

**Requirements for Processing Applications
for Lease Modification including Land Exchange within the Remaining Phase of
Kwu Tung North and Fanling North New Development Areas**

1. **Unification, proof of land titles and vacant possession** – application may be submitted by a single owner or joint venture with unified land titles. Lots to be surrendered should be subject to vacant possession by a specified deadline and free from encumbrances before execution of the lease modification/ land exchange if the application is approved.
2. **Comparable compensation or rehousing package** – the landowner(s) as the applicant **should** demonstrate that eligible occupants affected by the proposed land exchange (i.e. individuals occupying the lots to be surrendered as at 4 July 2013 or thereafter as registered in LandsD’s pre-clearance survey) have accepted the compensation or rehousing offers from the applicant (save for those occupants who have accepted Government’s compensation or rehousing arrangement, see paragraph 4 below). In the case of compensation offers 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 offers 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 occupants 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 occupants. The Government would deem the case as settled if the applicant is able to deliver vacant possession with documentary evidence indicating that the eligible occupants have accepted the compensation or rehousing package offered by the applicant.
3. **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 land resumption programme. In case there are any disputes between the occupants on site and the applicant, Lands Department may suspend the processing of the applications until the disputes have been satisfactorily resolved. The specified time period will remain unless it is extended by the Government at its absolute discretion.
4. **Reimbursing Government with compensation and/or rehousing costs** – In case the eligible occupants have opted for the “Scheme on Early Surrender of and Departure from Squatter Structures”¹ (“the Early Departure Scheme”) where Government’s

¹ This scheme is for occupants within the boundary of the Remaining Phase of the subject New Development Areas to voluntarily apply for early surrender of and departure from their squatter structures and in turn early processing for compensation or rehousing from the Government.

compensation or rehousing arrangement has been offered and accepted, 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 demanded in conjunction with the land premium for the lease modification including land exchange.

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. Please note that Government would not normally make available government land adjoining or intervening the private land within the development site to enable the re-grant site conforming to the development site layout as shown in the ODP 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.