



# Streamlined Mechanism for Extension of Land Leases in Hong Kong

(Version: 4 July 2024)



Development Bureau of the Government of the Hong Kong Special Administrative Region of the People's Republic of China

## Hong Kong has a clear policy for land lease extension

- The Hong Kong Special Administrative Region Government promulgated the **Land Policy in July 1997** for granting of and extension of land leases – contracts governing the use of land.
- The policy has remained in force and provides **clarity, consistency and certainty** for the effective functioning of the property market.
- General Purpose Leases (i.e. general commercial, residential, industrial leases), on expiry, **will generally be extended** as follows:
  - for a term of **50 years**
  - **no additional premium** will be charged
  - owners only need to pay **annual government rent** at 3% of the rateable value

# Streamlined mechanism for lease extension

- The **Extension of Government Leases Ordinance** took effect on **5 July 2024**, providing a new streamlined standing mechanism for extension of general purpose leases.
- Continue to follow the 1997 Land Policy – nil premium + extended term of 50 years.
- Extension by publication of “**Extension Notice**” for each batch of leases **6 years** in advance of expiry. Lease extended by law unless listed on a “Non-extension List” published in tandem (i.e. negative listing).
- Lease extension made **easy, efficient** and **hassle-free** to owners:
  - no need to **sign a new lease** with the Government
  - all encumbrances, interests and rights (e.g. mortgages) will be **carried forward**

# Clear policy and streamlined mechanism underpin the stability of the property market and the economy

## Clear policy



Clarity



Consistency



Certainty



## Streamlined mechanism



Easy



Efficient



Hassle-free

# Clear and consistent exercise of lease extension policy

**1 July 1997 to 4 July 2024**

- **23 out of 25 lots** have their expired leases **extended** (by signing of new lease between Government and owners)
- **2 lots** not extended as owners could not be located

## ★ **Extension of Government Leases Ordinance (5 July 2024)**

- First “Extension Notice” published (*for lease expiring up to 31 December 2030*)
- **ALL 376 lots** of leases extended

**Next** Extension Notice will be published in **December 2024** for leases expiring in **2031**

# Thank you

For details, please visit the dedicated webpage of the HKSAR Government:

Dedicated webpage



Leaflet

