Frequently-asked Questions (FAQs) on
The Scheme for Charging Land Premium at Standard Rates on Lease Modifications[1] for Redevelopment of Industrial Buildings
(the "Scheme")

Q1: What kinds of industrial lots/buildings are eligible for the Scheme?

A1: The Scheme is applicable to lease modifications of industrial lots for the redevelopment of pre-1987 industrial buildings (i.e. industrial buildings wholly or partly constructed on or before 1 March 1987, or constructed in accordance with building plans first submitted to the Building Authority for approval on or before the same date), into commercial (including modern industrial) and/or residential uses. An industrial lot refers to a lot which, under the terms of its land grant, shall not be used for any purpose other than for industrial or godown purposes or both. For the purpose of the Scheme, an industrial use includes special industrial uses such as leather tanning, garment manufacturing, food production etc., and a lot that does not contain a specific user restriction will also be regarded as an industrial lot.

Q2: Is vacant lot eligible?

A2: A vacant lot which is an industrial lot (see definition in A1 above) and was occupied by pre-1987 industrial buildings immediately before it became vacant is eligible for the Scheme.

Q3: Is it necessary to obtain approval from the Town Planning Board for increase of plot ratio under the Industrial Buildings Revitalisation Scheme to be eligible for the Scheme?

A3: No.

Q4: Are industrial buildings which have undergone wholesale conversion eligible for the Scheme?

A4: No. The aim of the Scheme is to encourage redevelopment of aged industrial buildings. If industrial buildings have completed wholesale conversion, they are not covered under the Scheme.

Q5: When can the applicant exercise the option for premium assessment at standard rates under the Scheme?

A5: The applicant may exercise the option as early as upon submitting the lease modification application, and but no later than the acceptance of the Provisional Basic Terms Offer.

Q6: How can one opt for premium assessment at standard rates?

A6: The applicant may fill in the "Option Form" in the Lands Department Lands Administration Office Practice Note No. 12/2023.

Q7: Will the standard rates be adjusted during the Scheme?

A7: The rates will remain unchanged until 31 March 2024 and be reviewed annually afterwards.

Q8: How to determine the applicable region (and the applicable set of standard rates) of a case?

A8: Please refer to the delineation plan in Appendix II of the Lands Department Lands Administration Office Practice Note No. 12/2023.

Q9: When will the applicant receive the premium offer if he opts for premium assessment at standard rates?

A9: If the applicant opts for the premium to be charged at standard rates and the Lands Department accepts such option after confirming the eligibility of the case in question, the premium offer under the Binding Basic Terms Offer for straightforward cases will normally be issued to the applicant within five weeks from the date of receipt by the Lands Department of the acceptance of the Provisional Basic Terms Offer.

Q10: Can the applicant appeal against the premium if he opts for the standard rates under the Scheme?

A10: The land premium calculated at the standard rates under the Scheme is

not negotiable and therefore no appeal is allowed.

Q11: Can the applicant switch the premium assessment approach after making a choice?

A11: The option is irreversible upon acceptance of the Provisional Basic Terms Offer. If the applicant subsequently wishes to change the approach of premium assessment, he/she has to withdraw the lease modification application and resubmit it afresh, subject to payment of another administrative fee.

Q12: How to establish the Gross Floor Area (GFA) figure of "C", i.e. "Before" GFA, as referred in the PN?

A12: The Scheme adopts the GFA[2] of the pre-1987 industrial building existing on the lot under application or in existence immediately before the said lot became vacant as per the latest building plan(s) as approved by the Building Authority and certified by an Authorized Person or a Registered Professional Surveyor as a standard benchmark for the "Before" GFA for computation of the land premium at standard rates. Alternatively, the applicant can adopt an alternative basis for determination of the "Before" GFA based on the GFA figure upon redevelopment of the site for industrial and/or godown use before the lease modification, as would have been adopted by the Lands Department in a case-by-case assessment. The applicant may provide the GFA figure on such basis (with or without supporting information) for Lands Department's consideration. The "Before" GFA as determined by the Lands Department is final and non-negotiable.

Q13: When will the applicant know the GFA figure of "C", i.e. "Before" GFA, as referred in the PN?

A13: The "Before" GFA determined by LandsD will be reflected in the Binding Basic Terms Offer to be issued to the applicant. Alternatively, if the applicant submits an Enquiry Form, under the Lands Department Lands Administration Office Practice Note No. 12/2023, with all the supporting documents not later than the settlement of the initial administrative fee for the proposed lease modification application, LandsD will inform the applicant of the "Before" GFA figure at the time of issuance of the Provisional Basic Terms Offer.

Q14: How to apply the standard rates if the uses after lease modification involve a composite development for residential cum commercial uses?

A14: The "Commercial/Modern Industrial" rates are applicable to developments for non-residential uses including hotel and hotel ancillary uses. The "Residential" rates are applicable to the GFA of the entire developments not prohibiting private residential use. But where the composite development falls 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, the "Residential" rates are applicable to the GFA not prohibiting private residential use, whereas the "Commercial/Modern Industrial" rates are applicable to the remainder GFA so specified in the lease modification documents.

Note

[1] Any reference to a lease modification shall include an in-situ land exchange.

[2] 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 would be excluded.