

LCQ7: Reactivation of the scheme for revitalisation of industrial buildings

Following is a question by the Hon Abraham Shek and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (July 15):

Question:

On October 10, 2018, the Chief Executive announced in the 2018 Policy Address the reactivation of the scheme for revitalisation of industrial buildings (IBs). One of the policy measures under the scheme is to encourage redevelopment of IBs by relaxing the maximum permissible non-domestic plot ratio by up to 20 per cent for IBs constructed before 1987 on sites located outside the relevant Residential zones, subject to the planning approval by the Town Planning Board (TPB) for the relevant planning applications which must be made within three years from October 10, 2018 to October 9, 2021, and the execution of the modified lease with full land premium charged under the prevailing mechanism within three years after the planning approval. In this connection, will the Government inform this Council:

(1) of the number of IB redevelopment projects, since October 10, 2018, the planning application for which has been received by TPB, with a tabulated breakdown of such number by the stage (as set out in the table below) that the projects have reached;

Stage	Number of projects
(i) Planning application approved and the modified land lease executed	
(ii) Planning application approved but the modified land lease has not been executed	
(iii) Planning application being processed	
(iv) Planning application rejected	

(2) in respect of those projects for which the planning application has been approved but the modified land lease has not been executed, of the respective stages in the execution process that such projects have reached, and why the modified land leases have not yet been executed; the measures that the Lands Department will adopt for expediting the execution of the modified land leases; and

(3) in respect of those redevelopment projects for which the planning application has been approved and the modified land lease has been executed, of the total additional gross floor area to be generated upon completion of the projects concerned?

Reply:

President,

The reply to the various parts of the question is as follows:

(1) Further to the announcement in the 2018 Policy Address, private owners may apply to the Town Planning Board (TPB), within three years starting from October 10, 2018, for relaxation of the maximum permissible non-domestic plot ratio by up to 20 per cent for redevelopment of pre-1987 industrial buildings. As at June 30, 2020, a total of 44 applications were received by the TPB (excluding two withdrawn), and the status of these applications is as follows:

Status of planning applications	Number of applications
– approved	28
– rejected	1
– being processed	15

(2) After obtaining planning permission for the increase in the non-domestic plot ratio, the respective lot owners have to apply to the Lands Department (LandsD) for lease modification to implement the redevelopment projects, unless the redevelopment can be taken forward within the terms of existing leases in respect of land uses, gross floor area to be redeveloped, etc. Out of the 28 planning applications approved so far, the realisation of 18 applications would involve such lease modifications. As at June 30, 2020, out of these 18 cases, the owners of 11 cases have so applied to the LandsD for lease modification. All these applications, received consecutively since March 2019, are being processed and shall be subject to full land premium payment. To expedite the redevelopment, as part of our original scheme design, the land document is required to be executed no later than three years from the date of the TPB's approval. The ongoing Pilot Scheme for Arbitration on Land Premium, with refinements being finalised for implementation very shortly, may help facilitate early execution of the modified lease within the prescribed timeframe.

(3) The 28 applications with planning permission obtained may potentially provide a total gross floor area of about 546 000 square metres upon completion of redevelopment works in future, including 257 000 sq m for commercial floor area, and 289 000 sq m for industrial floor area.