

## **INTRODUCTION**

This pamphlet gives a brief outline of the legal services provided to the public by Legal Advisory and Conveyancing Office (“LACO”) of Lands Department.

LACO primarily provides in-house legal and conveyancing services within Lands Department. However, those services which involve the public are:

1. Land Acquisition
2. Administration of Lands Department Consent Scheme
3. Approval of Deed of Mutual Covenant & Management Agreement
4. Apportionment of Government Rent & Collection of Outstanding Government Rent
5. Regrant of Lease Expired Properties
6. Transfer of Common Property to Owners’ Corporation
7. Administration of the Hong Kong Property for Hong Kong People measure

### **(1) Land Acquisition**

Private land may be acquired by Government for public purposes on payment of compensation under powers set out in relevant Ordinances. Before release of any compensation, the former owner has to prove his legal title to the land resumed and his entitlement to payment of the compensation to the satisfaction of LACO.

He must:

- \* submit to LACO the Government Grant, with the last acquisition deed and all other relevant title deeds covering the past 15 years for title checking;
- \* where there is an existing Mortgage, obtain the Mortgagee’s confirmation as to whether it will join in as a party to the Agreement as to Compensation and Indemnity and whether the compensation may be paid to him; and
- \* execute an Agreement as to Compensation and Indemnity prepared by LACO after title has been checked.

## **(2) Administration of Lands Department Consent Scheme**

In most new grants of land, Government restricts the sale of units before construction has been completed. Through an administrative procedure, known as the Lands Department Consent Scheme, LACO may approve the sale of uncompleted units.

The approval will be given when the developer has shown that he has the technical and financial resources to complete the development and has met other requirements.

The approval issued by LACO is subject to various conditions, which aim to enhance consumer protection, such as requiring:

- (i) the Agreement for Sale and Purchase to be in the standard form or in such other form as approved by LACO; and
- (ii) the purchase price paid by the purchasers to be paid into a stakeholder account.

However, to protect their own interest, purchasers are advised to fully familiarize themselves with all aspects of the development and the relevant legal documents before making their decision.

## **(3) Approval of Deed of Mutual Covenant & Management Agreement (“DMC”)**

A DMC sets out and regulates the rights and obligations between co-owners and between co-owners and the manager. It also provides for the management of the development. Most land grant documents require approval of the DMC before the sale of units. In approving the DMC, LACO will ensure that the Building Management Ordinance (Cap. 344) and, as far as applicable, the DMC Guidelines published in LACO Circular Memorandum No. 79 and any updates are complied with.

The DMC is a private contract, and the co-owners and the manager should seek their own legal advice where there are disputes.

## **(4) Apportionment of Government Rent & Collection of Outstanding Government Rent**

If Government rent of a piece of land has not yet been apportioned on individual units, LACO will apportion it upon application by any owner of undivided shares in the land. The calculation for apportionment of Government rent is made according to the Government Rent and Premium (Apportionment) Ordinance (Cap. 125). The Notice of Apportionment is published in the Government Gazette.

LACO also enforces collection of Government rent arrears by issuing demand letters to defaulting owners and taking re-entry or vesting actions if the arrears are not paid. Application for cancellation of re-entry or vesting will only be entertained on payment of all arrears together with such other costs, expenses and/or penalty as may be required.

#### **(5) Regrant of Lease Expired Properties**

For a piece of land where the lease term has expired and the development is in multi-ownership, the new lease (if agreed to be granted by Government) will be issued to the Financial Secretary Incorporated (“FSI”). FSI will then assign the individual units to the former registered owners. LACO or private solicitors firms instructed by LACO, acting on behalf of FSI, will check the legal title of the former registered owners and prepare the Assignments.

#### **(6) Transfer of Common Property to Owners’ Corporation**

Very often, the developer of a property is a limited company. When all the units in a development are sold, the company may be dissolved under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or Companies Ordinance (Cap. 622). The effect of dissolution is that the company ceases to exist and any properties still owned by the company become the properties of the Government known as “bona vacantia”. These properties often include the common areas such as external walls, roofs etc. To promote better building management, Owners’ Corporations are always encouraged to take over these properties. The Assignment is prepared by LACO.

#### **(7) Administration of the Hong Kong Property for Hong Kong People (“HKPHKP”) measure**

Lands Department had disposed of two lots in Kai Tak, namely New Kowloon Inland Lot No. 6516 and New Kowloon Inland Lot No. 6517 (“the Lots”) by public tender in 2013 under the HKPHKP measure. The Conditions of Sale of the Lots contain a Special Condition which restricts alienation of any residential unit before 27 June 2043 except with the prior written consent of the Director of Lands. Depending on the nature of the transaction, generally there are three types of consent as follows:

- (i) consent to sell;
- (ii) consent to mortgage or charge; and
- (iii) consent to underlet or license.

LACO processes all applications for consent under the HKPHKP measure.

## Enquiry Numbers & Addresses

<b>Name of LACO Office/Section</b>	<b>Fax No.</b>	<b>Telephone No.</b>	<b>Address</b>
Headquarters	2845 1017	2231 3740	20/F, North Point Govt. Offices, North Point, H.K.
Hong Kong	2572 3049	2231 3670	18/F, North Point Govt. Offices, North Point, H.K.
Kowloon	2692 4440	2231 5536	
Tsuen Wan & Kwai Tsing	2692 4440	2231 3696	
Sai Kung	2537 7348	2231 3533	
Islands	2692 4440	2231 3587	
Sha Tin	2692 4440	2231 3587	
Port, Airport, Railway Development Section	2119 0754	2231 3533	
Conveyancing Section	2537 7348	2231 3533	
Information Technology and Special Duties Section	2572 3049	2231 3686	
Housing Supply Section	3582 4215	2231 3588	
Apportionment and Government Rent Collection Section	2117 0956	2231 3696	Room 645, 6/F, North Point Govt. Offices, North Point, H.K.
Land Supply & Projects Section	2155 4143	2155 2407	Units 709-710, Level 7, Tower 1, Millennium City 1, 388 Kwun Tong Road, Kwun Tong, Kowloon
Revitalization of Industrial Buildings & Lease Enforcement Section	2155 4143	2155 2407	
Tai Po & North	2677 3014	2675 1786	Room 421, 4/F, North District Govt. Offices, Fanling, N.T.
Yuen Long & Tuen Mun	2473 3058	2443 1106	12/F, Yuen Long Govt. Offices, Yuen Long, N.T.

**website: [www.landsd.gov.hk](http://www.landsd.gov.hk)**