

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

發展局(規劃地政科)

香港花園道美利大廈九樓



Development Bureau
(Planning & Lands Branch)

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30 November 2009

LegCo Panel on Development
Legislative Council Secretariat
8 Jackson Road
Central
Hong Kong

By Fax & Email
(Fax No : 2869 6794)

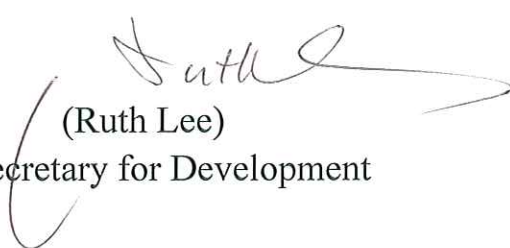
(Attn : Ms Anita Sit)

Dear Ms Sit,

**Request for reviewing the compensation and
rehousing arrangements for tenants affected by
land acquisition for implementing
redevelopment projects and other projects**

Thank you for your letter dated 23 October on the submission from the Shun Ning Road Concern Group and other co-signatories regarding the above subject. We have consulted the Urban Renewal Authority (URA) and the Lands Department on the compensation/ex-gratia payment and rehousing arrangements for tenants affected by URA projects or other government development projects, and set out our consolidated reply as attached with Chinese and English versions.

Yours sincerely,


(Ruth Lee)

for Secretary for Development

Encls

c.c. Managing Director, Urban Renewal Authority
(Attn : Mr. Lawrence Yau)

Secretary for Transport and Housing
(Attn: Mr. Eugene Fung)

Director of Lands
(Attn : Mr. H W Law)

Tenants affected by Urban Renewal Authority (URA) redevelopment projects

The compensation and rehousing policy for tenants affected by URA's redevelopment projects can be summarized as follows–

- (a) Eligible domestic tenants affected by URA projects will be offered rehousing in the Housing Authority or the Housing Society's units.
- (b) Tenants not eligible for rehousing or who are eligible but do not wish to accept rehousing will be offered ex-gratia cash payments based on three times the Rateable Value (RV) of the premises they occupy plus an additional 0.5 time the RV as incentive if they sign an agreement to surrender the premises early.

2. The URA has also taken the following measures to guard against possible abuse –

- (a) The URA will conduct a “freezing survey” on the date the project is gazetted to ascertain the status of the affected households, including whether the properties are owner-occupied, vacant or rented out. Tenants of the project will be rehoused or will receive ex-gratia payments only upon the completion of sale and purchase of the properties between the URA and the property owners;
- (b) Reserving the right, on a case by case basis, to determine if the properties in the projects are tenanted even if the landlord requires the tenant(s) to leave after the freezing survey, and then arranges to occupy the premises himself (or move in immediate family members). In such cases, the URA will only pay 50% of the Home Purchase Allowance to the owner as supplementary allowance;
- (c) In cases where the landlords repossess the properties upon expiry of the existing tenancies and move in more tenants to collaborate with them to exploit the existing policies (for example: sub-dividing flats or moving in relatives or acquaintances), the URA may decline to pay any ex-gratia allowance to the new tenants.

3. Furthermore, URA and its Social Service Teams (SSTs) have always sought to help tenants affected by its redevelopment projects. URA will refer those in hardship to the Social Welfare Department or the Housing Department for consideration of compassionate rehousing.

4. As regards the Shun Ning Road redevelopment project commenced by the URA in June 2009, the URA has found out that, prior to the URA freezing survey, some affected owners had already started to evict their tenants. The URA considers that some of these owners might have evicted their tenants in the hope that a delivery

of vacant possession of the properties could attract potential private developers to purchase their properties for redevelopment.

5. While the URA has no rights to interfere in the private contractual arrangements between individual landlords and their tenants, in view of the genuine difficulties faced by some tenants, the URA Board, in November 2009, has further decided to enhance its policy to support the affected tenants by both relaxing the eligibility criteria for the grant of Relocation Allowance (RA) to benefit more tenants in hardship and at the same time doubling the amount of RA payable,.

6. The URA will continue to monitor any future changes in the regulatory environment and make reference to past experience in implementing redevelopment projects in order to determine if any further changes to the above policies and measures are necessary.

Tenants affected by other Government land resumptions

7. In the cases of the other public development projects which require land resumption, when the projects are announced in the government gazette, the Lands Department will carry out a freezing survey of the affected occupiers. It will also conduct an update survey later when the land resumption notice is gazetted. If the tenant has to move out due to the termination of tenancy by the landlord or upon the expiry of tenancy, the tenant will not be eligible for any ex-gratia allowance or rehousing arrangement. As tenancy agreement is a private contract, it is not appropriate for the Government to intervene in these cases. However, if the tenant has special reasons such as health or other grounds to support his request for public housing, the Lands Department will refer his case to the Social Welfare Department or the Housing Authority for consideration of compassionate rehousing. The Lands Department will review the aforementioned procedures from time to time and make appropriate amendments for improvement when necessary.

Development Bureau

30 November 2009