

## LCQ18: Bona vacantia properties

Following is a question by the Hon Doreen Kong and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (June 18):

Question:

There are views that along with the demographic changes in Hong Kong, it is expected that the number of bona vacantia properties will continue to increase, which could pose potential challenges to the allocation and management of social resources. It has been reported that in recent years, some gangs have exploited bona vacantia properties to obtain benefits illegally, such as by committing unlawful alienation of the properties, using them for loans or even applying for adverse possession of them, indicating that there are gaps in the regulation of bona vacantia properties. In this connection, will the Government inform this Council:

(1) of the specific number of bona vacantia properties currently under the management of the Lands Department (i.e. those properties originally held by a company that has been dissolved under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or the Companies Ordinance (Cap. 622)); the details of the Government's disposal of such properties in the past five years (including the progress of disposal);

(2) whether it has compiled statistics on the number of bona vacantia properties in Hong Kong which were once held in personal names; whether the Government has currently put in place a relevant mechanism to dispose of such properties; if not, whether it will consider introducing dedicated measures or mechanisms to prevent such bona vacantia properties from being used for unlawful acts; if so, of the details, and whether the Government will impose administrative charges in the process of disposing of such bona vacantia properties and set clear charging standards in this regard; and

(3) as there are views that the management of bona vacantia properties (including those bona vacantia properties which were once held by private individuals or companies) involves the powers and responsibilities of a number of government departments, whether the Government has put in place a cross-departmental co-ordination mechanism to enhance the efficiency of such work; if not, whether it has plans to further strengthen the cross-departmental collaboration on such work?

Reply:

President,

Bona vacantia properties (BVPs) generally refer to some real properties originally owned by individuals or companies, but the individual owners of properties subsequently dies and no one claims the estate, or the companies

were liquidated and dissolved. In accordance with the prevailing laws, real properties owned by individuals or companies are handled by different ordinances to ensure that the rights and interests of the legal owners or successors of the properties will not be infringed and that the properties are properly handled when they become BVPs.

Regarding the properties owned by individuals, the Probate and Administration Ordinance (Cap. 10) provides the jurisdiction of the court to handle matters relating to probate and administration of deceased's estates, including the handling of unclaimed estates of a deceased person. If unclaimed estates involve property assets, the property will be disposed of in an appropriate manner, including sale.

For properties owned by companies, in the course of winding up and dissolution, liquidators will sell properties owned by the companies to pay off outstanding liabilities. If a company, pursuant to the Companies Ordinance (Cap. 622) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), completes the procedures for winding up and is about to dissolve, every property and right (such as including some properties that are yet to be sold in the market) vested in or held on trust for the company immediately before the dissolution is vested in the Government as bona vacantia. If such bona vacantia property is a land property, it will be managed by the Lands Department on behalf of the Government.

In the past five years (from June 2020 to May 2025), records from the Land Registry show that the number of sales and purchase agreements for building units in Hong Kong was close to 260 000, while the Lands Department received about 50 new cases of BVPs. It can be seen that BVPs only account a very small portion of the overall property market.

In response to the question raised by the Hon Doreen Kong, our reply in consultation with the Home and Youth Affairs Bureau is as follows:

(1) As of now, the Lands Department has taken over 411 BVPs previously owned by companies, of which about 30 per cent cases are residential units, industrial units, shops and parking spaces. The remaining 70 per cent are the parts jointly owned with other property owners but inseparable, most of which have no market value and cannot be sold, such as external walls, rooftops, platforms, other common parts. As BVPs, especially the abovementioned 30 per cent cases, often involve unclear ownership, encumbrances or the need to first handle problems such as occupation of units, the Lands Department will carefully clarify the relevant legal rights and seek legal advice after receiving referrals from the Companies Registry, other government departments and the Court, etc. After confirming that the property is a BVP, the Lands Department will notify the Land Registry to add a remark that the property has been vested in the Government as bona vacantia, and choose the most appropriate means to dispose of the property. Generally speaking, if the BVPs are suitable for sale in the market (the appropriate cases among the abovementioned 30 per cent cases), the Lands Department will sell the property by tender. In the past five years (from June 2020 to May 2025), the

Lands Department received about 50 new cases of BVPs. The Lands Department also sold 16 BVPs through tendering process in the past five years. As for the properties that cannot be sold (i.e. the abovementioned 70 per cent cases), these will continue to be managed by the Lands Department on behalf.

(2) Section 16 of the Probate and Administration Ordinance (Cap. 10) stipulates the cases in which the Official Administrator, assisted by the Probate Registry, is entitled to administer the unclaimed estate of a deceased person as granted by the Court. If the unclaimed estate concerned involves property asset, the property will be disposed of as appropriate. For any unclaimed balance of deceased's estate, including the money received from the sale of properties, the Official Administrator shall cause an advertisement to invite any claims to be made in accordance with section 23B of the Ordinance. If at the expiration of a period of five years from the date of first publication of such advertisement, the Official Administrator is of the opinion that no claim can reasonably be expected against the estate, the balance of the estate will be transferred to the general revenue of the Government.

Regarding the property fraud issue that the Hon Doreen Kong is concerned about, the current number of cases is still at a low level. Nevertheless, in response to some past fraud cases, the Land Registry will continue to maintain contact and collaboration with the Hong Kong Police Force to exchange information on suspected fraudulent transactions to prevent registrations for properties suspected to have been acquired through fraudulent means. The Property Alert service of the Land Registry will also send email notifications to registered users when the instruments for the sale or mortgage of properties are delivered to the Land Registry for registration.

Besides, the Legislative Council is scrutinising the Registration of Titles and Land (Miscellaneous Amendments) Bill 2025. Under the Land Titles Ordinance (Cap. 585), the title registration system will be implemented on newly granted land first and the Land Registry will be empowered to take measures to reduce the risk of property fraud. Adverse possession will also not be applicable to newly granted land.

(3) As mentioned above, it is not common for BVPs to arise. For BVPs previously owned by companies, the Companies Ordinance (Cap. 622) currently in force has clearly stipulated the circumstances under which the Government will take over BVPs, and the Lands Department, which is responsible for taking over BVPs, also has a well-established mechanism to properly handle these properties. Therefore, we believe that there is no need to set up an inter-departmental mechanism.