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 “(I)n 2019, the Planning and Lands Branch continued to oversee the implementation of the Urban Renewal Strategy (URS) promulgated in 2011 and the work of the Urban Renewal Fund” and “continued to oversee the work of the Buildings Department, LandsD, the Land Registry and the PlanD”. Moreover, in Matters Requiring Special Attention in 2020-21, it is stated that the Branch will “continue to oversee the implementation of major initiatives under URS”.

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\times10\%\times\text{number of years of operation}) from the Urban Renewal Authority under the enhancement policy announced in June 2017, yet without any entitlement to the full amount made up of ex-gratia business allowance and ex-gratia payment (i.e. three times the amount of the rateable value). Upon land resumption, LandsD will provide ex-gratia payment (i.e. three times the amount of the rateable value) to tenants 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 of their interest (if any) 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 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 stated in paragraph 6.2 (a)(ii) above”.

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Please inform this Committee of the following:

(1) As LandsD has followed the Guidelines for years since last revision in July 2013, will there be another round of revision or review?

(2) If yes, what are the timetable and details?

(3) Non-domestic tenants registered in the Freezing Survey and evicted from their properties as a result of urban redevelopment projects are so far not entitled to the full amount made up of ex-gratia business allowance and ex-gratia payment (i.e. three times the amount of the rateable value). Is it under consideration to include them in the coverage of the Guidelines?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 6018)

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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