



Applications for Lease Modification
including Land Exchange for Development of Land
within the Second Phase of Yuen Long South New Development Area

Following the issue of the Practice Note (“PN”) No. 13/2023 on New Arrangements for Applications for Lease Modification including Land Exchange under the “Enhanced Conventional New Town Approach” (“ECNTA”) by Lands Department (“LandsD”) on 28 December 2023, owners of private lots within the Second Phase of Yuen Long South New Development Area (“YLS NDA”) may apply to LandsD on or before **19 May 2025** for a lease modification including land exchange (collectively “land exchange”) for development of their lots within sites earmarked by the Government for private development and open for land exchange application within the Second Phase of YLS NDA under the ECNTA. Lot owners who wish to apply for such a land exchange (“Applicants”) should refer to this PN and PN No. 13/2023 for information regarding the application.

Relevant Plans

2. Development of the Second Phase of YLS NDA should follow the Approved Tong Yan San Tsuen Outline Zoning Plan No. S/YL-TYST/14 gazetted on 20 August 2021 and/or any subsequent amendment plans thereof (“OZP”). Information in respect of the OZP may be obtained from the Town Planning Board (“TPB”) website: <http://www.ozp.tpb.gov.hk/>. Hard copies of the OZP are also available for sale at the Map Publications Centres. Development of the Second Phase of YLS NDA should also make reference to the Revised Recommended Outline Development Plan (including any amended version(s)), which is available from the website of YLS NDA: <https://www.yls.hk/>.

Sites Open for Application

3. The two sites in the Second Phase of YLS NDA which are now open for land exchange applications under the ECNTA are coloured yellow hatched red on the Reference Plan in **Appendix I** to this PN, i.e. Site A and Site B (“designated development sites”). Under the OZP, Site A of about 3.7 hectares (ha) falls entirely within an area zoned “Other Specified Uses” annotated “Storage and Workshop Use” (“OU(SW)”)¹, whereas Site B of about 1.2 ha is largely zoned “OU(SW)” with the remaining portion falling within an area shown as ‘Road’.

¹ According to the Notes of the OZP, the “OU(SW)” zone is intended for multi-storey buildings to house the brownfield operations that could not be accommodated in conventional flatted factory buildings (i.e. storage of goods or operations that involve bulky and heavy goods/machinery and require high headroom).

Due to the shifting of road alignment as a result of detailed design since the promulgation of the OZP, the said portion shown as ‘Road’ can now be made available for storage and workshop use. For Site B, the Government’s intention is for the entirety of the extended site to be developed for “OU(SW)” purposes. The Government will make an application to the TPB for a planning permission to allow storage and workshop uses on the portion of Site B shown as ‘Road’ if an application for in-situ land exchange is received². For the avoidance of doubt, the exact locations and boundaries of the two designated development sites as shown in the Reference Plan are for illustration only and may be adjusted or amended as appropriate. The Government retains full discretion in determining the boundary of the designated development sites.

Submission Requirements and Criteria

4. When submitting land exchange applications, Applicants should follow the checklist of basic submission requirements in **Appendix II** and acknowledge the Note on Use of Personal Information Required in the Application in **Appendix III** for any personal information provided in the application. Applicants should refer to PN No. 13/2023 in relation to the general application requirements and new arrangements for land exchange applications under the ECNTA. Pursuant to those requirements and arrangements, the application criteria applicable to the Second Phase of YLS NDA are set out in **Appendix IV**.

5. As stated in PN No. 13/2023, Applicants for land exchange under the ECNTA may be required by the Government to construct public facilities. For the avoidance of doubt, in accordance with PN No. 13/2023, Applicants who opt for the relaxed land ownership criterion shall be required to construct specified public facilities in the Second Phase of YLS NDA as a condition for the land exchange; as for other Applicants, the Government may invite them to construct specified public facilities as appropriate. The construction of public facilities shall be in specified manners with specified materials and specified standards as may be required by the Government in its absolute discretion and specified in the land grant documents. If the Government considers it appropriate, the construction cost of the public facilities may be premium deductible. The Government will determine the public facilities (if any) to be constructed by individual Applicants for designated development sites, and will inform the Applicants individually.

Specific Arrangement and Requirement

6. In line with the land exchange arrangements adopted for sites for storage and workshop uses in the Hung Shui Kiu/Ha Tsuen NDA, Applicants may be required to hand over, upon completion of the development, a certain percentage of the floor space to the Government (“the Government Accommodation”) for accommodating brownfield operations displaced by government projects. For this invitation of land exchange applications, this requirement will be applicable to Site A which is larger in area and the Government Accommodation to be handed over to the Government upon completion will be 20% of the

² On current showing, subject to TPB’s consideration and approval, we expect that planning permission should be obtained in time (say six calendar months) before the deadline for acceptance of binding basic terms offer (with premium). However, if, for whatever reason, the planning permission is not obtained in time, the Government retains full discretion in determining whether to reject the submitted land exchange application or adopt alternative ways of handling.

floor space. The Government Accommodation will be taken over by the Government for leasing to displaced brownfield operators on terms and conditions to be decided by the Government. While the Government would take into account the benefit of cluster development and synergy among different uses in the same building, the use(s) of the Government Accommodation may not necessarily be the same as the major use(s) for the remaining floor space. Relevant specific requirements will be incorporated as part of the land exchange conditions as needed.

Assessment of Premium at Standard Rates

7. The Government will provide an option for assessment of premium at standard rates to land exchange applications in respect of the Second Phase of YLS NDA. Details will be announced in due course. For the avoidance of doubt, PN No. 12/2023 as supplemented by PN No. 12/2023A on Charging Land Premium at Standard Rates on Lease Modifications for Redevelopment of Industrial Buildings, as well as PN No. 11/2023 as supplemented by PN No. 11/2023A on Pilot Scheme for Charging Land Premium at Standard Rates on Lease Modification including Land Exchange for Development of Agricultural Land in the New Territories outside New Development Areas, do not apply to the land exchange applications pursuant to this PN.

Submission of Applications and Deadlines

8. Applications should be submitted to LandsD New Development Area Section for the attention of the Chief Estate Surveyor/NDA, which is located in Unit 1501-10, 15/F, Landmark North, 39 Lung Sum Avenue, Sheung Shui, New Territories. The deadline for submitting land exchange applications pursuant to this PN is **19 May 2025**. Late applications will not be considered. Any accepted application will cease to be processed if a binding basic terms offer (with premium) cannot be issued and accepted on or before **19 May 2026** taking into account the Government's development programme. The administrative fee or any other fee paid will not be refunded upon cessation of processing the applications in this circumstance or in any of the circumstance as set out in any letter demanding payment of administrative fee.

9. Owners are advised to engage competent professionals to assist them in making the applications.

10. Please note that LandsD acting in its capacity as private landlord may, at its sole and absolute discretion, approve or reject any applications. This PN shall not constitute any representation on the part of the Government or give rise to any expectation on the part of the Applicant that any application submitted to LandsD will be processed or approved.

11. This PN is issued for general reference purposes only. All rights to modify the whole or any part of this PN are hereby reserved.



(Maurice LOO)
Director of Lands
19 February 2025