

**Requirements for Processing Applications
for Lease Modification including Land Exchange
under the “Enhanced Conventional New Town Approach”**

1. **Unification, proof of land titles and vacant possession** – application may be submitted by a single owner or joint venture with unified land titles. Private lot(s) to be surrendered should be subject to vacant possession by a specified deadline (or will be secured by a reasonable timing) and free from encumbrances before execution of the lease modification / land exchange if the application is approved.
2. **Comparable compensation or rehousing package** – the lot owner(s) as the applicant should demonstrate that all eligible occupant(s) affected by a proposed land exchange (i.e. occupants occupying the private lot(s) to be surrendered as at the date when the Lands Department conducts a pre-clearance survey or thereafter) have accepted the compensation or rehousing offer(s) from the applicant (save for those occupants who have accepted Government’s compensation or rehousing arrangement, see paragraph 3 below). In the case of compensation offer(s) made by the applicant, it should be the prevailing monetary ex-gratia compensation that would have been offered by the Government to eligible occupants had the private land been resumed and cleared by Government under the New Development Areas development. In the case of rehousing offer(s) made by the applicant, it should be comparable to the prevailing non-means tested rehousing that would have been offered by the Government to eligible occupants had the private land been resumed and cleared by Government under the New Development Areas development. As set out in the paper issued to the Legislative Council in May 2018, this comparable rehousing element may take the form of comparable rehousing in kind (e.g. accommodation charged at the rental level for a non-means tested rental unit) or cash-equivalent of such rehousing element. Compensation or rehousing to eligible occupant(s) provided by the applicant in securing fulfilment of this requirement is not a premium-deductible item. The offer and acceptance of such a comparable package is a matter between the applicant and the eligible occupant(s). The Government would deem the case as settled if the applicant is able to deliver documentary evidence indicating that the eligible occupant(s) have accepted the compensation or rehousing package offered by the applicant.
3. **Reimbursing the Government with compensation and/or rehousing costs** – In case the eligible occupants have opted for and accepted the Government’s compensation or rehousing arrangement, the applicant shall reimburse the Government with all the costs paid or incurred, including the cash value of the rehousing element and administrative cost, to be assessed by the Government whose assessment shall be final and binding on the applicant. The amount will be required to be reimbursed to the Government in conjunction with the land premium for the lease modification including land exchange.
4. **Time limit** – the lease modification/ land exchange application (if approved) has to be concluded within a specified time period and in any event earlier than the Government’s land resumption programme, unless it is extended by the Government at its absolute discretion.

5. **Government land** – the site to be re-granted for a lease modification/land exchange application may include adjoining or intervening government land which is incapable of reasonable separate alienation or development. It should be noted that the Government would not normally make available government land adjoining or intervening the private land within a designated development site to enable the re-grant site conforming to the boundaries of the site if the government land is capable of reasonable separate alienation or development.

6. Compliance with other general lease modification/land exchange application criteria and requirements (as may be revised) promulgated by the Lands Department from time to time.