



**Incentive Scheme to Encourage Provision
of Residential Care Home for the Elderly Premises
in New Private Developments**

In pursuance of the policy objective to encourage the provision of purpose-built residential care homes for the elderly (RCHE) by developers in new private developments, LandsD may grant concessions to exempt eligible RCHE premises from payment of land premium in respect of land transactions relating to lease modifications, land exchanges and private treaty grants for residential/commercial developments.

2. To be eligible for the above concession, provision of the RCHE premises in the proposed development must have the support of the Social Welfare Department (SWD) and such concessions, if granted, will be given subject to conditions as follows: -

- i) Only one RCHE premises per development project will be eligible for the concession and the size of the RCHE premises concerned should not exceed a maximum gross floor area of 5400m²;
- ii) No sub-division of the RCHE premises will be allowed and transfer of title such as assignment or subletting of the RCHE premises will be prohibited except as one whole unit;
- iii) Provision of the RCHE premises must comply with all requirements as may be imposed by SWD and all ordinances, by-laws or regulations that are in force from time to time.
- iv) Throughout the term of the lease, the premises shall be managed and operated as a RCHE to the satisfaction of SWD.
- v) The above requirements shall be stipulated as conditions in the Government lease.

3. It should be noted that, subject to the above, developers will be allowed to either lease or sell the completed RCHE premises or operate the required RCHE by themselves. However, any unauthorized change of use or leaving the RCHE premises vacant for a period in excess of 12 months may render the premises liable for enforcement actions under the lease conditions, including re-entry proceedings and the taking of possession of the RCHE premises by Government, without compensation.

4. Interested parties are also advised to refer to the Guidance Note on this subject released by Social Welfare Department on its website in August 2003.



(Patrick L C LAU)
Director of Lands
7 August, 2003