

LCQ20: Redevelopment projects implemented by Urban Renewal Authority

Following is a question by the Hon Shiu Ka-chun and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (July 8):

Question:

According to the policy of the Urban Renewal Authority (URA), when the URA holds discussions with the owners of the properties in a redevelopment project regarding the market value of their properties in the acquisition offers made to them, it will take into consideration the valuation reports on the market value of the properties (valuation reports) submitted by professional surveyors who were appointed by the owners on their own (owner-appointed surveyors). On the other hand, in the event that the URA cannot reach an agreement with the property owners on the acquisition of property titles due to such issues as the acquisition prices and vesting of titles, it may, under the Urban Renewal Authority Ordinance (Cap 563), apply to the Government for resumption, under the Lands Resumption Ordinance (Cap 124), by the Government of those property titles which have not been acquired so that those titles will revert to the Government. If such an application has been approved, the Lands Department will offer relevant compensation to the affected persons. If the two parties cannot reach an agreement on the amount of compensation, the affected persons may apply to the Lands Tribunal for determining the amount of compensation to be offered. In this connection, will the Government inform this Council:

(1) whether it knows the following information about the various redevelopment projects implemented by the URA in the past 10 years: (i) the number of units acquired, (ii) the number of units which involved the submission of valuation reports by owner-appointed surveyors, and (iii) the number of units which involved revision of the acquisition offers by the URA having regard to the valuation reports submitted by owner-appointed surveyors, with a breakdown by whether such properties were (a) residential or (b) non-residential properties in the following table;

Name of project	(a)			(b)		
	(i)	(ii)	(iii)	(i)	(ii)	(iii)

(2) of the following information about the redevelopment projects implemented by the URA in the past 10 years which involved the Government's invoking of Cap 124: (i) the number of units resumed by invoking Cap 124, (ii) the number of units which involved the affected persons applying to the Lands Tribunal for determining the amount of compensation, and (iii) the number of units

which involved the determination by the Lands Tribunal that the amount of compensation had to be adjusted, and set out a breakdown by whether such properties were (a) residential or (b) non-residential properties in a table of the same format as the table above; and

(3) whether it knows the criteria adopted by the URA for deciding whether or not to (i) accept the valuation reports submitted by owner-appointed surveyors, and (ii) revise the acquisition offers; whether it will request the URA to review the relevant mechanism to better protect the rights and interests of property owners?

Reply:

President,

Generally speaking, when the Urban Renewal Authority (URA) implements a redevelopment project, it endeavours to acquire the property titles through voluntary negotiation. However, due to title issue, owners' wishes or other reasons, sometimes the URA might not be able to successfully acquire all the property titles in a project. In such cases, pursuant to the Urban Renewal Authority Ordinance (Cap 563), the URA may make an application to the Secretary for Development requesting him to recommend to the Chief Executive in Council the resumption of land pursuant to the Lands Resumption Ordinance (Cap 124). If the application is approved, the Lands Department (LandsD) will resume the land in the entire lot, including the titles which have already been acquired by the URA, in order to extinguish all and any rights and interests in the land concerned. Afterwards, the LandsD will hand over the vacant site to the URA for implementation of redevelopment project at an appropriate juncture.

Based on the information provided by the LandsD and the URA, my reply to the three-part question is as follows:

(1) and (3) Under the prevailing policy of the URA, the URA will assess the market value of each property in a redevelopment project based on the valuation of two independent valuation firms, whichever is higher, appointed by the URA through tender invitation. If necessary, the factors and sale transactions considered by the surveyors would be provided to the owners. If the owners have other views, they may engage professional surveyors to assess the market values of the property. The owners may also apply to the URA for subsidies to cover the cost of engaging such surveyors, but the amount cannot exceed the prescribed ceiling of the subsidies which would vary depending on the type of property concerned. The surveyors appointed by the URA will carefully analyse the valuation reports and related information submitted by the owner-appointed surveyors. If necessary, the URA and its appointed surveyors will also meet with the owners and their surveyors to exchange views on the valuation of the properties involved. After detailed consideration of different factors such as sale transactions of similar properties in the vicinity and the characteristics of the properties concerned, the surveyors appointed by the URA will make a recommendation to the URA. Upon considering the recommendations from the surveyors, the URA

will provide a written reply to the owners on whether their justifications and reasons to adjust the URA's valuation are accepted.

Based on the established mechanism, owners can appoint professional surveyors to acquire professional advice and if necessary, they can also submit justifications on the valuation to the URA and exchange views with the URA. At present, the URA does not have any plan to review the relevant mechanism.

Regarding the redevelopment projects implemented by the URA in the past 10 years, the number of units acquired, the number of units which involved the submission of valuation reports by owner-appointed surveyors and the number of units which involved revision of the acquisition offers by the URA having regard to the valuation reports submitted by owner-appointed surveyors are set out at Annex I.

(2) Generally speaking, after a land resumption application initiated by the URA has been approved, land resumption shall cover the entire lots, including the private titles to the affected land which have been transferred to the URA, in order to extinguish all and any rights and interests in the land concerned which include those illegal occupiers of the common areas of the buildings on that land.

Relevant information on the invocation of the Lands Resumption Ordinance (Cap 124) on the redevelopment projects in Annex I is at Annex II.