

LEGISLATIVE COUNCIL BRIEF

LAND SHARING PILOT SCHEME

INTRODUCTION

At the meeting of the Executive Council on 31 March 2020, the Council **ADVISED** and the Chief Executive **ORDERED** that the criteria and implementation arrangements of the Land Sharing Pilot Scheme (LSPS), as set out in paragraphs 4 to 23 below, be adopted. The LSPS is launched on 6 May 2020 for receiving applications for three years, subject to a cap of 150 hectares (ha) on the total area of private land to be approved.

JUSTIFICATIONS

Objectives and Principles of the LSPS

2. As part of Government's multi-pronged strategy to increase land and housing supply in the short-to-medium term, the Chief Executive (CE) put forward a proposed framework of LSPS in the 2018 Policy Address (PA), and outlined further details in the 2019 PA, with the following principles –

- (a) LSPS aims to **complement, but not replace, government-led planning of private land** for a specified public purpose. The Government will continue to resume private land covered by those government-led developments such as New Development Areas (NDAs) and public housing developments on brownfield sites in accordance with the promulgated plan.
- (b) LSPS seeks to **make timely and meaningful impact**, by processing applications with a reasonably high yield of both public and private housing in short-to-medium term, subject to a time bar for receiving applications, a cap on the total area of private land to be approved, and a list of environmentally sensitive “no-go” areas.

- (c) LSPS will **accelerate and facilitate** the development process for public and private housing within the application site, with Government providing advisory and facilitation services under a compressed programme, subject to applicants' agreement to be bound by a time limit on land exchange/lease modification and premium negotiation as well as to complete the necessary infrastructure and other community facilities in support of both public and private housing under LSPS.
- (d) LSPS endeavours to **ensure efficiency in land development and control costs**, with the developer-lot owner delivering the formed land for public housing or Starter Homes (SH), as well as necessary infrastructure and community facilities, while the construction costs and related expenses of these facilities to be deducted from land premium will be subject to vetting by Government.
- (e) LSPS strives to **build confidence and safeguard public interest**, with **transparent mechanism** involving third-party opinion offered by the Panel of Advisors to be set up specifically for LSPS. **All relevant statutory procedures** on town planning and road/sewerage works gazettal, as well as the existing public participation channels under these processes, **would continue to apply**.

3. Development Bureau (DEVB) has since the 2019 PA engaged key stakeholders¹ including the Legislative Council (LegCo) Panel on Development, the Real Estate Developers Association of Hong Kong (REDA), the Land and Development Advisory Committee (LDAC), development-related professional institutes, Heung Yee Kuk (HYK), etc. on the proposed framework. The LegCo Panel on Development also convened meeting to receive views from deputations in January 2020. Taking account of the views received and the policy objectives, DEVB proposed, and the Chief Executive in Council (CE-in-C) endorsed, the following details of LSPS for implementation.

¹ For the purpose of soliciting views from stakeholders, DEVB issued a paper to LegCo in October 2019 (LC Paper No. CB(1)160/19-20(03).

THE SCHEME

A. Criteria

I. *Geographical Limit*

4. As LSPS is to supplement, not replace, the Government's planning efforts, the following two types of areas will not be eligible for LSPS –

- (a) **areas within Government's completed, ongoing, soon-to-commence development studies supporting the use of land intended for public purposes** through statutory resumption, particularly the NDA or New Town Extension projects in Kwu Tung North/Fanling North, Tung Chung, Hung Shui Kiu/Ha Tsuen, Yuen Long South and New Territories North (NTN). Private lots covered by Government's studies supporting public housing development would also be ineligible, including brownfield sites recently shortlisted by the Planning Department (PlanD) for public housing development subject to further detailed studies.
- (b) **private lots falling within country parks², six environmentally sensitive zonings³ and areas covered by 12 priority sites for enhanced conservation under the New Nature Conservation Policy (NNCP)⁴**, in order to strike a balance between development and conservation. This has taken into account the fact that most of these land uses have a general presumption against development by law or policy and even if development is allowed, only that of very low density may be considered.

A The list of “no-go” areas is at **Annex A**. It will be updated from time to time to reflect Government's ongoing efforts on planning and conservation. Other

² Country parks include those designated under the Country Parks Ordinance (Cap. 208) as well as those under consultation.

³ The six environmentally sensitive zonings are (i) Conservation Area (CA), (ii) Coastal Protection Area (CPA), (iii) Other Specified Uses (OU) (Comprehensive Development to include Wetland Restoration Area), (iv) OU (Comprehensive Development and Wetland Enhancement Area), (v) OU (Comprehensive Development and Wetland Protection Area), and (vi) Site of Special Scientific Interest (SSSI).

⁴ The NNCP aims to regulate, protect and manage natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account social and economic considerations. Under the NNCP, two measures have been implemented, viz. nature conservation management agreements with landowners and public-private partnership to help enhance the conservation of 12 identified priority sites for enhanced conservation. These 12 sites are: Ramsar Site, Sha Lo Tung, Tai Ho, Fung Yuen, Luk Keng Marsh, Mui Tsz Lam and Mau Ping, Wu Kau Tang, Long Valley and Ho Sheung Heung, Deep Bay Wetland outside Ramsar Site, Cheung Sheung, Yung Shue O, and Sham Chung.

than the “no-go” areas, private land in different parts of Hong Kong (not just confined to agricultural lots in the New Territories (NT)) may be eligible for consideration under LSPS provided the basic criteria are fulfilled.

5. Some stakeholders were concerned that excluding the extensive spread of private lots covered by NTN development, environmentally sensitive zonings or not-for-development areas such as country parks might be too restrictive. On the other hand, some were concerned about the development pressure on private lots in “Agriculture” (“AGR”) or “Green Belt” (“GB”) zones, thereby putting farmland under cultivation at risk. As the Government has openly announced its plan to take forward the NTN as a NDA project with the first phase study concerning San Tin/Lok Ma Chau node commenced in September 2019, and that allowing some private lots within the NTN to develop first under LSPS might constrain the overall land use and infrastructure planning of the NDA, we see a strong case for keeping NTN in the “no-go” list in line with the principle in paragraph 2(a) above. Also, the current exclusion of areas of high conservation value including country parks, environmentally sensitive zonings and priority sites under NNCP from the LSPS has indeed struck a balance between conservation and optimising the development potential of land. As regards areas of low or limited conservation value (including fallow agricultural lots) currently zoned AGR, GB, etc, we see potential in putting the suitable ones to more optimal use through LSPS. Such land use changes prompted by individual LSPS applications would be subject to the scrutiny of the Town Planning Board (TPB) acting as the gatekeeper. Should active farmland be involved, TPB is expected to weigh up the pros and cons including whether mitigation measures are available to reduce the potential impact.

II. Time Bar & Cap on Total Area to be Approved

6. To achieve early realisation of the housing yield, **LSPS will be time-limited for receiving applications within three years from the date LSPS is launched, subject to a cap of 150 ha on the total area of private land⁵ to be approved.** While some opinions suggested that such time bar and/or area cap should be raised or even removed, time is of the essence as LSPS is designed as a stop-gap measure boosting housing supply in the short-to-medium term. We consider that setting the time bar and area cap would encourage early submission of proposals. As regards the quantum of

⁵ Only private land to be approved under LSPS for the public and private housing development will be counted towards the cap on total area. Any private land (irrespective of whether it is owned by the developer or not) required for implementation of the associated infrastructural and community facilities is excluded.

150 ha, it is proposed with reference to a working target set by the Task Force on Land Supply (TFLS), which the Government considers to be a relatively modest estimate complementing the mainstream government-led resumption efforts.

III. Minimum Housing Gain

7. To focus our resources (in terms of both government manpower as well as facilitation) on those projects of reasonable size and to maximise the housing yield under LSPS, **each project under LSPS should be capable of delivering an increased domestic gross floor area (GFA) of no less than 50 000 square metres (sqm) in total and at least 1 000 additional housing units (assuming an average flat size of 50 sqm)**, being the total domestic GFA⁶ attainable by the project net the original scale of development of the private lots permissible under statutory plans or planning approvals in the absence of LSPS. **No less than 70% of the increased domestic GFA should be set aside for public housing or SH development as intended by the Government.** An illustration of the methodology for calculating the increased GFA is at **Annex B**.

8. Regarding the proposed 70:30 public/private ratio, some stakeholders considered that the ratio was so much tilted towards public housing that it might disincentivise certain meaningful projects. As Government's facilitation under LSPS is premised on the strong and material public interest from supported LSPS projects, we consider that public interest should be duly served by a sharing ratio clearly biased towards public housing. The ratio is also in line with the prevailing policy guideline of allocating 70% of the housing units on Government's newly developed land for public housing wherever possible. Specifying the 70:30 ratio as an across-the-board criterion can instil a strong sense of clarity.

IV. Mode of Delivering the Public Housing or SH Portion

9. To retain flexibility for the Government to decide on how the portion of increased GFA for public housing or SH development should be constructed, **the no less than 70% of the increased GFA set aside for public housing or SH development should be handed over to the Government in the form of formed land** for a self-contained site. The Government would then be

⁶ These GFA should be derived from private lots owned by the applicants and any non-separately alienable government land made available by Government to the applicants within the site or along the site boundary (please see paragraph 15(b) below).

responsible for allocating the formed site to the relevant organisations for the construction of public housing and/or SH units on that formed site. Insofar as LSPS projects are concerned, the **cost of site formation for the public housing and/or SH portion would be deducted from the land premium** payable by the applicant (see Section V below). Such proposed arrangements could leverage on the synergy effect of having the applicant to oversee the holistic planning and implementation of the site formation and infrastructure works for the entire development in one go, and are considered pivotal to expediting the delivery of land for public housing.

10. There were some suggestions on alternative mode of delivery, such as allowing the applicant to also construct the public housing or SH to the standards specified by the Government to further tap private sector's efficiency, as well as "mixed development" of public and private housing within the same block for greater social cohesion. The Government considers that the proposed carve-out approach under LSPS would be easier and quicker to administer, and more conducive to finalising the agreement on cost deduction for LSPS cases within the limited timeframe. Furthermore, "mixed development" may have limited application in LSPS's context – it may be workable for SH units to mix with private housing but not so for public rental units which have rather different property management and maintenance standards from private housing. Accountability to construction performance can be more effectively enforced and hence conformity to specifications for subsidised housing construction better guaranteed if the construction work is commissioned by the public sector. Another advantage of putting public and private housing units in separate sites under the carve-out approach is that subsequent management and maintenance responsibilities will be more clear-cut.

11. We note the suggestion from the development sector that the Government should confirm earlier the choice and mix of subsidised housing (i.e. public rental, subsidised sale flats and/or SH) to be provided on the carved out portion for a supported LSPS application, so as to provide greater certainty for the developer-lot owner as it takes forward its planning of the private development portion. The Government will bear this suggestion in mind during the processing.

V. Provision of Infrastructure and GIC Facilities and Cost Deduction from Land Premium

12. For comprehensive planning of the site and to capitalise on the market efficiency in planning and construction, **applicants should submit an overall**

proposal covering the whole public and private housing development, substantiated with supporting assessments⁷ how many more GFAs they would like to add and the split of increased GFAs between public and private housing, and justify the types and costs of infrastructure⁸ and Government, Institution or Community (GIC) facilities⁹ in their proposals. Applicants should also be responsible for building the infrastructure (including formation of the site for public housing and/or SH development as mentioned in paragraph 9 above) and certain GIC facilities like open space and public transport interchange. These infrastructure (including the formed site for public housing) and GIC facilities upon completion will be handed over to the Government. As timely provision of such infrastructure and GIC facilities are prerequisite for supporting the new population arising from the additional public and private housing units, the **construction and related costs of these infrastructure and GIC facilities¹⁰ constructed by the developer-applicant under LSPS, after vetting and acceptance by Government to ensure that they are cost-effective as well as essential and proportionate to the whole public and private housing development, **will be deducted from the land premium for the proposed lease modification/land exchange** (i.e. the premium payable would be the land value for the land to be held under the modified lease assessed at full market value net (a) the vetted and agreed costs of those infrastructure and GIC facilities, (b) the vetted and agreed land resumption and clearance costs estimates for lots to be resumed by the Government under statute and/or cleared by the Government, and (c) the land value for the land held under existing lease for public housing/SH portion).**

⁷ Apart from assessing the traffic, sewerage, drainage, environmental and other impacts of the whole public and private housing development, the applicant should also conduct ground investigation surveys and land/boundary/site area surveys confirming the developability of the land for LSPS proposal and GFA permitted within the application site, as well as the proposed infrastructure works to be provided outside the application site. All the assessments should be carried out by the concerned qualified professionals.

⁸ Depending on the scale of development and the resultant additional population, generally speaking, infrastructure to support housing development would include road works improvement (e.g. road widening and/or junction improvement) and upgrading or provision of water supply, sewerage (including interim sewage treatment facilities) and drainage facilities.

⁹ These may include open space, public transport interchange, welfare/community facilities and/or other facilities with reference to the Hong Kong Planning Standards and Guidelines and/or advice by relevant bureaux and departments which will provide specifications/design/scale for all the proposed public facilities and will take up the management and maintenance after completion.

¹⁰ The construction costs of the infrastructure (including site formation for the public housing or SH development) and GIC facilities would also include the associated land acquisition and clearance costs for lots to be resumed by the Government under statute and/or cleared by the Government, and the investigation, design, supervision and other associated costs of the works. For the avoidance of doubt, land acquisition and clearance costs paid by applicants in securing vacant possession of private lots within the application sites cannot be deducted from the land premium for the proposed lease modification/land exchange.

13. The Land Sharing Office set up under DEVB (please see paragraph 18 below) will, in its analyses of applications received, assess whether the proposed infrastructure and GIC facilities are essential and proportionate to the whole public and private housing development and that the corresponding cost deductions from premium are justifiable. Assisted by bureaux/departments (B/Ds) particularly the Project Strategy and Governance Office (PSGO)¹¹, the Land Sharing Office will scrutinise the applicants' proposals thoroughly to ensure that the proposed works are cost-effective. Key project details will also be published on-line upon receipt of applications. We believe that maintaining high level of transparency facilitates public and media monitoring.

VI. Land Exchange and Land Resumption

14. LSPS projects would involve changes to existing lease(s) held by applicants in aspects such as land uses, GFAs, etc. It is more likely than not that such lease modification will be effected by surrender and regrant (i.e. land exchange) whereby the applicant surrenders private lots under its ownership and is regranted in-situ land for the private housing development.

15. As LSPS is to tap into the development potential of private lots already held by applicants, the **applicant shall be responsible for consolidating the ownership of all private lots within the application site for both public and private housing and related development** (subject to the consideration in (a) below). As a matter of principle, the Government will not resume private land for the purpose of deriving the increased GFAs for housing development under LSPS. Nonetheless, to support more optimal planning layout and development of LSPS projects, and facilitate provision of infrastructure outside application sites, **the Government may consider resuming private lots owned by other parties or making available government land for LSPS projects under the following circumstances –**

- (a) It could be demonstrated that the other private lots are required to meet a “public purpose” or are for the purposes of road works/sewerage works, such as the provision of infrastructure and/or provision of GIC facilities supporting the private cum public housing development project, in which case the Government may

¹¹ The PSGO is a multi-disciplinary office under DEVB comprising architects, engineers and quantity surveyors to conduct project vetting and cost management with a view to enhancing cost effectiveness of the public works. It has developed a cost benchmarking system for various types of works to facilitate cost comparison. The PSGO also ensures that the design of capital works is optimised without compromising functionality and quality. Between 2016-2019, PSGO has scrutinised more than 270 projects and saved \$63 billion, representing 13% of the original project costs.

resume the private lots concerned under the relevant statutes¹². Government may also make available government land for provision of infrastructure, GIC facilities or enlarged public housing development.

- (b) Other than the scenarios envisaged in sub-paragraph (a) above, Government may also make available government land intervening the private lots within the application site or along the site boundary as the case may be for housing development in accordance with the prevailing policy¹³. While noting that the government land so granted would mainly serve the purpose of rationalising the site boundary and would not in itself be required for public use, any additional domestic GFA so generated for the development site should still be shared between the Government and the applicant according to the 70:30 public/private housing split.

16. The applicants should prove unification of land title for the private lots to be surrendered within the application site and such surrendered lots would be subject to vacant possession by a specified deadline. Following the requirements introduced in recent years for land exchange applications in the NDAs, the applicant should offer appropriate compensation to the occupants on the private lots to be surrendered in the land exchange under LSPS projects. Specifically, the compensation should be comparable to the prevailing compensation and rehousing arrangement, as enhanced by the Government in 2018, for domestic households, business operators and others affected by the Government's development clearance exercises.

17. Where private land is to be resumed and/or government land is to be cleared by Government for the necessary infrastructure and GIC facilities supporting the proposed public and private housing development, the Government will follow the enhanced compensation and rehousing arrangement in dealing with those affected by the statutory resumption and/or government clearances. In this regard, the existing legislation requires any land resumption to be backed by a "public purpose" or for the purposes of road works/sewerage

¹² The relevant legislation includes the Lands Resumption Ordinance (Cap. 124), the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Water Pollution Control (Sewerage) Regulations (Cap. 358AL). The relevant government departments initiating the statutory process have to advise and justify the resumption in their proposal, which will eventually be considered by the appropriate authorities under applicable ordinances, such as the CE-in-C.

¹³ Under the prevailing policy, the Director of Lands has the delegated authority to grant additional government land for a land exchange provided that the land involved is incapable of reasonable separate alienation or development; has no foreseeable public use; and requires the payment of a premium at full market value and results in a financial return to Government no less favourable than by separate alienation.

works. In finalising the land resumption limits, efforts will be made to avoid or minimise the number of private lots to be resumed. Should land resumption be unavoidable and the lot owners concerned feel aggrieved by the resumption, the established consultation process enshrined in the relevant statutes would provide institutional safeguard.

VII. Workflow & Time Limit

C 18. To ensure speedy delivery of the housing yield, we will adopt a three-stage **approach** (see **Annex C**) **to handle LSPS applications in a facilitating manner**. **Stage 1** is essentially the vetting process by Government upon receipt of an application. DEVB has set up a dedicated, multi-disciplinary team of government officers (Land Sharing Office) to provide one-stop advisory and facilitation services to LSPS applicants. Under **Stage 2**, the proposals, with the Land Sharing Office and B/Ds' analyses, will be put to the Panel of Advisors for independent and third-party opinion. Including the Chairman, the Panel of Advisors is made up of 10 non-official members appointed by the CE for a term of 3.5 years with effect from 1 May 2020. They are individuals with credibility in society, with balance of expertise and experience from the legal, housing, development-related (e.g. planning, surveying, engineering and architecture), environment, social services and financial sectors. Those cases receiving support from the Panel of Advisors would then be submitted to CE-in-C for endorsement in principle. The applications so endorsed will then enter into **Stage 3** involving two parts – the statutory processes (mainly on town planning and road/sewerage works gazettal) and the land administration procedures. The established public participation channels of these statutory procedures, including consultation with District Councils (DCs) on the rezoning proposal, will continue to apply.

19. The established land administration procedures, specifically discussions on lease modification/land exchange including assessment of land premium at full market value, shall remain applicable to LSPS projects. The land administration process is **subject to a time limit of 18 months** for executing the lease modification/land exchange based on an agreed premium, and this time limit may be extended only if considered warranted by the Government having regard to the progress of individual applications. In the event that the lease modification/land exchange and premium negotiation falls through in the end, we will apply an **administrative rule of not processing any further lease modification/land exchange application in respect of the same private lots for three years**. This is to discourage applicants from walking away from the deal at the premium negotiation stage after so much work has been done by both sides under Stages 1 and 2.

20. The three-year “freezing period” is a relaxation of our earlier proposal to impose a five-year “freezing period”, taking into account some criticisms that a period of as long as five years would effectively deprive the private lot owner of its right to develop its land and in turn deter the lot owners to come forth as LSPS applicants. Upon review, we see room for relaxation as the likely scenario is that, in the absence of a deal with Government and without Government’s facilitation for infrastructural upgrading, the applicants would in any case be unable to achieve on its own the intensified development scale as approved under the statutory plans.

21. On processing time, stakeholders generally welcomed the fast-track and facilitating arrangements for processing and implementing LSPS projects, especially the Land Sharing Office as a one-stop portal of B/Ds. That said, there were skepticisms about the 18-month requirement for lease modification/land exchange. Whilst the 18-month time limit is ambitious, it is not impracticable in the light of our experience in dealing with land exchange cases in NDAs. That said, we reckon the genuine concerns of the market over the pressure to accept an assessed premium within the time-limit despite the good will of all parties. Hence, **the Director of Lands is given the discretion to grant an extension of the 18-month time limit by a reasonable period of time, say six months, for individual cases with good progress.** In any case, **LSPS applicants could also opt for joining the Pilot Scheme for Arbitration on Land Premium** administered by Lands Department (LandsD), with a view to coming into a binding lease modification/land exchange with an agreed premium; for these cases, the 18-month time limit (or the extended period) would halt until completion of the arbitration process.

B. Implementation and Timetable

22. LSPS will receive applications for three years from 6 May 2020 until 5 May 2023. A dedicated webpage has been set up (https://www.devb.gov.hk/en/issues_in_focus/land_sharing_pilot_scheme/index.html) to provide public access to the details of LSPS, including the application criteria, work flow, standard application form and other guidelines to facilitate prospective applicants to prepare their proposals and make enquiries with the Land Sharing Office. In addition to releasing key project details upon receipt of applications, the webpage will receive views from interested parties on the applications (which will be collated for consideration by the Panel of Advisors). It will also provide information on the following: the progress of each application at different stages, including opinions of the Panel of Advisors and CE-in-C on individual applications after their deliberation; register of interests

declared by members of the Panel of Advisors; and key details of the lease modification/land exchange including land premium payable when the same is uploaded onto LandsD's website.

23. We will keep under review the operation of LSPS during the three-year period.

IMPLICATIONS OF THE PROPOSAL

24. The Basic Law (including provisions concerning human rights), financial, civil service, economic, sustainability, environmental and family and gender implications of the proposal are set out at **Annex D**.

PUBLIC CONSULTATION

25. Details of the LSPS framework were announced in 2019 PA and since then, DEVB has engaged relevant stakeholders and the LegCo Panel on Development to listen to their views (see paragraph 3 above). Gist of their views and our responses are set out in the preceding sections.

26. Tapping into the development potential of private lots in the NT through a public-private partnership that is based on openness, fairness and transparency is one of the priority options recommended by the TFLS to boost land supply in the short-to-medium term. Many from the professional and real estate sectors welcomed the introduction of LSPS to explore the maximisation of development potential of private lots for public good. Some remarked that the LSPS, if successful, could be a handy and timely land supply solution for the short-to-medium term. There were views that LSPS could bring in vigour to certain undeveloped areas in the NT through quicker infrastructural improvement and drive different developments under the infrastructure-led approach.

27. On the other hand, there were critics who were sceptical of the perceived, suspected or indirect benefits to the developer-lot owners. They considered that the Government should resume those private lots with development potential for purely public housing development under the Lands Resumption Ordinance (Cap. 124). As explained above, there are various criteria and institutional safeguards that ensure public interest and transparency of LSPS applications and approved projects. It is also a misconception that the Government has given up resumption for public purposes. In fact, a steady stream of land resumption projects is in the pipeline, involving about 700 ha of

private land, of which some 400 ha is expected to be resumed in the next five years. In the 2019 PA, we further announced a number of initiatives to speed up government-led planning for the purpose of identifying more suitable sites including private lots for public housing or SH development.

PUBLICITY

28. All relevant details and information about LSPS will be uploaded to a dedicated webpage under DEVB. Enquiries can be directed to the Land Sharing Office of the DEVB.

MAINLAND RELATIONS AND RELATED PUBLIC RELATIONS MEASURES

29. The proposal has no implication on Mainland relations. No related public relations measure is considered necessary.

ENQUIRIES

30. Enquiries relating to this brief can be directed to Miss Cheryl Chow, Principal Assistant Secretary for Development (Planning and Lands) at 3509 8805.

Development Bureau
5 May 2020

Land Sharing Pilot Scheme Areas subject to Geographical Limit

Geographical Limit <i>(Note 1)</i>	Total Area <i>(Notes 2)</i>
	Hectares
I. Environmentally Sensitive Zonings <i>(Note 3)</i>	
- Conservation Area (CA)	5 770
- Coastal Protection Area (CPA)	836
- Site of Special Scientific Interest (SSSI)	1 139
- Other Specified Uses (Comprehensive Development to Include Wetland Restoration Area)	121
- Other Specified Uses (Comprehensive Development and Wetland Enhancement Area)	405
- Other Specified Uses (Comprehensive Development and Wetland Protection Area)	8
Total :	8 279
II. Country Parks / Special Areas <i>(Note 3)</i>	
- Country Parks / Special Areas <i>(For further information, please visit AFCD's website: https://www.afcd.gov.hk/english/country/cou_lea/cp_sa.html)</i>	44 312
Total :	44 312
III. 12 Priority Sites for Enhanced Conservation	
- 12 Priority Sites for Enhanced Conservation <i>(For further information, please visit AFCD's website: https://www.afcd.gov.hk/english/conservation/con_nncp/con_nncp_list/con_nncp_list.html)</i>	3 332
Total :	3 332

Geographical Limit <i>(Note 1)</i>	Total Area <i>(Notes 2)</i>
	hectares
IV. Areas Under Planning	
- Tung Chung New Town Extension <i>(For further information, please visit Tung Chung New Town Extension's website: https://www.tung-chung.hk/about.php)</i>	250
- Kwu Tung North/ Fanling North New Development Area (NDA) <i>(For further information, please visit Kwu Tung North/Fanling North NDA's website: https://www.ktnfln-ndas.gov.hk/en/)</i>	612
- Hung Shui Kiu/Ha Tsuen NDA <i>(For further information, please visit Hung Shui Kiu NDA's website: https://hsknda.hk/)</i>	714
- Yuen Long South <i>(For further information, please visit Yuen Long South's website: http://www.yuenlongsouth.hk/)</i>	224
- New Territories North (NTN) <i>(NTN New town, Man Kam To(MKT) Logistics Corridor and San Tin (ST)/ Lok Ma Chau (LMC) Development Node)</i> <i>(For further information, please refer to the booklet of HK2030+: https://www.hk2030plus.hk/document/NTN_EN.pdf)</i>	1 412
- Potential Areas Intended for Public Housing Development outside NDAs and NTN <i>(Including remainder of some 210 sites to be rezoned for public housing, area in Kam Tin South intended for public housing development, 3 squatter areas in Kowloon East to be replanned for public housing development, i.e. Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village, and brownfield clusters shortlisted for public housing development^(Note 4))</i>	288
Total :	3 500

Remarks:

Note 1: The figures have not offset possible overlapping of area among the four groups, such as land covered by environmentally sensitive zonings within Country Parks and priority sites.

Note 2: The figures and total area of land subject to geographical limit are snapshot as of April 2020. Since government's planning and conservation efforts are ongoing, these figures are subject to updates.

Note 3: Gazatted areas as of April 2020 are adopted.

Note 4: The area of individual clusters for sites grouped under this category will be based on the study boundaries of relevant engineering feasibility studies and will be promulgated on the LSPS webpage.

**Calculation of “Increased Domestic Gross Floor Area”
under the Land Sharing Pilot Scheme**

Under the Land Sharing Pilot Scheme (LSPS), each project should be capable of delivering an increased domestic gross floor area (GFA) of 50 000 square metres (sqm) and at least 1 000 additional housing units (assuming an average flat size of 50 sqm). No less than 70% of the increased domestic GFA should be set aside for public housing or Starter Home (SH) development as intended by the Government; the domestic GFA for public housing or SH development should be handed over to the Government in a form of formed land for a self-contained site.

2. “Increased domestic GFA” generally refers to the difference between the domestic GFA proposed under the LSPS application and eventually approved by the Town Planning Board (TPB) (i.e. **New Figure “Y”**) and the domestic GFA currently permissible under the Outline Zoning Plan (OZP) and/or the planning approval given by TPB (i.e. **Base Figure “X”**).

3. Take an example of a privately owned lot that is currently capable of delivering a maximum domestic GFA of 20 000 sqm. Assuming approval under the LSPS and by TPB, the maximum domestic GFA attainable by the private lots is increased to 80 000 sqm. In such case, the increased domestic GFA is 60 000 sqm. With an average flat size of 50 sqm, the project can bring about an additional 1 200 housing units. Since at least 70% of increased domestic GFA has to be allocated for public housing or SH development, in this case the Government would receive 42 000 sqm (about 840 units), while the developer-lot owner would retain its original domestic GFA (20 000 sqm) and gain 30% of the increased domestic GFA (18 000 sqm), i.e. total of 38 000 sqm for private housing development.

4. The following further illustrate how the increased floor area would be calculated in different scenarios.

	Scenario 1	Scenario 2	Scenario 3
Application Site	Sites falling within development zones on OZP (e.g. “Residential” (“R”) or “Comprehensive Development Area” (“CDA”)), and without any valid planning permission to increase the development intensity	Sites falling within development zones on OZP (e.g. “R” or “CDA”) and with valid planning permission to exceed the development intensity prescribed for the zone	Sites currently zoned for non-residential uses such as “Agriculture” (“AGR”), “Government, Institution or Community” (“G/IC”), “Green Belt” (“GB”), “Road”, etc.
Base Figure “X”	Permissible domestic GFA calculated by the Plot Ratio (PR) or the maximum domestic GFA as stipulated under the prevailing OZP	Permissible domestic GFA calculated by the PR or the maximum domestic GFA as covered by the planning permission previously approved by TPB	0 (i.e. no permissible domestic GFA for residential purpose)
New Figure “Y”	Higher domestic GFA proposed in the development scheme vide LSPS and eventually approved by TPB	Higher domestic GFA proposed in the development scheme vide LSPS and eventually approved by TPB	Domestic GFA proposed in the development scheme vide LSPS and eventually approved by TPB
Increased Domestic GFA	Y-X	Y-X	Y
Hypothetical Example for illustration purpose only	<p>A residential site of 2 hectare (ha) has a domestic PR 0.5 as stipulated under the extant OZP, and has been approved by TPB for increasing the development intensity vide LSPS at a domestic PR 3.</p> <p>The increased domestic GFA would be based on a domestic PR 2.5 (3-0.5) and multiplied by site</p>	<p>A residential site of 2 ha has a domestic PR 1 as previously approved by TPB, and has been approved by TPB for further increasing the development intensity vide LSPS at a domestic PR 3.5.</p> <p>The increased domestic GFA would be based on a domestic PR 2.5 (3.5-1) and multiplied by site</p>	<p>An agricultural site of 2 ha has been approved by TPB for changing the zoning from “AGR” to “R” vide LSPS for a domestic PR 3.</p> <p>The increased domestic GFA would be based on a domestic PR 3 (3-0) and multiplied by site</p>

	Scenario 1	Scenario 2	Scenario 3
	<p>area, i.e. domestic GFA 60 000 sqm (Y) – 10 000 sqm (X) = domestic GFA 50 000 sqm.</p> <p>Public housing/SH = GFA 35 000 sqm (approximately 700 units of public housing/SH of 50 sqm each)</p> <p>Private housing gain = GFA 15 000 sqm (approximately 300 units of private housing of 50 sqm each), on top of the original GFA 10 000 sqm giving 200 units</p>	<p>area, i.e. domestic GFA 70 000 sqm (Y) – 20 000 sqm (X) = domestic GFA 50 000 sqm.</p> <p>Public housing/SH = GFA 35 000 sqm (approximately 700 units of public housing/SH of 50 sqm each)</p> <p>Private housing gain = GFA 15 000 sqm (approximately 300 units of private housing of 50 sqm each), on top of the original GFA 20 000 sqm giving 400 units</p>	<p>area, i.e. domestic GFA 60 000 sqm (Y).</p> <p>Public housing/SH = GFA 42 000 sqm (approximately 840 units of public housing/SH of 50 sqm each)</p> <p>Private housing gain = GFA 18 000 sqm (approximately 360 units of private housing of 50 sqm each)</p>

Development Bureau
May 2020

Indicative Timeline for LSPS 先導計劃的參考時序

Stage 1: Vetting
(3 months)
第一階段：審核
(3個月)

**Stage 2: Recommendation/
Granting Support in principle**
(3 months)
**第二階段：建議/
批出原則性支持**
(3個月)

**Stage 3:
Statutory/ Land Administration Procedures**
(30-42 months)
第三階段：法定/地政程序 (30-42個月)



**Housing
Land
Supply**
**房屋土地
供應**



Vetting of Application
by Land Sharing Office
土地共享辦事處
審核申請



Consultation
with Panel
of Advisors
諮詢
顧問小組



Granting Support
in principle by
Chief Executive in
Council
行政長官
會同行政會議
批出原則性支持



Government to initiate necessary statutory procedures
(normally 12-18 months) in parallel
(e.g. town planning/gazettal of road works)
由政府同步啟動所須的法定程序(一般12-18個月)
(如城規、道路工程刊憲)

Lease Modification & Premium Negotiation
(to complete in 18-24 months after statutory planning process)
契約修訂及補地價(於法定規劃程序後18-24個月內完成)

Lead time for Approval (36-48 months)
批准需時36-48個月

Assuming
1-2.5 years for
site formation
假設1-2.5年
作土地平整

Therefore, housing land supply in about 4-6.5 years 因此，約在4至6年半帶來房屋土地供應

LAND SHARING PILOT SCHEME

Basic Law Implications

The proposed Land Sharing Pilot Scheme (LSPS) is in conformity with the Basic Law, including the provisions concerning human rights as the Government retains its discretion and control on whether any LSPS application should be approved and on any land premium to be imposed to an LSPS project.

Financial and Civil Service Implications

2. The proposed LSPS seeks to unlock the development potential of privately-owned land and enable high-density housing development through facilitating infrastructural upgrading and provision of necessary Government, Institution or Community (GIC) facilities. To this end, the proposed approach of funding the relevant facilities, site formation works for the public housing or Starter Homes (SH) portion as well as land resumption and clearance, and/or costs of reprovisioning of affected facilities (if any) through land premium deduction would involve premium forgone equivalent to the corresponding costs of the relevant works, subject to vetting and acceptance by Government that the facilities are necessary and essential to the proposed development and cost-effective. The exact financial implications would need to be considered on a case-by-case basis. If the Government was to construct the infrastructure and GIC facilities to support the relevant housing developments, the construction cost would be roughly the same. Also, the facilities upon completion are to be handed back to the Government for management and maintenance. Hence, the overall financial implication to the Government should be broadly neutral. Relevant bureaux/departments (B/Ds) will also seek necessary recurrent resources in accordance with the established mechanism to support the management, operation or maintenance of the infrastructure and/or GIC facilities that would be handed back to the Government after construction.

3. Regarding civil service implication, in light of the expected additional workload arising from the proposed LSPS, particularly the one-stop advisory and facilitation services to applicants, and compressed administrative procedures in processing applications and approved development schemes, the Land Sharing Office comprising a multi-

disciplinary team of government officers has been set up under the Development Bureau. Additional manpower resources have been secured in relevant B/Ds to prepare for the likely increase in workload arising from vetting and scrutiny of technical assessments/planning and/or engineering studies, and taking forward of town planning procedures; gazettal of works procedures; and land administration including resumption and clearance, and lease modification and premium assessment procedures, etc. Additional resources, if required, will be sought with justifications in accordance with the established resource allocation mechanism as and when necessary and appropriate.

Economic Implications

4. The proposed LSPS would demonstrate the determination of the Government to increase land supply to meet both public and private housing needs of Hong Kong. The eventual increase in the supply of housing units, particularly public housing units and SH, would help meet the public housing demand and that of affordable homes in Hong Kong in the short to medium term.

Environmental Implications

5. We are mindful of the possible impact on the environment to be brought by the implementation of LSPS projects and the intensified housing development in certain areas. We have hence ruled out participation of private lots falling within country parks, six environmentally sensitive zonings and areas covered by the list of 12 priority sites for enhanced conservation under the New Nature Conservation Policy (NNCP). To further ensure that the development under individual LSPS proposals would not bring insurmountable impact to the environment and that the environmental quality would not be compromised as a result of the increase in land supply, relevant environmental legislation, established guidelines and standards and statutory procedures would continue to apply, and that necessary measures will be put in place to avoid, minimise and mitigate any adverse environmental impacts so arising in taking forward the development projects. Detailed and site-specific environmental reviews and/or statutory environmental impact assessments would be conducted in accordance with the established practice as applicable to confirm the environmental acceptability of the proposed developments. Among others, the evaluation of the need and feasibility of upgrading the sewerage infrastructure to cope with the additional sewage flows arising from the

additional population should include holistic and timely review on the capacity of downstream sewerage system and sewage treatment facilities with due consideration of the need for any interim solutions to the sewage problems if there is a mismatch in the timing of the provision of sewerage and sewage treatment facilities, the long-term demand in a regional context, and the long lead time and significant resource required to implement any facility expansion scheme or improvement measure that may be required.

Sustainability Implications

6. The LSPS will help unlock development potential of privately-owned land, thereby increasing public housing supply to support the continued population growth and developments of Hong Kong. This would also meet the aspirations of the community for effective and prompt actions to tackle the shortage of affordable housing. Relevant assessments would be conducted for individual proposals under LSPS. Suitable measures would be put in place to alleviate any potential environmental impacts so arising. The concern of the public, in particular the sentiments of stakeholders, should also be handled with care.

Family and Gender Implications

7. The increase in housing land supply would help enhance and expedite the supply of public and private housing, which could in turn help improve the living condition of families. In particular, the increase in supply of subsidised housing units through provision of more housing land under LSPS will help shorten the waiting time for public rental housing applicants and their family members, some of whom may at present be inadequately housed. To tie in with the increase in housing supply, we will ensure as part of the LSPS projects the timely provision of sufficient supporting facilities (e.g. social, recreational, community and utility) in tandem with the population intake. These will cater for the housing and socio-economic needs of family members and provide a family-friendly environment to better balance work, family and community commitments. The social welfare facilities to be provided at the sites of LSPS projects would likely include facilities for children and/or the elderly which should be conducive to enhancing support and relieving the burden of primary caregivers, who are usually women, and facilitate them to join/stay in the workforce.
