

**CONTROLLING OFFICER'S REPLY**

**DEVB(PL)348**

**(Question Serial No. 5010)**

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

Question:

Under Brief Description (paragraph 5), it is stated that “in 2018, the Planning and Lands Branch continued to oversee the work of the Buildings Department, the Lands Department (LandsD), the Land Registry and the Planning Department.” Moreover, in Matters Requiring Special Attention in 2019-20, it is stated that the Branch will “continue to oversee the implementation of major initiatives under the Urban Renewal Strategy.”

Non-domestic tenants registered in the Freezing Survey and evicted from their properties as a result of urban redevelopment projects are entitled to the payment of ex-gratia business allowance (i.e. rateable value×10%×number of years of operation) from the Urban Renewal Authority under the enhancement policy announced in June 2017, yet without entitlement to the full amount made up of ex-gratia business allowance and ex-gratia payment (i.e. triple of the rateable value), the latter of which will be provided by LandsD to tenants, upon resumption of land and with reference to the “Land Resumption and Compensation in the Urban Area - Guidelines for Owners, Occupiers and Surveyors” (the Guidelines). Details are as follows:

According to sub-paragraph (c) Compensation to tenants under paragraph 6.2 Commercial Property of the Guidelines, “legal tenants are entitled to the open market value (if any) of their interest in the commercial properties (for example, the value of an unexpired lease term subject to the existing rent below the prevailing open market rent), plus one of the following additional payments: (i) an ex-gratia allowance equivalent to three times the amount of the rateable value of the resumed properties prevailing as at the date of reversion and where appropriate, severance payments to employees under the Employment Ordinance, Chapter 57, or (ii) the right to make statutory claims for compensation under the Lands Resumption Ordinance as described in paragraph 6.2 (a)(ii) above”.

Please inform this Committee of the following:

As LandsD has followed the Guidelines for years since its last revision in July 2013, will there be another round of revision or review? If yes, what are the timetable and details? Is it under consideration to include in the coverage of the Guidelines the non-domestic tenants registered in the Freezing Survey and evicted from their properties in urban redevelopment projects?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2041)

Reply:

“The Land Resumption and Compensation in the Urban Area - Guidelines for Owners, Occupiers and Surveyors” (the Guidelines) briefly outline the prevailing procedures for land resumption and statutory and ex-gratia compensation provisions applicable to private land resumed in the Urban Area including for urban renewal projects. According to paragraph 6.2(c) of the Guidelines, legal tenants of commercial properties are entitled to the open market value, if any, of their interest in the commercial properties (for example, the value of an unexpired lease term subject to an existing rent below the prevailing open market rent), plus one of the following additional payments: (i) an ex-gratia allowance equivalent to three times the amount of the rateable value of the resumed properties prevailing at the date of reversion and where appropriate, severance payments to employees under the Employment Ordinance (Cap. 57); or (ii) the right to make statutory claims for compensation under the Lands Resumption Ordinance (Cap. 124). The said compensation arrangements are applicable to resumption of private land undertaken by the Government. There is no plan to initiate a change to the prevailing procedures and compensation provisions.

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