

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-HPLB(PL)001

Question Serial No.

Oral

Head: 91 Lands Department

Subhead(No. & title):

Programme: (1) Land Administration

Controlling Officer: Director of Lands

Director of Bureau: Secretary for Housing, Planning and Lands

Question : Please provide information on the procedures for land valuation in respect of resumption of private land in the New Territories and the Urban areas.

Asked by: Hon. LAU Ping-cheung

Reply: In respect of the resumption of agricultural land in the New Territories, ex-gratia compensation rates are offered to the affected land owners. The ex-gratia basic rate for agricultural land with effect from the 1st April 2003 will be \$269 per sq. ft. The New Territories is divided into 4 zones. A percentage is applied to the basic rate depending on the compensation zone within which the resumed land lies. This varies from 120% of the basic rate for Zone A land which is New Town Development areas or areas affected by essential projects with territory-wide significance. Zone B attracts 75% of basic rate. Zone C 50% of basic rate. Zone D 30% of basic rate. If owners are dissatisfied with the ex-gratia compensation offer, they may opt for statutory compensation. If the owner and Government are unable to agree on the compensation, the matter may be submitted by either party to the Lands Tribunal for determination of compensation.

In the Urban areas, the Zone A ex-gratia compensation rate is offered for owners of agricultural land. If owners are not satisfied with this offer, they may apply for statutory compensation.

Regarding building land in the New Territories, the market value of the property is assessed by the Government, to which an ex-gratia compensation rate is added. The basic rate for building land with effect from 1st April 2003 will be \$530 per sq. ft. As with agricultural land, the zoning plan percentage will apply to this basic rate. In the Urban areas, statutory valuations are made for building land, but ex-gratia compensation rates are not added.

A home purchase allowance (HPA) may be offered to qualified owners of domestic property in both the New Territories and the Urban areas. The amount of HPA payable is the cost of a replacement flat (similar size and about seven years old in the same locality as the resumed property) less the amount of statutory compensation for the resumed property.

Signature _____

Name in block letters PATRICK L C LAU

Post Title Director of Lands

Date 31.3.2003