

29 December 2023

BY POST and EMAIL

Development Bureau
18/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar
Hong Kong

Attention: Ms. Bernadette Linn, JP, Secretary for Development

Dear Ms. Linn,

HKREITA Supports the Promulgation of the Extension of Government Leases Bill

On behalf of the Hong Kong REITS Association (“HKREITA”), its members and the H-REIT industry, we welcome the Government’s promulgation of the Extension of Government Leases Bill (“Bill”).

We believe that the Bill establishes an effective mechanism to streamline the basis for and process of land lease extension. The Bill has addressed most of our key recommendations as stated in our letter to the Development Bureau dated 6 July 2023, including lengthening of the notice period for the publication of the negative list through Gazette notice, clarification of what constitutes “public interest considerations” and “additional clauses” that the Government intends to incorporate in the renewed leases.


HKREITA supports the Government’s effort in fostering an efficient and orderly arrangement for extension of land leases. We are glad to see that the Government proposed to lengthen the lead time for publication of extension notices from no less than three years to no less than six years before expiry of a lease. This, together with the proposed mechanism of extension notice and non-extension list, provide a greater degree of clarity and certainty, thereby minimising the potential financial impact in cases of non-renewal and, in the meantime, encouraging investment activities.

Furthermore, by clarifying the additional clauses to be incorporated into renewed leases, as well as the fact that land required for public purpose after expiry of a lease is not regarded as a public interest consideration for not extending a lease, the Government effectively gives more certainty and confidence to prospective investors in making investment decisions in Hong Kong properties.

As the home of many leading real estate developers and H-REITs, as well as a top investment destination of international investors, investors’ confidence is a vital success factor for Hong Kong. A clearer and more concise legislation on extension of government leases would enable Hong Kong to maintain its global standing as an international financial hub.

We look forward to seeing more measures from the Government that can promote growth of the property market in Hong Kong and the HKREITA will be prepared to provide the Government with our humble views and solicit comments and support from the H-REIT industry.

Yours sincerely,



George Kwok Lung HONGCHOY
Honorary Founding President & Chairman
Hong Kong REITS Association Limited