

**Press Release
For Immediate Release
22 March 2021**

**HKIS Views on Pilot Scheme for Charging Land Premium
at Standard Rates on Lease Modifications for
Redevelopment of Industrial Buildings (“the Scheme”)**

The Hong Kong Institute of Surveyors (“HKIS”) welcomes the Scheme to expedite the redevelopment of pre-1987 industrial buildings. The relevant Practice Note No. 1/2021 was promptly published on 15 March 2021 as promised by the Chief Executive at her Policy Address delivered in November 2020.

The HKIS praises the efficiency in formulating the Scheme and the easy-to-understand approach adopted by the Lands Department and Development Bureau.

The standard rates are considered fair and reasonable. The Scheme and its mechanism are supported by the HKIS and we envisage the market will respond positively to this new policy.

The Scheme removed most uncertainty in calculating the land premium and provides an alternative to the conventional mechanism for premium assessment. It remains to be seen whether the Lands Department would take a liberal approach in determining the hypothetical before Gross Floor Area (GFA) for industrial and/or godown developments. The Scheme has clarified the Hotel and its ancillary GFA shall be counted as “commercial use”. The HKIS would welcome clarifications on Data Centre Use that would fall within the Commercial/Modern Industrial Use standard rates.

The HKIS looks forward to working with the Government departments and policy bureaux in formulating and enhancing policies that would expedite property development and land supply.

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About The Hong Kong Institute of Surveyors

The Hong Kong Institute of Surveyors (HKIS) is the only surveying professional body incorporated by ordinance in Hong Kong. As of 28 February 2021, the number of members reached 10,951, of which 7,276 were corporate members, 73 were associate members and 3,602 were probationers and students. HKIS work includes setting standards for professional services and performance, establishing codes of ethics, determining requirements for admission as professional surveyors, and encouraging members to upgrade skills through continuing professional development.

HKIS has an important consultative role in government policy making and on issues affecting the profession. We have advised the government on issues such as building safety and unauthorized building works, problems of property management, town planning and development strategies, construction quality and housing problems. We have also issued guidance notes on floor area measurement, real estates valuation and land boundary survey, etc.

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