

Lands Department's response to media enquiries

In response to media enquiries about the recent lease enforcement action taken by the District Lands Office/Kowloon East against an industrial building in Kwun Tong District, a spokesman for the Lands Department (LandsD) gave the following response on August 28:

Land leases are private contracts between the Government and the landowners. The landowners must ensure that the uses of their land are in compliance with the lease conditions. At present, the land lease of most industrial buildings specifies that the lot shall not be used for purposes other than "industrial and/or godown". Under such circumstances, if an industrial building is used for other purposes (e.g. retail purposes), it may be in breach of lease conditions unless the owner has applied for and obtained approval from the LandsD for a waiver or modification of the user clause, and obtained the relevant planning permission in advance where applicable. Otherwise, the LandsD has to carry out lease enforcement actions on the lease breach according to its prevailing policy.

Given the huge number of private land leases and the extensive area and uses involved, the LandsD is adopting a risk-based enforcement approach against lease breaches. When a District Lands Office (DLO) receives complaints about suspected lease breaches in industrial buildings, DLO will follow up with appropriate lease enforcement action. Depending on the volume of complaints received and other work commitments, priorities may be accorded to cases allegedly involving more serious breaches and posing a higher risk of endangering public safety.

Generally speaking, if a breach of lease conditions is substantiated, DLO will take appropriate lease enforcement actions according to the prevailing policy and priorities. Actions include issuing a warning letter to the owners requiring them to rectify the breach of uses within a specified period. Failure to do so will lead to registration of the warning letters in the Land Registry. The registration imposes an encumbrance on the lot that prospective buyers of the property should be aware of and generally speaking transaction of the property will be affected. The LandsD reserves the right to take further lease enforcement actions in the light of the circumstances of the case and its enforcement priorities.

The relevant statistics regarding lease breaches in industrial buildings handled by the LandsD in the past three calendar years (from 2020 to the first half of 2023) are set out below:

Year	2020	2021	2022	2023 (January to June)
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Number of confirmed lease breach cases with warning letters issued	261 [54] (4)	344 [81] (2)	519 [86] (2)	220 [51] (4)
Number of confirmed lease breach cases with warning letters registered in the Land Registry	99 [38] (2)	148 [39] (2)	205 [43] (2)	85 [25] (1)

figures in [] are statistics of District Lands Office/Kowloon East
figures in () are statistics of Camel Paint Building in Kwun Tong
Remarks: As the processing of a case may straddle different years, the cases with lease breaches with warning letters registered in the Land Registry in a calendar year may not necessarily correspond to the cases with warning letters issued in the same year.

In July 2023, District Lands Office/Kowloon East, in response to complaints, inspected the units suspected of non-compliance of lease conditions in Camel Paint Building in Kwun Tong and issued warning letters to the owners of four units requesting rectification within a specified time limit.