

Dear Licensees,

Re: Unauthorised Domestic Use of Units in Industrial Buildings

The Estate Agents Authority ("EAA") was informed by the Lands Department that they have recently taken vesting action against three industrial building units for retail purpose. The EAA would like to remind licensees that when handling transactions of units in industrial buildings, licensees should pay attention to uses of the units (including but not limited to domestic use) which are not permitted under the relevant land lease.

Licensees should understand that an unauthorised change in the user of the property in breach of the conditions of the government lease renders the property liable to government re-entry and the title defective. The Lands Department may initiate lease enforcement action by issuing warning letters requesting rectification of the breach, register the warning letters in the Land Registry or take vesting action under the Government Rights (Re-entry and Vesting Remedies) Ordinance (Chapter 126).

In this connection, the EAA would like to remind all licensees, when handling industrial building transactions, to advise clients, including property owners, prospective purchasers and tenants, not to breach the conditions of the relevant leases as well as on the risks and consequences for the breach.

For further enquiries, licensees are advised to contact the Lands Department directly by the contact methods listed in the <u>webpage</u> of the Lands Department.

Estate Agents Authority