# LEGISLATIVE COUNCIL BRIEF

Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545)

# LAND (COMPULSORY SALE FOR REDEVELOPMENT) (AMENDMENT) BILL 2023

#### INTRODUCTION

Α

At the meeting of the Executive Council on 12 December 2023, the Council **ADVISED** and the Chief Executive **ORDERED** that the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 ("the Bill"), at <u>Annex A</u>, should be introduced into the Legislative Council ("LegCo"), with a view to expediting redevelopment of old and dilapidated buildings by private sector so as to tackle the safety risk of those buildings and improve people's livelihood.

### **JUSTIFICATIONS**

- 2. The number of private buildings redeveloped in the past ten years from 2013 to 2022 are estimated to be about 1 600 (i.e. an average of 160 per annum). However, the number of aged buildings has been increasing at a faster pace. According to the Buildings Department ("BD")'s record, the number of private buildings 1 aged 50 or above significantly increased from 4 500 to 9 600 in the past decade (i.e. an average increase of 510 per annum). The number is projected to rise further to 15 800 in 2032 and 22 900 in 2042, which is close to 2.5 times the number in 2022. The pace of redevelopment of old and dilapidated buildings fails to catch up with the rapidly ageing building stock in Hong Kong. There is an imminent need to encourage greater private sector participation in redevelopment of old and dilapidated buildings.
- 3. The buildings in Hong Kong are generally guided by the assumption of a design working life of 50 years. This does not mean a building must be redeveloped once it reaches 50 years of age. Instead, it means that if a building exceeding the design working life is not properly maintained and repaired, its conditions may rapidly

<sup>&</sup>lt;sup>1</sup> Excluding New Territories Exempted Houses and buildings of the Hong Kong Housing Authority.

deteriorate, leading to safety concerns. Our strategy to arrest urban decay, therefore, emphasises both rehabilitation and redevelopment. The Government will continue to promote building rehabilitation through multi-pronged measures<sup>2</sup>. However, there is a limit as to how aged and dilapidated buildings could be repaired in extending the life span. For some aged buildings, redevelopment is a more practical option. While the Urban Renewal Authority ("URA") as a statutory body is driving public sector redevelopment projects, developer-owners in the private sector also play a crucial role in leading redevelopment projects, as evidenced by the fact that 75% of new flats from all redevelopment projects in the past 10 years came from private redevelopment projects, with the rest from URA.

- 4. To encourage redevelopment of old and dilapidated buildings through private initiatives, the Government has recently implemented a number of measures including allowing transfer of plot ratios across sites in Mong Kok and Yau Ma Tei, permitting interchangeability between domestic and non-domestic plot ratios of the two districts, removing the plot ratio restriction of the commercial zone along Nathan Road, etc. As pledged in the 2023 PA, we have embarked on a study to consider using part of the future reclaimed land outside the Kau Yi Chau Artificial Islands central business district to facilitate implementation of urban redevelopment projects by the public and private sectors.
- 5. A pre-requisite for private sector redevelopment is consolidation of property titles. To provide a solution to the problem of property acquisition due to deceased or missing/untraceable owners, etc., the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) ("LCSRO") enables private developers owning not less than 80% of undivided shares in a lot to apply to the Lands Tribunal ("the Tribunal") for compulsory sale of the whole lot for redevelopment in specified circumstances. To better incentivise the private sector to pursue redevelopment projects, we embarked on a policy review on the compulsory sale regime in late 2021 and subsequently consulted widely on the proposals. The policy objective is to tackle the safety risk of certain aged buildings and improve people's livelihood. Taking into account public views, we propose to introduce legislative amendments to effect the proposals set out in the ensuing paragraphs.

proposals in 2024 to amend the Buildings Ordinance (Cap. 123) in order to strengthen enforcement actions under MBIS amongst other things.

For example, the Government has allocated a total of \$19 billion since 2018 to subsidise flat owners to carry out building repair works. The 2023 Policy Address ("PA") has also proposed new measures including (i) formulating proposals in the first quarter of 2024 to target the Mandatory Building Inspection Scheme ("MBIS") towards high-risk buildings and improve the Operation Building Bright Scheme to quicken the building inspection and repairs works; and (ii) developing

# (A) Lowering the application thresholds, targeting old districts with more pressing redevelopment need

- 6. According to a URA study<sup>3</sup>, in 2022 about 27.1% of buildings aged 70 or above and about 3.7% of buildings aged 60 to 69 under survey were beyond The age profile of buildings covered in compulsory sale economical repairs. applications, however, has a rather different pattern, suggesting buildings identified by private sector for redevelopment may not totally align with the actual building conditions<sup>4</sup>. This may probably be due to fewer units for buildings aged 70 or above and in such cases failure in acquiring even one unit due to say a missing / untraceable owner will already render compulsory sale a non-option. In our original proposal released for public consultation in November 2022, we proposed to lower the compulsory sale application threshold from 80% to 70% for buildings aged 50 to 69, and further to 60% for buildings aged 70 or above in order to expedite redevelopment of buildings in this age bracket. Separately, despite the lowering of application threshold for industrial buildings ("IBs") aged 30 or above and not located within industrial zones since April 2010 (i.e. from 90% to 80%), the pace of IB redevelopment has been slow and a further push by lowering the threshold may be warranted<sup>5</sup>.
- 7. During our consultation, some stakeholders have suggested, whether, in lieu of a uniform threshold for buildings in the same age group across all districts without regard to building conditions, there should be policy differentiation for districts with more pressing redevelopment need and those with less. We acknowledge that a more target-oriented approach in setting the thresholds would provide a clearer policy message and help channel limited resources and efforts to areas with a greater concentration of aged buildings which may warrant redevelopment (hereinafter referred to as "designated areas"), and in turn facilitate urban renewal of the area. In response to the concerns that the lowest threshold of 60% is even lower than the lowest in some neighbouring cities (two-thirds) and this may risk undermining the benefits of minority owners, we also see merits in slightly adjusting the lowest threshold upward.

<sup>&</sup>lt;sup>3</sup> Source from the Rehabilitation Index compiled by URA, with information collected by visual inspection on buildings' common areas.

<sup>&</sup>lt;sup>4</sup> Among the 359 applications for compulsory sale between April 2010 and June 2023, only one (i.e. 0.3%) involved buildings aged 70 or above and 63 applications (i.e. 18%) from buildings aged 60 to 69, meaning over 80% were from younger buildings (i.e. 66% for buildings aged 50 to 59 and 16% for buildings aged below 50).

As of December 2022, out of the total 1 653 IBs, 56% (some 930 IBs) are aged 30 or above and situated in non-industrial zones.

- 8. By combining the twin factors of building age and redevelopment need of districts, coupled with the underpinning principle that lower application thresholds will be adopted for older buildings in districts with more pressing redevelopment need, we **propose** the following legislative amendments be made to lower the application thresholds
  - (a) reducing the thresholds for private buildings aged ≥ 50, from the existing 80% to 70% or 65%, depending on the age groups (i.e. aged 50 to 59; aged 60 to 69; and aged 70 or above, with lower threshold for older buildings) and location of the buildings (lower threshold for buildings of same age group but located in designated areas). The designated areas are identified taking into account
    - (i) the number of buildings aged  $\geq 50$  in the area; and
    - (ii) the number of buildings in the area issued with notices under the MBIS<sup>6</sup>.

Based on areas covered by Outline Zoning Plans ("OZPs"), we propose specifying in the Bill the following OZP areas which have higher number of buildings for (i) and (ii) above<sup>7</sup> as the first batch of "designated areas"—

- (1) Cheung Sha Wan (the same OZP covering also Sham Shui Po);
- (2) Ma Tau Kok (covering Kowloon City and To Kwa Wan);
- (3) Mong Kok;
- (4) Sai Ying Pun and Sheung Wan (covered by the same OZP);
- (5) Tsuen Wan;
- (6) Wan Chai; and
- (7) Yau Ma Tei.

The designated areas (and the criteria where appropriate) will be reviewed regularly and subsequent changes to the areas will be specified in subsidiary legislation made by the Secretary for Development ("SDEV").

For the purpose of identifying designated areas, we have selected those areas under the OZPs with 300 or more buildings aged  $\geq$  50 and 200 or more buildings issued with MBIS notices.

The MBIS is prescribed under the Buildings Ordinance. Under the MBIS, owners of buildings aged 30 or above (except domestic buildings not exceeding three storeys) must, upon receipt of MBIS notice from the BD, appoint consultants to carry out prescribed building inspections and repair works. BD currently selects 600 buildings for serving MBIS notices every year on a risk basis. In other words, such buildings are considered as having higher safety risks.

The **proposed compulsory sale application thresholds** are set out in the table below –

Age of		Thresholds	Thresholds p	roposed in the Bill
private buildings (years)	Existing thresholds	suggested under original proposals in November 2022	"Designated areas"	"Non-designated areas"
	90%	90%		90%
< 50	(regardless of	(regardless of	(regardless of location, same a	
	location)	location)	current	arrangement)
50 to 59	80%	70% (regardless of	70%	80% (same as current arrangement)
60 to 69	(regardless of	location)	65%	70%
≥ 70	location)	60% (regardless of location)	65% (regardless of location)	

(b) reducing the threshold for IBs aged 30 or above in non-industrial zones, from 80% to 70% (same proposal as released in November 2022).

# (B) Facilitating larger scale redevelopment by allowing more flexibility for multiple adjoining-lot applications

- 9. The current regime basically operates on a "lot" basis meaning an applicant has to fulfil the application thresholds for each and every lot under the same compulsory sale application. The only exception is where the buildings erected on the lots are connected by a common staircase (hereinafter referred to as "staircase-connected lots") in which case the applicant may take average of the acquired undivided shares in the concerned lots (hereinafter referred to as "averaging arrangement") for meeting the application threshold. We consider the current regime too restrictive and not conducive to a larger scale redevelopment which generally offers more scope for better building design, and at the same time benefits minority owners due to the higher overall redevelopment value. Separately, the ambiguity created by the lack of express provisions in the LCSRO to permit an application to be made in respect of lot(s) wholly owned by the applicant has been the point of contention in some compulsory sale applications in past years.
- 10. We **propose** legislative amendments be made to allow more flexibility for multiple adjoining-lot applications by
  - (a) allowing, apart from staircase-connected lots, averaging arrangement for two or more lots adjoining to each other even with no common staircases connecting the buildings erected thereon (hereinafter referred to as "adjoining lots") subject to certain conditions such as minimum building age requirement and minimum ownership threshold for each of the lots concerned;
  - (b) allowing the inclusion of wholly owned lots in a multiple adjoining-lot

application; and

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(c) requiring multiple adjoining lots in the same application to be redeveloped as a whole to realise the intended planning and land use gains arising from amalgamation of multiple adjoining lots into a larger site.

For (a) above, noting that in reality a compulsory sale application will likely cover a number of adjoining lots of different sizes and subject to different application thresholds (e.g. the buildings erected thereon fall into different age cohorts), we propose applying weighted average which will take into account the lot areas for the "averaging arrangement" and the calculation of applicable application thresholds, as illustrated in an hypothetical example in **Annex B**.

11. For the avoidance of doubt, for applications covering staircase-connected lots, the current averaging arrangement<sup>8</sup> set out in the LCSRO will continue to apply. As the Government's policy is to facilitate redevelopment of connected buildings, the proposed minimum building age requirement and minimum ownership threshold in paragraph 10 (a) above will not be applicable to staircase-connected lots as is the current practice.

# (C) Streamlining the legal process of compulsory sale regime

- 12. Generally speaking, the Tribunal, in determining whether an order for sale is to be made, has to consider if redevelopment of the lot is justified having regard to "age" and "state of repair" and hear disputes over valuation. During the process, experts will normally be engaged by both the applicant and minority owners to justify or oppose redevelopment of the buildings, and to support their claims on the existing use value of the properties in the lot and/or redevelopment value of the lot in question.
- 13. The average processing time of compulsory sale cases from the date of application to the date of disposal through trial and with a compulsory sale order made for the 189 cases from 1999 to 2023 (up to end October 2023) was 564 days. Despite the implementation of two case management measures since late 2021, the litigation process of compulsory sale is still protracted as the Tribunal is duty bound to examine whether redevelopment is justified on the grounds set out in the legislation, even where the minority owners do not contest that the buildings warrant redevelopment on

Retaining the simple averaging method when taking into account the applicant's ownership percentage in each lot is justified because buildings connected by common staircase are physically the same development in terms of construction, use and enjoyment by the owners and occupiers of the connected buildings.

The two case management measures are (1) to monitor and expedite the filing of the Application to List for Hearing (Form 31) after the filing of the Notice of Application; and (2) to fix trial dates without accommodating counsel's diaries where possible.

grounds of age/state of repair<sup>10</sup>, as a result of which expert reports still have to be prepared and submitted to the Tribunal by the applicant and sometimes also by the minority owners.

- 14. We **propose** legislative amendments be made to streamline the legal process by dispensing with the requirement to justify redevelopment on the grounds (i.e. "age" or "state of repair" of the building on the lot) set out in the legislation for cases involving buildings aged  $\geq 50$  where all minority owners concerned do not object. This means that the Tribunal can proceed with the determination on the valuation of the lot and the granting of an order for sale so long as section 4(2)(b) of LCSRO (i.e. the applicant has taken reasonable steps to acquire all the undivided shares in the lot) has been fulfilled.
- 15. In our proposal released in November 2022, in response to the Tribunal's suggestion, we floated the idea of specifying in the LCSRO the tests which the Tribunal should apply in considering the "age" and / or "state of repair", which would hopefully help shorten the processing time of compulsory sale applications. During the subsequent consultation exercise, there were clear views against the proposal and the stakeholders engaged generally prefer maintaining the long-established practice of the Tribunal referring to the case law developed under the LCSRO over the past two decades to determine "age" and / or "state of repair" of a building. Indeed, this practice has worked well in the past. Having acknowledged the practical difficulties in devising objective and quantifiable tests and considering the potential risks of further complicating the legal process, we share the concerns of most stakeholders that the codification of such tests, despite its good intentions, may very likely create more disputes than it intends to resolve. We have therefore decided not to pursue the proposal, meaning the Tribunal will continue to have much liberty in considering how the factors of "age" and "state of repair" should be evaluated, having regard to the circumstances of the application and case law established over the years.
- 16. To help alleviate the workload of the Tribunal arising from the anticipated increase in affected minority owners upon passage of the proposed legislative amendments, we have secured additional judicial manpower resources for the Tribunal. A dedicated office to be set up under the Development Bureau ("DEVB") will also encourage mediation between the applicant and minority owners (details provided in paragraph 18 below) so that more compulsory sale cases can be resolved through mediation at the early stage of compulsory sale, rather than litigation.

According to the written judgments of the 178 compulsory sale applications handed down up to June 2023, only 16% (i.e. 28 cases in total) have dispute over "age" or "state of repair" of the buildings concerned. Statistics also indicate that the time taken from the date of Notice of Application to the date of listing for trial for cases involving disputes on "age" and "state of repair" is around 559 days on average which is 157 days (or 39%) longer than those cases with no dispute over the two issues (i.e. 402 days on average). The persistently long average case waiting time is attributable to a host of factors, many of which are beyond the control of the Tribunal, including the time required by parties to consult experts from the limited pool of experts in preparation for trial hearings, the number of minority owners involved, and the number and nature of disputed issues involved, etc.

# (D) Enhancing support to affected minority owners

- 17. Under the existing LCSRO, while there are provisions on the delivery of vacant possession of the property by tenants not later than six months following the sale of the lot, there is no corresponding provision dealing with the departure of minority owners, who arguably lose the title and the right to reside on the day the lot is sold. However, it is not unreasonable to allow a bit more time for owner-occupiers to arrange relocation. We **propose** legislative amendment be made to allow minority owners who are owner-occupiers to stay in their properties up to six months after compulsory sale, on par with the duration currently allowed for tenants.
- 18. Apart from statutory protection, DEVB plans to set up a dedicated office within 2024 to provide one-stop, enhanced support services to affected minority owners at different stages of compulsory sale. In particular, the dedicated office will encourage minority owners to engage in mediation by providing independent valuation services. This hopefully will result in more successful mediation cases and obviating the need of litigation which is both time-consuming and stressful on the part of minority owners. While DEVB has been engaging a non-governmental organisation to provide basic outreaching support services since January 2011 (details at Annex C), feedback from different sectors indicate that many minority owners may need strengthened support. The dedicated office under DEVB will make available services including advice on minority owners' legal rights and other related matters, independent property valuation, mediation, counselling support, search for replacement flats, etc. (details at Annex D). Subject to the agreement of the URA Board, the dedicated office will provide the above services through a new company set up by URA. This new company will report direct to DEVB's dedicated office.
- 19. While reasonable fees incurred for engaging professional and expert services by minority owners are normally reimbursed by the applicant as ordered by the Tribunal after the hearing<sup>11</sup>, minority owners may have genuine liquidity problem in paying upfront the fees. In this connection, we propose setting up a dedicated loan scheme with Government guarantee to provide bridging loans to eligible minority owners (see paragraph 29 below).

#### OTHER OPTIONS

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20. The proposed amendments have to be effected by legislative means. There is no alternative option.

<sup>&</sup>lt;sup>11</sup> Established by the ruling of Court of Appeal in *Good Faith Properties Ltd and Others v Cibean Development Co Ltd (2014)*.

### THE BILL

- 21. The Bill is divided into four parts. Part 1 sets out the short title and provides for commencement. Main provisions of the other parts of the Bill are summarised in ensuing paragraphs.
- 22. Part 2 of the Bill amends the LCSRO to
  - (a) allow more flexibility for compulsory sale applications by
    - (i) stating that an application may cover two or more lots even if any of the lots is wholly owned by the majority owner (Clause 4(4));
    - (ii) applying the weighted averaging requirement to adjoining lots for the purpose of fulfilling the application threshold (Clause 4(6));
    - (iii) imposing an obligation on the purchaser (or each successor in title of the purchaser) to jointly redevelop the multiple lots sold under an order for sale (Clause 6); and
    - (iv) updating the basis of apportionment of proceeds of sale of multiple lots sold under an order for sale to take into account the redevelopment potential of individual lots (Clause 9);
  - (b) streamline the legal process of compulsory sale regime by introducing a fast track arrangement for the Tribunal to determine whether an order for sale is to be granted to an application if
    - (i) each of the buildings erected on the lots is aged  $\geq$  50; and
    - (ii) all minority owners have filed a notice with the Tribunal indicating that they have no objection that the Tribunal does not have to consider whether the redevelopment of the lots is justified due to "age" or "state of repair" of the existing development on the lots (Clause 5); and
  - (c) enhance support to minority owner who is an owner-occupier by allowing him/her to occupy his/her property on the lot for a period up to six months following the sale of the lot under an order for sale, subject to payment to be made by the owner-occupier to the purchaser of the lot as ordered by the Tribunal (Clause 6).
- 23. Part 3 of the Bill amends the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (Cap. 545 sub. leg. A) ("the Notice") to lower the compulsory sale application thresholds by
  - (a) specifying different percentages (namely 80%, 70% and 65%) for buildings in different age groups (namely aged  $\geq$  50 and < 60; aged  $\geq$  60 and < 70; and aged  $\geq$  70) and buildings in designated areas (Clause 14);
  - (b) reducing the percentage for IBs aged 30 or above and located in non-industrial zones from 80% to 70% (Clause 14); and

- (c) setting out the designated areas in a new Schedule (*Clause 16*) and empowering SDEV to, by notice published in the Gazette, amend the new Schedule (*Clause 15*).
- 24. Part 4 (Clauses 17 to 23) of the Bill makes consequential amendments to the Lands Tribunal Rules (Cap. 17 sub. leg. A) to set out the court procedures for implementing certain proposed measures. A summary of the major proposals is set out at **Annex E**.
- <u>F</u> 25. The existing provisions being amended are at **Annex F**.

# LEGISLATIVE TIMETABLE

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26. The legislative timetable will be -

Publication in the Gazette 22 December 2023

First Reading and commencement of Second 10 January 2024

Reading debate

Resumption of Second Reading debate, to be notified

Committee Stage and Third Reading

#### IMPLICATIONS OF THE PROPOSALS

- 27. The proposals are in conformity with the Basic Law, including the provisions concerning human rights. They have no environmental, productivity or gender implications. The proposals will not affect the current binding effect of the LCSRO and the Notice.
- 28. As for sustainability implications, the legislative proposals will help expedite redevelopment of old and dilapidated buildings, thus arresting urban decay and bringing long-term benefits to the built and living environment. The resulting supply of new flats with modern design and safety standards will also improve the social well-being and living environment of families. As for economic implications, the proposals on reduced thresholds targeting at designated areas will help channel private efforts and resources to old districts with more pressing redevelopment need, thereby unleashing the development potential of the valuable urban land resources in those cases with such potential and helping to meet the long-term socio-economic needs of Hong Kong in a sustainable manner.
- 29. To strike a balance between expediting redevelopment of old buildings and protecting property interests, we will ensure adequate support to needy minority owners. As such, a dedicated office will be set up under DEVB to provide one-stop support services to minority owners at different stages of compulsory sale as outlined in **Annex D**. Moreover, as mentioned in paragraph 19 above, we will set up a

dedicated loan scheme with Government guarantee to provide eligible minority owners with access to bank loans for tiding over the liquidity gap in handling compulsory sale litigation. We will seek approval of the Finance Committee ("FC") of the LegCo for the said dedicated government loan guarantee scheme.

30. As for manpower implications, while some proposals would streamline the legal process, we envisage that the reduced thresholds will on the other hand induce more applications with more respondents for each case, thus increasing workload to the Tribunal <sup>12</sup>. Additional manpower will be provided to enhance judicial capacity in the Tribunal to cope with the anticipated increase in caseload, including the creation of two permanent judicial posts for which the approval of the FC of the LegCo will be sought in due course <sup>13</sup>.

#### PUBLIC CONSULTATION

- 31. DEVB briefed the LegCo Panel on Development on details of the initial proposals on 22 November 2022. From November 2022 till June 2023, the DEVB consulted some 60 stakeholder organisations and professionals from different sectors<sup>14</sup>. We also organised three public forums in May 2023, with some 300 members of the public attending to express views on the proposals. Taking into account views collated, we consulted the Panel on Development of the LegCo again, as part of the briefing for 2023 PA, on 31 October 2023 on the refined proposals as set out in this paper.
- 32. Stakeholders consulted were generally supportive of our proposals, while some tendered suggestions on individual proposals. Specifically, some expressed that lower thresholds should be adopted for buildings in the same age groups but located in areas with more pressing need for redevelopment and others considered that the proposal of specifying tests for "age" and "state of repair" would create more disputes instead of streamlining the process. We have therefore refined some of our proposals where appropriate to address these concerns.

# **PUBLICITY**

33. A press release has been issued and a spokesperson will be available to answer enquiries.

It is difficult to estimate at this stage the likely increase in number of applications after the implementation of the current legislative proposals. For reference, the number of applications per year after the previous legislative amendment exercise in 2010 was more than four times the average number of applications before the exercise. In the past five years, the number of applications stood at some 30 cases per year.

The Judiciary will keep in view the actual workload for the Tribunal arising from the proposals upon implementation and will seek further resources from the Government if so required in accordance with the established mechanism.

<sup>&</sup>lt;sup>14</sup> Including the Land and Development Advisory Committee, the Kowloon City District Council, owners' organisations, professional institutes, industry associations and academic bodies.

### **BACKGROUND**

- 34. To encourage private sector participation in the redevelopment of old and dilapidated buildings, the LCSRO was enacted and came into operation in June 1999 to facilitate owners of buildings in multiple ownership to redevelop their lots. The threshold for making a compulsory sale application was first set at no less than 90% of all undivided shares for all classes of lots. A lower threshold being no less than 80% was introduced through the enactment of the Notice in April 2010 for three classes of lots, viz.
  - (a) a lot with each of the units on the lot representing more than 10% of all the undivided shares in the lot;
  - (b) a lot with each of the buildings erected on it aged at least 50; and
  - (c) a lot that is not located within an industrial zone and each of the buildings erected on the lot is an IB and aged at least 30.
- 35. Up to June 2023, 424 applications<sup>15</sup> have been made to the Tribunal for an order for compulsory sale. Details of the application statistics are in **Annex G**.

# **ENQUIRIES**

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36. Enquiries relating to this brief can be addressed to Miss Fiona CHAU, Principal Assistant Secretary (Planning and Lands), at 3509 7807.

Development Bureau 19 December 2023

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Among the 424 applications, 184 cases have been granted with compulsory sale orders by the Tribunal, 5 were rejected by the Tribunal and 204 were discontinued, withdrawn, settled by other means or dismissed. The remaining 31 cases are under processing.

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

# Contents

Clause		Page	
		Part 1	
		Preliminary	
1.	Short title	and commencement	
2.	Enactments amended		
		Part 2	
Amendme	ents to Land	d (Compulsory Sale for Redevelopment) Ordinance (Cap. 545)	
3.	Section 2	amended (interpretation)	
4.	Section 3 amended (application to Tribunal for compulsory sale of lot)		
5.	Section 4 amended (determination of application)9		
6.	Sections 4	A, 4B and 4C added	
	4A.	Supplemental provisions to section 4: notice of no objection	
	4B.	Supplemental provisions to section 4: further occupation by minority owner	
	4C.	Supplemental provisions to section 4:	

Annex	I

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

Clause	Page		
7.	Section 8 amended (protection of purchaser of lot, etc.)		
8.	Section 11 amended (application of proceeds of sale)		
9.	Schedule 1 amended (valuation report, notice that application		
	has been made and apportionment of proceeds)		
10.	Schedule 2 amended (conditions in accordance with which		
	lot shall be sold by auction)		
11.	Schedule 3 amended (conditions to which purchaser of lot		
	and purchaser's successors in title shall be subject)21		
	Part 3		
Amendme	ents to Land (Compulsory Sale for Redevelopment) (Specification of		
	Lower Percentage) Notice (Cap. 545 sub. leg. A)		
12.	Section 2 amended (interpretation)		
13.	Section 3 amended (specification of percentage)23		
14.	Section 4 substituted		
	4. Specification of classes of lots		
15.	Section 5 added		
	5. Amendment of Schedule26		
16.	Schedule added		
	Schedule Designated Areas		
Part 4			
Rela	ted Amendments to Lands Tribunal Rules (Cap. 17 sub. leg. A)		

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

Clause			Page
17.	Rule 78A	amended (interpretation)	28
18.	Rule 78B	amended (commencement of proceedings)	28
19.	Rule 78C	A added	29
	78CA.	Notice of no objection	29
20.	Rule 78D	amended (notice of hearing)	29
21.	Rule 78E	amended (commencement of proceedings)	30
22.	Part XIV	A, Section C added	30
		Section C—Application for Further Occupation	
	78FA.	Notice of occupation	30

23.

Schedule amended (forms)......31

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

Part 1

Ϊij

Clause 1

1

# 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.

Land (Compulsory Sale for Redevelopment) (Amendment) Bill :
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Part 1 Clause 2

2

#### 2. Enactments amended

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

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

Part 2

Clause 3

3

# 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

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;".

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

(1) Section 3(1)(a)—

#### Repeal

"Part 1"

#### Substitute

"Part 1A".

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-

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

Part 2 Clause 4

5

- one or more majority-owned lots;
- one or more sets of staircase-connected lots:
- one or more sets of adjoining lots.".

### After section 3(2)—

- 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 staircaseconnected lots:
  - the additional lot, or each of the additional lots. belongs to a specified class of lots;
  - the following is satisfied—
    - (i) if only one additional lot is covered—the additional lot adjoins a set of staircaseconnected lots along a common boundary; or
    - 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:
  - 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;
  - 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
  - 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.".

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

Part 2

Clause 4

7

(5) Section 3(6)—

Repeal

"80%"

#### Substitute

"65%".

(6) After section 3(7)—

- "(8) In this section—
  - (a) 2 or more lots are staircase-connected lots if—
    - 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

- 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)

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

Part 2 Clause 5

9

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)—

- "(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

Part 2

Clause 6

- (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

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

- (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—
  - 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)."

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

Part 2

Clause 7

15

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

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

Add

"粪"

(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,"—

"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."

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

17

Part 2 Clause 9

9

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

(1) Schedule I, 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—

### "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."

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

Part 2 Clause 9

19

#### 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

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
    - 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:
  - 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
  - where— (c)

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

Part 2 Clause 10

21

- (i) there has been a dispute referred to in section 4(1)(a)(i) that has resulted in a variation of those values: or
- 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.".

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

Schedule 2, section 2—

### Repeal paragraph (a)

#### Substitute

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

Schedule 3, after section 1—

#### Add

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

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."

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

Part 3

Clause 12

23

## 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).

Part 3

Clause 14

(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—

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

- (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,

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

Part 3 Clause 15

26

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**

- 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

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

Part 3 Clause 16

27

- 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".

Clause 17

# 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".

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

Part 4

28

Clause 19

#### 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".

29

# 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

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

Part 4

Clause 23

31

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.".

Part 4

Clause 23

33

(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]

32

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 of solicitors' firm) of	
	(Name of the solicitors' firm)

Clause 23

Address for serv	/ice	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

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

# Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 Part 4

	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)

To: 1. The Registrar, Lands Tribunal.

Address for service of the Respondent:

- 2. The Applicant (majority owner) in the main application.
- 3. (Please add such other persons as may be required to be served)".

- (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.;

Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 Explanatory Memorandum Paragraph 7

- 37
- (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;
- 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—
    - 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

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

Paragraph 14

39

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

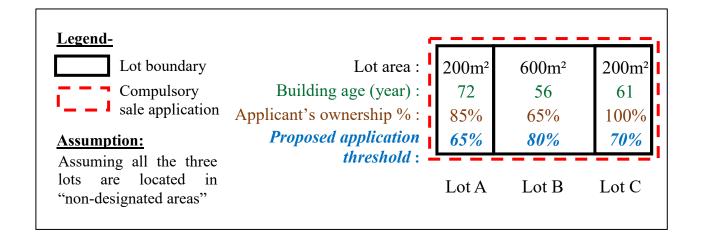
- 14. Clause 12 amends section 2 of Cap. 545A by—
  - (a) repealing the definitions of *occupation permit* and *relevant date*; and
  - (b) adding a new definition of designated area.
- 15. Clause 13 amends section 3 of Cap. 545A to specify different percentages (namely 80%, 70% and 65%) required for 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.

- Paragraph 22
- 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).

# A Hypothetical Example Illustrating Weighted Averaging Arrangements for Adjoining Lots



# **Weighted Average**

• Weighted average percentage of the applicant's ownership in all the adjoining lots

$$(200\text{m}^2 \text{ x } 85\% + 600\text{m}^2 \text{ x } 65\% + 200\text{m}^2 \text{ x } 100\%) \div (200\text{m}^2 + 600\text{m}^2 + 200\text{m}^2)$$
  
= **76%**

• Weighted average application threshold applied to all the adjoining lots

$$(200\text{m}^2 \text{ x } 65\% + 600\text{m}^2 \text{ x } 80\% + 200\text{m}^2 \text{ x } 70\%) \div (200\text{m}^2 + 600\text{m}^2 + 200\text{m}^2)$$
  
= 75%

Eligible Application



# **Administrative Support Currently Provided to Minority Owners**

Apart from the statutory protection provided under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) ("LCSRO"), the Government has been engaging a non-governmental organisation ("NGO") to provide basic outreaching support service since January 2011. The commissioned support service covers the following areas –

# (a) Outreach advisory service

The NGO distributes leaflets and conducts visits to households in target buildings to introduce its services. The NGO also operates a telephone hotline to provide general information on the procedures of compulsory sale, rights of minority owners, reference prices of properties, and reserve prices of past compulsory sale cases, etc.

# (b) Case service

The NGO provides consultation service and counselling support to minority owners and their immediate family members affected by compulsory sale. If requested by minority owners, the NGO's designated team would accompany the affected minority owners to meet the acquisition agents and attend call-over hearings arranged by the Lands Tribunal, and refer / accompany them to seek advice from relevant professionals (such as solicitors, mediators and surveyors). It also provides assistance to those who have difficulties in relocation at short notice.

# (c) Public education

The NGO organises talks, workshops and roadshows from time to time to explain the general practice of property acquisition and the process of compulsory sale under the LCSRO. The NGO also promotes understanding of mediation in compulsory sale.

2. From January 2011 up to December 2022, the NGO has rendered assistance to minority owners affected by compulsory sale in a total of 617 cases (mainly in the form of consultation service and counselling support), conducted home visits to over 8 500 households and arranged publicity to over 55 000 buildings to promote the understanding of compulsory sale regime under the LCSRO.

# Setting Up a Dedicated Office to Provide One-stop, Enhanced Support Services

Currently, there are provisions under the Land (Compulsory Sale for Redevelopment) Ordinance ("LCSRO") protecting the rights of minority owners, whose property interests are subject to compulsory sale, at different stages and in various aspects. Relevant provisions in the LCSRO are set out in **Annex D(i)**.

- 2. Apart from the statutory protection provided under the LCSRO, the Government has been engaging a non-governmental organisation ("NGO") to provide outreaching support service since January 2011. The NGO also organises talks, workshops and roadshows from time to time to explain the general practice of property acquisition and the process of compulsory sale under the LCSRO. The NGO also promotes understanding of mediation in compulsory sale.
- 3. Notwithstanding the current statutory and administrative support to minority owners, we have received feedback from different sectors including Legislative Council Members, NGOs and the industry that many minority owners are either not aware of the types of professional assistance they should seek or not having the means to access to such service. The Development Bureau ("DEVB") therefore plans to set up within 2024 a dedicated office to provide one-stop, enhanced support services to minority owners at different stages of compulsory sale as outlined in the ensuing paragraphs. Subject to the agreement of the Board of the Urban Renewal Authority ("URA"), the dedicated office will provide the services through a new company set up by URA. The new company will report direct to DEVB's dedicated office.
- (i) Early stage of compulsory sale
- 4. After a notice of compulsory sale application is served, the dedicated office will offer preliminary professional advisory service to the affected minority owners to brief them on the compulsory sale regime, including the legal procedures involved and their statutory rights. The office will encourage them to engage in mediation which is often an effective alternative means to resolve disputes and is less stressful and time-consuming compared to the compulsory sale litigation process. The office could assist by providing independent third-party valuation on the estimated existing and redevelopment values of the properties for reference so as to enable minority owners to make more informed decisions on whether to accept the applicant's acquisition offers through mediation or to proceed with the litigation.
- 5. The dedicated office will continue to, with support from suitable NGO, organise talks, workshops and roadshows from time to time to explain the general practice of property acquisition and the process of compulsory sale under the LCSRO.
- (ii) Litigation for compulsory sale
- 6. Should minority owners decide to proceed with litigation (after mediation fails) to object the compulsory sale application and / or to challenge the valuation produced by the applicant, the dedicated office will <u>refer them to professional / expert services</u> to handle the

#### hearing.

- 7. Noting that some minority owners, especially elderly ones, may have emotional needs during the litigation process, the dedicated office would continue to engage NGOs to provide counselling support for the needy. If so requested, the social workers of NGOs to be commissioned by the dedicated office may accompany minority owners in attending meetings with professionals / experts and the hearings.
- 8. Apart from the support services provided by the dedicated office, subject to the approval by the Finance Committee of the Legislative Council, the Government will set up a dedicated loan scheme with Government guarantee to provide eligible minority owners with access to bank loans for tiding over the liquidity gap in engaging legal and other expert professionals to handle compulsory sale litigation.

#### (iii) After completion of the compulsory sale

- 9. After the Lands Tribunal ("the Tribunal") has granted an order for sale to a compulsory sale application, the minority owners concerned will have to make preparation to deliver vacant possession of their properties once the lots are sold by public auction (or other means as appropriate), which shall be conducted within three months from the granting of sale order. The dedicated office may <u>render assistance</u> to needy minority owners <u>in identifying replacement flats and relocation</u>. Similar relocation assistance will also be provided to the affected tenants.
- 10. Subject to further discussion within the Government, while the basic consultation and counselling support will likely continue to be provided free to needy minority owners, other professional services such as mediation, property valuation, etc. may be made available on a cost sharing basis.

#### **Protection of Minority Owners under the Existing LCSRO**

The following paragraphs summarise the major provisions in the existing LCSRO which are relevant to the protection of minority owners. The numbers in square brackets denote the section number of the LCSRO.

Notification to Minority Owners on Application for Compulsory Sale

- 2. On making an application to the Tribunal for compulsory sale of a lot, the majority owners shall [sections 3(3)&(4), Part 2 of Schedule 1]
  - (a) serve a copy of the application on each minority owner and register a copy of the application with the Land Registry;
  - (b) post a notice in Chinese and English on a conspicuous part of the building / lot and advertise the notice in one Chinese and one English newspaper; and
  - (c) serve a copy of the application on any minority owners who cannot be found in a manner specified by the Tribunal within a specified time.

#### Right to Dispute

3. In an application for compulsory sale, a minority owner may raise objections over the value of any property as assessed to the Tribunal for determination [section 4(1)(a)(i)].

Determination of Application by the Tribunal

- 4. The Tribunal shall not make an order for sale unless, after hearing the objections of the minority owners concerned, it is satisfied that [section 4(2)]
  - (a) redevelopment of the lot is justified
    - (i) due to the age or state of repair of the existing development on the lot; or
    - (ii) on one or more grounds, if any, specified in regulations; and
  - (b) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot (including in the case of a minority owner whose whereabouts are known, negotiating for the purchase of such shares on terms that are fair and reasonable).

Lot to be Sold by Public Auction or Other Means

5. Where an order for sale by auction is granted by the Tribunal, the concerned lot shall be sold by public auction and subject to a reserve price, as approved by the Tribunal, which takes into account the redevelopment potential of the lot [section 5(1)(a)].

#### Sharing the Redevelopment Value of the Lot

6. The sale proceeds shall be apportioned among the majority owners and minority owners on a pro-rata basis according to the value of their respective properties as assessed in the valuation report attached to the application, or any subsequent amendments to the assessments as approved by the Tribunal [Part 3 of Schedule 1].

#### Remuneration for Trustee to be Paid by Majority Owner

7. The remuneration for trustee in related work under a compulsory sale order shall be paid by the majority owner [section 4(11)].

#### Expenses of Auction

8. Where there is a purchaser for the lot under compulsory sale, the expenses of the auction (or other means of sale) shall be apportioned among all owners on a pro-rata basis. Where there is no purchaser, the majority owner shall bear the expenses of the auction [section 10(1)].

#### Minority Owners' Responsibility to Compensate Ex-tenants

9. Upon the sale of the lot, the minority owners will only be responsible for paying the compensation to their own "ex-tenants" [section 8(3)(a)(ii)] if compensation is specified in the order issued by the Tribunal. The trustee will deduct the compensation amount specified by the Tribunal from the sale proceeds before releasing the residual amount to the owners [section 11(2)(c)].

### Summary of Major Legislative Proposals under the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023

Item No.	Current Arrangement	Proposed Legislative Amendments
` ′	Lowering the compulsory sale application thresholds, targeting old districts with more pressing redevelopment need	
(i)	For private buildings aged 50 or above, the threshold is 80% of all undivided shares <sup>1</sup> .	(a) For private buildings aged 50 or above but below 60, we propose reducing the threshold from 80% of all undivided shares to 70% if they are located on a lot within the "designated areas". If not within the "designated areas", the current threshold of 80% will apply;
		(b) For private buildings aged 60 or above but below 70, we propose reducing the threshold from 80% of all undivided shares to –
		<ul> <li>70% if they are not located on a lot within the "designated areas";</li> <li>65% if they are located on a lot within the "designated areas"; and</li> </ul>
		(c) For private buildings aged 70 or above, we propose reducing the threshold from 80% of all undivided shares to 65%, regardless of whether they are within the "designated areas" or not.
(ii)	For industrial buildings ("IBs") aged 30 or above and not located within industrial zones, the threshold is 80% of all undivided shares.	To reduce the threshold to 70%.

<sup>1</sup> For private buildings aged below 50, the current threshold of 90% will remain unchanged.

1

Item No.	Current Arrangement	Proposed Legislative Amendments
(iii)	The baseline percentage prescribed in section 3(6) of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) ("LCSRO") <sup>2</sup> is 80%.	In view of the proposal in (A)(i) above, we propose reducing the baseline percentage to 65%.
	acilitating larger scale redevelopn t compulsory sale applications	nent by allowing more flexibility for multiple adjoining-
(i)	An applicant is allowed to take average of the percentages of undivided shares owned by the applicant in two or more lots ("averaging arrangement") only if the buildings erected on the lots are connected by common staircases (the lots are hereinafter referred to as "staircase-connected lots").	We propose widening the applicability of the averaging arrangement. Specifically, an applicant will also be allowed to use the averaging arrangement for two or more lots which are adjoining even if the buildings erected thereon are <a href="mailto:not">not</a> connected by common staircases (hereinafter referred to as "adjoining lots") subject to the following conditions—  (a) to prevent "large lots being eaten up by small lots", the method of weighted average which will take into account the sizes of the individual adjoining lots will be used for the "averaging arrangement";  (b) the percentage of the undivided shares held by the applicant in each of the adjoining lots, except for the lot not belonging to any class of lots specified in a notice issued under section 3(5) of the LCSRO (i.e. mainly lots with private buildings aged below 50 or IBs aged below 30, for which the current percentage of 90% shall continue be adopted), should be no less than 65% (i.e. equivalent to the baseline percentage prescribed in section 3(6) of the LCSRO). "Staircase-connected lots" will not be subject to the above minimum percentage requirement;  (c) minimum age requirement will be adopted. Only
		IBs aged no less than 30 or other buildings aged no less than 50 will be eligible for inclusion in the calculation of weighted average; and

Under section 3(5) of the LCSRO, the Chief Executive in Council may, by notice in the Gazette, specify a lower compulsory sale application threshold in respect of specified classes of lots, but such threshold should not be lower than the percentage set out in section 3(6). Currently, the specified percentage under section 3(6) is 80% which is commonly known as the "baseline percentage".

Item No.	Current Arrangement	Proposed Legislative Amendments	
		(d) once the adjoining lots covered by the same application are sold under an order for sale granted by the Lands Tribunal ("Tribunal"), the lots have to be <b>redeveloped as a whole</b> or as part of a bigger development site combining other lots.	
(ii)	Lot(s) wholly owned by an applicant is not allowed to be included in compulsory sale application.	We propose allowing the inclusion of lot(s) wholly owned by the applicant in a compulsory sale application covering two or more lots, and such wholly-owned lots must be subject to an order for sale together with the other lots not wholly owned by the applicant in the same application and be sold together in one auction.	
(iii)	The reserve price will be set by the Tribunal taking into account the redevelopment potential of the lots on its own.	For an order for sale covering two or more lots, we propose that the <b>reserve price</b> shall be adjusted to take into account the <b>joint redevelopment potential</b> of the merged site combining all the lots covered in a single order for sale.	
(iv)	The sale proceeds shall be apportioned among the majority owners and minority owners on a pro-rata basis according to the existing use value of their respective properties.	Since the redevelopment potential of individual lots in a multiple-lot application are different, we propose adjusting the method in apportioning the sale proceeds to take into account redevelopment potential of individual lots. In gist, sale proceeds will be apportioned –	
		(a) firstly to individual lots on a pro-rata basis based on redevelopment value of each lot; and	
		(b) secondly to individual units in each lot on a pro-rata basis based on the existing use value of each unit in that lot.	
(C) S1	reamlining the legal process of co	mpulsory sale regime	
(i)	The Tribunal is duty bound by the law to consider if redevelopment is justified regardless of whether the minority owners dispute on it. This means that for all applications, the applicants concerned are required to	We propose <b>dispensing with the requirement</b> to justify redevelopment on the grounds (i.e. "age" or "state of repair" of the building on the lot) set out in the legislation for cases involving (a) all buildings on the lot are of age at least 50 years; and (b) all minority owners affected by the compulsory sale application have been identified and (c) each minority owner concerned has given a notice	

Item No.	Current Arrangement	Proposed Legislative Amendments
	produce documentary evidence to justify redevelopment.	through the lawyer representing him indicating that he has no objection that the Tribunal does not have to consider if redevelopment of the lot is justified due to "age" or "state of repair" of the existing development on the lot.
(ii)	Owner of a lot, which was sold under an order for sale, has difficulty to apply for in-situ land exchange or lot extension of the lot as the lot is subject to the obligation for redevelopment within six years under the LCSRO.	We propose allowing the obligation to redevelop within six years of a lot sold under an order for sale to be transferrable from the original lot to the new lot as a result of in-situ land exchange or lot extension.
(D) E	nhancing support to minority own	ners affected by compulsory sale applications
(i)	Under the existing LCSRO, while there are provisions on the delivery of vacant possession of the property by tenants not later than six months following the sale of the lot, there is no corresponding provision regulating the departure of minority owners, who may be residing in the property concerned.	We propose allowing minority owners who are owner-occupiers to stay in their properties up to six months subject to certain conditions (such as payment of reasonable amounts for living-in similar to "market rent").

#### 11/03/2021

#### 2. Interpretation

- (1) In this Ordinance, unless the context otherwise requires—
- auction (拍賣), in relation to a lot, means the auction of the lot pursuant to section 5(1)(a);
- building (建築物) means a building within the meaning of the Buildings Ordinance (Cap. 123);

*directions* (指示) means directions under section 4(6);

lis pendens (待決案件) means a lis pendens—

- (a) within the meaning of section 1A of the Land Registration Ordinance (Cap. 128); and
- (b) which is registered under that Ordinance;

# *lot* (地段)—

- (a) means—
  - (i) any piece or parcel of ground the subject of a Government lease;
  - (ii) a section which by virtue of section 8(3) or 27(2) of the Government Rent and Premium (Apportionment) Ordinance (Cap. 125) is deemed to be a lot for the purposes of that Ordinance; (Amended 14 of 2002 s. 3)
- (b) includes a section and subsection of a lot; *majority owner* (多數份數擁有人), in relation to a lot—
  - (a) means the person or persons who has or have made an
    - application under section 3(1) in respect of the lot; and(b) includes any person who becomes a successor in title to any such person or persons at any time before a
    - purchaser of the lot becomes the owner of the lot where the lot is the subject of an order for sale;
- minority owner (少數份數擁有人), in relation to a lot which is the subject of an application under section 3(1)—
  - (a) means the person or persons who—
    - (i) owns or own undivided shares in the lot otherwise than as a mortgagee; but
    - (ii) is or are not the person or persons who has or have made the application; and

- (b) includes any person who becomes a successor in title to any such person or persons at any time before a purchaser of the lot becomes the owner of the lot where the lot is the subject of an order for sale;
- mortgage (按揭) means a security over a lot (including an undivided share in a lot) for securing money or money's worth;
- mortgagee (承按人) includes any person claiming under a mortgagee but does not include a mortgagee in possession;

order for sale (售賣令) means an order under section 4(1)(b)(i);

property (物業) means immovable property;

purchaser (購買者), in relation to a lot the subject of an order for sale, means the purchaser of the lot at an auction (or, where section 5(1)(b) is applicable, the purchaser of the lot by the other means referred to in that section);

redevelopment (重新發展), in relation to a lot, means the replacement of a building on (or formerly on) the lot;

tenancy (租賃) includes a sub-tenancy;

tenant (租客) includes a sub-tenant;

Tribunal (審裁處) means the Lands Tribunal;

- trustees (受託人), in relation to an order for sale, means the trustees appointed under the order.
- (2) References in this Ordinance to an application under section 3(1) shall be construed to include any documents required by that section or Schedule 1 to accompany the application.
- (3) It is hereby declared that—
  - (a) for the purposes of—
    - (i) the definition of *minority owner*; and
    - (ii) the definition of *majority owner* as read with section 3(1),
    - a mortgagee in possession of any property on a lot shall be deemed to be the owner of the undivided shares in the lot which relate to that property;
  - (b) where there is any inconsistency between the provisions of this Ordinance and the provisions of the Trustee Ordinance (Cap. 29) in relation to the trustees under an order for sale, the provisions of this Ordinance shall prevail over the provisions of the Trustee Ordinance (Cap. 29) to the extent of that inconsistency;

(c) for the purposes of this Ordinance, the purchaser of a lot the subject of an order for sale does not become the owner of the lot until the purchaser of the lot is the legal owner of all the undivided shares in the lot.

#### 3. Application to Tribunal for compulsory sale of lot

- (1) Subject to subsection (5), the person or persons who owns or own, otherwise than as a mortgagee, not less than 90% of the undivided shares in a lot may make an application—
  - (a) accompanied by a valuation report as specified in Part 1 of Schedule 1; and
  - (b) to the Tribunal for an order to sell all the undivided shares in the lot for the purposes of the redevelopment of the lot.
- (2) Without prejudice to the operation of subsection (5), an application under subsection (1) may cover—
  - (a) 2 or more lots where the majority owner owns not less than the percentage specified in subsection (1) of the undivided shares in each lot; or
  - (b) 2 or more lots—
    - (i) on which one building is connected to another building by a staircase intended for common use by the occupiers of the buildings; and
    - (ii) where the average of—
      - (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,
      - is not less than the percentage specified in subsection (1).
- (3) The majority owner of a lot who has made an application under subsection (1) shall—
  - (a) subject to subsection (4), serve a copy of the application on each minority owner of the lot;
  - (b) cause a copy of the application to be registered under the Land Registration Ordinance (Cap. 128) against the lot; and
  - (c) cause a notice, as specified in Part 2 of Schedule 1 and in the Chinese and English languages—

- (i) to be affixed—
  - (A) upon a conspicuous part of the building on the lot (or, if there is more than one building on the lot, upon a conspicuous part of each building); or
  - (B) where there is no building on the lot, upon a conspicuous part of the lot (or, if the application relates to 2 or more lots, upon a conspicuous part of each lot); and
- (ii) to be published in not less than 1 Chinese language newspaper (and in the Chinese language), and in not less than 1 English language newspaper (and in the English language), circulating generally in Hong Kong.
- (4) Where it appears to the Tribunal that a copy of an application under subsection (1) cannot be served in accordance with subsection (3)(a), the Tribunal may, if it thinks fit, by order—
  - (a) dispense with such service on any minority owner or class of minority owners mentioned in the order; and
  - (b) direct notices to be published at such time and in such manner as it thinks fit, calling upon all persons claiming to be minority owners of the lot and who have not been so served, to establish their claims before the Tribunal within a time specified in the notice,
  - and after expiration of the time specified, all persons claiming to be minority owners shall be bound by the proceedings as if they had been served in accordance with subsection (3)(a).
- (5) Subject to subsection (6), the Chief Executive in Council may, by notice in the Gazette, specify a percentage lower than the percentage mentioned in subsection (1) in respect of a lot belonging to a class of lots specified in the notice and, in any such case, subsection (1) and the other provisions of this Ordinance shall be construed as if, in relation to a lot belonging to that class of lots, that percentage so specified were substituted for the percentage mentioned in subsection (1).
- (6) No percentage may be specified in a notice under subsection (5) which is less than 80%.
- (7) It is hereby declared that—

- (a) without prejudice to the generality of the definition of *minority owner* or the operation of subsection (1)(b) or section 4(1)(b)(i), for the purposes of this section, in the calculation of any percentage of undivided shares in a lot owned by a person or persons (and whether or not he is or they are the person or persons referred to in subsection (1)), there shall be disregarded any undivided shares which are undivided shares in respect solely of any common parts of the lot;
- (b) a notice under subsection (5) is subsidiary legislation.

#### 4. Determination of application

- (1) Subject to subsection (2), the Tribunal shall determine an application under section 3(1) by—
  - (a) first—
    - (i) if any minority owner of the lot the subject of the application disputes the value of any property as assessed in the application, hearing and determining the dispute;
    - (ii) in the case of any minority owner of the lot who cannot be found, requiring the majority owner of the lot to satisfy the Tribunal that the value of the minority owner's property as assessed in the application is—
      - (A) not less than fair and reasonable; and
      - (B) not less than fair and reasonable when compared with the value of the majority owner's property as assessed in the application;
  - (b) second—
    - (i) making an order that all the undivided shares in the lot the subject of the application be sold for the purposes of the redevelopment of the lot; or
    - (ii) refusing to make such an order; and
  - (c) third, where paragraph (b)(i) is applicable—
    - (i) appointing in the order for sale trustees satisfactory to the Tribunal nominated by the majority owner to discharge the duties imposed on trustees under this Ordinance in relation to the lot; and
    - (ii) authorizing the trustees to charge such remuneration for their services as trustees as the Tribunal thinks fit and specified in the order.

- (2) The Tribunal shall not make an order for sale unless, after hearing the objections, if any, of the minority owners of the lot the subject of the application under section 3(1) concerned, the Tribunal is satisfied that—
  - (a) the redevelopment of the lot is justified (and whether or not the majority owner proposes to or is capable of undertaking the redevelopment)—
    - (i) due to the age or state of repair of the existing development on the lot; or
    - (ii) on 1 or more grounds, if any, specified in regulations made under section 12; and
  - (b) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot (including, in the case of a minority owner whose whereabouts are known, negotiating for the purchase of such of those shares as are owned by that minority owner on terms that are fair and reasonable).
- (3) Subject to section 8(3) and (4), the Tribunal shall not, in determining an application under section 3(1), take into account any provision of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) relating to the right of a tenant whose tenancy is terminated or is sought to be terminated.
- (4) The majority owner of the lot the subject of an order for sale shall cause—
  - (a) subject to subsection (5), a copy of the order to be served on each minority owner of the lot;
  - (b) a copy of the order to be served on the Director of Lands; and
  - (c) a notice to be published—
    - (i) in not less than 1 Chinese language newspaper (and in the Chinese language), and in not less than 1 English language newspaper (and in the English language), circulating generally in Hong Kong; and
    - (ii) stating—
      - (A) sufficient particulars of the lot to identify the lot;
      - (B) that the Tribunal has made an order that all the undivided shares in the lot be sold for the purposes of the redevelopment of the lot; and

- (C) that the lot will be sold by auction (or, where section 5(1)(b) is applicable, the other means referred to in that section by which the lot will be sold).
- (5) Where it appears to the Tribunal that a copy of an order for sale cannot be served in accordance with subsection (4)(a), the Tribunal may, if it thinks fit, by order—
  - (a) dispense with such service on any owner or class of owners mentioned in the order; and
  - (b) direct notices to be published at such time and in such manner as it thinks fit, informing all persons claiming to be owners of the lot—
    - (i) that the Tribunal has made an order for sale of the lot; and
    - (ii) where and the times during which a copy of the order may be obtained.
- (6) Where the Tribunal makes an order for sale, it may order, subject to section 8(3), (4) and (5), that compensation be paid to a tenant for termination of his tenancy under section 8(1)(b) and it may also give such directions as it thinks fit—
  - (a) relating to—
    - (i) the sale and purchase of the lot the subject of the order, including (but without limiting the generality of the foregoing) settling the particulars and conditions of sale of the lot;
    - (ii) the termination of tenancies of any tenants of any property on the lot;
    - (iii) subject to section 11(5), the application of the proceeds of the sale including—
      - (A) the holding by the trustees of such part of those proceeds as is specified by the Tribunal in view of any lis pendens affecting the lot; and
      - (B) the payment of that part of those proceeds, upon the occurrence of an event specified by the Tribunal, to such person or persons as is or are specified by the Tribunal;
  - (b) requiring the trustees under the order for sale to pay into the Tribunal the proceeds of sale of the lot the subject of the order (after deduction, if any, pursuant to section 10(2) or 11(1) or (2)(a) and (b)), which includes but is not limited to— (Amended 32 of 2000 s. 48)

- (i) any deposit money for the purchase of the lot;
- (ii) any other part of the proceeds of sale that is required under this Ordinance to be held by or paid to the trustees; and
- (c) which are not inconsistent with the other provisions of this Ordinance,

and, in any such case, subsections (4)(a) and (5) shall, with all necessary modifications, apply to those directions as they apply to an order for sale.

- (7) Where proceeds of sale are paid into the Tribunal pursuant to a direction given under subsection (6)(b), the Tribunal shall, in accordance with rules made under section 10A(1) of the Lands Tribunal Ordinance (Cap. 17), release such proceeds or any part of it to the respective persons who would have been entitled to payment of the proceeds under the provisions of this Ordinance if the proceeds of sale had remained with the trustees.
- (8) Any proceeds of sale—
  - (a) paid into the Tribunal pursuant to a direction given under subsection (6)(b); and
  - (b) not yet released pursuant to subsection (7) on the expiration of 3 years beginning with the date on which such proceeds were paid into the Tribunal,

shall be paid into the general revenue, and, in any such case, section 11(7)(b) and (c) shall apply in relation to the proceeds with all necessary modifications.

- (9) In any case of doubt or difficulty or in any matter not provided for under this Ordinance, the trustees under an order for sale, or the majority owner or any minority owner of the lot the subject of the order, may apply to the Tribunal for directions.
- (10) The Tribunal may make an order amending an order for sale by appointing a new trustee or trustees either in substitution for or in addition to any existing trustee or trustees under the order for sale (even though there is no existing trustee)—
  - (a) upon the application of the trustees under the order for sale or the majority owner or minority owner of the lot; and
  - (b) if the Tribunal is of the opinion that it is expedient to do so.
- (11) The remuneration referred to in subsection (1)(c)(ii) to be paid to the trustees under an order for sale shall be paid by the majority owner of the lot the subject of the order.

#### (12) Where—

- (a) an application under section 3(1) is made by a majority owner consisting of 2 or more persons; and
- (b) any of those persons (or if the undivided share in the lot owned by any such person has been assigned, his successor in title) informs the Tribunal, at any time before an order for sale, if any, is made on the application, that he no longer wishes to be a party to the application,

then the application shall thereupon be deemed to be withdrawn irrespective of the percentage of undivided shares in the lot the subject of the application owned by the other persons or their successors in title (if applicable) who wish to remain as parties to the application.

(13) Where the Tribunal refuses to make an order for sale, the majority owner in the application made under section 3(1) shall, as soon as practicable thereafter, cause the registration referred to in section 3(3)(b) of the application to be vacated under section 20 of the Land Registration Ordinance (Cap. 128).

#### 8. Protection of purchaser of lot, etc.

- (1) Where the lot the subject of an order for sale is sold—
  - (a) immediately upon the purchaser of the lot becoming the owner of the lot all the rights of any prior owner (including the prior owner's assigns or personal representatives) in or over the lot or any part thereof shall absolutely cease except to the extent, if any, specified in the order;
  - (b) notwithstanding the terms of any lease or the provisions of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) but in accordance with such conditions, if any, as the Tribunal specifies in directions—
    - (i) immediately upon the day on which the purchaser of the lot becomes the owner of the lot it shall be deemed, by virtue of this section and for all purposes, that there has on that day been terminated the tenancy of any tenant of any property on the lot who is such a tenant by virtue of any lease entered into at any time before the purchaser became such owner; and

- (ii) immediately upon the expiration of 6 months immediately following that day, the purchaser is entitled to, and the tenant is required to deliver up, vacant possession of the property.
- (2) Where there is any tenancy terminated by virtue of subsection (1)(b)(i), the purchaser of the lot to which the tenancy relates shall, not later than 14 days after the day on which he became the owner of the lot, cause a notice, as specified in Schedule 4 and in the Chinese and English languages, to be served on the tenant of the tenancy by leaving the notice with an adult occupier of the property in which the tenant resides and to which the tenancy relates.
- (3) Subject to subsections (4) and (5), the order for compensation referred to in section 4(6) may relate to compensation—
  - (a) payable by—
    - (i) the majority owner of the lot concerned to the tenant under a lease referred to in subsection (1)(b) which relates to property on the lot which was owned by the majority owner immediately before the purchaser of the lot became the owner of the lot (and whether or not the majority owner is the purchaser);
    - (ii) the minority owner of the lot concerned to the tenant under a lease referred to in subsection (1)(b) which relates to property on the lot which was owned by the minority owner immediately before the purchaser of the lot became the owner of the lot (and whether or not the minority owner is the purchaser);
  - (b) determined by reference to any of the provisions of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7), and whether with or without modifications thereto specified in the order.
- (4) Without prejudice to the generality of subsection (3), the Tribunal may take into account—
  - (a) the representations, if any, of the tenant as to whether compensation should be payable and, if so, the amount of the compensation;
  - (b) for the purposes of determining any such compensation, the benefit, if any, afforded the tenant by virtue of the operation of subsection (1)(b)(ii).

- (5) No compensation shall be payable under this Ordinance to the tenant in relation to any lease entered into on or after the date on which the order for sale of the lot concerned was made.
- (6) In this section—
- lease (租契) includes every agreement for the letting of any premises, whether oral or in writing, and howsoever described;

prior owner (前擁有人), in relation to a lot—

- (a) means a person who formerly owned an undivided share in the lot;
- (b) does not include the purchaser of the lot;
- rights (權利), in relation to a prior owner of a lot, means all rights which—
  - (a) were exercisable by virtue of the prior owner's ownership of an undivided share in the lot; and
  - (b) affect the lot.

#### 11. Application of proceeds of sale

- (1) The proceeds of sale for the lot the subject of an order for sale shall, after deduction of—
  - (a) the expenses referred to in section 10(1) (unless such expenses have already been deducted in accordance with section 10(2) or otherwise paid); and
  - (b) the legal costs on the assignment of the lot incurred by the trustees under the order as assignor to the assignment, be paid to the trustees.
- (2) The trustees under an order for sale shall apply the proceeds of sale paid to them in respect of the lot the subject of the order in the following order—
  - (a) first, in the discharge of any liability due to the Government in respect of the lot;
  - (b) second, subject to subsection (3), in the discharge of any incumbrance affecting the lot;
  - (c) third, subject to any directions given by virtue of section 4(6)(a)(iii)(A) and (B) and to subsection (4), in payment of the residue to—
    - (i) the majority owner of the lot in accordance with directions but only after any compensation payable by the majority owner under section 8(3) to the tenant concerned has been deducted by the trustees out of the residue payable to the majority owner; and

- (ii) the minority owner of the lot in accordance with directions but only after any compensation payable by the minority owner under section 8(3) to the tenant concerned has been deducted by the trustees out of the residue payable to the minority owner.
- (3) The trustees under an order for sale do not have to comply with subsection (2)(b)—
  - (a) where the purchaser of the lot the subject of the order is the majority owner or any minority owner of the lot; and
  - (b) to the extent that—
    - (i) any incumbrance affecting the lot is attributable to the purchaser; and
    - (ii) the purchaser agrees in writing that the incumbrance is not to be discharged.
- (4) Where compensation is payable under section 8(3) to a tenant of any property on a lot the subject of an order for sale, the trustees under the order shall not pay more than half of the compensation to the tenant before the trustees are satisfied that the tenant has delivered up vacant possession of the property to the purchaser of the lot.
- (5) The trustees under an order for sale shall pay into the Tribunal
  - (a) any amount held by the trustees pursuant to any directions given by virtue of section 4(6)(a)(iii)(A) and (B) where the event referred to that section has not occurred before the trustees have started to discharge their duty under subsection (2)(c) in respect of the proceeds of sale of the lot the subject of the order; and
  - (b) any residue referred to in subsection (2)(c) in respect of which the majority owner or minority owner cannot be found.
- (6) Any amount or residue paid into the Tribunal under subsection(5) shall—
  - (a) where subsection (5)(a) is applicable, be paid to such person or persons as is or are specified in the directions concerned under section 4(6)(a)(iii)(A) and (B) upon the occurrence of the event referred to in that section;
  - (b) where subsection (5)(b) is applicable—
    - (i) be paid to the majority owner or minority owner, as the case may be, if and when the owner is found;

- (ii) be paid into the general revenue if, upon the expiration of 3 years beginning with the date on which the Tribunal was paid the residue, that owner has still not been found.
- (7) It is hereby declared that—
  - (a) the application of the proceeds of sale to discharge any liability or incumbrance referred to in subsection (2)(a) or (b) shall be on the basis that the majority owner or minority owner of the lot shall pay for the discharge to the extent that the liability or incumbrance, as the case may be, is attributable to that majority owner or minority owner, as the case may be;
  - (b) subsection (6)(b)(ii) shall not operate to prevent any claim being made against the Government—
    - (i) in relation to any residue referred to in that subsection; and
    - (ii) by a person who would have been entitled, or who appears would have been entitled, to be paid the residue if the residue had remained with the Tribunal;
  - (c) where a person claims to have had an interest in the lot sold pursuant to an order for sale, nothing in this section or in section 8(1)(a) shall prevent the person from taking any action or commencing any proceedings in relation to any proceeds of sale arising from the sale of that part of the lot to which the interest relates.
- (8) Without prejudice to the operation of subsection (3), in this section *incumbrance* (產權負擔), in relation to a lot, does not include, unless otherwise specified in directions—
  - (a) if Part II of the New Territories Ordinance (Cap. 97) applies to the lot, any Chinese custom or customary right affecting the land;
  - (b) any easements, rights of way or rights of water; or
  - (c) any covenants which run with the lot.

## Schedule 1

[ss. 2(2), 3, 10 & 13]

# Valuation Report, Notice that Application has been Made and Apportionment of Proceeds

#### Part 1

## **Valuation Report**

A valuation report, prepared not earlier than 3 months before the date on which the application under section 3(1) of the Ordinance is made, setting out the assessed market value of each property on the lot—

- (a) on a vacant possession basis;
- (b) assessed as if the lot could not be made the subject of an application for an order for sale; and
- (c) not taking into account the redevelopment potential of the property or the lot.

#### Part 2

Notice that Application has been Made under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) for the Sale of Lot No....../Lot Nos.....\* Located

Persons occupying any part of the above lot/lots\* are hereby notified that an application has been made under section 3(1) of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) to the Lands Tribunal for an order to sell the lot/lots\* for the purposes of the redevelopment of the lot/lots\*.

It should be noted that if such an order for sale is made, the Lands Tribunal—

- (a) may order compensation to be paid to a tenant (including any sub-tenant) of any property on such lot/lots\* whose tenancy is terminated by the operation of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545); and
- (b) may take into account the representations, if any, of the tenant as to whether compensation should be payable to the tenant and, if so, the amount of the compensation.

#### Part 3

<sup>\*</sup> Delete whichever is inapplicable.

## **Basis of Apportionment of Proceeds of Sale of Lot**

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 concerned under section 3(1) of the Ordinance;
- (b) where—
  - (i) there has been a dispute referred to in section 4(1)(a)(i) of the Ordinance which 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.

## Schedule 2

[ss. 5(1) & 13]

# Conditions in Accordance with which Lot shall be Sold by Auction

- 1. The public shall be given notice of the auction by means of an advertisement—
  - (a) published—
    - (i) in not less than 1 Chinese language newspaper (and in the Chinese language), and in not less than 1 English language newspaper (and in the English language), circulating generally in Hong Kong; and
    - (ii) not less than once in each of the 3 weeks immediately preceding the date on which the auction is to be held; and
  - (b) stating—
    - (i) that the lot the subject of the auction is being sold pursuant to an order for sale under this Ordinance;

- (ii) that the purchaser of the lot and the purchaser's successors in title will be subject to the conditions specified in Schedule 3 and the conditions, if any, specified in the order for sale;
- (iii) where, and during what times, a copy of the order for sale and the directions may be obtained or inspected; and
- (iv) the date, time and place of the auction.
- 2. The lot the subject of the auction shall be sold subject to a reserve price—
  - (a) which takes into account the redevelopment potential of the lot on its own (or, where 2 or more lots are the subject of the auction, on their own); and
  - (b) approved by the Tribunal.

### Schedule 3

[ss. 7, 9 & 13 & Sch. 2]

# Conditions to which Purchaser of Lot and Purchaser's Successors in Title shall be Subject

- 1. There shall be redevelopment of the lot and the redevelopment shall be completed and made fit for occupation—
  - (a) subject to paragraph (b), within such period, not being a period which expires after 6 years after the date on which the purchaser of the lot became the owner of the lot, as specified by the Tribunal in the order for sale to which the lot is subject;
  - (b) such further period, if any, as the Tribunal may allow on the application of the purchaser of the lot or his successor in title.

### Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice

#### 2. **Interpretation**

In this Notice—

- industrial building (工業建築物) means a building the whole or any part of which is approved by the Building Authority for any of the following uses under a plan approved under the Buildings Ordinance (Cap. 123)—
  - (a) godown;
  - any industry in which articles are manufactured, altered, (b) cleaned, repaired, ornamented, finished, adapted for sale, broken up or demolished, or in which materials are transformed;
- industrial zone (工業地帶) means a zone that is set apart for industrial use in a draft plan prepared by the Town Planning Board under the Town Planning Ordinance (Cap. 131) or an approved plan or partly approved plan under that Ordinance; (25 of 2023 s. 120)
- occupation permit (佔用許可證) means an occupation permit issued by the Building Authority under section 21(2) of the Buildings Ordinance (Cap. 123);
- relevant date (有關日期), in relation to a lot in respect of which an application is made under section 3(1) of the Ordinance, means the date of the application;
- unit (單位) means any premises that are described by reference to a specified number of undivided shares in a lot in any instrument registered in the Land Registry.

#### 3. **Specification of percentage**

80% is specified as the percentage required for the purposes of section 3(1) of the Ordinance in respect of a lot that belongs to any class of lot specified in section 4.

#### 4. **Specification of classes of lot**

- The following classes of lot are specified for the purposes of (1) section 3
  - a lot with each of the units on the lot representing more (a) than 10% of all the undivided shares in the lot;

- (b) a lot with each of the buildings erected on the lot issued with an occupation permit at least 50 years before the relevant date;
- (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.
- (2) For the purposes of the class of lot referred to in subsection (1) (a), if—
  - (a) a unit in a building is subdivided into 2 or more units on or after 1 April 2010; and
  - (b) 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 regarded as one single unit.

#### 78A. Interpretation

In this Part—

- connected application (關聯申請) means an application to the Lands Tribunal for an order the cause of action of which is consequent upon the possible outcome of the main application;
- main application (主體申請) means an application to the Lands Tribunal for an order for sale under section 3(1)(b) of the Ordinance;
- Ordinance (《條例》) means the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545).

#### Section A—Originating Application

#### 78B. Commencement of proceedings

- (1) Proceedings under section 3(1) of the Ordinance shall be commenced by the applicant by filing with the registrar a notice of application substantially in accordance with Form 32.
- (2) The applicant shall cause a copy of the notice of application to be served and registered under section 3(3)(a) and (b) of the Ordinance not later than 7 days after it is filed.
- (3) The applicant shall file with the registrar an affidavit of service and an affidavit of the registration, of the notice of application, within 3 days after such service or registration to the effect that service or registration, as the case may be, has been effected.
- (4) The applicant shall cause a copy of the notice as specified in Part 2 of Schedule 1 to the Ordinance in the Chinese and English languages to be affixed and published under section 3(3)(c)(i) and (ii) of the Ordinance not later than 7 days after filing of the notice of application under subrule (1).
- (5) The applicant shall file with the registrar an affidavit of affixture and an affidavit of the publication within 3 days after such affixture or publication to the effect that the affixture or publication, as the case may be, has been effected.

### 78D. Notice of hearing

The registrar shall cause a copy of the notice of hearing of the main application to be served on—

- (a) all parties to the main application; and
- (b) all parties to any connected applications filed with the registrar.

# Section B—Application for Determination of Compensation Payable to Tenants

#### **78E.** Commencement of proceedings

- (1) A tenant shall, if he wishes to make representations, within 21 days of affixing of the notice as specified in Part 2 of Schedule 1 to the Ordinance, file with the registrar a notice of application substantially in accordance with Form 34.
- (2) A copy of the notice of application shall be served by the applicant tenant on the owner, whether classified as majority owner or minority owner, and the applicant in the main application not later than 7 days after it is filed.
- (3) The applicant tenant shall, within 3 days of service of notice of application under subrule (2), file with the registrar an affidavit or affirmation of service substantially in accordance with Form 30, unless the respondent majority owner or minority owner so served has within that period filed with the registrar a notice of opposition to the application. (32 of 2000 s. 48)

**Schedule** 

[r. 1]

**Forms** 

Form 1

[r. 4(1)]

INTERLOCUTORY APPLICATION

(Heading)

Lands Tribunal Application No.

YOU ARE HEREBY SUMMONED to appear before His Honour  Presiding Officer at his Chambers at the
Lands Tribunal at on day the
day of 19 o'clock in the noon on the hearing
of an application on the part of the Applicant/Respondent* for an order to
be made that (1)—
And you are to take notice that if you do not appear the Tribunal may
consider and deal with the application in a summary way.
The second second where the second se
Dated this day of 19
Dated tills day of
The address of the Applicant/Respondent* is
The address of the Appheant Respondent 15
The address of the Applicant/Despendent solicitor* is
The address of the Applicant/Respondent solicitor* is
+
Seal of the Tribunal
Applicant/Respondent *

- (1) State the object of the application.
   \* Delete whichever is inapplicable.
   + Name of the Registrar.

Form 1

# INTERLOCUTORY APPLICATION

(reverse)

Affidavit/Affirmation* of Service	Bailiff's Notes
I,	
on the day of	
Sworn/Affirmed* at the courts of Justice/Lands Tribunal Registry*,  Hong Kong, the	
* Delete whichever is inapplicable.	(L.N. 417 of 1995)
Form 2 NOTICE OF HEA	[r. 16] Aring
	Lands Tribunal Application No
These proceedings have been set down Tribunal at	in the day of

Dated this day of	19
	(Deputy Registrar, Lands Tribunal)
То	(L.N. 417 of 1995)
For	rm 3
APPLICATION FOR SU	[r. 22] JMMONS TO A WITNESS
	Lands Tribunal Application No
To: The Registrar, Lands Tribunal	
Whereas	of
material evidence on behalf of the Ap	he said requiring him to on day 9 at of the Applicant/Respondent.
	(Solicitors for the) Applicant/Respondent (L.N. 417 of 1995)
For	 rm 4

[r. 22]

# SUMMONS TO WITNESS TO APPEAR (AND TO PRODUCE DOCUMENTS)

Lands Tribunal
Application No
To [Name, address and occupation]
You are hereby summoned to attend at a sitting of the Lands Tribunal
to be held at on day the day of
19 at a.m./p.m. to give evidence in the above proceedings (and also to bring with you and produce [State particulars of
documents required]).
This summons was issued on behalf of Applicant/Respondent
Dated this day of 19
Dated this day of
Registrar, Lands Tribunal
(L.N. 417 of 1995)
<del></del>
Form 5
[r. 34(1)]
NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE
COMPENSATION FOR LAND RESUMED UNDER
LANDS RESUMPTION ORDINANCE
Pursuant to section $6(2)/8(2)$ *
*I/Weof
(address)
or
*The Director of Lands

(describe the estate or interest in land resumed)
formerly owned by *me/us
or
* by
(name(s))
because
*an offer made under section 6(1)(a) of the Ordinance has been rejected. (Attach a statement of particulars required by rule 34(3).)
*a claim submitted under section $*6(2)/8(1)$ of the Ordinance has not been agreed. (Attach a copy of the claim.)
*no claim has been submitted under section 6(2) of the Ordinance. (Attach a statement of the particulars required by rule 34(3).)
Dated this day of 19
(to be signed by or on behalf of the Applicant)
To: 1. The Registrar, Lands Tribunal. 2.
Address for service of the Applicant:
* Delete whichever does not apply.  (L.N. 417 of 1995; 29 of 1998 s. 9)
Form 6
[r. 35] NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE

NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE
COMPENSATION FOR ENTRY UNDER
LANDS RESUMPTION ORDINANCE

# Pursuant to section 7(3)

	of(address)
as *owner(s)/occupier(s) of(de	scribe the land)
or	······,
*The Director of Lands	
require(s) the Lands Tribunal to determine be paid in respect of damage caused by a	-
+entry upon(des	scribe the land)
and/or works performed there	on,
under section 7(1) of the Ordinance.	
A claim for compensation (copy section 7(2) of the Ordinance but no agreettlement or compromise.	attached) was made pursuant to eement has been reached by way of
Dated this day of	19
	(to be signed by or on behalf of the Applicant)
To: 1. The Registrar, Lands Tribunal 2.	
Address for service of the Applicant:	
* Delete whichever does not apply.  + Amend to suit the nature of the claim	

(L.N. 417 of 1995; 29 of 1998 s. 9)

Application No
Form 7
[rr. 36, 39, 40, 45, 49, 51, 54, 57, 58, 59, 61, 69, 73, 75, 78, 78]
NOTICE OF OPPOSITION TO APPLICATION/APPEAL TO LANDS TRIBUNAL UNDER LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE
*or ORDINANCE
Pursuant to section
<sup>+</sup> Name, address and status of applicant:
Name, address and status of respondent:
Address and description of premises:
Names, ages and relationship to respondent of persons occupying premises (if application under section 53(2)(b) of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7)):
Grounds and particulars:
I do/do not wish to be heard.
Dated this day of
(Respondent)
Address for service of the Respondent:
To: 1. The Registrar, Lands Tribunal. 2. The Applicant.
(Please add such other persons as may be required to be served)

Lands Tribunal

- \* Delete whichever is inapplicable and if necessary add title of relevant Ordinance.
- <sup>+</sup> State in relation to applications under the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) whether status of party is landlord, principal tenant, tenant or sub-tenant.

(L.N. 417 of 1995; 25 of 1998 s. 2; L.N. 78 of 2002; 16 of 2004 s. 16)

Form 8

[r. 38(1)]

NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE COMPENSATION UNDER MASS TRANSIT RAILWAY (LAND RESUMPTION AND RELATED PROVISIONS) ORDINANCE

	Pursuant to section
*I/We	of
	(Address)
	or
The Direc	tor of Lands
	Lands Tribunal to determine the amount of compensation to ect of a claim (copy attached) for compensation under item(s)
	(specify the items)

of Part I of the First Schedule to the Ordinance. The Director has rejected the claim and now commences these proceedings pursuant to section \*21(6) (b)/21(6)(c) of the Ordinance. [To be completed only where the Director is applying.]

or

4 months have expired since the claim was received by the Director and these proceedings are commenced pursuant to section 21(7) of the Ordinance.

<sup>+</sup> The reasons given by the Director, under section 21(5) of the Ordinance for rejecting the claim were—		
Dated this day of 19		
(to be signed by or on behalf of the Applicant)		
To: 1. The Registrar, Lands Tribunal. 2.		
Address for service of the Applicant:		
* Delete whichever does not apply.  + Complete where applicable.  (L.N. 417 of 1995)		
Form 9		
[r. 40(1)] NOTICE OF APPLICATION TO LANDS TRIBUNAL TO REVIEW DECISION OF CHIEF EXECUTIVE REFUSING TO RESUME CONTIGUOUS OR ADJACENT LAND UNDER MASS TRANSIT RAILWAY (LAND RESUMPTION AND RELATED PROVISIONS) ORDINANCE		
Pursuant to section 8(2)		
I/We of		
as former owner(s)/occupier(s) of—  (a) the resumed land being:		
(describe the resumed land)		
and		
(b) the contiguous or adjacent land being		

(describe the contiguous or adjacent land)
apply to the Lands Tribunal to review the decision of the Chief Executive made under section 8(1) of the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Cap. 276) that the resumed land is not reasonably necessary to the use and enjoyment of the contiguous or adjacent land so that such contiguous or adjacent land cannot itself be put to any profitable use.
A copy of the application made to the Chief Executive pursuant to section 8(1) of the Ordinance is attached.
Dated this day of 19
(to be signed by or on behalf of the Applicant)
To: 1. The Registrar, Lands Tribunal. 2. Director of Lands.
Address for service of the Applicant:
(L.N. 417 of 1995; 25 of 1998 s. 2)
Form 10
[r. 44(1)] NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE COMPENSATION UNDER ROADS (WORKS, USE AND COMPENSATION) ORDINANCE
Pursuant to section
* I/We of

\* The Secretary for Transport and Logistics \* require(s) the Lands Tribunal to extend pursuant to section 28(2) of the Ordinance the period(s) specified by section 28(1) of the Ordinance. require(s) the Lands Tribunal to review pursuant to section 23(2) of the Ordinance a decision of the Chief Executive made under section 23(1) of the Ordinance. or require(s) the Lands Tribunal to determine the amount of compensation to be paid in respect of a claim (copy attached) for compensation under item(s) ...... of Part II of the Schedule to the Ordinance. \* The Secretary has rejected the claim and commences these proceedings pursuant to section 29(6)(b)/29(6)(c) of the Ordinance. (To be completed only where the Secretary is applying). or 7 months have expired since the claim was received by the Secretary and these proceedings are commenced pursuant to section 29(7) of the Ordinance. The reasons given by the Secretary under section 29(5) of the Ordinance, for rejecting the claim were—(Complete where applicable) Dated this ...... day of ...... 19 ....... (to be signed by or on behalf of the Applicant)

To: The Registrar, Lands Tribunal. 1.

2.

Address for service of the applicant:

\* Delete whichever is inapplicable. (L.N. 417 of 1995; 25 of 1998 s. 2; L.N. 106 of 2002; L.N. 130 of 2007; L.N. 144 of 2022)

Form 11

# NOTICE OF APPLICATION TO LANDS TRIBUNAL TO REVIEW DECISION OF CHIEF EXECUTIVE REFUSING TO RESUME CONTIGUOUS OR ADJACENT LAND UNDER ROADS (WORKS, USE AND COMPENSATION) ORDINANCE

### Pursuant to section 23(2)

I/We	of
	have a compensatable
	(address)
interest in	the undermentioned contiguous or adjacent land and—
(a)	being the former owner(s)/occupier(s) of
	(describe the resumed land)
	*OR
(a)	being aggrieved by the closing of the road or extinguishment, modification or restriction of the private right, namely—
	(describe the road or private right)
(b)	the contiguous or adjacent land being
	(describe the contiguous or adjacent land)
under sect	ne Lands Tribunal to review the decision of the Chief Executive made tion 23(1) of the Ordinance that the resumed land/road/right is not necessary to the use and enjoyment of the contiguous or adjacent land.
_	py of the application made to the Chief Executive pursuant to section e Ordinance is attached.
Dated	I this day of
	(to be signed by or on behalf of the Applicant)

To: 1. The Registrar, Lands Tribunal.

2. Secretary for Transport and Logistics.

Address for service of the applicant:

\* Delete whichever does not apply.
(L.N. 417 of 1995; 25 of 1998 s. 2; L.N. 106 of 2002; L.N. 130 of 2007; L.N. 144 of 2022)

Form 12

[r. 48(1)]

NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE COMPENSATION UNDER FORESHORE AND SEA-BED (RECLAMATIONS) ORDINANCE

	Pursuant to section
I/We	of
	(address)
••••••	or
*The Dir	rector of Lands
Ordinance, the	Lands Tribunal to determine under section 13 of the amount of compensation payable in respect of a claim (copy e under section 12 of the Ordinance by
	(person affected)

Authorization of the proposal under section 3 of the Ordinance to which the claim relates, became effective under section 7 of the Ordinance.

Authorization of the proposal under section 3 of the Ordinance to which the claim relates, has been given (in part) by the Chief Executive in Council under section \*8(1)(b)/8(1)(c) of the Ordinance.

	or
	(address)
*I/We	of
Pursuant to s	section 25(2)
	[r. 50] UNDER HONG KONG AIRPORT UCTIONS) ORDINANCE
Form	m 13
*Delete whichever is inapplicable.	(L.N. 417 of 1995; 25 of 1998 s. 2)
Address for service of the Applicant:	
To: The Registrar, Lands Tribunal.	
	(to be signed by or on behalf of the Applicant)
Dated this day of	19
	er section 13(5) of the Ordinance of ibunal was served on the other party to

\*The Director of Lands

require(s) the Lands Tribunal to determine a dispute under section 25 of the

Ordinance as to the compensation to be paid	
for (describe the loss,	
damage or expense for which compensation has been claimed and attach	
copy of claim made under section 23 of the Ordinance)	
The Tribunal is also required to determine the person or persons to whom compensation is payable. The names and addresses of the persons claiming entitlement to the compensation are— (set out names and address)  It is certified that notice, under section 25(2) of the Ordinance, of intention to refer this dispute to the Tribunal was served on the following parties to the dispute on the	
Dated this day of 19	
(to be signed by or on behalf of the Applicant)	
To: The Registrar, Lands Tribunal.	
Address for service of the applicant:	
* Delete whichever inapplicable.	
(L.N. 417 of 1995)	
Form 14	
[r. 53(1)] NOTICE OF APPLICATION TO LANDS TRIBUNAL TO DETERMINE COMPENSATION UNDER ELECTRICITY NETWORKS (STATUTORY EASEMENTS) ORDINANCE	
Pursuant to section 10(3)	
I/We of	

require the Lands Tribunal to determine the amount of compensation in a claim (copy attached) for compensation under section 10(1) of the Ordinance.

#### Particulars of the application are—

- 1. Land affected by the registration of the statutory order:
- 2. Nature of the estate or interest of the applicant in the land:
- 3. Amount of compensation claimed:
- 4. Grounds and facts relied upon by applicant:

28 days have expired since the claim was delivered to the power company but the applicant and the power company have failed to reach agreement in respect of the power company's liability, if any, under section 10 of the Ordinance. This application is being submitted to the Tribunal not later than 60 days after the expiration of the said 28 days.

J 1	J
Dated this day of	. 19
	(to be signed by or on behalf of the Applicant)
To: 1. The Registrar, Lands Tribunal.	
2. (Power company).	
Address for service of the Applicant:	
	(L.N. 417 of 1995)
	<u> </u>
Form 15	5
	[r. 56(1)]
NOTICE OF APPLICATION TO LAND COMPENSATION UNDER BU	
Pursuant to sect	ion 18A
*I/We	of
require the Lands Tribunal to determine the respondent(s) in respect of a shoring claim	
100pollacings, ill respect of a siloting claim	i dio particulare of willou are as

follows-

<b>*</b> 1.	I am the occupier of a building for w	hich shoring is erected
or	I am a person other than the occupie is erected.  The building is situate at	
2.	Name and address of respondent(s).	
3.	Address of respondent(s) building w which necessitate the erection of sho	ring—
4.	No agreement in writing has been en for payment of compensation. If I do	tered into with the respondent(s)
5.	Particulars of loss or damage suffered by applicant by reason of the erection, maintenance or dismantling of the shoring:	
	Dated this day of	19
		(to be signed by or on behalf of the Applicant)
То:	1. The Registrar, Lands Tribunal.	
	2. Respondent(s).	
Add	ress for service of the applicant:	
* De	elete whichever inapplicable.	
		(L.N. 417 of 1995)
	Form 16	<u> </u>
		[r. 58(1)(a)]
NO	TICE OF APPEAL TO LANDS TRIE	BUNAL UNDER DEMOLISHED
	BUILDINGS (RE-DEVELOPMEN	T OF SITES) ORDINANCE

Pursuant to section 4(1)

I/We	of
	(address)
	(describe the property)
require the Lands Tribunal to he in respect of such property mad	ear an appeal against a re-development order e by the Director of Buildings pursuant to ad served on *me/us on the
The appeal is	
against	(here state whether the appeal is
against the entire order or specia	fy the part or parts objected to)
Dated this d	ay of
	(to be signed by or on behalf of the appellant(s))
To: 1. The Registrar, Lands 7 2. The Director of Buildi	
Address for service of the Appe	llant(s):
* Delete whichever does not app	oly. (L.N. 417 of 1995; L.N. 281 of 2006)
	Form 17
	[r. 58(1)(b)]

### NOTICE OF APPEAL TO LANDS TRIBUNAL UNDER DEMOLISHED BUILDINGS (RE-DEVELOPMENT OF SITES) ORDINANCE

### Pursuant to section 6(3)

of
(address)
(describe the property)
ppeal against assessment of operty made by the Director of Lands ce and notified to *me/us on the
19
(to be signed or on behalf of the appellant(s))
ıl.
:
(L.N. 417 of 1995)
n 18

[r. 59]

# NOTICE OF APPLICATION TO LANDS TRIBUNAL UNDER DEMOLISHED BUILDINGS (RE-DEVELOPMENT OF SITES) ORDINANCE

### Pursuant to section 7(2)

Name a	and address of applicant:
Name a	and address of respondent:
Addres	s and description of premises:
Term o	f tenancy:
Rent:	
(1	On the
(2	2) In the premises I had occupied (insert details of accommodation):
(3	3) I apply that the compensation to which I may be entitled be determined.
(4	I have not entered into any agreement with my landlord or principal tenant as regards payment of compensation. If I do so, I will inform you in writing.
D	eated this day of
	Applicant
Addres	ss for service of the Applicant:
To: 1	. The Registrar, Lands Tribunal.
2.	. Respondent.
	(L.N. 417 of 1995)

### Rating Appeal No. of 19

### NOTICE OF APPEAL TO LANDS TRIBUNAL UNDER RATING ORDINANCE

### Pursuant to section 42(1)

	of
Commissioner of Rating ar	(specify any other capacity)  I to hear an appeal against the decision of the addition that
(describe the teneme	nt and summarize the decision affecting it)
	ved on *me/us by the Commissioner pursuant to dinance on the day of 19
	ppeal and the facts on which they are based are
The Tribunal is reque Ordinance that	sted to make an order under section 44(1) of the
	et out the remedy sought)
Dated this	day of

### (to be signed by or on behalf of the Appellant)

Address for service of the Appellant(s):

- To: 1. The Registrar, Lands Tribunal.
  - 2. Commissioner of Rating and Valuation.
  - 3. (Please add such other person as may be required to be served).
- \* Delete whichever is inapplicable.
- <sup>+</sup> Note section 42(2) of the Ordinance.

(L.N. 417 of 1995)

Form 20

[r. 65(1)]

### NOTICE OF APPEAL TO LANDS TRIBUNAL UNDER HOUSING ORDINANCE

#### Pursuant to the Schedule

I/We	of	
as the purchas	ser(s) of	••
	(describe the property)	
Prevailing Ma Director of H 19	ands Tribunal to hear an appeal against the assessment of the arket Value in respect of the property described made by the ousing and notified to me/us on the day of	
	ands of appeal are	•••
	is day of 19	•
	Appellant	••

- To: 1. The Registrar, Lands Tribunal.
  - 2. The Director of Housing.

Address for service of the Appellant:

### Form 21

[r. 66(3)]

### NOTICE OF OPPOSITION TO AN APPEAL UNDER HOUSING ORDINANCE

D
Pursuant to the Schedule
The Director of Housing gives notice that he opposes the appeal by the appellant purchaser(s) of
(describe the property)
filed with the Lands Tribunal against the assessment made by me of the Prevailing Market Value in respect of the property described.
A copy of the assessment made by me on the day of
Dated this day of 19
for and on behalf of the Director of Housing
To: 1. The Registrar, Lands Tribunal. 2. The Appellant(s).
Address for service of the Director of Housing:
(L.N. 417 of 1995)
Form 22
[r. 68] NOTICE OF APPLICATION UNDER LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE
Pursuant to section
NoLD
Applicant's Name:
Respondent's Name: * (Landlord/Tenant/Sub-tenant) and Address:

Address of premises:

User of premises: * (Residential/Business)
Duration of tenancy: From
Nature and particulars of application:  * Application for new tenancy. / *Application for determination of prevailing market rent.  * Application for recovery of possession of the suit premises and rent as the respondent has failed to pay rent from the day of and application for order for mesne profits, costs, *interest, *management fees, *rates/Government rent, *water/electricity/gas charges and *other utility charges.
* Application for disposal of properties left in the premises by the respondent.  * Application for determination of whether a tenancy is a regulated tenancy for the purposes of Part IVA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7). / * Application for determination on the entitlement of a family member of a deceased tenant to the deceased tenant's benefits and protection under a regulated tenancy under Part IVA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).
Dated this day of
(Signature of *the authorized representative of Applicant)  Full name of authorized representative:
To: 1. The Registrar, Lands Tribunal. 2. The Respondent.
Address for service of the applicant:
+ If the applicant is a company/incorporation, please affix the company seal and write down the full name of the signatory.
* Delete whichever is inapplicable.
<b>Note:</b> If the respondent intends to oppose this application, he must personally attend at the Lands Tribunal Registry within 7 days of the date of service of this notice, and file a notice of opposition (Form 7).
(32 of 2002 s. 40; L.N. 281 of 2006; 36 of 2021 s. 12)
Form 22A

[r. 68(1A)]

### NOTICE OF APPLICATION UNDER LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) ORDINANCE 2004

### Pursuant to section 5(2)

	NoLD	
Applicant's Nan		*(Landlord/Tenant)
Respondent's Na		*(Tenant/Sub-tenant)
Address of prem	nises:	
	f	
Transitional	Date of	Date of Expiry
Termination Notice:	Service:	of Notice:
	Mode of Service	e:
Nature and parti	culars of applicatio	n:
termination noti suit premises an (1) Arrears of date of d (2) And other	ce, the applicant ap d claims against the of rent/mesne profit elivery of vacant po ers	d upon the expiry of a transitional plies for recovery of possession of the e respondent for the following item(s): as from to the ossession of the suit premises and costs.
Dated this	day of	
		(Signature of  *Applicant/authorized representative of Applicant)  Full name of authorized representative:
	Registrar, Lands Tri Respondent.	_
Applicant's addi	ess for service:	

.....

- + If the applicant is a company/incorporation, please affix the company seal and write down the full name of the signatory.
- \* Delete whichever is inapplicable.

**Note:** If you intend to oppose this application, you must personally attend at the Lands Tribunal Registry within 7 days of the date of service of this notice or within the time as ordered by the Tribunal, and file a notice of opposition (Form 7).

(16 of 2004 s. 16)

#### Form 22B

[r. 68(1B)]

### NOTICE OF APPLICATION UNDER LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) ORDINANCE 2004

#### Pursuant to section 7(1)

	NoLD	/
Applicant's Name:		*(Landlord/Tenant)
Respondent's Name	<b>:</b> :	*(Tenant/Sub-tenant)
and Address: .		
Address of premises	s:	
	7: From/mon	th
Transitional Termination Notice (if any):		Date of Expiry of Notice:
	Mode of Serv	vice:
Nature and particula	ars of application:	
	-	of the suit premises on the ground that red by the applicant as a residence for
occupation of the su	iit premises is requ	
		dent for the following item(s):

(1)	Arrears of rent/mesne profits from of delivery of vacant possession of	n to the date of the suit premises and costs
(2)		
Dated this day of		
		+
		(Signature of *Applicant/authorized representative of Applicant)
		Full name of authorized representative:
To:	<ol> <li>The Registrar, Lands Tribuna</li> <li>The Respondent.</li> </ol>	1.
Appli	cant's address for service:	
•••••		
+ If the applicant is a company/incorporation, please affix the company seal and write down the full name of the signatory.		
* Dele	ete whichever is inapplicable.	
<b>Note:</b> If you intend to oppose this application, you must personally attend at the Lands Tribunal Registry within 7 days of the date of service of this notice or within the time as ordered by the Tribunal, and file a notice of opposition (Form 7).		
		(16 of 2004 s. 16)
		<u> </u>
	Form 2	23
[r. 72(1)] NOTICE OF APPLICATION TO LANDS TRIBUNAL FOR ORDER CANCELLING OR REDUCING INCREASE OF RENT ON ACCOUNT OF IMPROVEMENTS UNDER LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE		
	Pursuant to sect	tion 55A(8)
	e and address of applicant: (tenant/sub-tenant)	
	e and address of respondent: (landlord/principal tenant)	

				er cancelling or reducing the
		_		crease served on the applicant
by the	responde		• • • • • • • • • • • • • • • • • • • •	(data of sarvina)
				(date of service)
in resp	ect of the	premises known		
			(de	scription of premises)
on the	ground tl	nat—		
	*(a)	the improvemen	nt was unnece	ssary.
	*(b)	-	nt was expend	ed on the improvement than
	*(c)	• •		ease of rent resulting from nts was unreasonable.
T	he applic	ant also applies f	for an order fo	r costs.
		vice of applicant:		
Hudics	55 101 501	vice of applicant.		
			(to be si	gned by or on behalf of the
			·	Applicant)
To:		Registrar, Lands Respondent.	Tribunal.	
Note:	at the L	ands Tribunal Re	gistry within	n, you must personally attend 14 days of the day of service esition by means of Form 7.
* Dele	te whiche	ever inapplicable.		(L.N. 417 of 1995)
		_		
			Form 24	
				[r. 74(1)]

NOTICE OF APPEAL TO LANDS TRIBUNAL AGAINST DECISION OF COMMISSIONER OF RATING AND VALUATION ON APPLICATION FOR TRANSFER OF TENANCY FROM PART II TO PART IV OF THE LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE

Pursuant to section 51D

Name, address and status of respondent:
The appellant hereby appeals against the decision of the Commissioner of Rating and Valuation upon an application pursuant to section 51A/51B (delete whichever inapplicable) to exclude from Part II and thereby transfer to Part IV the tenancy in respect of the premises known as
(description of premises)
A copy of the certificate issued by the Commissioner of Rating and Valuation setting out the decision appealed against is attached.
The grounds of appeal are: (here state briefly the grounds of appeal)
The appellant also applies for an order for costs.  Address for the service of the appellant:
Dated this day of 19
(to be signed by or on behalf of the Appellant)
To: 1. The Registrar, Lands Tribunal. 2. The Respondent.

Name, address and status of appellant:

- 3. Commissioner of Rating and Valuation.
- 4. (Please add such other person as may be required to be served)

Note: If you intend to oppose this appeal, you must personally attend at the Lands Tribunal Registry within 14 days of the day of service of this notice, and file a notice of opposition by means of Form 7.

(L.N. 417 of 1995)

### NOTICE OF APPEAL TO LANDS TRIBUNAL AGAINST DECISION OF COMMISSIONER OF RATING AND VALUATION ON REVIEW OF CERTIFICATE OF INCREASE IN RENT UNDER LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE

Pursuant to section 60 Name, address and status of appellant: Name, address and status of respondent: The appellant hereby appeals against the decision of review of certificate of increase in rent of the Commissioner of Rating and Valuation in respect of the premises known as ••••• (description of premises) A copy of the certificate issued by the Commissioner of Rating and Valuation setting out the decision appealed against is attached. The grounds of appeal are: (here state briefly the grounds of appeal) The appellant also applies for an order for costs. Address for service of the appellant: 

(to be signed by or on behalf of the Appellant)

To: 1. The Registrar, Lands Tribunal.

- 2. The Respondent.
- 3. Commissioner of Rating and Valuation.
- 4. (Please add such other person as may be required to be served).

**Note:** If you intend to oppose this appeal, you must personally attend at the Lands Tribunal Registry within 14 days of the day of service of this notice, and file a notice of opposition by means of Form 7.

(L.N. 417 of 1995)

Form 26

[r. 74(3)]

NOTICE OF APPEAL TO LANDS TRIBUNAL AGAINST A
DETERMINATION OF THE COMMISSIONER OF RATING AND
VALUATION ON THE INCREASE IN RENT OF SUB-TENANCY ON
ACCOUNT OF IMPROVEMENTS UNDER THE LANDLORD AND
TENANT (CONSOLIDATION) ORDINANCE

Pursuant to section 63A(6)

Name and address of appellant(s): (sub-tenant)

Name and address of respondent(s): (principal tenant)

The appellant(s) hereby appeal(s) against the determination by the Commissioner of Rating and Valuation of the amount by which the rent payable by the sub-tenant is to be increased on account of improvements effected by the landlord and resulting in an increase of rent payable by the principal tenant to the landlord pursuant to section 55A for such improvements.

A copy of the notice of the Commissioner of Rating and Valuation setting out the determination appealed against is attached.

The grounds of appeal are: (here state briefly the grounds of appeal)

The appellant(s) also apply(ies) for an order for costs.

Address for service of appellant:

Dated this day of 19		
(to be signed by or on behalf of the Appellant(s))		
<ul> <li>To: 1. The Registrar, Lands Tribunal.</li> <li>2. The Respondent(s).</li> <li>3. Commissioner of Rating and Valuation.</li> <li>4. (Please add such other persons as may be required to be served)</li> </ul>		
<b>Note:</b> If you intend to oppose this appeal, you must personally attend at the Lands Tribunal Registry within 14 days of the day of service of this notice, and file a notice of opposition by means of Form 7.  (L.N. 417 of 1995)		
Form 27		
[r. 77(a)] NOTICE OF APPLICATION TO LANDS TRIBUNAL UNDER BUILDING MANAGEMENT ORDINANCE		

Building Management
Application No. .....

### Pursuant to section 4

*Name, address and status of applicant(s):
Name and address of respondent(s): (other owners)
Address of building:
<sup>+</sup> (Where the applicant(s) is/are owners in terms of section 4(1)(a))— The total number of shares for the purposes of section 39:
<sup>+</sup> The percentage of shares held by the applicants are:
The applicant(s) apply for an order that a meeting of owners to appoint a Management Committee be convened by the applicant(s) or by such owner as the Tribunal may direct and for an order for the costs of this application.
Address for service of the applicant(s):
Dated this day of 19
(to be signed by or on behalf of the Applicant(s))
<ul><li>To: 1. The Registrar, Lands Tribunal.</li><li>2. The Respondent(s).</li></ul>

Note: If you intend to oppose this application, you must personally attend at the Lands Tribunal Registry within 21 days of the day of service of this notice and file a notice of opposition by means of Form 7.

in	the whether applicants are the owners of not less than 20% of the shares aggregate in the building or whether the applicant is the Secretary for stice.
+ Del	lete if the applicant is the Secretary for Justice. (L.N. 417 of 1995; L.N. 362 of 1997; 5 of 2007 s. 73)
	Form 28
	(Repealed L.N. 281 of 2006)
	Form 29
	[r. 77(b) & (c)] NOTICE OF APPLICATION TO LANDS TRIBUNAL UNDER BUILDING MANAGEMENT ORDINANCE  Building Management Application No
	Pursuant to
Nam	e, address and status of applicant(s):
Nam	e, address and status of respondent(s):
Addı	ress of building:
1.	The applicant(s) apply(ies) for an order relating to
	(specify the particular issue under the provision pursuant to which
	application is brought)

The question of law, interpretation and enforcement or other issue to be determined is:

apportioned are:	
Address for service of the applicant(s):	
Dated this day of	
	to be signed by or on behalf of the applicant(s))
To: 1. The Registrar, Lands Tribunal. 2. The Respondent(s).	
<b>Note:</b> If you intend to oppose this applic at the Lands Tribunal Registry wit of this notice and file a notice of op	hin 21 days of the day of service
<sup>+</sup> Delete whichever inapplicable and otherw (L.	vise amend as necessary.  N. 417 of 1995; L.N. 281 of 2006)
Form 30	
AFFIDAVIT/AFFIRMAT	[r. 10] ION OF SERVICE Lands Tribunal Application No
Pursuant to section	
I, , or	f
make oath and say as follows:	

Particulars of the sums or other amounts to be calculated or

 $\mathbf{or}$ 

OR

hereby sincerely and truly affirm and say as follows:

1.	personal tr	d on
		OR
1.	(a)	I did on
		place of abode or business in Hong Kong OR at
		its registered office.
		OR
1.	(a)	I did on day the day of 19 post up at the entry if the premises known as
		a notice of intention to apply pursuant to section 4 of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) that the said premises be exempt from the provisions of the said Ordinance of which notice the document now shown to me and marked is a true copy.
[1.]		I also did on

appropriate proofs that service has been effected in terms of the order for substituted service)
<sup>+</sup> AND I solemnly sincerely and truly affirm and say that the contents of this my affirmation are true.
*SWORN/AFFIRMED at
*SWORN/AFFIRMED at
Before me:
* Strike out inapplicable words. <sup>+</sup> For affirmations only.
(L.N. 650 of 1994; L.N. 417 of 1995; 25 of 1998 s. 2)
Form 31
[r. 14(1)] APPLICATION OF LIST FOR HEARING Lands Tribunal Application No.:
Pursuant to rule 14(1)
<ol> <li>To: The Registrar, Lands Tribunal.</li> <li>Application is hereby made for the hearing of this application.</li> <li>It is estimated that the hearing will last</li></ol>
OR
No Notice of Opposition has been filed and the time limited for filing such notice expired on the
Dated this day of

OR (in the case of substituted service give precise details and exhibit

#### Applicant/Respondent

AND To: The Respondent/Applicant. (L.N. 417 of 1995; L.N. 281 of 2006)

Form 32

[r. 78B]

Application No. .....

# NOTICE OF APPLICATION TO LANDS TRIBUNAL FOR AN ORDER FOR SALE UNDER LAND (COMPULSORY SALE FOR REDEVELOPMENT) ORDINANCE

Pursuant to section 3(1)

Name and address of the applicant (the majority owner) and the number (shown in brackets) of undivided shares held by the applicant in the lot mentioned below:

Name and address of the respondent (the minority owner) and the number (shown in brackets) of undivided shares held by the respondent in the lot mentioned below:

Description and number of all the undivided shares of the lot sought to be sold:

The applicant hereby applies for an order to sell all the undivided shares in the lot for the purposes of the redevelopment of the lot on the grounds that:

(a)	The applic	cant is the	person or	perso	ns who	o owns or o	wn,
	otherwise	than as a	mortgagee	e, not	less th	nan 90% of	the
	undivided	shares in th	ne lot (or	not les	ss than	% be	ing
	the percen	tage specifi	ed by the	Chief	Execu	tive in Coun	cil
	on	(date) (L.N	[. ).	The e	exact p	ercentage of	the
	undivided	shares	owned	by	the	applicant	is

- (b) A valuation report as specified in Part 1 of Schedule 1 to the Ordinance setting out the assessed market value of each property on the lot has been prepared and is attached hereto.
- (c) In the event that the above-mentioned application is granted, the applicant hereby applies for a further order that the following amounts of compensation be paid by the applicant/respondent to their respective tenants specified below for the termination of their tenancies upon successful sale of the lot.

-		Maximum Amount of Compensation	of	Existing Rent	Remarks (e.g. why no figure given or what affects the compensation)
Other ground	ls and p	articulars:			
Dated th	nis	day of		19	
				(App	olicant)

Address for service of the Applicant:

To: 1. The Registrar, Lands Tribunal.

- 2. The Respondent.
- 3. (Please add such other persons as may be required to be served)

**Note:** If you intend to oppose this application, you must personally attend at the Lands Tribunal Registry within 21 days of service of this notice and file a notice of opposition by means of Form 33.

(L.N. 100 of 1999)

Form 33

[r. 78C]

Application No. .....

# NOTICE OF OPPOSITION TO APPLICATION FOR AN ORDER FOR SALE UNDER LAND (COMPULSORY SALE FOR REDEVELOPMENT) ORDINANCE

Pursuant to section 4(2)

Name and address of applicant (the majority owner):

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

Address and description of premises:

- 1. Application for an order to sell all the undivided shares in the lot for the purposes of the redevelopment of the lot is opposed on the following grounds:
  - (a) The value of some or all units of property as assessed in the application is disputed for the following reasons:
  - (b) Other reasons (if any):

2.	* *	ompensation to be paid by the said er) to his own tenants is opposed for the
3.	I/We do/do not wish to be	heard.
	Dated this day of	19
		(Name and No. of the Respondent)
Add	lress for service of the Resp	ondent:
To:	2. The Applicant (major	
		(L.N. 100 of 1999)
		Form 34
		[r. 78E]
		Application No
	(re	elated to Main Application No)
	NOTICE OF APPLICA	TION FOR DETERMINATION OF

### COMPENSATION UNDER LAND (COMPULSORY SALE FOR REDEVELOPMENT) ORDINANCE

Pursuant to sections 4(6) and 8(3) and (4)

(a)	Name, address and status of applicant (tenant/principal tenant/subtenant):
(b)	Name, address and status of respondent (majority/minority owner):
(c)	Address and user of premises:
(d)	Duration of tenancy:
(e)	Rent:
(f)	The main application no. under which an order to sell all the undivided shares of the lot inclusive of the premises herein being sought by the majority owner is:
(g)	The proposed maximum amount of compensation payable to the applicant herein as set out in the said main application is:
compunder Tribu comp	The applicant hereby applies for a determination of the amount of pensation to be paid in the event of termination of the tenancy herein a section 8(1)(b) following the making of an order for sale by the small pursuant to section 4(6) of the Ordinance. The amount of pensation claimed by the applicant herein is, and the ends and facts relied upon by the applicant are:
	Dated this day of 19

#### Address for service of the Applicant:

- To: 1. The Registrar, Lands Tribunal.
  - 2. The Respondent.
  - 3. The Applicant (majority owner) in the main application.
  - 4. (Please add such other persons as may be required to be served)
- **Note:** (a) If you wish to oppose this application, you must personally attend at the Lands Tribunal Registry within 21 days of service of this notice, and file a notice of opposition by means of Form 35.
  - (b) Neither the applicant nor the respondent needs to take active steps to set a date for the determination of the compensation. Parties herein will receive a notice of hearing of the main application and that they may attend the Tribunal if they so wish. If an order for sale is made by the Tribunal, either party may apply to the Tribunal to review the amount of compensation determined within one month of the making of the order, if either party is not satisfied with the amount of compensation determined, pursuant to section 11A of the Lands Tribunal Ordinance (Cap. 17).

(L.N. 100 of 1999)

Form 35

[r. 78F]

Application No. .....

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

## NOTICE OF OPPOSITION TO APPLICATION FOR DETERMINATION OF COMPENSATION UNDER LAND (COMPULSORY SALE FOR REDEVELOPMENT) ORDINANCE

Pursuant to sections 4(6) and 8(3)

- (a) Name, address and status of applicant (tenant/principal tenant/subtenant):
- (b) Name, address and status of respondent (majority/minority owner):

	re a party to the Main Application No
tenant/principal t  (a) I	tenant/sub-tenant to the following extent:  No compensation should be payable to the applicant for the following reasons (please state the facts relied upon in sufficient detail to enable the applicant to know the case he has to meet):
S 1	The amount of compensation payable to the applicant should be for the following reasons (state the facts relied upon in sufficient detail to enable the applicant to know the case he has to meet):
3. I/We do/do r	not wish to be heard.
Dated this.	day of 19
	(Name of the Respondent Owner)
Address for servi	ice of the Respondent:
<ol> <li>The A</li> <li>The A</li> </ol>	Legistrar, Lands Tribunal.  Applicant tenant/Principal tenant/Sub-tenant.  Applicant (majority owner) in the main application.  Be add such other persons as may be required to be served)  (L.N. 100 of 1999)
	Form 36
	[r. 78H] Appeal No of

(c)

Address and description of premises:

NOTICE OF APPEAL TO LANDS TRIBUNAL UNDER GOVERNMENT RENT (ASSESSMENT AND COLLECTION) ORDINANCE

Pursuant to section 26(1)

*I/We	of
	•••
as *owner(s)/lessee(s)/c	occupier(s)/other(s)/
	(specify any other capacity)
Director of Lands/the C	unal to hear an appeal against the decision of *the commissioner of Rating and Valuation that
	tenement and summarize the decision affecting it)
of Lands/the Commiss	*made known to/served on *me/us by *the Director ioner of Rating and Valuation pursuant to section to Provide Ordinance on the day of
	ne appeal and the facts on which they are based are
Ordinance that	equested to make an order under section 27 of the
	(set out the remedy sought)
Dated this	. day of
	(to be signed by or on behalf
Address for service of the	of the Appellant(s)) he Appellant(s):
T 1 T D '	r 1 m 1 1

- To: 1. The Registrar, Lands Tribunal.
  - 2. \*Director of Lands/Commissioner of Rating and Valuation.
  - 3. (Please add such other persons as may be required to be served).
- \* Delete whichever is inapplicable.
- † Note section 26(2) of the Ordinance—

- (a) for an appeal under section 4(11) of the Ordinance, the grounds of the appeal are confined to the question of whether the interest held under an applicable lease or the tenement is entitled to an exemption from liability to pay Government rent;
- (b) for an appeal under section 21(1) or 25(3) of the Ordinance, the grounds of the appeal are confined to those of the proposal or objection, as the case may be.

(L.N. 78 of 2002)

Form 37

[r. 74(3A)]

NOTICE OF APPEAL TO LANDS TRIBUNAL AGAINST DETERMINATION OF COMMISSIONER OF RATING AND VALUATION ON WHETHER A TENANCY IS EXCLUDED FROM PART V OF THE LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE

Pursuant to section 121(6)

Name, address and status of appellant:

Name, address and status of respondent:

The appellant hereby appeals against the determination of the Commissioner of Rating and Valuation upon an application pursuant to section 121(4) to determine whether a tenancy is excluded from Part V under section 121(3). The tenancy concerned is in respect of the premises known as

(description of premises)

A copy of the notice issued by the Commissioner of Rating and Valuation setting out the determination appealed against is attached.

The grounds of appeal are: (here state briefly the grounds of appeal)

The appellant also applies for an order for costs.

Address for the	service of the appellant:
Dated this	day of

(to be signed by or on behalf of the Appellant)

To: 1. The Registrar, Lands Tribunal.

- 2. The Respondent.
- 3. Commissioner of Rating and Valuation.
- 4. (Please add such other persons as may be required to be served)

**Note:** If you intend to oppose this appeal, you must personally attend at the Lands Tribunal Registry within 14 days of the day of service of this notice, and file a notice of opposition by means of Form 7.

(32 of 2002 s. 40; L.N. 29 of 2004)

### Number of Compulsory Sale Applications under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545)

	Number of cases (as of June 2023)
Total no. of applications filed -	424
Since Cap. 545 became effective in 1999 and unlowering of application threshold in 2010	til the (65) (i.e. 15% of 424 cases)
<ul> <li>Since the lowering of application threshold in 2010 and 30 June 2023</li> </ul>	d until (359) (i.e. 85% of 424 cases)
<ul> <li>No. of applications filed with 80% threshold (eff since 1 April 2010), of which –</li> </ul>	fective [246] (i.e. 69% of 359 cases)
(i) a lot with all buildings aged $\geq 50$	{231}
(ii) a lot with each of the units representing than 10% of all the undivided shares in the	, ,
(iii) a lot that is not located within an industria and each of the buildings erected thereon industrial building ("IB") aged ≥ 30	( )
(a) No. of compulsory sale orders granted	184 [of which 168 cases successfully sold in public auction, 14 cases auction not held¹ or without successful bidder, 2 cases pending auction]
(b) No. of applications dismissed / struck out [Note: Reasons of dismissal include the Tribunal was not sa that the redevelopment of the lot is justified/ the appl threshold was not fulfilled]	
(c) No. of applications discontinued / withdrawn / settle other means	led by 204
(d) No. of applications in progress	31

Where the lot the subject of an order for sale is not sold within the three months immediately following the date on which the order is made (or within such further period of three months as the Lands Tribunal ("the Tribunal") may specify), then that order shall immediately be deemed to be of no effect as if it had been cancelled by the Tribunal.