

Principles Adopted by the Urban Renewal Authority (URA) for the Acquisition of Industrial Properties

(Applicable to Industrial Building Redevelopment Pilot Scheme Project IB-2:SSP at Yu Chau West Street only)

This leaflet briefly outlines the URA's principles in the acquisition of industrial properties from owners affected by Industrial Building Redevelopment Pilot Scheme Project IB-2:SSP at Yu Chau West Street.

General Principles

1. Basically, an affected owner of industrial property will receive the market value of his property (on vacant possession basis) plus the relevant allowances outlined below.
2. An owner will be offered an ex-gratia allowance equivalent to 1.5 times of the prevailing ex-gratia allowance basic rate adopted by Lands Department for legal industrial occupier upon resumption ("Government Basic Rate") times the saleable area or an ex-gratia allowance equivalent to 10% of the market value of his property, whichever is higher. If the owner concerned is an owner-operator who uses the industrial property for non-domestic use, he will, in addition, be offered an ex-gratia allowance equivalent to 2.5 times Government Basic Rate times the saleable area. However, if the property is used for a user in breach of the Government Lease, the ex-gratia allowance(s) offered to owner or owner-operator will be reduced by 5%.
3. If the property is used for a user in compliance with the Government Lease, an owner-operator may claim business loss in lieu of the ex-gratia allowance calculated in accordance with Paragraph 2 above. "Owner-operator" here means an owner who occupies his property for his own operation.

Other General Rules

4. Calculations of the market value and the ex-gratia allowance of a property would be based on the saleable area of the property. The definition of saleable area shall follow the Code of Measuring Practice issued by the Hong Kong Institute of Surveyors (HKIS) issued in March 1999 and the Supplement to the Code of Measuring Practice issued in November 2012 by the HKIS. Subject always to the owner having good title to the property or any part thereof, area calculations may be based on the boundary of the property as delineated on the assignment and the area as measured from the latest relevant building plans approved by the Buildings Department (if any).
5. URA will reimburse owners' surveyor fees for assessments of market value only.
6. If an owner only purchased his property in the Project after the date of the Freezing Survey, URA will not pay to the owner any ex-gratia allowance stated in Paragraph 2.
7. URA will not take into account of any area of unauthorized structure which is not erected in compliance with the Buildings Ordinance or the terms of the Government Lease in computing the saleable area of a property.

8. URA reserves the right to revise its acquisition offer for any owner's property. URA will report to the law enforcement authorities for investigation, if an owner is found to have given false or misleading information to URA for gaining any benefit.
9. The offer price will be determined by URA in accordance with the occupancy status on the date of the Freezing Survey. URA would like to remind the landlords that evicting their tenants after the Freezing Survey will not result in a higher acquisition offer for them. If there is any change in occupancy status from landlord to self-use after the date of the Freezing Survey, URA will not offer any additional payments over the offer price for landlord use, despite the change in occupancy status.

This leaflet is issued for the purpose of general reference only. The information contained herein is with reference to the principles and practice of the Urban Renewal Authority prevailing at the date of issue of this leaflet. It shall not constitute any representation on the part of the Urban Renewal Authority or give rise to any expectation whatsoever and shall not be relied on as such. Each case will be considered on its own merits having regard to all factors and circumstances. The terms of acquisition to be offered are subject to the principles and practice of Urban Renewal Authority prevailing at the time the offer of acquisition is made and are subject to review from time to time as Urban Renewal Authority shall at its absolute discretion consider appropriate. Urban Renewal Authority's right to add to, amend or delete the whole or any part of this leaflet is hereby reserved.

For enquiries, please call URA External Relations Department:
Hotline: 2588 2333
Fax: 2827 0176
Address: 26/F, COSCO Tower, 183 Queen's Road Central, Hong Kong

November 2013