with publicly announced construction timetable, with proposed railway scheme gazetted, or with construction already commenced). The decision on the determination of the 1-km radius from relevant railway station(s) by LandsD shall be final and binding on the applicants. LandsD shall have the absolute discretion in deciding whether any railway catchment shall be covered under the Pilot Scheme.

4 For areas 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 applicants. 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 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.

Note:

\# New town (as delineated by the relevant Outline Zoning Plan, plus its fringe areas which are 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 applicants.

^ Railway catchment (within 1-km radius from the relevant railway station) (see Footnote 3 of this PN).

* Proposed railway station.

Standard Rates

5. The applicable standard rates will be separately published by a supplementary PN in the first quarter of 2024.

Annual Review

6. The geographical coverage and standard rates of the Pilot Scheme are subject to annual review to reflect any changes in circumstances and market conditions. For each application opting for standard rates, the level of rates prevailing at the time of the acceptance of the PBTO shall apply. The first review will take place no earlier than 1 April 2025.

7. This PN 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 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 of 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)
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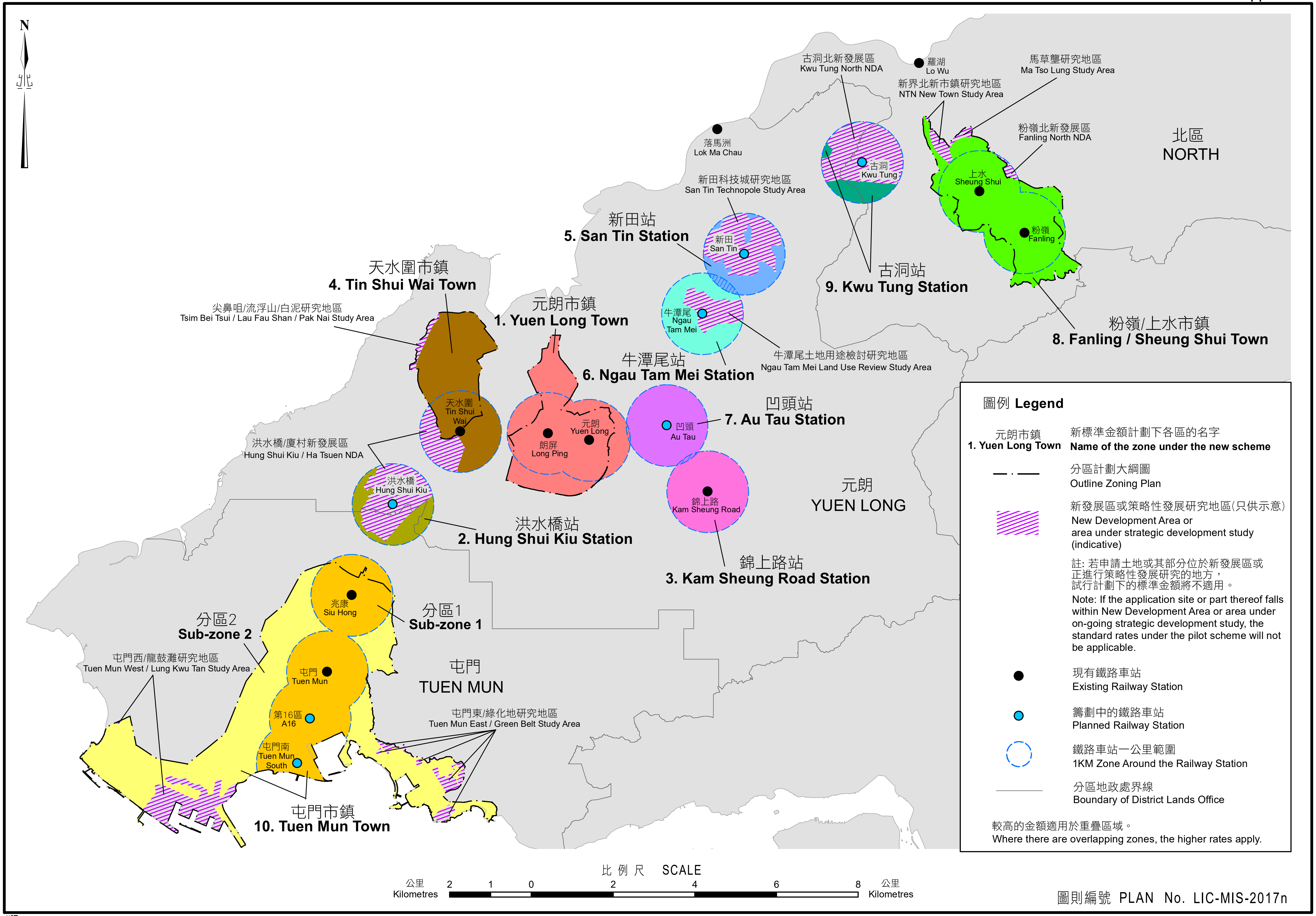
28 December 2023



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