

# Circular of the State Council on Promoting the Economical and Intensive Utilization of Land

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The people's governments of all provinces, autonomous regions and municipalities directly under the Central Government and all the ministries and commissions and directly affiliated institutions under the State Council: Under the condition of a large population in little land and the shortage of cultivated land resource in our country, nowadays, the industrialization and urbanization are experiencing a period of fast development. The conflict between supply and demand of construction land stands out. It is necessary to ensure a real protection to cultivated land and promote economical and intensive utilization of land. It is necessary to open up a new way of utilization of land which is suitable for the specific conditions of our country. The new way has the advantages of occupying less land than before and achieving higher efficiency than before. It is the long-term strategy relating to the national groundwork and the long-term national interests. It shall be done to implement scientific viewpoint of development in an all-round way. It is the basic principle that must be adhered to for a long time in our country. Therefore, the relevant issues shall be notified as follows: 1. All kinds of plans and land use standards shall be examined and adjusted in accordance with the principle of economical and intensive utilization of land. (1) The effect of the general plans for land use shall be intensified. All kinds of plans relevant to land use should be in line with the general plans for land use. The construction land used shall conform to general plans for land use. The total amount of land in the annual arrangement of land use shall not exceed the controlled targets set in the annual plans for land use. Where the annual arrangement of land use doesn't conform to general plans for land use and the annual plans for land use, it shall be adjusted and modified in time, and the amount of land shall be checked and reduced. (2) Scientific planning of major infrastructure projects and basic industries shall be conscientiously strengthened. In accordance with the principle of reasonable positioning, economically available and sequence control, construction plan of all kinds of transportation, energy, water conservancy and other infrastructure projects and basic industries shall be coordinated overall to avoid indiscriminately investing, overstepping the present level of economy, low-level repeating building as well as wasting resources of land. (3) The size of urban land shall be controlled strictly. City planning shall adhere to the principle of gradual and orderly progress, land saving, intensive development and reasonable positioning in order to determine the orientation, functional target and development size of cities and enhance the comprehensive carrying capacity of cities. Relevant technical standards on city planning shall be formulated and revised according to the principle of economical and intensive utilization of land. Revised city planning standard including area per capita and structure of land shall be promulgated as soon as possible to determine building density, floor area ratio of building and green space ratio of each construction rationally. Construction of municipal infrastructure and ecological greening shall be carried on according to national standard strictly. The planning and construction of wide street, big square and green belt without taking into account the practical need shall be prohibited. (4) The standards of land-use shall be controlled strictly. All kinds of standards system of construction land shall be perfected. Standards of construction land of public facilities and public welfare shall be compiled timely. On the premise of ensuring safety and meeting the requirement of function, various kinds of present standards of land used for construction purposes of engineering projects shall be examined and revised according to the principle of economical and intensive utilization of land. Should the standards of construction and

design criterion fail to conform to the standards of land use, the standards of construction and design criterion shall be revised timely. Several measures like adopting advanced land-saving techniques, reducing the height of sub-grade and increasing bridge and tunnel ratio are required to take to reduce the land-use standards of highway, railroad, other infrastructure facilities and soil excavating and disusing project. Land-use standards shall be implemented strictly in the design of the construction projects, construction, examination and approval of the construction land. Land use area shall be checked and reduced when the land is used in excess of standards. All regions and all departments shall not launch activities of reaching standard and appraising through comparison which go against the principle of economical and intensive utilization of land in future. Relevant activities which have been launched and developed shall be stopped resolutely. 2. Making full use of the existing construction land to improve the efficiency of construction land. (5) General survey and evaluation of the construction land shall be launched. All regions shall organize and develop the general survey and evaluation of the construction land in earnest on the basis of the second national land survey to evaluate the situation of the development, utilization and input-output of the existing construction land. All regions shall deal with the problems emerging in the process of developing and using the construction land properly according to the laws and policies. The exploitation and utilization of open spaces, discarded land, idle land plots and inefficient utilization land shall be given priority during various construction projects to strive to improve the utilization efficiency of land used for construction purposes. (6) Measures on handling idle land plots shall be implemented strictly. When the land keeps idle more than two years resulting in that the right to use the land shall be taken back without any compensation according to law, the right shall be taken back without any compensation resolutely in order to be reallocated and used. Should the land doesn't conform to the legal condition of taking back, measures like changing use, equivalent replacement, arranging temporarily use and bringing into governmental reserve and so on shall be taken to handle the idle land plots and make full use of it. When the land keeps idle more than one year and less than two years, 20 percent of the lease fees for land use may be collected as an idle land fee. A duty shall be imposed on value increment of idle land plots especially idle real estate. Ministry of Land and Resources and concerned departments shall study and formulate concrete measures timely. By the end of June 2008, the people's governments of all provinces, autonomous regions and municipalities directly under the Central Government shall submit the special report on clearing up and handling idle land plots to the State Council. (7) Utilization of the unutilized land and discarded land shall be actively guided. Departments of Land and Resources shall make planning of the unutilized land which is suitable for exploitation as well as guide and encourage developing the unutilized land which is suitable for exploitation from unutilized land into land for construction purposes. Discarded land reclamation and utilization shall be pushed forward actively. In one of the following cases, land use right of state-owned land shall be recovered timely according to law in order to be reallocated and used: the use of land originally allocated has been stopped due to cancellation or removal of units; roads, railways, airports and mining sites that have been approved to be abandoned. Should the original land users have been approved, according to law, to develop the land on their owns, the lease fees for land use may be collected according to market price, except for the land allocated by the state can be continuously used. The responsibility of land reclamation of the destructed land shall be implemented strictly in future. Before relevant departments approve the land utilization for construction purposes and issue the mining license, land reclamation fees shall be paid by the responsible units in full timely according to law. (8) The development and utilization of the land and underground spaces shall be encouraged. Should the raising of the land use rate and floor area ratio of the existing industry land conforms to the plans and doesn't change the use of land,

the price of land shall not be raised. The industry land control indexes of the newly added industry land shall be elevated still further. Should the building area of workshop exceed the standards of floor area ratio the price of land shall not be raised. Departments of finance and taxation shall implement and perfect the tax policy of encouraging economical and intensive land use strictly. Ministry of Land and Resources and concerned departments shall study and formulate specific measures for enactment and registration of the land space rights timely. (9) Development zones shall be encouraged to raise the land use rate. Ministry of Land and Resources shall study and establish the evaluation index systems including land use status, land use efficiency and performance management of land in order to accelerate the work of the evaluation of land economical and intensive utilization in development zones. Should the development zone, which has met the requirement of the evaluation of land utilization and past the survey of nation, need to be expanded, it may apply for combining with the development zones which is established according to laws and regulations or occupy the existing land for construction purposes which conform to the plans. National development zone conforming to the principle of "concentrated placement, industrial agglomeration, intensive land use" shall be given precedence while distributing construction land index. 3. Making full use of the basic function of the market in the distribution of land resources to perfect the long-acting mechanism of economical and intensive land use (10) The reform of the system of compensated use of land shall be promoted deeply. Ministry of Land and Resources shall delimit the scope of free land allocation strictly and revise the catalogue of free land allocation timely. In future, except that the right of military land, social security housing and special use land may be obtained through allocation, the system of compensated use of land shall be explored and carried out actively in the land utilization of state organs, transport, energy, water conservancy projects, other infrastructure facilities, urban infrastructure facilities and various public utility. Among them, system of compensated use of land shall be implemented in the utilization of profit-oriented land first. Other construction land which is compensated shall be distributed by market strictly. Tax collection and management of land for construction purposes shall be reinforced. Finance and taxation policies of all kinds of land for construction purposes shall be studied timely. (11) Construction land reserve system shall be perfected. Reserving construction land shall conform to programming and planning. The exiting unutilized construction land shall be brought into reserve first. Before reserve land is assigned, legal and economic issues on land property right, allocation and compensation shall be dealt properly. Necessary pre-development shall be completed to shorten development cycle and avoid shaping new idle land. Market mechanism shall be introduced in pre-development of land. The construction unit shall be selected by public call for bids according to relevant regulations. Pre-developed land shall be assigned under the unified organization of the departments of land and resources of municipal or county people's governments according to law. (12) The scale of the assigned land shall be determined rationally. Before land is assigned, dominative detailed planning and land supply scheme shall be compiled to clarify the planning condition such as floor area ratio, green space ratio, building density and so on. Once defined, no planning condition may, without authorization, be altered. The scale of the assigned land shall be determined rationally to supervise and urge the development and utilization in time, shape effective supply and ensure the economical and intensive utilization of each land. Should the price of land have not been paid in full according to the contract land use certificate shall not be issued. Land use certificate shall not be issued partly according to the proportion of the land price which has been paid. (13) Assignment System of industrial land and profit-oriented land shall be implemented strictly by means of public bidding, auction or hanging out a shingle. The assignment of industrial land, profit-oriented land, such as the land for construction of commercial, tourist, recreational facilities and commodity house, (including the land for

supporting office, research and training facilities) shall be implemented by means of public bidding, auction or hanging out a shingle. Department of Land and Resources and relevant departments, such as development and reform, urban planning, construction, water conservancy and environmental protection, shall compile the plan of the assignment of industrial land by means of public bidding, auction or hanging out a shingle to study out industrial types, project proposals, planning conditions and environmental requirements of assigned land as previous conditions of the assignment of industrial land. During the process of assignment of industrial land and profit-oriented land, land users and the price of land shall be determined by means of public bidding, auction or hanging out a shingle. It is prohibited that land users sign the contract of occupying land with collective economic organizations or individuals of the village in order to evade public bidding, auction or hanging out a shingle by carrying out land use formalities subsequently. (14) Management of land use contracts shall be strengthened. Investment amount, time for beginning and completing of construction projects, planning conditions, price and liability for breach and other terms shall be stipulated strictly in the contract of assignment of land and the form of decision for allocating land. When use of the land is changed from non-profit to profit-oriented, it shall be stipulated and clarified that government may take back the right to use the land and assign the land again according to law. (15) The structure of the land used for housing shall be optimized. The land used for housing shall be apportioned properly. The Land supplies of villas real estate development project shall be stopped continuously. During the process of providing the land of housing, the minimum criterion of floor area ratio, amount of the housing construction per unit area, style of the housing construction and other planning conditions shall be stipulated in the contract of assignment of land or the form of decision for allocating land in order to ensure that 70 percent of the housing land can be used for the construction of subsidized houses, economically affordable houses, price limiting houses and the ordinary medium-small commodity houses whose area is less than 90 square meters and avoid the big commodity houses occupying too much land. 4. Strengthening rural land administration and promote economical and intensive utilization of the land used for construction of rural collective organizations steadily. (16) The planning and management of the land used for construction of rural collective organizations shall be highly emphasized. According to the principle of well-coordinated development of the urban and rural and the principle of economical and intensive land use, plan shall be compiled under the guidance and supervision to determine the scope of the development and merging of towns and villages and the scope of land reclamation. Before the rural collectivity-owned lands are used for non-farming construction, the construction shall conform to the planning, be incorporated in annual plans and submit for approval according to law. A strict prohibition is to place on the turning of land for farm use to that for construction use without authorization. A strict prohibition is to place on the turning of land for farm use to that for non farm use by means of "expropriation replaced by leasing". (17) The improvement of the utilization efficiency of rural land used for construction shall be encouraged. Adhering to the principle of respecting farmers' will and protecting farmers' rights and interests, the utilization of rural collective Construction Land shall be activated legally. Consolidation of the rural collective Construction land shall be launched steadily according to the planning in order to improve production conditions and living conditions of farmers. The construction of farmers' houses shall conform to the planning of town, planning of township and planning of village. During the process of the housing construction, the idle land plot and idle house sites shall be gave priority to utilize. Local government may give reward or compensation to the villagers who return house sites voluntarily or purchase idle house when they have met the requirements of application for house sites. (18) The policy that one rural household can own one piece of land for building house shall be implemented strictly. All regions shall take the local situation

into account and perfect the standard of living area per person and other relevant standards in order to prevent farmers from building houses in excess of standards, solve the problem, which is left over by history, that one household occupies several houses gradually. The phenomenon that one household occupies house sites of extra area and occupies several houses again shall be prevented resolutely. 5. Strengthening supervision and inspection and fulfilling responsibility of economical and intensive land use completely (19) Dynamic monitoring system of the market of land shall be established. The whole course of implementation of the contract of assignment of land and the form of decision for allocating land shall be supervised. Land supply plan, results, actual situation of development and utilization and other dynamic information shall be opened to the public timely. Department of Land and Resources shall evaluate and analyze the situation of development, utilization and supply of land regularly. Department of Land and Resources shall study and perfect the policies and measures which can strengthen land regulation and promote economical and intensive land use. (20) The system of completion-based checking and acceptance of construction project shall be perfected. The situation of land utilization and performance of contract of assignment and the form of decision for allocation shall be checked as part of completion-based checking and acceptance of construction project. A construction project, without inspection opinions issued by department of land and resources or being disqualified, shall not pass the acceptance check. (21) The Monitoring of all kinds of land change shall be strengthened. Annual land change survey shall be done well by means of remote sensing and other modern technology. Current land use database shall be established to completely master all kinds of land change. The state may monitor the situation of land utilization in the whole administrative territory of certain provinces which are chosen. Newly-increased construction land, reduction of cultivated land and illegal land use shall be the focal monitoring item. The result of the monitoring shall be opened to the public. (22) Supervision of economical and intensive land use shall be strengthened. Ministry of Land and Resources shall collaborate with Ministry of Supervision to evolve law enforcement and inspection on land use, with the stress on investigating and dealing with cases violating the law and regulation which severely damage land sources, waste land sources and idle land sources, request relevant personnel to undertake responsibilities according to the law and regulation. Such information as about the illegal utilization of land by enterprises, idle land and other information shall be incorporated into the basic information database of relevant departments. When the development area has not exceeded one-third of the whole or the investment has not exceeded one-fourth of the whole one year later than the date for starting the development as prescribed by the contract, banking institutions shall grant loans and sanction financing prudently and control renewal loan and credit business strictly. Illegal land use project shall not get finance from the stock market and bank. Otherwise, relevant personnel shall be requested to undertake responsibilities. (23) It is necessary to establish a test system of economical and intensive land use. It is necessary to establish examination measures on newly-increased construction land per capita unit increase of GDP and the scale of investment in fixed assets. The people's government shall be evaluated and examined by the people's government at the next higher level. The result of the evaluation and examination, as the basis of making annual plans for land use, shall be opened by the departments of land and resources regularly. All regions and all departments shall fully see the importance and urgency of economical and intensive land use and enhance the responsibility of economical and intensive land use. It is necessary to change the idea on land use assuredly, change the mode of economic growth, adjust and optimize the economic structure, realize economical and intensive land use in the process of government's decision-making and all kinds of construction. It is necessary to ensure scientific planning of land use and promote potentialities exploitation in order to fully implement the concept of scientific development and

guarantee the sustainable development of economy and society by practical action of economical and intensive land use. **The State Council January 3, 2008**

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