
Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023

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A BILL

To

Amend the Land (Compulsory Sale for Redevelopment) Ordinance and its subsidiary legislation to lower the thresholds for an application for compulsory sale of lot; to provide for an application that covers 2 or more adjoining lots and an application that covers a composition of different types of lots; to streamline the determination of an application by the Lands Tribunal; to enhance support to minority owners who are owner-occupiers; to impose requirements on the purchaser of certain lots in relation to the redevelopment of the lots and to empower the Director of Buildings to ensure that those requirements are complied with; and to provide for related matters.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title and commencement

- (1) This Ordinance may be cited as the Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance 2023.

(2) This Ordinance comes into operation on a day to be appointed by the Secretary for Development by notice published in the Gazette.

2. Enactments amended

The enactments specified in Parts 2, 3 and 4 are amended as set out in those Parts.

Part 2

Amendments to Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545)

3. Section 2 amended (interpretation)

(1) Section 2(1), definition of *building*—

Repeal

“the Buildings Ordinance (Cap. 123)”

Substitute

“Cap. 123”.

(2) Section 2(1)—

Add in alphabetical order

“*Building Authority* (建築事務監督) means the Director of Buildings;

building works (建築工程) has the meaning given by section 2(1) of Cap. 123;

Cap. 17A (《第17A章》) means the Lands Tribunal Rules (Cap. 17 sub. leg. A);

Cap. 123 (《第123章》) means the Buildings Ordinance (Cap. 123);

occupation permit (佔用許可證) means an occupation permit issued by the Building Authority under section 21(2)(a) of Cap. 123;

owner-occupier (自住擁有人), in relation to a property on a lot the subject of an application under section 3(1), means a person who satisfies the Tribunal under section 4B that the person has occupied the property for not less than 3 months immediately before the

date of the filing of a notice of occupation under rule 78FA of Cap. 17A;

relevant date (有關日期), in relation to a lot the subject of an application under section 3(1), means the date of the application;”.

4. Section 3 amended (application to Tribunal for compulsory sale of lot)

(1) Section 3(1)(a)—

Repeal

“Part 1”

Substitute

“Part 1A”.

(2) Section 3(2)(a)—

Repeal

“lot; or”

Substitute

“lot (each is referred to as a *majority-owned lot*);”.

(3) Section 3(2)—

Repeal paragraph (b)

Substitute

“(b) 2 or more lots that are staircase-connected lots (*one set of staircase-connected lots*);

(c) 2 or more lots that are adjoining lots (*one set of adjoining lots*); or

(d) 3 or more lots that are composed of more than one set of staircase-connected lots or a combination of any two or more of the following, and that are

adjoined to form a cluster of lots bound by a continuous boundary—

- (i) one or more majority-owned lots;
- (ii) one or more sets of staircase-connected lots;
- (iii) one or more sets of adjoining lots.”.

(4) After section 3(2)—

Add

“(2A) An application under subsection (1) that covers 3 or more lots by reason of subsection (2)(d) may also cover one or more than one additional lot (*additional lot*) if—

- (a) the application covers at least one set of staircase-connected lots;
- (b) the additional lot, or each of the additional lots, belongs to a specified class of lots;
- (c) the following is satisfied—
 - (i) if only one additional lot is covered—the additional lot adjoins a set of staircase-connected lots along a common boundary; or
 - (ii) if more than one additional lot is covered—at least one of the additional lots adjoins a set of staircase-connected lots along a common boundary;
- (d) the additional lot or lots, together with the other lots the subject of the application, form a cluster of lots bound by a continuous boundary;

- (e) the percentage of the undivided shares owned by the majority owner in the additional lot, or each of the additional lots, is not less than 65%; and
 - (f) the averaging requirement is fulfilled for the lots (excluding the staircase-connected lots) the subject of the application.
- (2B) To avoid doubt, an application under subsection (1) may cover more than one lot by reason of subsection (2)(b), (c) or (d) or (2A) even if any of the lots is wholly owned by the majority owner.
- (2C) For ascertaining whether the averaging requirement is fulfilled for the lots the subject of an application under subsection (1) that covers 2 or more lots by reason of subsection (2)(c) or (d) or (2A), the application must be accompanied, for each of the lots, by each of the following documents (if it is applicable to the lot)—
 - (a) a Government lease that shows the area or boundary of the lot, together with any document subsequently executed or issued by the Government that effects an adjustment of the area or boundary of the lot;
 - (b) an instrument effecting a division of land that—
 - (i) shows the area or boundary of the lot; and
 - (ii) is registered in the Land Registry,together with any document subsequently executed or issued by the Government that effects an adjustment of the area or boundary of the lot; and

- (c) plans (as approved under Cap. 123) for the following that show the area or boundary of the lot—
 - (i) the existing building on the lot; or
 - (ii) (if there is no existing building on the lot) any building formerly erected on the lot.
- (2D) However, subsection (2C) does not require such an application to be accompanied, for a lot, by a document mentioned in that subsection if the Tribunal is satisfied that the document is not available for the lot.”.
- (5) Section 3(6)—
 - Repeal**
 - “80%”
 - Substitute**
 - “65%”.
- (6) After section 3(7)—
 - Add**
 - “(8) In this section—
 - (a) 2 or more lots are staircase-connected lots if—
 - (i) one building on any of the lots is connected to another building on any other lot or lots by a staircase intended for common use by the occupiers of the buildings, regardless of where the staircase is located; and
 - (ii) the average of the following percentages is not less than the percentage specified in subsection (1)—

- (A) the percentage of the undivided shares owned by the majority owner in the lot or lots on which one of the buildings stands; and
 - (B) the percentage of the undivided shares owned by the majority owner in the lot or lots on which the other of the buildings stands;
- (b) 2 or more lots are adjoining lots if—
- (i) the following is satisfied—
 - (A) in the case of 2 lots—they adjoin each other along a common boundary; or
 - (B) in the case of 3 or more lots—each lot adjoins at least one of the other lots along a common boundary;
 - (ii) the lots are adjoined to form a cluster of lots bound by a continuous boundary;
 - (iii) the percentage of the undivided shares owned by the majority owner in each lot is—
 - (A) for a lot belonging to a specified class of lots, not less than 65%; and
 - (B) for a lot not belonging to a specified class of lots, not less than 90%; and
 - (iv) the averaging requirement is fulfilled for the lots, each of which belongs to a specified class of lots; and
- (c) the averaging requirement is fulfilled for 2 or more lots if the average of the percentage of the undivided shares owned by the majority owner

in the lots (*averaged ownership percentage*) is not less than the specified threshold percentage, where—

- (i) averaged ownership percentage is derived by aggregating the sum of the percentages of the undivided shares owned by the majority owner in each of the lots (if it belongs to a specified class of lots) multiplied by the area of the corresponding lot (*total sum*), then dividing the total sum by the total area of all the lots concerned; and
 - (ii) specified threshold percentage is derived by aggregating the sum of the percentages specified in section 3 of Cap. 545A for each of the lots (if it belongs to a specified class of lots) multiplied by the area of the corresponding lot (*total sum*), then dividing the total sum by the total area of all the lots concerned.
- (9) For the purposes of subsection (8)(c)—
- (a) if subsection (2C) does not require an application to be accompanied, for a lot, by all the documents mentioned in that subsection by reason of subsection (2D); or
 - (b) if the Tribunal is satisfied that the area of a lot cannot be ascertained from the documents mentioned in subsection (2C) accompanying an application,

the lot is to be disregarded by the Tribunal in ascertaining the fulfilment of the averaging requirement for the lots the subject of the application.

(10) In this section—

Cap. 545A (《第545A章》) means the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Cap. 545 sub. leg. A);

specified class of lots (指明地段類別) means a class of lots specified in section 4 of Cap. 545A.”.

5. Section 4 amended (determination of application)

After section 4(2)—

Add

“(2A) However, subsection (2) is to have effect as if paragraph (a)(i) of that subsection did not exist if—

- (a) each of the buildings erected on the lot was issued with an occupation permit at least 50 years before the relevant date; and
- (b) the whereabouts of all the minority owners of the lot the subject of the application are known, and each of them has filed a notice of no objection under rule 78CA of Cap. 17A.

(2B) Subsection (2) does not apply to a lot that is wholly owned by the majority owner.

(2C) Subsection (2D) applies if, in determining an application under section 3(1) that covers 2 or more lots (each is referred to as a **relevant lot**) by reason of section 3(2), the Tribunal is of the view that—

- (a) it is required by subsection (2) not to make an order for sale; and

- (b) it would not be so required if it could determine the application as if a relevant lot were no longer the subject of the application.
- (2D) The Tribunal may—
 - (a) determine the application as if the relevant lot were no longer the subject of the application; or
 - (b) reject the application.”.

6. Sections 4A, 4B and 4C added

After section 4—

Add

“4A. Supplemental provisions to section 4: notice of no objection

- (1) Within 7 days after the date on which a notice of no objection is filed by a minority owner for the purposes of section 4(2A)(b), the minority owner must cause a copy of the notice to be registered under the Land Registration Ordinance (Cap. 128) against the minority owner’s undivided shares in the lot.
- (2) For the purposes of subsection (1), a notice of no objection is deemed to be an instrument affecting land or premises and is registrable in the Land Registry. However, a failure to register a notice of no objection does not affect the validity of the notice.

4B. Supplemental provisions to section 4: further occupation by minority owner

- (1) A person who is a minority owner of a lot the subject of an application under section 3(1) and who

owns undivided shares in the lot which relates to a property of the person may continue to occupy the property for a period not exceeding 6 months after the day on which the purchaser of the lot becomes the owner of the lot if the person—

- (a) has filed a notice of occupation under rule 78FA of Cap. 17A; and
 - (b) has satisfied the Tribunal that the person has occupied the property for not less than 3 months immediately before the date of the filing of the notice of occupation.
- (2) The Tribunal may order the person to pay to the purchaser of the lot an amount calculated in the way specified in subsection (3) for the period of occupation as specified in the notice of occupation.
 - (3) The amount referred to in subsection (2) is to be calculated by multiplying the period of occupation by the reference rental value of the property.
 - (4) In this section—

reference rental value (參照租值), in relation to a property on a lot, means—

- (a) in the case of the property being a tenement that was, at the date on which the relevant order for sale is made by the Tribunal for the lot, included in the valuation list in force under section 14 of the Rating Ordinance (Cap. 116)—the rateable value of the property contained in that list on that date (disregarding any subsequent amendment or alteration made to that list, even if the amendment or alteration takes retrospective effect); or

- (b) in any other case—the market rent of the property as shown in a valuation report that—
 - (i) is made and signed by a professionally qualified valuation surveyor, who is subject to the discipline of a professional body, within 3 months after the date on which the order for sale is made for the lot; and
 - (ii) is provided by the person before the trustees under the order for sale applies the proceeds for sale in accordance with section 11.

4C. Supplemental provisions to section 4: redevelopment of lots

- (1) This section applies if—
 - (a) an order for sale was made for the lots the subject of an application that covers 2 or more lots by reason of section 3(2)(c) or (d) or (2A); and
 - (b) the lots (*subject lots*) were sold to a purchaser under the order for sale.
- (2) Subject to subsection (3), the purchaser, or each successor in title of the purchaser, must redevelop the subject lots in such a way that the lots form one site or part of one site.
- (3) The subject lots must be redeveloped—
 - (a) in accordance with a plan or a set of plans that is approved under section 14(1)(a) of Cap. 123 for the site mentioned in subsection (2); and

- (b) with the consent of the Building Authority under section 14(1)(b) of Cap. 123 for the commencement of the building works in accordance with the plan or the set of plans.
- (4) If—
- (a) a new lot (whether or not a new lot number is assigned) is granted by or on behalf of the Government in a lot extension or in-situ land exchange application involving any or all of the subject lots (with or without any other lot); and
 - (b) the new lot includes land that was included under the subject lots,
- subsections (2) and (3) are to have effect as if the reference to the subject lots in those subsections were a reference to the new lot (but only to the extent of the land that was included under the subject lots).
- (5) If the Building Authority is of the opinion that any proposed building works on the subject lots (***relevant works***) do not comply with the requirement under subsection (2), the Building Authority may, despite Cap. 123, do any or all of the following to such extent as is necessary to avoid the non-compliance—
- (a) refuse to give approval to any plan or set of plans relating to, or to consent to the commencement of, the relevant works;
 - (b) withdraw an approval that the Building Authority has or is deemed to have given to any plan or set of plans relating to the relevant works;
 - (c) require an amendment of any plan or set of plans relating to the relevant works;

- (d) impose conditions on an approval to any plan or set of plans relating to the relevant works or on a consent to commence the works.
- (6) A power under subsection (5) is not exercisable in relation to the relevant works unless the Building Authority has advised the person who intends to carry out the works of—
- (a) the Building Authority’s opinion that the works do not comply with the requirement under subsection (2); and
 - (b) the reasons for the opinion.
- (7) Moreover, a power under subsection (5) is no longer exercisable after the earlier of the following—
- (a) each of the buildings (whether wholly or partly) erected on the subject lots under the redevelopment has been issued with an occupation permit;
 - (b) each of the buildings erected on the site mentioned in subsection (2) has been issued with an occupation permit.
- (8) For the purposes of sections 23 and 24 of Cap. 123, any of the following constitutes a contravention of Cap. 123—
- (a) the carrying out of building works following any refusal to give approval or to consent under subsection (5)(a) or withdrawal of approval under subsection (5)(b);
 - (b) the carrying out of building works otherwise than in accordance with any plan amended under subsection (5)(c) or condition imposed under subsection (5)(d).”

7. Section 8 amended (protection of purchaser of lot, etc.)

(1) Section 8, Chinese text, heading, after “保障” —

Add

“等”.

(2) Section 8(1)(b)(ii)—

Repeal the full stop

Substitute

“; and”.

(3) After section 8(1)(b)—

Add

“(c) an owner-occupier is required to deliver up, and the purchaser is entitled to, vacant possession of the property immediately on the expiry of the period of occupation referred to in section 4B(2).”.

8. Section 11 amended (application of proceeds of sale)

(1) Section 11(2)(c)—

Repeal

“subsection (4)”

Substitute

“subsections (4) and (4A)”.

(2) Section 11(2)(c)(i)—

Repeal

“and”.

(3) Section 11(2)(c)(i), Chinese text, before “多數份數擁有人，” —

Add

“按照指示而將餘數付予該地段的”.

- (4) Section 11(2)(c)(ii)—

Repeal

“lot”

Substitute

“lot (other than an owner-occupier of a property on the lot)”.

- (5) Section 11(2)(c)(ii)—

Repeal the full stop

Substitute

“; and”.

- (6) After section 11(2)(c)(ii)—

Add

“(iii) every owner-occupier of a property on the lot but only after any amount payable by the owner-occupier under section 4B(2) to the purchaser concerned has been deducted by the trustees out of the residue payable to the owner-occupier.”.

- (7) After section 11(4)—

Add

“(4A) Where an amount is ordered to be paid under section 4B(2) to a purchaser of a lot the subject of an order for sale, the trustees under the order should not pay more than 95% of the proceeds of sale (that is payable under subsection (2)(c)(iii)) to the owner-occupier before the trustees are satisfied that the owner-occupier has delivered up vacant possession of the property to the purchaser of the lot.”.

9. Schedule 1 amended (valuation report, notice that application has been made and apportionment of proceeds)

(1) Schedule 1, heading—

Repeal

“and Apportionment of Proceeds”

Substitute

“, Apportionment of Proceeds, etc.”.

(2) Schedule 1—

Repeal Part 1

Substitute

“Part 1

Interpretation

1. In this Schedule—

deed of mutual covenant (公契), in relation to any land (or any part of it), means a document that—

(a) defines the rights, interests and obligations of owners of the undivided shares in the land among themselves; and

(b) is registered in the Land Registry.”.

(3) Schedule 1, after Part 1—

Add

“Part 1A

Valuation Report

1. A valuation report, prepared within 3 months before the date on which the application under section 3(1) is made, setting out—
 - (a) the assessed market value of each property on the lot—
 - (i) on a vacant possession basis;
 - (ii) assessed as if the lot could not be made the subject of an application for an order for sale; and
 - (iii) not taking into account the redevelopment potential of the property or the lot; and
 - (b) the following assessed market value—
 - (i) for a single lot governed by a deed of mutual covenant—the assessed market value of the lot which takes into account the redevelopment potential of the lot on its own; and
 - (ii) for 2 or more lots governed by a single deed of mutual covenant—the assessed market value of all the lots which takes into account the joint redevelopment potential of the lots on their own.”.
- (4) Schedule 1, Part 2, paragraph (a)—

Repeal

“and”.

- (5) Schedule 1, Part 2, paragraph (b)—

Repeal

“compensation.”

Substitute

“compensation; and”.

- (6) Schedule 1, Part 2, after paragraph (b)—

Add

“(c) may order an amount to be paid to the purchaser of the lot/lots* by a person who is an owner-occupier of a property on the lot/lots* for the person’s continued occupation of the property after the day on which the purchaser of the lot/lots* becomes the owner of the lot/lots*.”.

- (7) Schedule 1—

Repeal Part 3

Substitute

“Part 3

Basis of Apportionment of Proceeds of Sale of Lot

1. For an order for sale of a lot the subject of an application that covers one lot, the proceeds of sale of the lot are to be apportioned on a pro rata basis in accordance with—
 - (a) subject to paragraph (b), the values of the respective properties of each majority owner and each minority owner of the lot as assessed in the application under section 1(a) of Part 1A of this Schedule; and

-
- (b) where—
- (i) there has been a dispute referred to in section 4(1)(a)(i) that has resulted in a variation of those values; or
 - (ii) in consequence of the requirement under section 4(1)(a)(ii) on the majority owner to satisfy the Tribunal as to the matter referred to in that section, there has been a variation of those values,
- those values as so varied.
2. For an order for sale of lots the subject of an application that covers more than one lot, the proceeds of sale of the lots—
- (a) are to be apportioned between the lots on a pro rata basis in accordance with, and subject to paragraph (c)—
 - (i) for a lot governed by a deed of mutual covenant covering that lot only, the redevelopment value of the lot as assessed in the application under section 1(b)(i) of Part 1A of this Schedule; and
 - (ii) for 2 or more lots governed by a single deed of mutual covenant, the redevelopment value of the lots as assessed jointly in the application under section 1(b)(ii) of Part 1A of this Schedule;
 - (b) are to be apportioned between each majority owner and each minority owner of a lot on a pro rata basis in accordance with, and subject to paragraph (c), the values of the respective properties of each majority owner and each

minority owner of the lot as assessed in the application under section 1(a) of Part 1A of this Schedule; and

(c) where—

- (i) there has been a dispute referred to in section 4(1)(a)(i) that has resulted in a variation of those values; or
- (ii) in consequence of the requirement under section 4(1)(a)(ii) on the majority owner to satisfy the Tribunal as to the matter referred to in that section, there has been a variation of those values,

are to be apportioned in accordance with those values as so varied.”.

10. Schedule 2 amended (conditions in accordance with which lot shall be sold by auction)

Schedule 2, section 2—

Repeal paragraph (a)

Substitute

“(a) which takes into account—

- (i) for an order for sale of one lot—the redevelopment potential of the lot on its own; or
- (ii) for an order for sale of 2 or more lots—the joint redevelopment potential of the lots on their own; and”.

11. Schedule 3 amended (conditions to which purchaser of lot and purchaser's successors in title shall be subject)

Schedule 3, after section 1—

Add

- “2. Section 1 of this Schedule extends to a new lot (whether or not a new lot number assigned) that is granted by or on behalf of the Government in a lot extension or in-situ land exchange application involving the lot mentioned in that section and any other lots (if any).
 3. If there is more than one period (as described in section 1 of this Schedule) applying to the new lot by the operation of section 2 of this Schedule, the timeframe for the redevelopment of the new lot is the period with the earliest end date or such other period as may be allowed by the Tribunal on the application of the owner of the new lot.”.
-

Part 3

Amendments to Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage Notice (Cap. 545 sub. leg. A)

12. Section 2 amended (interpretation)

(1) Section 2—

Repeal the definitions of *occupation permit* and *relevant date*.

(2) Section 2—

Add in alphabetical order

“*designated area* (指定地區) means an area set out in the Schedule;”.

13. Section 3 amended (specification of percentage)

(1) Section 3—

Renumber the section as section 3(1).

(2) Section 3(1)—

Repeal

“any class of lot specified in section 4”

Substitute

“a class of lots specified in section 4(1)”.

(3) After section 3(1)—

Add

“(2) 70% is specified as the percentage required for the purposes of section 3(1) of the Ordinance in respect of a lot that belongs to a class of lots specified in section 4(2).

- (3) 65% is specified as the percentage required for the purposes of section 3(1) of the Ordinance in respect of a lot that belongs to a class of lots specified in section 4(3).”.

14. Section 4 substituted

Section 4—

Repeal the section

Substitute

“4. Specification of classes of lots

- (1) For the purposes of section 3(1), the class of lots is—
 - (a) a lot with each of the units on the lot representing more than 10% of all the undivided shares in the lot; or
 - (b) a lot that is not located within a designated area, and with each of the buildings erected on the lot issued with an occupation permit at least 50 years but less than 60 years before the relevant date.
- (2) For the purposes of section 3(2), the class of lots is—
 - (a) a lot that is located within a designated area, and with each of the buildings erected on the lot issued with an occupation permit at least 50 years but less than 60 years before the relevant date;
 - (b) a lot that is not located within a designated area, and with each of the buildings erected on the lot issued with an occupation permit at least

- 60 years but less than 70 years before the relevant date; or
- (c) a lot that is not located within an industrial zone, and each of the buildings erected on the lot—
- (i) is an industrial building; and
- (ii) was issued with an occupation permit at least 30 years before the relevant date.
- (3) For the purposes of section 3(3), the class of lots is—
- (a) a lot that is located within a designated area, and with each of the buildings erected on the lot issued with an occupation permit at least 60 years but less than 70 years before the relevant date; or
- (b) a lot with each of the buildings erected on the lot issued with an occupation permit at least 70 years before the relevant date.
- (4) For the purposes of the class of lots referred to in subsection (1)(a)—
- (a) if a unit in a building is subdivided into 2 or more units on or after 1 April 2010, and the subdivision does not involve—
- (i) any alteration to the size of any common area of the building; or
- (ii) any change in a person's liability in relation to the common areas and facilities of the building under the common law or any enactment,
- those units are to be regarded as one single unit; and

- (b) if 2 or more units in a building are amalgamated into one single unit on or after the specified date, and the amalgamation does not involve—
- (i) any alteration to the size of any common area of the building; or
 - (ii) any change in a person’s liability in relation to the common areas and facilities of the building under the common law or any enactment,
- those units being amalgamated are to be regarded as separate units.

(5) In this section—

specified date (指明日期) means the date on which the Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance 2023 (of 2023) comes into operation.”.

15. Section 5 added

After section 4—

Add

“5. Amendment of Schedule

The Secretary for Development may, by notice published in the Gazette, amend the Schedule.”.

16. Schedule added

At the end of the Notice—

Add

“Schedule

[ss. 2 & 5]

Designated Areas

1. All areas included in Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34
 2. All areas included in Wan Chai Outline Zoning Plan No. S/H5/31
 3. All areas included in Yau Ma Tei Outline Zoning Plan No. S/K2/24
 4. All areas included in Mong Kok Outline Zoning Plan No. S/K3/36
 5. All areas included in Cheung Sha Wan Outline Zoning Plan No. S/K5/39
 6. All areas included in Ma Tau Kok Outline Zoning Plan No. S/K10/30
 7. All areas included in Tsuen Wan Outline Zoning Plan No. S/TW/35”.
-

Part 4

Related Amendments to Lands Tribunal Rules (Cap. 17 sub. leg. A)

17. Rule 78A amended (interpretation)

(1) Rule 78A, definition of *main application*—

Repeal

“the Ordinance”

Substitute

“Cap. 545”.

(2) Rule 78A—

Repeal the definition of *Ordinance*.

(3) Rule 78A—

Add in alphabetical order

“**Cap. 545** (《第545章》) means the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545);

purchaser (購買者) has the meaning given by section 2(1) of Cap. 545.”.

18. Rule 78B amended (commencement of proceedings)

Rule 78B(1), (2) and (4)—

Repeal

“the Ordinance” (wherever appearing)

Substitute

“Cap. 545”.

19. Rule 78CA added

After rule 78C—

Add

“78CA. Notice of no objection

- (1) This rule applies if, in relation to the application, the respondent has no objection that the Tribunal does not have to consider whether the redevelopment of a lot the subject of the application is justified due to the age or state of repair of the existing development on the lot under section 4(2)(a)(i) of Cap. 545.
- (2) The respondent may file a notice of no objection with the registrar in respect of the lot.
- (3) The notice of no objection—
 - (a) must be—
 - (i) substantially in accordance with Form 33A; and
 - (ii) filed by the respondent’s legal representative within 21 days after the service of the notice of application on the respondent;
 - (b) takes effect immediately after it is filed; and
 - (c) cannot be withdrawn despite rule 27(1).
- (4) The respondent must also serve a copy of the notice of no objection on the applicant within 3 days after the date on which the notice is filed under subrule (2).”.

20. Rule 78D amended (notice of hearing)

Rule 78D, Chinese text, after “通知書”—

Add

“的副本”.

21. Rule 78E amended (commencement of proceedings)

Rule 78E(1)—

Repeal

“the Ordinance”

Substitute

“Cap. 545”.

22. Part XIVA, Section C added

Part XIVA, after Section B—

Add

“Section C—Application for Further Occupation

78FA. Notice of occupation

- (1) This rule applies if, in relation to a lot the subject of an application under section 3(1) of Cap. 545, the respondent wishes to continue to occupy a property of the respondent on the lot for a period not exceeding 6 months after the day on which the purchaser of the lot becomes the owner of the lot.
- (2) For the purposes of section 4B of Cap. 545, the respondent may file a notice of occupation with the registrar in respect of the property.
- (3) The notice of occupation must be—
 - (a) substantially in accordance with Form 35A;
 - (b) filed before the date on which the Tribunal makes an order for sale for the lot; and

- (c) accompanied by documents showing that the respondent has occupied the property for not less than 3 months immediately before the date of the filing of the notice of occupation.
- (4) The respondent must also serve a copy of the notice of occupation on the applicant in the main application within 3 days after the date on which the notice is filed under subrule (2).”.

23. Schedule amended (forms)

- (1) The Schedule, Form 32, after paragraph (a)—

Add

“* Copies of documents as required under section 3(2C) of the Ordinance are attached.”.

- (2) The Schedule, Form 32—

Repeal paragraph (b)

Substitute

- “(b) A valuation report with the following details as specified in Part 1A of Schedule 1 to the Ordinance has been prepared and is attached—
- (i) the assessed market value of each property on the lot;
 - (ii) the following assessed market values—
 - (A) for a single lot governed by a deed of mutual covenant—the assessed market value of the lot which takes into account the redevelopment potential of the lot on its own; and

(B) for 2 or more lots governed by a single deed of mutual covenant—the assessed market value of all the lots which takes into account the joint redevelopment potential of the lots on their own.”.

(3) The Schedule, English text, Form 32—

Repeal

“19”

Substitute a comma.

(4) The Schedule, Form 32, before the Note—

Add

“* Delete whichever is inapplicable.”.

(5) The Schedule, after Form 33—

Add

“Form 33A

[r. 78CA]

Application No. _____

Notice of No Objection under Land (Compulsory Sale
for Redevelopment) Ordinance

Under section 4(2A)

Name and address of applicant (the majority owner):

Name, address and status of respondent (the minority owner):

Address and description of premises:

I/We have no objection that the Tribunal does not have to consider whether the redevelopment of the lot (which is the subject of the application) is justified due to the age or state of repair of the existing development on the lot under section 4(2)(a)(i) of the Ordinance.

Dated this _____ day of _____, _____.

(Signature of the Respondent)

(Name and No. of the Respondent)

This notice is filed by _____ (the name of solicitors' firm) of _____ (address), solicitors for the said respondent, on the _____ day of _____, _____.

(Name of the solicitors' firm)

Address for service of the Respondent:

- To: 1. The Registrar, Lands Tribunal.
2. The Applicant (majority owner).
3. (Please add such other persons as may be required to be served)".
- (6) The Schedule, after Form 35—

Add

“Form 35A

[r. 78FA]

Application No. _____
(related to Main Application No. _____)

Notice of Occupation under Land (Compulsory Sale
for Redevelopment) Ordinance

Under section 4B

I/We _____ of _____ (specify the premises) as the respondent (the minority owner) have occupied the premises for not less than 3 months immediately before the date on which this notice of occupation is filed.

2. Copies of documents that show my/our occupation of the premises for not less than 3 months immediately before the date on which this notice of occupation is filed are attached.
3. I/We wish to continue to occupy the premises for a duration of _____ (state the period) after the day on which the purchaser of the lot becomes the owner of the lot.

Dated this _____ day of _____, _____.

(Signature of the Respondent)

(Name and No. of the
Respondent)

Address for service of the Respondent:

- To:
1. The Registrar, Lands Tribunal.
 2. The Applicant (majority owner) in the main application.
 3. (Please add such other persons as may be required to be served)".
-

Explanatory Memorandum

The main object of this Bill is to amend the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) (*Cap. 545*) and the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Cap. 545 sub. leg. A) (*Cap. 545A*) to—

- (a) lower the thresholds for application for compulsory sale of lot (*application*);
- (b) allow more flexibility for the majority owner to combine different types of lots in the application;
- (c) streamline the determination of application by the Lands Tribunal (*Tribunal*); and
- (d) enhance support to minority owners who are owner-occupiers.

2. The Bill is divided into 4 Parts.

Part 1—Preliminary

3. Clause 1 sets out the short title and provides for commencement.
4. Clause 2 is a standard enactments amended clause included in amending legislation.

Part 2—Amendments to Cap. 545

5. Clause 3 amends section 2 of Cap. 545 to add the new definitions of *building works*, *owner-occupier*, etc. that are necessary for the interpretation of Cap. 545.

6. Clause 4 amends section 3 of Cap. 545 to—
- (a) introduce the concepts of adjoining lots, additional lot, averaging requirement, etc.;
 - (b) provide for application for compulsory sale that may cover—
 - (i) 2 or more lots that are adjoining lots; and
 - (ii) 3 or more lots that may be a composition of different types of lots;
 - (c) make it clear that an application may cover 2 or more lots even if any of the lots is wholly owned by the majority owner;
 - (d) require the provision of supporting documents at the time of application for ascertaining whether the averaging requirement is fulfilled for the lots the subject of an application;
 - (e) specify the circumstances in which a lot is to be disregarded in ascertaining the fulfilment of the averaging requirement; and
 - (f) reduce the baseline threshold for application as set out in section 3(6) of Cap. 545 from 80% to 65%.
7. Clause 5 amends section 4 of Cap. 545 to—
- (a) introduce a streamlined procedure for the Tribunal to determine the application if—
 - (i) each of the buildings erected on the lot was issued with an occupation permit at least 50 years before the relevant date; and
 - (ii) all minority owners have filed a notice of no objection in respect of the lot and all such notices have taken effect;

- (b) stipulate that section 4(2) of Cap. 545 does not apply to a lot that is wholly owned by a majority owner; and
 - (c) provide that for an application that covers 2 or more lots, if any of the lots fails to fulfill the requirement under section 4(2) of Cap. 545, the Tribunal may determine the application as if the lot were no longer the subject of the application or reject the application.
- 8. Clause 6 adds new sections 4A, 4B and 4C to Cap. 545. The new section 4A supplements certain procedural details for the notice of no objection. The new section 4B provides that an owner-occupier of a property on a lot the subject of an application may continue to occupy the property for a period not exceeding 6 months. The new section 4C imposes an obligation on the purchaser (or each successor in title of the purchaser) to redevelop the lots sold under an order for sale (*subject lots*) jointly, and empowers the Director of Buildings to exercise control on the redevelopment of the subject lots.
- 9. Clause 7 amends section 8 of Cap. 545 to provide that an owner-occupier is required to deliver up vacant possession of the property immediately on the expiry of the period of occupation referred to in the new section 4B(2).
- 10. Clause 8 amends section 11 of Cap. 545 to stipulate that trustees under an order for sale should not pay more than 95% of the proceeds of sale (that is payable under the new section 11(2)(c)(iii) of Cap. 545) to an owner-occupier before the trustees are satisfied that the owner-occupier has delivered up vacant possession of the property to the purchaser of the lot.

11. Clause 9 amends Schedule 1 to Cap. 545 to correspondingly update the requirements on the valuation report and the basis of apportionment of proceeds of sale of lot.
12. Clause 10 amends Schedule 2 to Cap. 545 to specify that for an order for sale of 2 or more lots, the setting of the reserve price for the auction of the lots must take into account the joint redevelopment potential of the lots on their own.
13. Clause 11 amends Schedule 3 to Cap. 545 to provide that the obligation to redevelop a lot (*original lot*) within 6 years after the lot is sold under an order for sale extends to a new lot (that covers the original lot) as a result of lot extension or in-situ land exchange.

Part 3—Amendments to Cap. 545A

14. Clause 12 amends section 2 of Cap. 545A by—
 - (a) repealing the definitions of *occupation permit* and *relevant date*; and
 - (b) adding a new definition of *designated area*.
15. Clause 13 amends section 3 of Cap. 545A to specify different percentages (namely 80%, 70% and 65%) required for the purposes of section 3(1) of Cap. 545 for a lot that belongs to a class of lots specified in section 4 of Cap. 545A.
16. Clause 14 amends section 4 of Cap. 545A to specify the criteria for different classes of lots for the purposes of section 3 of Cap. 545A.
17. Clause 15 adds a new section 5 to Cap. 545A to empower the Secretary for Development to amend the new Schedule to Cap. 545A.

18. Clause 16 adds a new Schedule to Cap. 545A to set out the list of designated areas.

Part 4—Related Amendments to Lands Tribunal Rules (Cap. 17 sub. leg. A) (Cap. 17A)

19. Clause 17 amends rule 78A of Cap. 17A by replacing the definition of *Ordinance* with the new definition of **Cap. 545** and adding a new definition of *purchaser*.
20. Clause 18 makes consequential amendments to rule 78B of Cap. 17A by updating the references of “the Ordinance” with “Cap. 545”.
21. Clause 19 adds a new rule 78CA to Cap. 17A to provide for the details of the filing of a notice of no objection by the respondent minority owner.
22. Clause 20 amends the Chinese text of rule 78D of Cap. 17A for consistency.
23. Clause 21 makes a consequential amendment to rule 78E of Cap. 17A.
24. Clause 22 adds a new Section C to Part XIVA of Cap. 17A to provide for the details of the filing of a notice of occupation.
25. Clause 23 amends the Schedule to Cap. 17A by revising the existing Form 32 and adding the new Forms 33A (Notice of No Objection) and 35A (Notice of Occupation).