

**Ex Gratia Compensation for Owners and Tenants of  
Domestic and Commercial Properties Affected by Land Resumption  
– A Comparison**

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**I. Domestic properties**

Land Development Corporation (By acquisition)	Government – Existing Package * (By resumption)	Government – Proposed Package * (By resumption)
<p><u>Owner-occupiers</u> a <b>5 years' old</b> replacement flat #</p> <p><i>Typical case:</i> a 100 m<sup>2</sup> flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$2.2m = <b>\$3.2m</b></p> <p># For the Tsuen Wan and Kennedy Town projects, the LDC offered a 5 years' old replacement flat on an exceptional basis. In other projects, the LDC has followed the Government's HPA policy.</p>	<p><u>Owner-occupiers</u> a <b>10 years' old</b> replacement flat</p> <p><i>Typical case:</i> a 100 m<sup>2</sup> flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$1.8m = <b>\$2.8m</b></p>	<p><u>Owner-occupiers</u> a <b>7 years' old</b> replacement flat</p> <p><i>Typical case:</i> a 100 m<sup>2</sup> flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$2m = <b>\$3m</b></p>

\* The package is/would be applicable to both URA projects and non-URA projects.

OMV = Open Market Value

HPA = Home Purchase Allowance

LDC = Land Development Corporation

URA = Urban Renewal Authority

## II. Commercial properties

Land Development Corporation (By acquisition)	Government – Existing Package * (By resumption)	Government – Proposed Package * (By resumption)
<p><u>Owner-occupiers</u> # OMV + 35% of OMV</p> <p><i>Typical case:</i> a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = OMV + 35% of OMV = \$2m + \$0.7m = <b>\$2.7m</b></p> <p># Owners of tenanted commercial properties will receive OMV + 20% of OMV.</p>	<p><u>Owner-occupiers</u> OMV + EGA ※</p> <p><i>Typical case:</i> a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = OMV + EGA = \$2m + \$0.13m = <b>\$2.13m</b></p> <p>※ EGA consists of –</p> <ul style="list-style-type: none"> <li>• 1 month’s rental;</li> <li>• removal costs;</li> <li>• decoration costs; and</li> <li>• stamp duty, legal fees and agent’s fees.</li> </ul>	<p><u>Owner-occupiers</u> ★ OMV + 4 times RV ©</p> <p><i>Typical case:</i> a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = OMV + 4 times RV = \$2m + \$0.6m = <b>\$2.6m</b></p> <p>★ Owners of tenanted/vacant commercial properties would receive 1 RV as a solatium.</p> <p>© The rateable value of a property is the reasonable annual rental value of that property as assessed by the Rating and Valuation Department annually. It is a reliable measure of the commercial worth of a property.</p>

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OMV = Open Market Value  
 EGA = Ex Gratia Allowance  
 RV = Rateable Value  
 URA = Urban Renewal Authority

<p><b>Land Development Corporation (By acquisition)</b></p>	<p><b>Government – Existing Package * (By resumption)</b></p>	<p><b>Government – Proposed Package * (By resumption)</b></p>
<p><u>Tenants</u> 3-5 times Government’s EGA</p> <p><i>Typical case:</i> # a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = 3 × Government’s EGA = 3 × \$0.13m = <b>\$0.39m</b></p> <p># This case assumes that the tenant moves out within 6 months after service of notice to quit. A tenant who moves out within 2 months or 4 months will receive 5 times or 4 times Government’s EGA respectively.</p>	<p><u>Tenants</u> EGA ※</p> <p><i>Typical case:</i> a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = EGA = <b>\$0.13m</b></p> <p>※ EGA consists of –</p> <ul style="list-style-type: none"> <li>• 1 month’s rental;</li> <li>• removal costs;</li> <li>• decoration costs; and</li> <li>• stamp duty, legal fees and agent’s fees.</li> </ul>	<p><u>Tenants</u> 3 times RV</p> <p><i>Typical case:</i> a 50 m<sup>2</sup> ground floor shop</p> <p>Compensation = 3 times RV = <b>\$0.44m</b></p>

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