



**Lands Administration Office
Lands Department**

Practice Note

Issue No. 5/2025

**Charging Land Premium
at Standard Rates on Lease Modifications
for Redevelopment of Industrial Buildings**

With immediate effect, this Practice Note (“PN”) varies and supplements Lands Department (“LandsD”) Lands Administration Office (“LAO”) PN No. 12/2023 (“PN 12/2023”) and supersedes LAO PN No. 12/2023A. Except as varied and supplemented by this PN, all other information and provisions in PN 12/2023 remain valid.

2. Paragraph 5(ii) of PN 12/2023 is varied as follows:

“**B** is the applicable standard rate as per paragraph 6 below in accordance with the geographical location of the lot(s) under application and the use after the lease modification. In respect of the use after lease modification, it should be noted that residential rates are applicable to all applications not prohibiting private residential use, save for those falling within the zone of “Comprehensive Development Area” or “Other Specified Uses” for commercial-cum-residential uses under Outline Zoning Plan(s) and/or related planning approvals in which case the residential rate is applicable to the GFA not prohibiting private residential use, whereas the commercial rate is applicable to the remainder GFA except for those specified for modern industrial use in the lease modification document(s), in which case, the modern industrial rate is applicable. For the avoidance of doubt, hotel and hotel ancillary GFA will be treated as commercial use under the scheme;”

3. With effect from 1 April 2025, the standard rates for the calculation of premium applicable to lease modification for redevelopment of industrial buildings on industrial lots in the five broad regions as delineated at Appendix II to PN 12/2023 will be as follows:

Region	Use Before Lease Modification		Use After Lease Modification ¹		
	Industrial / Godown (except Special Industrial)	Special Industrial	Modern Industrial	Commercial	Residential
Hong Kong Island	\$26,500/m ²	\$18,500/m ²	\$43,000/m ²	\$48,000/m ²	\$75,000/m ²
Kowloon East	\$26,500/m ²	\$18,500/m ²	\$37,000/m ²	\$41,000/m ²	\$56,000/m ²
Kowloon West	\$23,500/m ²	\$16,500/m ²	\$36,000/m ²	\$40,000/m ²	\$62,000/m ²

¹ The decision of LandsD as to (a) what type of use is residential, commercial and modern industrial and (b) the application of a standard rate to any GFA under this PN shall be final and binding on the applicant.

New Territories South	\$23,500/m ²	\$16,500/m ²	\$30,000/m ²	\$35,000/m ²	\$41,000/m ²
New Territories North	\$14,000/m ²	\$10,000/m ²	\$17,000/m ²	\$20,000/m ²	\$29,000/m ²

4. The Option Form at Appendix I to PN 12/2023 is replaced by the Option Form at Appendix I to this PN.

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



(Maurice LOO)
Director of Lands
10 April 2025

First issued	March 2021 (PN 1/2021 - superseded)
Second revision	March 2022 (PN 1/2021A - superseded)
Third revision	December 2023 (PN 12/2023)
Fourth revision	April 2024 (PN 12/2023A - superseded)
This revision	April 2025

OPTION FORM

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

Fax :

Email :

Date : _____

Lot No.: _____ (“the Lot”)

Address: _____

Proposed *Lease Modification/Land Exchange

With reference to your letter dated _____ and pursuant to the Lands Department (“LandsD”) Land Administration Office (“LAO”) Practice Note (“PN”) No. 12/2023 (“PN 12/2023”) as varied and supplemented by LAO PN No. 5/2025 (“PN 5/2025”), *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 provide the following requisite documents / information herewith :-

(i) (a) The occupation permit(s) issued by the Building Authority for the Pre-1987 industrial buildings erected on the Lot(s) (for the purpose of this Option Form, “Pre-1987 industrial building” has the meaning as defined in Footnote 3 of PN 12/2023); or

(b) The approval letter(s) issued by the Building Authority showing the building plans of the Pre-1987 industrial building(s) erected on the Lot(s) were first submitted to the Building Authority for approval on or before 1 March 1987; and

#(ii) A certificate by *an Authorized Person (as defined in the Buildings Ordinance)/a Registered Professional Surveyor (as defined in the Surveyors Registration Ordinance) (“the Certificate”) certifying the gross floor area (“GFA”) of the Pre-1987 industrial building(s) existing on the Lot(s) or existed immediately before the Lot(s) became vacant (collectively “the existing building”) as per the latest building plans of the existing building approved by the Building Authority (“the approved building plans”), but excluding the GFA of any parking, loading and unloading spaces, plant rooms and other similar facilities not normally accountable for GFA under the Buildings Ordinance and any GFA in the approved building plans which do not comply with the lease conditions. A set of the approved building plans is attached with the Certificate.

3. *I/We further understand and acknowledge that :-

- (i) the GFA figures will be determined by LandsD at its absolute discretion;
- (ii) LandsD has the absolute discretion to decide whether to accept *my/our application to opt for the premium to be charged at standard rates;
- (iii) if *my/our application to opt for 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;
- (iv) *my/our application to opt for the premium to be charged at standard rates is irreversible and 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 and fees paid for the application of the proposed transaction will be forfeited if *I/we decide not to proceed with it; and
- (v) I/we understand that land transactions completed on the basis of premium calculated at standard rates pursuant to PN 5/2025 will be published on LandsD's website for public viewing.

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

Yours faithfully,

Signature(s) of the *Applicant(s) / 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

In case the applicant chooses not to provide the Certificate or the applicant chooses to adopt an alternative basis for determination of the GFA figure of "C" (as mentioned in paragraph 5(iii) of PN 12/2023) based on the GFA figure upon redevelopment of the site for industrial and/or godown use before the lease modification / land exchange, as would have been adopted by LandsD in a case-by-case assessment, the applicant may provide the GFA figure on such basis (with or without supporting information) for LandsD's consideration. LandsD will then

determine the GFA figure on such alternative basis, which is final and binding on the applicant. For certainty and simplicity, such choice by the applicant for alternative basis mentioned above is irreversible.

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 mandatory. If you do not provide sufficient information, the Lands Department may not be able to process this Option Form.
Class of Transferees	The personal data provided in this Option Form may be disclosed to other Government bureaux / departments for the purpose mentioned above.
Access to Personal Data	You have 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