

## **Extension of the Pilot Scheme for Arbitration on Land Premium**

The Pilot Scheme for Arbitration on Land Premium (Pilot Scheme), implemented by the Government in October 2014 for a trial period of two years and extended for another two years, will end on October 23, 2018.

As of mid October 2018, there has only been one completed arbitration case. Given the limited number of completed arbitration cases, the Government has decided, after due consideration, to extend the Pilot Scheme for two years until October 23, 2020 (Extension Period) in order to gain more experience. During the Extension Period, the Government will engage the concerned professionals and stakeholders to explore room for refining the implementation details of the Pilot Scheme.

The Government will also continue to select suitable lease modification and land exchange cases according to the general criteria published in the Information Note relating to the Pilot Scheme and invite applications for determination of the amount of land premium through arbitration. Private land owners can also make requests for arbitration on suitable land lease modification/land exchange applications under processing.

Until mid-October 2018, the Lands Department (LandsD) issued a total of 32 invitations, of which one case has completed arbitration. In another two cases, while agreeing in principle to arbitration, the applicants decided after consideration, to accept the land premium proposed by LandsD, hence obviating the need for arbitration. The remaining 29 invitations were declined by the applicants, who either chose to continue to negotiate the premium with LandsD or withdrew their applications for lease modification/land exchange. In addition, LandsD rejected an application for arbitration involving no increase in residential floor area.

Lands Department  
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