

CONTROLLING OFFICER'S REPLY

DEVB(PL)123

(Question Serial No. 1570)

Head: (91) Lands Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Land Administration
Controlling Officer: Director of Lands (Ms Bernadette LINN)
Director of Bureau: Secretary for Development

Question:

Regarding the implementation of the Pilot Scheme for Arbitration on Land Premium (the Pilot Scheme), please inform this Committee:

- (1) of the details of the land premium cases handled under the Pilot Scheme in 2016-17;
- (2) how effective is the Pilot Scheme in achieving its planned objectives?

Asked by: Hon LAM Cheuk-ting (Member Question No. 24)

Reply:

- (1) The Pilot Scheme for Arbitration on Land Premium (Pilot Scheme) was launched in October 2014 for a trial period of two years. Up to the end of February 2017, the Lands Department (Lands D) had extended a total of 19 invitations to lot owners to settle premium discussions through arbitration under the Pilot Scheme in respect of their lease modification/land exchange applications. Among the 19 invitations, one case with a net increase of about 30 flats had proceeded to arbitration and was concluded in December 2015. In another case, while agreeing in principle to arbitration, the applicant eventually decided to accept the land premium proposed by Lands D before proceeding to arbitration. The applicants of the remaining 17 invitations have chosen to continue premium negotiations with Lands D.

Separately, Lands D declined one application for arbitration which did not meet the policy objective of increasing land supply. Subsequently that case was settled through premium negotiation.

- (2) As a relatively new initiative, time is needed for the Pilot Scheme to gather momentum. Given the limited number of cases handled, the Government has decided to extend the Pilot Scheme for two years in order to accumulate more experience. We will conduct a general review of the Pilot Scheme after more experience has been gained.

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