



**Lands Administration Office  
Lands Department**

**Practice Note**

Issue No. 1/2010B

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**Application for**

- (a) Special Arrangement for a Lease Modification (or a Land Exchange) for  
Redevelopment of an Industrial Lot; or**
- (b) Special Waiver for Conversion of an Entire Existing Industrial Building**

This Practice Note varies and supplements Lands Department (“LandsD”) Lands Administration Office (“LAO”) Practice Note Nos. 1/2010 and 1/2010A with effect from 4<sup>th</sup> February 2014. Except as varied and supplemented by this Practice Note, all other information and provisions in LAO Practice Note Nos. 1/2010 and 1/2010A remain valid. The Checklist attached to this Practice Note supersedes the Checklist in Appendix I to LAO Practice Note No. 1/2010A with effect from 4<sup>th</sup> February 2014. This Practice Note and LAO Practice Note Nos. 1/2010 and 1/2010A are hereafter collectively referred to as “the Practice Notes”. For the avoidance of doubt, the expiry date for submitting an application to LandsD for either a lease modification or land exchange under caption (a) above or a special waiver under caption (b) above for the purpose of the Practice Notes remains as 31<sup>st</sup> March 2016 (this date inclusive). For the purpose of this Practice Note, any reference to a lease modification shall include a land exchange and any reference to a lease modification letter shall include Conditions of Exchange.

**Special Arrangement for a Lease Modification (or Land Exchange) for Redevelopment of  
an Industrial Lot**

2. The option for payment of 80% of the premium by annual instalments, payable in arrears, over a period of up to five years, subject to payment of interest, as specified in paragraph 5 of LAO Practice Note No. 1/2010 will be extended to applications for lease modification to redevelop industrial lots in non-industrial zones specifically for hotel use only subject to the requirements and provisions set out in paragraphs 5 and 6 of LAO Practice Note No. 1/2010 where the premium exceeds \$20 million. For the avoidance of doubt, and continuing with the current practice, for applications for lease modification to redevelop industrial lots in non-industrial zones specifically for hotel use only, redevelopment for less than the maximum permissible development intensity permitted under the relevant statutory

town plan or, if there is no such limit under the statutory town plan, the Buildings Ordinance (“BO”) will not be allowed.

3. If a lease modification application (“Original Lease Modification Application”) is in the course of being processed prior to 4<sup>th</sup> February 2014, the applicant may choose to withdraw the Original Lease Modification Application and submit a new application for redeveloping the industrial lot specifically for hotel use only with an option as mentioned in paragraph 2 above on or after 4<sup>th</sup> February 2014. An applicant should note that:

- (a) the administrative fee paid for the Original Lease Modification Application will not be refunded in any case;
- (b) an administrative fee for the new application will be payable as and when demanded by LandsD following submission of the new application; and
- (c) the administrative fee for the new application will not be refunded if
  - (i) the applicant withdraws the new application; or
  - (ii) he rejects LandsD’s offer in respect of the new application; or
  - (iii) he is unable to duly execute the documentation for the new application to the satisfaction of LandsD for any reason; or
  - (iv) in any of the circumstances rendering the administrative fee non-refundable as set out in any letter demanding payment of the administrative fee.

**Special Waiver for Conversion of an Entire Existing Industrial Building**

4. For applications for special waiver submitted on or after 4<sup>th</sup> February 2014, paragraph 10(a) of LAO Practice Note No. 1/2010 as varied by paragraph 3(a), (b) and (c) of LAO Practice Note No. 1/2010A is deleted and replaced as follows :-

- “(a) (i) the total accountable gross floor area (GFA) permitted under the building plans of the existing building last approved by the Building Authority before the application (the “last approved building plans”) shall not be exceeded after the conversion and no bonus GFA as provided for in the relevant building regulations due to the building works shall be applicable; and

(ii) no change to the external building structures, increase in building height or increase in building bulk will be permitted except for the following :

(I) demolition of any of the external building structures of the existing building (including any change involving demolition works), which are accountable for GFA in the last approved building plans, up to a maximum of 10% of the total accountable GFA of the existing building as set out in the last approved building plans;

(II) the recovery of the total accountable GFA that is lost in demolition of any of the external building structures of the existing building under (I) above, by vertical extensions (i.e. building on top of the existing building) and/or horizontal extensions to the external building structures within the lot boundary (e.g. outside the building or on the podium) provided that the following conditions are met: -

(1) the site coverage of the converted building will not exceed the site coverage permitted under the BO; and

(2) the building height will not exceed the building height restriction specified on the Outline Zoning Plan or any relevant planning permission for minor relaxation of the building height restriction approved by the Town Planning Board;

For the avoidance of doubt, the exceptions under paragraph 4(a)(ii)(I) and (II) above do not cover internal building works (including demolition works) that do not involve any change to the external building structures ("internal conversion works"). Continuing with the current practice, any internal conversion works within the existing building envelope will continue to be permitted provided that they do not involve any change (including vertical and/or horizontal extensions) to the external building structures, and/or increase in building height, and/or increase in building bulk and subject always to the overriding condition that the total accountable GFA in the last approved building plans will not be exceeded after the conversion. Paragraph 4(a)(i) of this Practice Note shall apply to all kinds of building works including demolition works, irrespective of whether such works may involve change(s) to the external building structures.

(III) the erection or placement of machine rooms, air-conditioning units, water tanks, stairhoods and similar roof-top utility structures on the main roof of the existing building provided that they are exempted from

the calculation of GFA under the BO, any regulations made thereunder and any amending legislation and they do not occupy more than 50% of the roof area of the floor immediately below;

- (IV) the addition of claddings or curtain walls to the outer face of the external building structures within the lot boundary that are exempted from the calculation of GFA under the BO, any regulations made thereunder and any amending legislation. In the event that such claddings or curtain walls protrude beyond the lot boundary upon Government land, LandsD may at its sole discretion approve a lease modification (or other suitable form of documentation) subject to such conditions as may be considered necessary including but not limited to the payment of an administrative fee and with the payment of premium being waived.

For the avoidance of doubt, the building height restriction, if any, under the lease conditions must be observed, save that where the building height is exceeded solely for reasons of the recovery of the GFA loss under (II) above and/or the erection or placement of roof-top utility structures as permitted in (III) above, LandsD may at its sole discretion waive the non-compliance with the building height restriction under the lease conditions in the special waiver at nil waiver fee.”

5. For the avoidance of doubt, paragraph 10(b), (c), (d) and (e) of LAO Practice Note No. 1/2010 shall remain valid for the grant of a special waiver and LandsD acting in its capacity as private landlord, may, at its sole and absolute discretion, approve or reject any such application on such terms, covenants and conditions as may be imposed.

6. For applications for special waiver submitted on or after 4<sup>th</sup> February 2014, paragraph 4 of LAO Practice Note No. 1/2010A is deleted and replaced as follows:

“Upon submission of the application, the applicant shall indicate in the attached Checklist whether the conversion proposal involves changes mentioned in Items (I), (II), (III), (IV) in paragraph 4(a)(ii) above, or any combination thereof. If such conversion proposal would be in breach of the lease conditions (other than the user restriction to which the special waiver relates, or the height restriction to the extent as permitted under Items (II) and (III) in paragraph 4(a)(ii) above), a separate lease modification<sup>1</sup> is required. LandsD will complete processing the lease modification, if approved, before proceeding to execute the special waiver.”

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<sup>1</sup> The lease modification may take such form and contain such conditions as LandsD may consider appropriate for the case, including, among others, payment of a premium as appropriate.

7. For the avoidance of doubt, upon cancellation, termination or cessation of the effect of the special waiver the lot shall be subject to the original uses and height restrictions, if applicable, under the lease. Lot owners may apply for a lease modification (or other suitable form of documentation) for any subsisting uses or erected structures in breach of the lease conditions after the cancellation, termination or cessation of effect of the special waiver.

8. Save for the situation referred to in paragraph 9 of this Practice Note, paragraph 6 of LAO Practice Note No. 1/2010A is deleted and replaced as follows:

“If a special waiver application (“Original Waiver Application”) is in the course of being processed prior to 4<sup>th</sup> February 2014, the applicant may choose to withdraw the Original Waiver Application and submit a new application with conditions of the special waiver as mentioned in paragraph 4 above on or after 4<sup>th</sup> February 2014. A lot owner who has already obtained a special waiver for conversion of use of an industrial building may apply for a new special waiver to benefit from the conditions mentioned in paragraph 4 above on or after 4<sup>th</sup> February 2014. If the new special waiver is executed, the existing special waiver will be cancelled or terminated simultaneously. In either of these cases, an applicant should note that:

- (a) the administrative fee paid for the Original Waiver Application or the existing special waiver (as the case may be) will not be refunded in any case;
- (b) an administrative fee for the new application will be payable as and when demanded by LandsD following submission of the new application; and
- (c) the administrative fee for the new application will not be refunded if
  - (i) the applicant withdraws the new application; or
  - (ii) he rejects LandsD’s offer in respect of the new application; or
  - (iii) he is unable to duly execute the documentation for the new application to the satisfaction of LandsD for any reason; or
  - (iv) in any of the circumstances rendering the administrative fee non-refundable as set out in any letter demanding payment of the administrative fee.”

9. For special waiver applications submitted on or after 1<sup>st</sup> April 2012 and prior to 4<sup>th</sup> February 2014, the conditions in LAO Practice Note No. 1/2010 as varied by LAO Practice Note No. 1/2010A will continue to be imposed in the special waiver.

**Other Points to Note**

10. For the avoidance of doubt and the purpose of the Practice Notes, an industrial lot or an industrial building does not include any special factories such as those located in industrial estates, storage premises in container terminals and flatted factories built by the Housing Authority, or special industries such as cargo handling uses, ship building and repairing, oil storage and refining and production of associated chemical by-product, manufacture of polystyrene plastics, manufacture and storage of chlorine, hydrogen and textile chemicals, etc.

11. Every application submitted to LandsD pursuant to the Practice Notes will be considered on its own merits by LandsD at its absolute discretion acting in its capacity as a landlord. The Practice Notes shall not constitute any representation on the part of the Government or give rise to any expectation on the part of the applicant that any application submitted to the LandsD will be processed or approved.

12. This Practice Note is issued for general reference purposes only. All rights to modify the whole or any part of the Practice Notes are hereby reserved.



(Ms Bernadette Linn)

Director of Lands

29 January 2014



**Checklist of Basic Requirements**  
**for Submission of an Application for**

**(a) Special Arrangement for a Lease Modification (or a Land Exchange) for  
Redevelopment of an Industrial Lot; or**

**(b) Special Waiver for Conversion of an Entire Existing Industrial Building**

**A. Information / Documents that must be submitted <sup>(1)</sup> :**

**General :**

- (i) 2 copies <sup>(2)</sup> of a complete set of Government Land Grant documents (including all executed lease modification letters and extension letters, if any) affecting the property <sup>(3)</sup>. ☐
- (ii) A copy of an up-to-date location / site plan on an appropriate scale (normally 1:1000) showing the property. ☐
- (iii) 2 copies <sup>(2)</sup> of a computer printout containing the historical and current ownership particulars of the property. ☐
- (iv) (a) If any of the registered owners is a limited company, 2 sets of certified true copies of its Certificate of Incorporation, Certificate of Change of Name (if applicable) and Notice of Situation of Registered Office. For overseas companies, documents equivalent to the above should be produced. ☐  
(b) If there are any chargees/mortgagees, letter(s) from chargees/mortgagees confirming that they have no objection to / agree to enter into the proposed special waiver letter/lease Modification Letter/Conditions of Exchange. ☐  
(c) In the event of the lot being in multiple ownership or sub-divided into undivided shares and unless otherwise consented to by LandsD, a summary list (in duplicate) certified by the solicitor acting for the applicants containing the names of all registered owners/chargees/mortgagees/purchasers who have entered into an Agreement for Sale and Purchase of a unit or units ("Purchasers") (if any) of the property together with details of number of undivided shares held by each owner and an undertaking by the solicitor to inform the RCIB <sup>(4)</sup> of the Lands Department of any change in the names of the registered owners/chargees/mortgagees/purchasers between the date of application up to the date of the special waiver letter/lease Modification Letter/Conditions of Exchange; ☐
- (v) A copy of the Town Planning Board approval letter for the proposed uses or development, if applicable. ☐
- (vi) If submitted by an agent, a written authorization from all the registered owners and purchasers (if applicable) of the property. ☐

***For Lease Modification (including a Land Exchange) only :***

- (vii) Details of the application clearly identifying the property concerned, the variations being sought in respect of any terms and conditions of the existing lease conditions including the modification of any restrictions and development parameters included in the existing lease conditions (e.g. proposed user, maximum gross floor area (GFA), site coverage, number of storeys/building height, etc.); and indicating :- ☐

- (a) whether the proposed redevelopment intensity is less than the maximum permissible intensity, and if yes, the proposed amount of GFA and the percentage in terms of the maximum permissible development intensity;

☐

Yes

(please provide detail)

☐

No

- (b) the total accountable GFA <sup>(5)</sup> of the existing building (if applicable) by a schedule; and ☐

- (c) in the event that the premium exceeds \$20 million, whether the applicant wishes to pay the premium for the proposed lease modification (if approved) by annual instalments and by how many instalments (not exceeding 5 annual instalments).

☐

Yes

(please specify

no. of

instalments)

☐

No

***For Special Waiver only :***

- (viii) 2 copies of a complete set of the building plans <sup>(5)</sup> last approved by the Building Authority for the existing building under application and a schedule showing the total accountable GFA <sup>(5)</sup> of the existing building. ☐

- (ix) 2 copies of all occupation permits <sup>(5)</sup> issued by the Building Authority for the existing building under application. ☐



- (x) Proposed new use(s) of the building under the application.  
(please provide details on separate sheet) ☐
- (xi) 2 sets of schematic plans <sup>(6)</sup> indicating the layout of the manoeuvring, parking, loading and unloading, picking up and setting down spaces to be provided for motor vehicles, motor cycles, goods vehicles, taxis, buses and coaches (if applicable) of the building after conversion. ☐
- (xii) 2 copies of any conversion works proposal <sup>(6)</sup> for the existing building, which should include certification :- ☐
- of any change in GFA, site coverage, number of storeys and building height to the existing building; and
  - that no other non-compliance with the lease conditions.
- (xiii) If applicable, a certified copy of the Deed of Mutual Covenant (“DMC”) of the building and a written confirmation by the solicitor acting for the applicants as to whether there are any inconsistencies between the provisions of the DMC and the proposed new use(s). If so, a proposal as to how they are going to deal with the inconsistencies should also be submitted. ☐
- (xiv) Does the proposed uses under the special waiver cover among others non-polluting industrial use?

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Yes

(Please clearly specify the type of non-polluting industrial use)

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No

- (xv) Does the applicant for the special waiver wish to place utility structures on the main roof level?

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Yes

(Please provide details of the utility structures (including the height of the structures, the total GFA of the spaces to be occupied by the utility structures and the roof area of the floor immediately below) on separate sheet if necessary and any height restriction under lease conditions needed to be waived)

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No

- (xvi) Does the applicant for the special waiver wish to install curtain walls or add claddings to the outer face of the external building structures?

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Yes

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No

(Please provide details of the claddings or curtain walls (including the projection from the outer face of the external building structures to the outer face of the claddings or curtain walls, and whether such projection protrudes beyond lot boundary and upon Government land; but subject to no encroachment onto other private lots) on separate sheet if necessary)

- (xvii) Does the applicant for the special waiver wish to change the existing external building structures?

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Yes

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No

(Please provide details on the change of the existing external building structures such as any accountable GFA involved on separate sheet if necessary, any recovery of GFA loss from the demolition of the external building structures by building on top or outside of the existing building (but within the lot boundary), and any height restriction under lease conditions needed to be separately waived)

- (xviii) Does the applicant for the special waiver also wish to modify other lease restrictions (other than the user, height restrictions and addition of claddings or curtain walls protruding beyond the lot boundary upon Government land (but subject to no encroachment onto other private lots)) in association with the proposed new uses?

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Yes

☐

No

(Please provide detail on separate sheet if necessary)

**B. Information / Documents that will facilitate the processing of the application <sup>(7)</sup> :**

- |        |   |                          |
|--------|---|--------------------------|
| (xix)  | A copy of an extract of the relevant Outline Zoning Plan (together with the explanatory notes, as appropriate) showing the property.  | <input type="checkbox"/> |
| (xx)   | For an application which involves portion(s) of a lot, or sub-divisions of any lots, to assist the verification of site areas and site boundaries, all relevant assignment plans or Deed Poll plans should be provided together with any relevant information relating to the delineation of the boundaries of these sub-divisions. | <input type="checkbox"/> |
| (xxi)  | 2 sets of sketch plans illustrating the proposed redevelopment or the converted building, if available.   | <input type="checkbox"/> |
| (xxii) | 2 copies of any submissions approved by other relevant authorities relating to the development proposal or other relevant study assessment reports, if applicable (e.g. Approved Master Layout Plans under the Town Planning Ordinance, Environmental / Traffic / Drainage Impact Assessment Reports etc.)                          | <input type="checkbox"/> |

**Notes :**

- (1) Please put a tick in the relevant box if applicable unless otherwise specified; and delete as appropriate.
- (2) One set of documents should be certified by the Land Registry or by the solicitor acting for the applicant, while the other set may be a photocopy of the certified documents. Certification of the documents should be done not more than one month before submission of the application.
- (3) Property includes all lots involved in a lease modification, land exchange or special waiver application.
- (4) RCIB refers to the Redevelopment and Conversion of Industrial Buildings Team of the Lands Department at 19/F, North Point Government Offices, 333 Java Road, North Point.
- (5) The plans and documents should be certified by the Authorized Person acting for the applicant.
- (6) The proposal should be prepared and submitted by the Authorized Person or other competent professionals acting for the applicant.
- (7) Any other information may be supplied in triplicate on separate sheet(s) attached to the application.