

**Levels of standard rates and computation examples**

**Levels of standard rates**

<b>Region</b>	<b>Before use</b>	<b>After use</b>	
	<b>Industrial/ godown</b>	<b>Commercial/ modern industrial</b>	<b>Residential</b>
Hong Kong Island	\$40,000/m <sup>2</sup>	\$75,000/m <sup>2</sup>	\$130,000/m <sup>2</sup>
Kowloon East <sup>1</sup>	\$40,000/m <sup>2</sup>	\$65,000/m <sup>2</sup>	\$100,000/m <sup>2</sup>
Kowloon West <sup>2</sup>	\$35,000/m <sup>2</sup>	\$60,000/m <sup>2</sup>	\$110,000/m <sup>2</sup>
New Territories South <sup>3</sup>	\$35,000/m <sup>2</sup>	\$50,000/m <sup>2</sup>	\$75,000/m <sup>2</sup>
New Territories North <sup>4</sup>	\$20,000/m <sup>2</sup>	\$30,000/m <sup>2</sup>	\$55,000/m <sup>2</sup>

Note: The standard rates will remain unchanged during the two-year pilot period.

---

<sup>1</sup> Comprises Kwun Tong, Wong Tai Sin and the areas within Kowloon City falling under the jurisdiction of the District Lands Office, Kowloon East (such as Kowloon Tong).

<sup>2</sup> Comprises Yau Tsim Mong, Sham Shui Po and the areas within Kowloon City falling under the jurisdiction of the District Lands Office, Kowloon West (such as Hung Hom and To Kwa Wan).

<sup>3</sup> Comprises Tsuen Wan, Kwai Tsing, Sha Tin and Sai Kung.

<sup>4</sup> Comprises North District, Tai Po, Tuen Mun, Yuen Long and Islands.

## Computation examples

### Case A – With reduction of GFA upon redevelopment

#### Case background

Region	Hong Kong Island
Before GFA	Industrial/godown: 8,000 m <sup>2</sup>
After GFA	Residential: 6,000 m <sup>2</sup>

#### Premium assessment

$$\begin{aligned} \text{Premium payable} &= \text{Standard Rate}_{\text{After Use}} \times \text{After GFA} \\ &\quad - \text{Standard Rate}_{\text{Before Use}} \times \text{Before GFA} \\ &= \$130,000/\text{m}^2 \times 6,000 \text{ m}^2 \\ &\quad - \$40,000/\text{m}^2 \times 8,000 \text{ m}^2 \\ &= \$780 \text{ million} - \$320 \text{ million} \\ &= \$460 \text{ million} \end{aligned}$$

## Case B – No change in GFA upon redevelopment

### Case background

Region	Kowloon East
Before GFA	Industrial/godown: 12,000 m <sup>2</sup>
After GFA	Commercial/modern industrial: 12,000 m <sup>2</sup>

### Premium assessment

$$\begin{aligned}\text{Premium payable} &= \text{Standard Rate}_{\text{After Use}} \times \text{After GFA} \\ &\quad - \text{Standard Rate}_{\text{Before Use}} \times \text{Before GFA} \\ &= \$65,000/\text{m}^2 \times 12,000 \text{ m}^2 \\ &\quad - \$40,000/\text{m}^2 \times 12,000 \text{ m}^2 \\ &= \$780 \text{ million} - \$480 \text{ million} \\ &= \$300 \text{ million}\end{aligned}$$

## Case C – With increase of GFA upon redevelopment

### Case background

Region	New Territories South
Before GFA	Industrial/godown: 10,000 m <sup>2</sup>
After GFA	Commercial/modern industrial: 18,000 m <sup>2</sup>

### Premium assessment

$$\begin{aligned} \text{Premium payable} &= \text{Standard Rate}_{\text{After Use}} \times \text{After GFA} \\ &\quad - \text{Standard Rate}_{\text{Before Use}} \times \text{Before GFA} \\ &= \$50,000/\text{m}^2 \times 18,000 \text{ m}^2 \\ &\quad - \$35,000/\text{m}^2 \times 10,000 \text{ m}^2 \\ &= \$900 \text{ million} - \$350 \text{ million} \\ &= \$550 \text{ million} \end{aligned}$$