



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 No. 1/2010 with effect from 1st April 2012. Except as varied and supplemented by this Practice Note, all other information and provisions in LAO Practice Note No. 1/2010 remain valid. The Checklist attached to this Practice Note will supersede the Checklist in Appendix I to LAO Practice Note No.1/2010 with effect from the same date. This Practice Note and LAO Practice Note No. 1/2010 are hereafter collectively referred to as “the Practice Notes”.

2. 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 LAO Practice Note No. 1/2010 (as varied and supplemented by this Practice Note) is now extended from 31st March 2013 to 31st March 2016 (last date inclusive).

Special Waiver for Conversion of an Entire Existing Industrial Building

3. For applications for special waiver submitted on or after 1st April 2012:
- (a) The requirement to retain the existing building frame after the conversion in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: changes to the external building structures will be permitted on condition that:
- (i) any changes to the external building structures shall involve not more than 10% of the total accountable gross floor area (“GFA”) of the existing building (as set out in the building plans last approved by the Building Authority before the application); and
- (ii) any changes will not result in any increase in the total accountable GFA of the existing building or addition of new floor spaces outside the existing building envelope, and no bonus GFA as provided for in the relevant building regulations due to such changes shall be applicable.

For the avoidance of doubt, the accountable GFA of all the external building structures to be changed shall be countable in calculating the said 10% total accountable GFA limit as referred to in sub-paragraph (i) above.

- (b) The restriction of variation in building height in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: machine rooms, air-conditioning units, water tanks, stairhoods and similar roof-top utility structures may be erected or placed on the main roof of the existing building where
 - (i) the prior written approval of the Director of Lands has been obtained;
 - (ii) such roof-top utility structures are exempted from the calculation of GFA under the Buildings Ordinance, any regulations made thereunder and any amending legislation; and
 - (iii) such roof-top utility structures do not occupy more than 50% of the roof area of the floor immediately below.
- (c) The restriction of variation in building bulk in paragraph 10(a) of LAO Practice Note No. 1/2010 is varied as follows: claddings or curtain walls may be added to the outer face of the external building structures and shall not be taken into account in considering whether there is an increase in the building bulk under the special waiver provided that such claddings or curtain walls are exempted from the calculation of GFA under the Buildings Ordinance, any regulations made thereunder and any amending legislation.

4. Upon submission of the application, the applicant shall indicate in the attached Checklist whether the conversion proposal involves changes mentioned in item (a), item (b) or item (c) in paragraph 3 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), a separate lease modification¹ is required. LandsD will complete processing the lease modification, if approved, before proceeding to execute the special waiver.

5. For those applications submitted prior to 1st April 2012, the conditions in LAO Practice Note No. 1/2010 will continue to be imposed in the special waiver, and, if approved and special waivers executed, LandsD will continue to exercise its discretion in approving building plans with utility structures on the main roof and addition of claddings or curtain walls.

6. If a special waiver application (“Original Application”) is in the course of being processed prior to 1st April 2012, the applicant may choose to withdraw the Original Application and submit a new application with conditions of the special waiver as mentioned in item (a), item (b) and item (c) in paragraph 3 above on or after 1st April 2012. 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 3 above on or after 1st April 2012. 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 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

¹ 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.

- (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.

7. It is a pre-requisite for a special waiver application that an industrial building must be located in a zone designated for use as "Industrial", "Commercial" or "Other Specified Uses (Business)" ("Designated Zones") according to the statutory town plans prepared pursuant to the Town Planning Ordinance, any regulations made thereunder and any amending legislation. For the avoidance of doubt, an application for a special waiver will be rejected if the zone within which the industrial building is located in the statutory town plan is changed to one other than any of the Designated Zones before the execution of the special waiver. In such a situation, the administrative fee paid will be refunded.

Other Points to Note

8. 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.

9. 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.

(Miss Annie TAM)
Director of Lands
28 February 2012