

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

I. Domestic properties

Land Development Corporation (By acquisition)	Government – Existing Package * (By resumption)	Government – Proposed Package * (By resumption)
<p><u>Owner-occupiers</u> a 5 years' old replacement flat #</p> <p><i>Typical case:</i> a 100 m² flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$2.2m = \$3.2m</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 10 years' old replacement flat</p> <p><i>Typical case:</i> a 100 m² flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$1.8m = \$2.8m</p>	<p><u>Owner-occupiers</u> a 7 years' old replacement flat</p> <p><i>Typical case:</i> a 100 m² flat of 35 years' old</p> <p>Compensation = OMV + HPA = \$1m + \$2m = \$3m</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 m² ground floor shop</p> <p>Compensation = OMV + 35% of OMV = \$2m + \$0.7m = \$2.7m</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 m² ground floor shop</p> <p>Compensation = OMV + EGA = \$2m + \$0.13m = \$2.13m</p> <p>※ EGA consists of –</p> <ul style="list-style-type: none"> • 1 month’s rental; • removal costs; • decoration costs; and • stamp duty, legal fees and agent’s fees. 	<p><u>Owner-occupiers</u> ★ OMV + 4 times RV ©</p> <p><i>Typical case:</i> a 50 m² ground floor shop</p> <p>Compensation = OMV + 4 times RV = \$2m + \$0.6m = \$2.6m</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>

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

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

<p>Land Development Corporation (By acquisition)</p>	<p>Government – Existing Package * (By resumption)</p>	<p>Government – Proposed Package * (By resumption)</p>
<p><u>Tenants</u> 3-5 times Government’s EGA</p> <p><i>Typical case:</i> # a 50 m² ground floor shop</p> <p>Compensation = 3 × Government’s EGA = 3 × \$0.13m = \$0.39m</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 m² ground floor shop</p> <p>Compensation = EGA = \$0.13m</p> <p>※ EGA consists of –</p> <ul style="list-style-type: none"> • 1 month’s rental; • removal costs; • decoration costs; and • stamp duty, legal fees and agent’s fees. 	<p><u>Tenants</u> 3 times RV</p> <p><i>Typical case:</i> a 50 m² ground floor shop</p> <p>Compensation = 3 times RV = \$0.44m</p>

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

EGA = Ex Gratia Allowance

RV = Rateable Value

URA = Urban Renewal Authority