



Lands Administration Office
Lands Department

Practice Note

Issue No. 1/2004

Site Coverage Control under the Lease Condition

This Practice Note is issued in relation to the Practice Note for Authorized Persons and Registered Structural Engineers (PNAP) No.280 issued by the Buildings Department (BD) on the subject 'Site Coverage and Open Space Provision'. Lands Department will process the applications for development based on the said PNAP in the following manner:-

- (A) For existing lease conditions with restriction(s) on site coverage/built over area/roofed over area/covered area or similar restrictions (hereinafter collectively referred to as "SC")

For existing lease conditions with restriction(s) on SC, if the applicant wishes to develop the site in accordance with the guidelines set out in PNAP 280 which would lead to the SC under the lease conditions of the subject lot being exceeded, a two-stage procedure as shown below will be adopted: -

Stage 1 : Introduction of flexibility into the existing SC clause in the lease condition by means of lease modification

For existing lease conditions that contain the discretionary clause "The Director may exclude floor space or structure(s) which have been excluded by the Building Authority (BA) from site coverage calculation under the Buildings Ordinance subject to the payment of such premium and administrative fee as shall be determined by the Director", no lease modification will be required.

For existing lease conditions without the above discretionary clause, the lease will be modified to include a clause similar to that mentioned above which will permit the Director to issue consent letters to exclude the concerned floor space or structure(s). The applicant will only need to pay an administrative fee for the lease modification at this stage.

Stage 2 : Assessment of the land premium on a case by case basis upon approval of building plan

When the building plans of the development based on the application to the BD

for flexibility in determining site coverage and open space provision to facilitate innovative design is approved by BD, the applicant shall submit a set of the approved building plans to the respective District Lands Office (DLO) for premium assessment for the issue of the consent letter by the Director. A letter stating clearly the increase in SC and any other relevant information arising from the exemption by BD under the provisions of PNAP 280 should be included in the application for checking purposes. Premium assessment will be based on the enhancement in land value arising from the relaxation of the SC for the development on a case by case basis.

A consent letter under the discretionary clause in Stage 1 above will be issued upon settlement of the administrative fee and the assessed premium. Upon completion of the modification and issue of the consent letter, if the SC is further increased, the subsequent amendment plans should be approved by the Director, who may at his sole discretion, impose such conditions (including payment of additional premium and administration fee) upon approval. If the SC is reduced in relation to the approved SC, no refund of paid premium will be allowed.

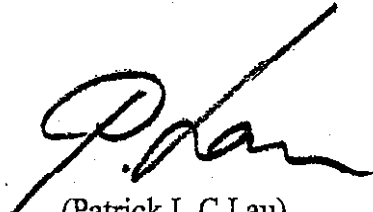
If the applicant has completed the lease modification in paragraph 2 of Stage 1 above, the first consent letter issued subsequent to the modification will not attract any administrative fee. However, any further consent letter would attract a fresh administrative fee.

(B) For new lease conditions

For new lease conditions with SC control, a discretionary clause similar to that for the existing lease in Paragraph (A) Stage 1 above will be included in the lease conditions so that the Grantee/Purchaser will have the option to develop the lot within the scope of PNAP 280 subject to payment of premium and administrative fee on a case by case basis. If the Grantee/Purchaser chooses to develop the lot under PNAP 280, he should submit the approved building plans to the respective DLO for processing in accordance with the procedure as laid down in Paragraph (A) Stage 2 above.

2. A sample consent letter is at Appendix I for reference. The same should be amended to suit the circumstances of individual cases.

3. The current administrative fee is \$23,000 (subject to annual review) for processing of both lease modification or issue of consent letter as referred in this Practice Note.



(Patrick L C Lau)
Director of Lands

**[Consent letter to exclude under lease floor space or structure
from site coverage calculation that has been
exempted by the Buildings Authority under PNAP 280]**

BY RECORDED DELIVERY

Dear Sirs,

Re: (Lot No. & Address)

In consideration of your payment to the Government of the Hong Kong Special Administrative Region of a premium amounting to \$ { } and an administrative fee amounting to \$ { } (the receipts whereof are hereby acknowledged) and pursuant to Special Condition No. { } of Conditions of { }/New Grant No. { } (hereinafter referred to as "the Conditions"), under which the above lot is held, I hereby agree to exclude from the calculation under the Conditions of the *site coverage/built over area/roof over area/covered area/or similar restrictions of any building or buildings erected or to be erected on the above lot any structure or floor space that has been exempted by the Building Authority on the basis of flexibility in determining site coverage and open space provision to facilitate innovative design subject to the following conditions:

(a) The *site coverage/built over area/roofed over area/covered area/ or similar restrictions of the development shall not exceed that as shown on the building plan submission with drawing number () approved by the Building Authority dated().

(c) (Other conditions which Director of Lands may wish to impose).

2. This letter should be registered by you or your solicitor by Memorial in the Land Registry/{ } New Territories Land Registry within one calendar month from the date of this letter. You are required to forward a photocopy of the registered letter to me within three calendar months from the date of this letter.

3. You should attach this letter to the other land documents in your possession for record purposes.

* delete if appropriate

*[] Insert if to
supersede
previous
consent letter

*[4. My previous letter dated { } under reference { } is superseded by this
letter.]

Yours faithfully,

(
District Lands Officer/

cc LACO (District)