



Lands Administration Office

Lands Department

Practice Note

Issue No. 4/2002

Procedure for Land Sale under the Application System

Under the annual Land Sale Programme, the Lands Department publishes a list of sites available for sale upon application ('the Application List'). The Application List contains information on lot number, location, use, site area, plot ratio, estimated earliest available date and deposit required for each of the sites.

Parties interested in applying for the sale of the sites must forward to the Lands Department Headquarters an application in the format shown at **Appendix I** indicating the 'minimum price' they are prepared to bid. Such application shall be submitted not more than three months before the 'estimated earliest available date' as specified in the Application List.

Upon receipt of the application, the Lands Department will within two weeks advise the applicant, in writing, whether the 'minimum price' is acceptable. If acceptable, the applicant will be notified of the intended method of sale, i.e. auction or tender, and the auction or tender date as appropriate. In general, such date is unlikely to be longer than two months from the date of notification.

At the same time, the applicant will be required to sign an agreement ('the Agreement') within 14 days (sample copies of the Agreement for Auction and the Agreement for Tender are at Appendices II and III respectively) to bid/tender for the lot at the minimum amount offered, and pay a deposit as specified in the Application List in the form of a cashier order or a cheque. In the case where a cheque is submitted, it must be certified good by the bank on which it is drawn for payment up to a period as specified by the Director. Normally, this period is unlikely to be longer than 3 months from the date of returning the Agreement.

If the 'minimum price' submitted is not acceptable, the applicant will be advised accordingly, and no further action will be taken on the application.

Upon receipt of the Agreement and deposit from the applicant, the Lands Department will arrange advertisement/gazettal and distribution of the land sale documents. Normally, there will be 3 gazettals before the auction date or the tender closing date.

Depending on the method of disposal, the following arrangements will be applicable: -

(i) Auction

If the applicant is successful in acquiring the site, the deposit will be used to off-set the purchase price. If, however, the applicant is unsuccessful in obtaining the site, yet honours his undertaking under the Agreement, then his cashier order or deposit cheque will be returned to him without interest, on the next working day immediately following the auction. *(Note: Subject to a request made prior to the date of auction, arrangements can be made for returning the cashier order or deposit cheque at the auction venue immediately after the completion of the auction proceedings.)*

In the event that the auction does not reach the 'minimum price', the deposit will be forfeited.

(ii) Tender

If a tender is submitted in the name of the applicant, the deposit submitted under the Agreement shall be treated as the deposit required to be submitted with the Form of Tender and the applicant will not be required to submit a separate cheque or cashier order with his tender on the basis that the said deposit remains subject to all the terms and conditions of the Agreement.

If the applicant is successful in acquiring the site, the deposit will be used to off-set the purchase price. If, however, the applicant is unsuccessful in obtaining the site, yet honours his undertaking under the Agreement, then his cashier order or deposit cheque will be returned to him without interest within one week after the tender award.

In the event that the applicant fails to tender at or above the 'minimum price' or withdraws such tender prior to award of tender, then the deposit will be forfeited.

Practice Note No. 1/2001 is hereby superseded.

A handwritten signature in black ink, appearing to read 'R.D. Pope', written in a cursive style.

(R.D. Pope)
Director of Lands
4 March 2002

Application Form

Director of Lands
20/F, North Point Government Offices,
333 Java Road,
Hong Kong

Date :

Dear Sirs,

Lot No. : _____

I hereby apply for the above lot shown on your Application List. I am prepared to bid a minimum price of HK\$ _____ for the lot and should my offer be acceptable, sign an agreement to that effect and pay the specified deposit.

I understand that you will advise me within two weeks whether my application is successful or not.

Yours faithfully,

On behalf of *

** Please insert the name of the company, contact address and telephone number(s)*

Note : *The completed application form should be submitted in a sealed plain envelope marked "For the attention of the Director of Lands" and delivered either by hand or by registered post to the above address.*

Agreement for Auction Cases

AGREEMENT made the day of 20 BETWEEN the Government of the Hong Kong Special Administrative Region ("the Government") of the one part and (hereinafter referred to as "the Offeror") of the other part.

WHEREBY it is agreed as follows :-

1. In consideration of the offer of HONG KONG DOLLARS (HK\$) (hereinafter referred to as "the minimum price") made by the Offeror on the basis of the draft Special Conditions annexed hereto for the purchase of the lot of Government land to be known as (hereinafter referred to as "the lot") and the sum of HONG KONG DOLLARS (HK\$) (hereinafter referred to as "the deposit") (the receipt whereof is hereby acknowledged) paid by the Offeror to the Director of Lands (hereinafter referred to as "the Director") as evidence of the Offeror's genuine intention to bid for the lot, the Director shall cause the Conditions of Sale of the lot to be prepared and issued, and an auction date will be published in the Government of the Hong Kong Special Administrative Region Gazette in due course.
2. The Director shall be at liberty to withdraw the lot from sale at any time prior to the proposed auction date and in that event the deposit paid shall be returned to the Offeror in full but without interest. Upon return of the deposit, this Agreement shall terminate and the Offeror shall have no further claim of any kind against the Government.

3.
 - (a) If the lot is offered for sale at public auction and there is no bid in an amount equivalent to or more than the minimum price or the lot is not sold at an amount equivalent to or more than the minimum price, the deposit shall be forfeited.
 - (b) If the lot is sold at public auction to a purchaser other than the Offeror, at or above the minimum price, the deposit shall be returned in full to the Offeror, but without interest.
 - (c) If the Offeror bids successfully for the lot at public auction, the deposit shall be treated as the deposit required to be paid on the fall of the hammer and the Offeror shall pay the balance of the premium in accordance with the Conditions of Sale of the lot.
 - (d) Cheques or cashiers orders tendered in payment of the deposit will be held uncashed by the Government pending the result of the auction.
 - (e) If for any reason the lot is not made available for sale within three months from the date of this Agreement, the deposit cheques or cashier orders referred to above will be returned to the Offeror but without interest and this Agreement shall terminate and neither party shall have any further claims against the other arising out of the terms hereof.

4. Nothing herein contained shall prejudice the terms and conditions upon which the lot is to be sold and save as provided in Clause 3(c) hereof, nothing herein contained shall be construed as modifying the Conditions of Sale of the lot.

5. In the event that the deposit is forfeited pursuant to the terms of this Agreement, neither party hereto shall have any further claim against the other arising out of the terms hereof.

IN WITNESS whereof the Assistant Director/Lands Department, being duly authorized by the Chief Executive of the Government so to do, has signed this Agreement on behalf of the Government and the Offeror has/have set his/their hand(s)/and seals hereto the day and year first above written.

Witness to the signature of the Offeror : Signature of the Offeror/Seal of the Offeror and authorized signature(s) :

.....
Name in Capital Letters : Name in Capital Letters :

.....
.....

H.K.I.D. Card No

Address

.....

Witness to the signature of
Assistant Director/Lands Department

For and on behalf of the
Chief Executive of the Hong Kong
Special Administrative Region

.....
Civil Servant
Lands Department

.....
Assistant Director/Lands Department

Agreement for Tender Cases

AGREEMENT made the day of 20 BETWEEN the Government of the Hong Kong Special Administrative Region ("the Government") of the one part and (hereinafter referred to as "the Offeror") of the other part.

WHEREBY it is agreed as follows :-

1. In consideration of the offer of HONG KONG DOLLARS (HK\$) (hereinafter referred to as "the minimum price") made by the Offeror on the basis of the draft Special Conditions annexed hereto for the purchase of the lot of Government land to be known as (hereinafter referred to as "the lot") and the sum of HONG KONG DOLLARS (HK\$) (hereinafter referred to as "the deposit") (the receipt whereof is hereby acknowledged) paid by the Offeror to the Director of Lands (hereinafter referred to as "the Director") as evidence of the Offeror's genuine intention to bid for the lot, the Director shall cause the Tender Notice, Form of Tender and Conditions of Sale by Public Tender of the lot to be prepared and issued, and a tender closing date will be published in the Government of the Hong Kong Special Administrative Region Gazette in due course.

2. The Director shall be at liberty to withdraw the lot from sale at any time prior to the proposed tender closing date and in that event the deposit paid shall be returned to the Offeror in full but without interest. Upon return of the deposit, this Agreement shall terminate and the Offeror shall have no further claim of any kind against the Government.

3.
 - (a) In the event that the Offeror fails to tender at or above the minimum price or withdraws such tender prior to award of tender, the deposit shall be forfeited.
 - (b) If a tender is submitted in the name of the Offeror, the deposit under this Agreement shall be treated as the deposit required to be submitted with the Form of Tender and the Offeror will not be required to submit a separate cheque or cashier order with its tender provided that by executing this Agreement the Offeror hereby acknowledges that the deposit remains subject to all the terms and conditions of this Agreement.
 - (c) Subject to sub-clause (b) hercof and if the Offeror bids successfully for the lot by tender, the deposit shall be applied in part payment of the premium tendered and the Offeror shall pay the balance of the premium in accordance with the Conditions of Sale of the lot.
 - (d) Cheques or cashiers orders tendered in payment of the deposit will be held uncashed by the Government pending the award of the tender.

(e) If for any reason the lot is not made available for sale within three months from the date of this Agreement or the Offeror tenders at or above the minimum price but his tender is not accepted, the deposit cheques or cashier orders referred to above will be returned to the Offeror but without interest and this Agreement shall terminate and neither party shall have any further claims against the other arising out of the terms hereof.

4. Nothing herein contained shall prejudice the terms and conditions upon which the lot is to be sold and save as provided in Clause 3(b) hereof, nothing herein contained shall be construed as modifying the Tender Notice, Form of Tender and Conditions of Sale by Public Tender of the lot.
5. In the event that the deposit is forfeited pursuant to the terms of this Agreement, neither party hereto shall have any further claim against the other arising out of the terms hereof.

IN WITNESS whereof the Assistant Director/Lands Department, being duly authorized by the Chief Executive of the Government so to do, has signed this Agreement on behalf of the Government and the Offeror has/have set his/their hand(s)/and seals hereto the day and year first above written.

Witness to the signature of the Offeror : Signature of the Offeror/Seal of the Offeror and authorized signature(s) :

.....
Name in Capital Letters :

.....
Name in Capital Letters :

.....
H.K.I.D. Card No

.....
Address

.....
Witness to the signature of
Assistant Director/Lands Department

.....
For and on behalf of the
Chief Executive of the Hong Kong
Special Administrative Region

.....
Civil Servant
Lands Department

.....
Assistant Director/Lands Department