

Discussion Paper

Yau Tsim Mong District Council

**Resumption of Private Land for Implementation of
Development Scheme TKT/2/002 by the Urban Renewal Authority
at Anchor Street/Fuk Tsun Street, Tai Kok Tsui, Kowloon**

Purpose

The purpose of this paper is to seek members' view on the captioned land resumption 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 Scheme & Acquisition of Properties

3. The Development Scheme TKT/2/002 at Anchor Street/Fuk Tsun Street ("the development scheme") covers a site area of about 726 square metres. (Please see the attached Plan at Appendix I with the site boundary indicated thereon.)

4. All the six tenement buildings within the site area were built between 1958 and 1959 and are of 6 storeys high and residential in nature with shops and workshops on the ground floors. All the buildings are now in poor or deteriorating condition with illegal structures at rear lane and ground floors. Spalling concrete and cracking are found on the external walls of the buildings. They are served by single staircase without any lift provision, and lacking proper means of escape and fire safety installations.

5. The subject site is zoned "Other Specified Uses" annotated for "Hotel" purposes on the approved URA Anchor Street/Fuk Tsun Street Development Scheme Plan No. S/K3/URA1/2. The site will be redeveloped to a proposed 23-storey hotel with 2-storey podium for ancillary commercial and other ancillary facilities such as carparking, loading and unloading spaces. The development scheme will complement with the district commercial

activities in Mong Kok and create employment opportunities in the local area.

6. The URA started acquisition of the property interests by way of private negotiation with the affected owners in September 2009.

7. Out of the 71 affected privately-owned interests, the URA has acquired 43 property interests. The affected owners of another 9 property interests have also agreed to sell. Meanwhile, the legal procedures for the assignment of these property interests are being undertaken. The URA is still actively negotiating with the owners of the remaining 6 ground floor shops and 13 upper floor units.

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's interest to speed up urban renewal, the URA submitted an application to the Secretary for Development (SDEV) in June 2010 for the resumption of the unacquired properties and those acquired properties with title problems in order to assemble the land as soon as possible to enable early implementation of the development scheme. 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 proposal should be recommended to the Chief Executive in Council. Members' comments on the land resumption 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 revert 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 in the locality of the resumed flat. 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).

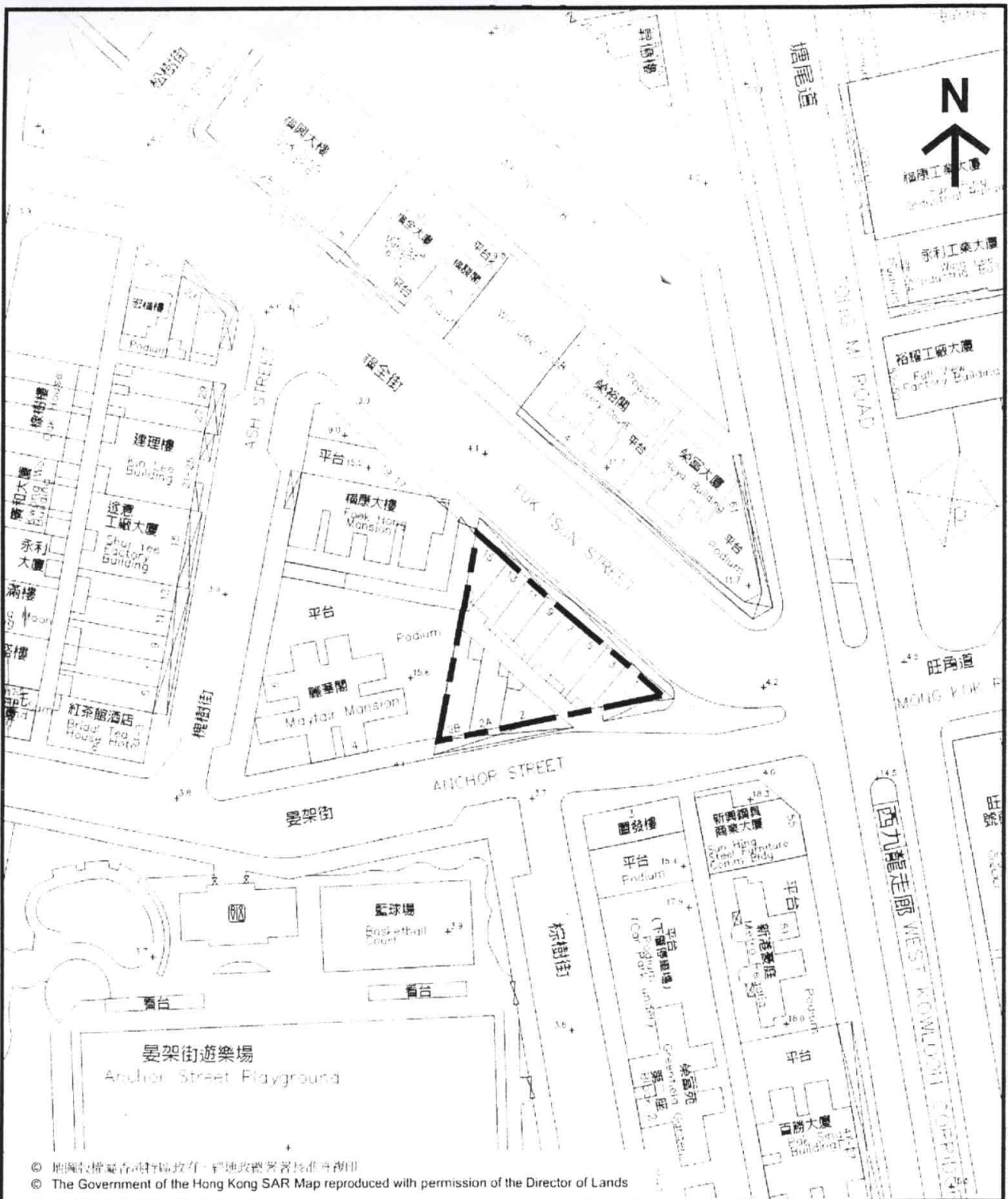
Rehousing Arrangements for Domestic Households

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 accommodations for tenants needed to be displaced as a result of implementing the development scheme 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

TKT / 2 / 002

晏架街 / 福全街
 Anchor Street / Fuk Tsun Street

地盤位置圖

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.	KIL 2102 s.A	G/F, 2A Anchor Street	1/7
2.	KIL 2102 R.P.	G/F, 2B Anchor Street	1/7
3.	KIL 2102 R.P.	2/F, 2B Anchor Street	1/7
4.	KIL 2102 R.P.	3/F, 2B Anchor Street	1/7
5.	KIL 2102 s.C	G/F, 1 Fuk Tsun Street	1/14
6.	KIL 2102 s.C	G/F, 3 Fuk Tsun Street	1/14
7.	KIL 2102 s.D	G/F, 5 Fuk Tsun Street	1/7
8.	KIL 2102 s.D	1/F, 5 Fuk Tsun Street	1/7
9.	KIL 2102 s.D	3/F, 5 Fuk Tsun Street	1/7
10.	KIL 2102 s.D	4/F, 5 Fuk Tsun Street	1/7
11.	KIL 2102 s.E	1/F, 7 Fuk Tsun Street	1/7
12.	KIL 2102 s.E	2/F, 7 Fuk Tsun Street	1/7
13.	KIL 2102 s.E	3/F, 7 Fuk Tsun Street	1/7
14.	KIL 2102 s.F	1/F, 9 Fuk Tsun Street	1/7
15.	KIL 2102 s.F	5/F, 9 Fuk Tsun Street	1/7
16.	KIL 2102 s.F	Roof, 9 Fuk Tsun Street	1/7
17.	KIL 2102 s.G	5/F, 11 Fuk Tsun Street	1/7
18.	KIL 2102 s.G	Roof, 11 Fuk Tsun Street	1/7
19.	KIL 2102 s.H	G/F, 13 Fuk Tsun Street	1/7

Resumption Procedures after the Gazette of Resumption Notice

Gazette of Resumption Notice	<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.
Reversion Day	<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 registered owners is based on the open market value of the resumed properties at the date of reversion.
Compensation Offer	<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.
Delivery of Vacant Possession	<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.
Demolition	<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 Scheme TKT/2/002 at Anchor Street/Fuk Tsun Street, Kowloon.

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.