



Dear Licensees,

Re: Extension of Government Leases Ordinance

The Extension of Government Leases Ordinance (“Ordinance”) has come into operation since 5 July 2024.

The Ordinance provides a standing statutory mechanism for extending general purpose leases (i.e. general residential, commercial or industrial leases) which do not contain a right of renewal and expire on or after 5 July 2024 (“applicable leases”). The key features of the mechanism under the Ordinance are summarised as follows:

- (1) the Ordinance upholds the land policy in July 1997. In gist, general purpose leases will generally be extended, upon expiry, by the Government at its sole discretion for a term of 50 years without payment of an additional premium, but subject to payment of annual government rent at 3% of rateable value;
- (2) the Director of Lands will publish an Extension Notice in the Government Gazette six years before expiry of each batch of applicable leases. Each Extension Notice will specify the lease expiry period being covered, the effect of which is that applicable leases expiring within the specified expiry period will be extended except those specified on the Non-extension List (“NEL”) to be published on the same day; and
- (3) upon extension of the lease, the encumbrances, interests and rights under the original lease (such as mortgages) will be carried forward to the extended lease term without being affected. Owners do not have to perform any procedures, hence obviating the need for owners to undergo cumbersome procedures such as executing lease extension documents with the Government individually and re-arranging mortgages as in the past.

Licensees should note that applicable leases extended will not be individually listed in the Extension Notice and only leases which are not extended will be specified individually on the NEL.

Given that the lease term stated in the land register records may not be conclusive, to ascertain whether a lease is extended under the Ordinance, licensees should read such land register records together with any relevant Extension Notices and NELs published from time to time.



The Lands Department (“LandsD”) has set up a new dedicated webpage to provide information on the lease extension mechanism under the Ordinance, and licensees should refer to the dedicated webpage at (<https://www.landsd.gov.hk/en/land-disposal-transaction/extension.html>).

In light of the operation of the Ordinance and with a view to accurately ascertaining whether a lease is extended with respect to a property when doing estate agency work, licensees should take the following steps:

- (1) **carry out a land search** in the Land Registry (“LR”) in respect of the property and **check the expiry date of the lease term** of the lease;
- (2) **check that the lease has no valid Special Purpose Lease (“SPL”) identification note¹ in its register in the LR** to ensure that the lease is an applicable lease. If the lease has a valid SPL identification note in its register, the Ordinance and the Extension Notice, if any, are not applicable;
- (3) if there is no valid SPL notification note in the LR register, **check the depository of Extension Notices published on LandsD’s dedicated webpage** to see whether the Extension Notice covering the expiry date of the lease has been published; and
- (4) **if the criterion in (3) above is met, check the depository of NELs published on LandsD’s dedicated webpage**. If the lot number of the lease is not specified in the NEL published on the same day, it would mean that the lease has been extended.

Licensees should similarly follow the above steps in ascertaining the unexpired term of the lease to be provided in the Property Information Form (Form 1) of the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation (Cap. 511C).

For more details on the Ordinance including leaflet and FAQs, licensees are advised to visit LandsD’s dedicated webpage, which may be updated from time to time. In case of any queries on the above, licensees may contact the Estate Management Section of LandsD at 2231 3255.

Estate Agents Authority

12 July 2024

¹ A Special Purpose Lease identification note is made in English and inserted under the “Remarks” section of the register, worded as follows: “This note is made on [date] to identify this lease as a special purpose lease under the Extension of Government Leases Ordinance”.