

Fifth Round

DEMAND-LED REDEVELOPMENT PROJECT (PILOT SCHEME)

PAMPHLET & APPLICATION FORM

Application Period : 18th February to 18th May 2016



**26/F, COSCO Tower
183 Queen's Road Central
Hong Kong**

I. OBJECTIVES OF DEMAND-LED REDEVELOPMENT SCHEME

The Urban Renewal Strategy which was promulgated on 24th February 2011 provides that the Urban Renewal Authority (the “URA”) may respond to a joint approach from building owners to initiate redevelopment of their lot(s)/building(s). The URA has therefore introduced an owner-initiated demand-led redevelopment scheme to facilitate urban renewal.

This pamphlet is only applicable to applications submitted between 18th February to 18th May 2016 for the 5th Round demand-led redevelopment scheme (the “Pilot Scheme”).

II. PRINCIPLES OF THE PILOT SCHEME

- (a) Same as URA-initiated redevelopment projects, demand-led redevelopment projects will be implemented under the Urban Renewal Authority Ordinance Cap.563 (the “URAO”).
- (b) The Pilot Scheme will only cover development projects which may be implemented under Section 26 of the URAO and redeveloped into residential, commercial or commercial/residential developments.
- (c) The prevailing principles adopted by the URA in the acquisition of properties and provision of re-housing will be applicable to the demand-led redevelopment projects implemented pursuant to the Pilot Scheme.

III. APPLICATION REQUIREMENTS

- (a) In each application, the owner-applicants shall own in aggregate not less than the following percentages of undivided shares in each lot of the site(s) under application:
 - ✓ If the site under application consists of one single building and one lot only, not less than 80% of the undivided shares in that lot;
 - ✓ If the site under application consists of only one single building which is situated on 2 or more lots in the site, not less than 80% of the undivided shares in each individual lot in the site;
 - ✓ If the site under application consists of more than one building which is situated on 2 or more lots in the site, not less than 80% of the undivided shares in each relevant lot(s) on which each individual building is situated. If any one building is connected to another building by a common staircase, the average of the percentage of the undivided shares owned by those owners in the lot(s) on which one of the buildings stands and the

percentage of the undivided shares owned by owners in the lot(s) on which the other of the buildings stands shall be not less than 80%.

- (b) In computing the required percentage as mentioned in paragraph (a) above, if any owner owns not less than 20% of the undivided shares in a lot, that/those owner(s) must be the owner-applicant(s).
- (c) The development project must be a project that may be implemented under Section 26 of the URAO and redeveloped into a residential, commercial or commercial/residential development, i.e. the development project is a project that may be lawfully implemented by virtue of any draft or approved plan for the purposes of the Town Planning Ordinance (Cap 131), and in the case where by virtue of such plan, permission under section 16 of that Ordinance is required for that implementation, the permission required has been obtained.
- (d) All buildings in the site under application are classified as “poor” or “varied” by the URA in its Building Conditions Survey after carrying out inspection of buildings. Further inspections of the buildings may have to be conducted by URA, if so deemed necessary.
- (e) The total area(s) of the lot(s) in the site under application should be not less than 700m² to allow opportunities for achieving planning gains upon redeveloping the buildings in that site. Unless there is special needs or if the site under application can be combined with its adjoining sites for joint development, smaller sites will not be considered by the URA. In considering the area(s) of the lot(s) in the site, the URA would make reference to the approved general building plan(s) or such area(s) as shown in the lot index plan(s), whichever is the lower.
- (f) If a District Urban Renewal Forum (“DURF”) has been set up in the district covering the site, the site under application should be situated within redevelopment zones identified by the DURF or at least not within the preservation areas proposed by the DURF.
- (g) The site under application should not comprise buildings/structures of historical, architectural or cultural significance as recognised by DURF and/or the Antiquities and Monuments Office unless they can be preserved and integrated with the future design of the new buildings.

IV. NOTES FOR SUBMISSION OF APPLICATION FORM

Application Form

- (a) Each application will be processed and assessed separately on its own as to whether it satisfies the application requirements. Interested owners are required

to jointly submit one duly completed and signed application form (attached to this Pamphlet) and provide the relevant information to the URA.

- (b) In the course of assessing an application, if the URA discovers that a particular site under an application duplicates with the site under another application, the URA will require all the Coordinators in the applications to reply in writing within a specified time as to their choice of which application is considered as the final application to be submitted. If the URA does not receive any written reply from the Coordinators within the specified time, all the duplicate applications might not be considered by the URA.
- (c) In particular, owner-applicants shall ensure that the joint application submitted by them satisfies the application requirements as stated in Part III(a) and (b) above with regard to the percentage of ownership of undivided shares before they submit their application.
- (d) In order to inform all owners of building(s) in the application site of the relevant application, the Coordinator is asked to post up Demand-led Redevelopment Project (Pilot Scheme) Poster (Annex A) in conspicuous space in the lobby of each individual building within the application site. The Coordinator may also insert the Notification Letter (Annex B) into the letter boxes of all owners. Please make extra copies of the Poster or Notification Letter for use. If the Coordinator chooses to inform the owners within the application site of the relevant application by other means, please specify the method adopted in Section IV of the Application Form.
- (e) If owner-applicants have also submitted application for Urban Redevelopment Facilitating Services Company Limited (“URFS”)’s facilitating services (pilot scheme) and the same is still being processed, they have to withdraw the facilitation application first before they can submit an application for demand-led redevelopment. If the facilitation application has already been accepted by URFS, owners should not apply for the demand-led redevelopment scheme unless the facilitation application is abortive.

Deadline for Submission of Applications

- (f) The deadline for submitting applications under the Pilot Scheme is 5:00 p.m., 18th May 2016. Late submissions will not be considered. In the event of a typhoon signal No. 8 or above or a black rainstorm warning being in force at any time between 9:00 a.m. and 5:00 p.m. on the closing day of submission of applications, the closing time will be extended to 5:00 p.m. on the next working day (excluding Saturday).

V. SELECTION OF DEMAND-LED REDEVELOPMENT PROJECTS

- (a) In the process of selecting demand-led redevelopment applications submitted under the Pilot Scheme, the URA will consider whether the relevant applications have met all the application requirements as stated in Part III above. For the purpose of ranking the priorities of applications which have met all application requirements, the URA will consider the building conditions, the financial factors and other relevant factors, including but not limited to project implementability, site opportunities and the percentages of undivided shares owned by owner-applicants as computed in the same manner as in Part III(a) above .
- (b) If there is/are suitable demand-led redevelopment project(s) that satisfy all the application requirements, the URA may depending on the applications received and its resources and manpower, determine whether to select and implement any demand-led redevelopment projects and the numbers thereof. If no demand-led redevelopment project is being selected, the URA would inform the coordinators in those applications in writing. Demand-led redevelopment projects selected by the URA have to be approved by the Financial Secretary for implementation, hereinafter referred to as Approved Projects (“Approved Projects”).
- (c) The URA will conduct a freezing survey for the building(s) within the site of the Approved Project for commencement and the conducting of the freezing survey will indicate that the relevant application has been selected and the relevant project has been commenced. However, the implementation of the Approved Project is still subject to the fulfillment of the two conditions precedent listed in Part VI below.
- (d) The coordinators in those applications which are not selected for commencement will be duly informed of such in writing by the URA after the conduct of freezing surveys for the Approved Projects. Owner-applicants of the non-selected applications may consider re-submitting their demand-led redevelopment applications in future or applying for URFS’s facilitating services.

VI. IMPLEMENTATION OF DEMAND-LED REDEVELOPMENT PROJECTS

- (a) The implementation of the Approved Projects are subject to the fulfillment of both of the following two conditions precedent :
 - (i) Acceptance of the URA’s conditional offers and the signing of legally binding Sale and Purchase Agreements by owners of not less than 80% of undivided shares of the lots in the site under application (the percentages shall be computed in the same manner as described in Part III(a) above) within a period of not more than 90 days of the issue of the URA’s conditional offers; and

- (ii) Within one year of the issue of the URA's conditional offers, the granting of authorization by the Secretary for Development for the URA to implement a development project under Section 24 of the URAO for the site under application and no appeal is received upon the expiry of the appeal period or the dismissal of all appeal(s), if any.
- (b) If any of the two conditions precedent under (a)(i) and (a)(ii) above cannot be met, the URA will not proceed with the Approved Project further and will cancel any legally binding Sale and Purchase Agreements already signed with any owners. Each of the URA and the owner shall be responsible for its own legal fees and disbursements.

Fulfillment of both of the two conditions under (a)(i) and (a)(ii) above indicates that the conditions precedent for implementing a demand-led redevelopment project have been met. The URA will as soon as possible after the date of fulfilling the latter condition (the "Date of Fulfillment of All Conditions") notify owners in writing to complete the relevant Sale and Purchase Agreement within one month after the issue of the said notification letter.

- (c) Should the time lapse between the date of issue of the URA's conditional offers and the Date of Fulfillment of All Conditions be more than 3 months, the offer price offered by the URA will be adjusted. The mechanism for offer price adjustment will be set out in details in the URA's conditional offers.

This pamphlet 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 the pamphlet. 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 application will be considered on its own merits having regard to all factors and circumstances. The Urban Renewal Authority has absolute discretion in reviewing the principles stated herein from time to time and reserves its right to add to, amend or delete the whole or any part of this pamphlet.

Demand-led Redevelopment Project (Pilot Scheme) Enquiry Telephone No.:
5582-2295 (Senior Citizen Home Safety Association)

Urban Renewal Authority Contact Telephone No.: 2588 2333