

Discussion Paper

Yau Tsim Mong District Council

**Resumption of Private Land for Implementation of
Development Proposal K28 by the Urban Renewal Authority
at Sai Yee Street/Nelson Street/Fa Yuen Street, Mong Kok, Kowloon**

Purpose

The purpose of this paper is to seek members' view on the captioned development proposal.

Background

2. In order to address the problem of urban decay, improve the environment of older urban areas, preserve buildings of historical and architectural value, and revive the socio-economic fabric of the communities, the Urban Renewal Authority (URA) was set up in May 2001 to implement urban renewal programme.

Development Proposal & Acquisition of Properties

3. The Development Proposal K28 at Sai Yee Street/Nelson Street/Fa Yuen Street covers a site area of about 2,465 square metres. (Please see the attached Plan at Appendix I with the site boundary indicated thereon.)

4. All the buildings within the site area were built in the 1950s and the 1960s. Most of the buildings are in poor or deteriorating conditions with illegal rooftop structures and unauthorized building works. Since most of the buildings do not have owners' incorporation, rehabilitation is not considered a practical option. The URA through implementing this development proposal can improve the living condition of the residents.

5. The subject site is zoned "Residential (Group A)" on the draft Mong Kok Outline Zoning Plan No. S/K3/26. It will be developed for residential development with commercial use on the lower floors. The proposed development proposal will contribute to the general environmental improvements in the locality.

6. The URA started acquisition of the property interests by way of private negotiation with the affected owners in March 2008.

7. Out of the 175 affected property interests, the URA has acquired 153 property interests. The affected owners of another 6 property interests have also agreed to sell. Meanwhile, the legal procedures for the assignment of these 6 property interests are being undertaken. The URA is still actively negotiating with the owners of the remaining 2 shops and 12 upper floors units. The owners of 2 private lots within the scavenging lane are untraceable.

8. The representatives of the URA will report on the latest progress of acquisition at the meeting.

Land Resumption Proposal

9. As it is in the community interest to speed up urban renewal, the URA submitted a land resumption application to the Secretary for Development (SDEV) in October 2009 for resumption of the unacquired properties and acquired properties with title defects in order to assemble the land as soon as possible to enable early implementation of the development proposal. The unacquired properties proposed to be resumed under Section 3 of the Lands Resumption Ordinance (Cap. 124) are set out at Appendix II.

10. SDEV is currently considering the URA's land resumption application under the Urban Renewal Authority Ordinance before deciding whether the land resumption should be recommended to the Chief Executive in Council. Members' comments on the land resumption proposal for the development proposal will be reported to SDEV and the Chief Executive in Council.

Compensation

11. If the Chief Executive orders the resumption, the land concerned will be reverted to the Government on the expiration of the notice period stated in the resumption notice affixed to the land. Normally, the notice period will be three months from the date of the affixing of the resumption notice to the land. Affected owners (including domestic and commercial owners) will be offered compensation in accordance with the Lands Resumption Ordinance. Under the said Ordinance,

compensation payable to the former owners is based on the value of the resumed property at the date of reversion. If an agreement on the compensation amount cannot be reached, the former owners concerned may submit claims to the Lands Tribunal for determination of the amount of compensation to be paid. Any professional fees reasonably incurred for making a statutory claim may be reimbursed by the Government. (Resumption procedures after the gazette of resumption notice are set out at Appendix III).

12. In accordance with the policy approved by the Finance Committee of the Legislative Council in March 2001, eligible domestic owner-occupiers will be offered an ex-gratia Home Purchase Allowance (HPA) in addition to the statutory compensation. This allowance, together with the statutory compensation, will enable the affected owner-occupiers to purchase a relatively new replacement flat of a similar size. The notional replacement flat for calculating the HPA is an average seven-year-old flat.

13. Eligible occupiers (including those of commercial properties) will be offered an ex-gratia allowance. Alternatively, they may opt for making a claim to cover the removal expenses and the business loss (if applicable) under the Lands Resumption Ordinance. (A brief note of Government compensation on land resumption is at Appendix IV).

Rehousing Arrangements for Domestic Households

14. Eligible domestic households will be re-housed in units to be provided by the Hong Kong Housing Authority or the Hong Kong Housing Society. Eligible domestic households may also opt to receive cash compensation in lieu of rehousing.

15. The representatives of the URA will explain the arrangements for providing suitable accommodation for tenants needed to be removed as a result of the development proposal at the meeting.

Appendices

- I. Location plan
- II. Schedule of unacquired properties to be resumed
- III. Resumption procedures after the gazette of resumption notice
- IV. Brief note of Government compensation on land resumption



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圖例 Legends :

 地盤界線
Site Boundary

K28

洗衣街
Sai Yee Street

位置圖
Location Plan

Scale 1 : 1000

Date: 10 - 3 - 2009

Schedule of Unacquired Properties to be Resumed

| Ref. No. | Lot No. | Property Address | Undivided Shares |
|----------|-------------------|--|------------------|
| 1. | KIL3327 RP | Shop A2 on G/F, No. 78 Fa Yuen Street, Kowloon | 60/212 of 2/12 |
| 2. | KIL3327 RP | Shop D on G/F, No. 78 Fa Yuen Street, Kowloon* | 67/212 of 2/12 |
| 3. | KIL3327 RP | Flat B of the 1 st Floor, No. 78 Fa Yuen Street, Kowloon* | 1/12 |
| 4. | KIL3328 RP | 8 th Floor & Roof, No. 80 Fa Yuen Street, Kowloon | 1/9 |
| 5. | KIL3329 RP | 2 nd Floor, No. 82 Fa Yuen Street, Kowloon* | 1/9 |
| 6. | KIL3332 sB | 3 rd Floor, No. 92 Fa Yuen Street, Kowloon* | 1/8 |
| 7. | KIL3335 | 1 st Floor, No. 98 Fa Yuen Street, Kowloon | 1/7 |
| 8. | KIL1565 sB ss2 RP | Portion A on 5 th Floor, No. 63 Sai Yee Street, Kowloon* | 1/3 of 1/8 |
| 9. | KIL1565 sB ss3 RP | Whole of Ground Floor, No. 65 Sai Yee Street, Kowloon | 7/14 |
| 10. | KIL1565 sB ss3 RP | 1 st Floor, No. 65 Sai Yee Street, Kowloon | 1/14 |
| 11. | KIL1565 sB ss3 RP | 3 rd Floor, No. 65 Sai Yee Street, Kowloon | 1/14 |
| 12. | KIL1565 sB ss3 RP | 6 th Floor, No. 65 Sai Yee Street, Kowloon | 1/14 |
| 13. | KIL1565 sB ss4 RP | 1 st Floor, No. 67 Sai Yee Street, Kowloon | 2/22 |
| 14. | KIL1565 sB ss6 RP | 4 th Floor, No. 71 Sai Yee Street, Kowloon | 1/8 |
| 15. | KIL1565 sB ss6 RP | 5 th Floor, No. 71 Sai Yee Street, Kowloon | 1/8 |
| 16. | KIL1565 sB ss7 RP | Flat C on 4 th Floor, No.73 Sai Yee Street, Kowloon | 1/3 of 1/8 |
| 17. | KIL1565 RP | Ground Floor, No. 81 Sai Yee Street, Kowloon* | 1/4 |
| 18. | KIL1565 RP | 3 rd Floor, No. 81 Sai Yee Street, Kowloon | 1/4 |
| 19. | KIL1565 sF | 2 nd Floor, No. 83 Sai Yee Street, Kowloon | 1/4 |
| 20. | KIL1565 sF | 3rd Floor, No. 83 Sai Yee Street, Kowloon | 1/4 |
| 21. | KIL3328 sA | Rear lane 80 Fa Yuen Street, Kowloon | 1 |
| 22. | KIL3329 sA | Rear lane 82 Fa Yuen Street, Kowloon | 1 |

* Owners of 6 properties have accepted URA's offer pending execution of legal documents

Resumption Procedures after the Gazette of Resumption Notice

| | |
|---|--|
| <p>Gazette of Resumption Notice</p> | <ul style="list-style-type: none"> - A copy of the resumption notice will be affixed on or near the properties affected. - A copy of the resumption notice will be sent to the registered owners. - Under normal practice, the land will revert to the Government at 3 months after the date of affixing the resumption notice to the land. - Owners may still enter into agreement with the Urban Renewal Authority (URA) for the purpose of selling their affected premises to URA prior to the date of reversion. |
| <p>Reversion Day</p> | <ul style="list-style-type: none"> - All legal rights and interests are extinguished at the date of reversion. Former owners are not entitled to collect rents or fees of any kind from their tenants or the occupants. - Compensation payable to the former owners is based on the open market value of the resumed properties at the date of reversion. |
| <p>Compensation Offer</p> | <ul style="list-style-type: none"> - Within 28 days from the date of reversion, Government will either make offers of compensation to former owners and to any person having an estate or interest in the land immediately before reversion or invite claims for compensation from them. Former owners will normally be given 28 days to consider the offer. - Government will make offers of ex-gratia allowance to eligible tenants/occupants. Tenants/occupants will normally be given 28 days to consider the offer. |
| <p>Delivery of Vacant Possession</p> | <ul style="list-style-type: none"> - Former owners/occupants will be requested to move out of their premises within a reasonable period. ^(Note) - Sufficient security measures will be provided to ensure that no property, after vacant possession has been obtained by the Government, will be broken into or illegally occupied. |
| <p>Demolition</p> | <ul style="list-style-type: none"> - Demolition work will commence after vacant possession of the properties is obtained and all utility services (such as water, electricity and gas supplies) have been disconnected. |

Note – The former owners/occupants will normally be required to deliver vacant possession of the premises to Government within 3 months from the date of reversion.

Brief Note of Government Compensation on Land Resumption

(I) Domestic Property

(A) Statutory Compensation

1. Owners' property interest – Open Market Value (OMV) of the resumed properties at the date of reversion
2. Tenants' property interest – OMV, if any, of their interest in the resumed properties at the date of reversion
3. Legal occupiers – Removal costs and expenses. Ex-gratia allowance will normally be offered in lieu of statutory compensation

In the event that an agreement as to the amount of statutory compensation cannot be reached between the claimant and the Government, the claimant may submit the claim to the Lands Tribunal for a determination.

(B) Home Purchase Allowance (HPA) / Supplementary Allowance (SA)

1. Owner-occupiers – HPA is payable in addition to the statutory compensation
2. Owners of Tenanted Flats/Tenanted Areas/Vacant Flats – SA is payable in addition to the statutory compensation

For appeal, the claimant may apply to the Director of Lands or the Home Purchase Allowance Appeals Committee.

(II) Commercial Property

1. Owner-occupiers – the higher of (a) and (b) below :
 - (a) Existing Use Value (EUV) of the resumed properties at the date of reversion plus
 - (i) Ex-gratia Allowance (EGA) at four times the amount of rateable value of the resumed properties prevailing at the date of reversion
or
 - (ii) Business loss claim under the Lands Resumption Ordinance (Cap. 124)
 - (b) Redevelopment value of the resumed properties at the date of reversion

2. Owners not in occupation – the higher of (a) and (b) below :
 - (a) EUV of the resumed properties at the date of reversion plus EGA equals to the amount of rateable value of the resumed properties prevailing at the date of reversion
 - (b) Redevelopment value of the resumed properties at the date of reversion

3. Tenants – OMV, if any, of their interest in the resumed properties plus
 - (i) EGA at three times the amount of rateable value of the resumed properties prevailing at the date of reversion
or
 - (ii) Business loss claim under the Lands Resumption Ordinance (Cap. 124)

(III) Industrial Property

Not applicable to Urban Renewal Authority Development Project (K28) at Sai Yee Street/Nelson Street/Fa Yuen Street.

Note :

- (i) The above summary is for reference only. It shall not constitute any representation on the part of Government or give rise to any expectation whatsoever and shall not be relied on as such. For more details, please refer to the pamphlet “Land Resumption and Compensation in the Urban Area – Guidelines for Owners, Occupiers and Surveyors” prepared by Lands Department (August 2006).

- (ii) For definition of existing use value and redevelopment value, please refer to page 4 and page 6 of the pamphlet.