

## **LAND SHARING PILOT SCHEME (LSPS)**

### **GUIDELINES FOR APPLICABLE LAND ADMINISTRATION PROCEDURES**

1. The “LSPS and Guidance Note on Applications” (GN) has been issued under separate cover<sup>1</sup>. To assist applicants of LSPS (the Applicant), this document provides further guidance on the handling of land administration procedures relevant to the application of LSPS.

#### **LAND ADMINISTRATION PROCEDURES**

2. The established land administration procedures, specifically on land exchange/lease modification including assessment of land premium, shall remain generally applicable to LSPS projects insofar as that portion of the site under application (the Application Site) for private development is concerned.

3. Since the permissible uses and development intensity of the Application Site would most likely be changed under LSPS subject to approval by the Town Planning Board (TPB), the Applicant is required to complete the land exchange/lease modification procedures (including premium assessment) with the Lands Department (LandsD) and pay the full premium of the portion of land for private development. Besides, the Applicant shall be responsible for consolidating the ownership of all private lots within the Application Site which includes both public housing/Starter Homes (SH) and private developments.

#### **Application for Land Exchange/Lease Modification**

4. Applications for land exchange/lease modification should be made in accordance with the guidance provided vide LandsD’s Land Administration Office (LAO) Practice Note Issue No. 4/2007 entitled “Application Checklist for Lease Modification/Land Exchange Applications”<sup>2</sup>.

5. While a land exchange/lease modification application may only be validated after approval of the amendment to Outline Zoning Plan (OZP) to reflect the development proposal under LSPS, the Applicant should submit such an application well in advance to facilitate checking by LandsD. Given the tight timeframe as referred to in **Annex B** of the GN, the Applicant will be required to settle the initial administrative fee and initial Legal Advisory and Conveyancing Office (LACO)’s fee (if applicable) within three weeks from the date of a letter demanding such fees.

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<sup>1</sup> [https://www.devb.gov.hk/filemanager/en/content\\_1152/LSPS\\_GN\\_e.pdf](https://www.devb.gov.hk/filemanager/en/content_1152/LSPS_GN_e.pdf)

<sup>2</sup> Available at [https://www.landsd.gov.hk/en/images/doc/2007-4\\_text.pdf](https://www.landsd.gov.hk/en/images/doc/2007-4_text.pdf)

### **Proof of Title**

6. The Applicant should prove good land title for the private lots to be surrendered for the proposed land exchange (if applicable) in all respects to the satisfaction of LACO of LandsD within seven months from the date of valid application. In this regard, the Applicant is required to forward the title deeds of all the lots to be surrendered under the proposed land exchange to LACO within three weeks from the date of the letter mentioned in paragraph 5 above.

### **Site Areas and Coordinates of boundaries**

7. At the time of forwarding the title deeds mentioned in paragraph 6 above, the Applicant is required to submit land boundary plans, survey record plans and survey reports prepared and certified by an Authorised Land Surveyor for the application under LSPS to the concerned District Lands Office and District Survey Office showing the areas and coordinates of boundaries of the private lots to be surrendered and the proposed site to be granted for the proposed land exchange.

### **Land Resumption and Clearance**

8. The Government will not resume private land for the purpose of deriving the increased domestic gross floor area (GFA) for private housing development under LSPS. However, the Government may make available government land intervening the private lots within the Application Site or along the site boundaries, as the case may be, for the development in accordance with the prevailing policy (see paragraph 11 below).

9. Following the requirements introduced in recent years for land exchange applications in the New Development Areas, 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. Where private land is to be resumed and/or government land is to be cleared by Government for the necessary infrastructure and Government, Institution or Community (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.

10. Apart from the Agreement as mentioned in the GN to be executed prior to assessment of premium for the proposed land exchange/lease modification for the provision of infrastructure and GIC facilities, the Government would require the Applicant to execute an undertaking shortly after the application is validated for payment of costs for clearance of government land included in the land exchange/lease modification application.

### **Additional Government Land**

11. As a general principle, land exchange would generally be on a foot-for-foot basis. Notwithstanding this, the Government may make available government land intervening the private lots within the Application Site or along the site boundary, as

the case may be, in accordance with the prevailing policy that the Government land involved:

- (a) is incapable of reasonable separate alienation or development;
- (b) has no foreseeable public use; and
- (c) 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.

Additional domestic GFA generated from the government land so granted would be shared between the Government and the Applicant according to the 70:30 public housing/SH and private housing split.

### **Premium Assessment**

12. The Applicant should refer to LandsD's LAO Practice Note Issue No. 1/2006, LAO Practice Note Issue No. 5/2006 as supplemented by LAO Practice Note Issue Nos. 3/2008 and 3/2009, and LandsD LAO Practice Note Issue No. 4/2009 for guidance on the premium assessment procedures.

13. Upon acceptance of a provisional basic terms and offer (without premium) (PBTO) by the Applicant, the premium assessment procedure will be triggered that the Government, as landlord, will require the Applicant, as lessee, to pay a premium reflecting difference between the value of the land under the existing lease and its value under the new/modified lease. To facilitate preparation of the premium assessment, the Applicant will be invited to submit to LandsD information as they consider relevant to the assessment as soon as possible after their formal acceptance of PBTO. For the avoidance of doubt, the premium will be assessed at full market value for the proposed land exchange/lease modification. For items which are deductible from the premium, paragraph 24 of the GN is relevant.

14. Upon consideration of all relevant information and valuation, LandsD will calculate the amount of premium involved and notify the Applicant by way of a binding basic terms offer. The entire land administration (including premium assessment) procedures is subject to a time limit of 18 months. With the target to complete the land exchange/lease modification (including premium assessment) within the 18-month time limit, the Applicant who find the premium offer not acceptable shall submit the appeal submission with supporting evidences within 6 weeks. Notwithstanding, the Director of Lands, with the policy support of the Land Sharing Office (LSO), may at his sole and absolute discretion grant an extension of the 18-month time limit by a reasonable period of time (e.g. six months) for individual cases with good progress. The Applicant could also opt for joining the Pilot Scheme for Arbitration on Land Premium after the first appeal administered by the LandsD, with a view to coming to a binding agreement on land exchange/lease modification with an agreed premium. For these cases, the 18-month time limit (or the extended period) would halt until completion of the arbitration process.

## **Disclaimer**

15. The above guidelines are subject to revision without prior notice. Users are reminded to keep abreast of the latest version of such available at the website: [https://www.devb.gov.hk/en/issues\\_in\\_focus/land\\_sharing\\_pilot\\_scheme/index.html](https://www.devb.gov.hk/en/issues_in_focus/land_sharing_pilot_scheme/index.html) and the references as quoted in the relevant websites of other authorities.

## **Enquiry**

16. Applicant may contact the LSO for enquiries in relation to the land administration and premium assessment procedures applicable under LSPS:

Address:	Land Sharing Office c/o Development Bureau (Planning and Lands Branch) 17/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong
Email:	<a href="mailto:lso@devb.gov.hk">lso@devb.gov.hk</a>
Phone:	(852) 3509 7865
Facsimile:	(852) 2845 3489

**LAND SHARING OFFICE  
DEVELOPMENT BUREAU  
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