

## **Principles Adopted by the Urban Renewal Authority for Tenant Re-housing and Ex-gratia Allowance for Projects announced under the Urban Renewal Authority Ordinance (Not applicable to Tenants of Industrial Premises)**

This leaflet briefly outlines the current principles and policies adopted by the Urban Renewal Authority (“URA”) for providing re-housing and ex-gratia allowance to affected tenants of projects announced by the URA under the Urban Renewal Authority Ordinance (“URAO”) (other than tenants of industrial premises).

### **(A) Re-housing for Domestic Tenants**

#### **(I) Public Rental Housing (“PRH”)**

##### **Re-housing Arrangement**

1. Eligible domestic tenants living in acquired properties of the URA will be re-housed in units provided by the Hong Kong Housing Authority (“HKHA”) or the Hong Kong Housing Society (“HKHS”). In addition, they may opt for other subsidized housing schemes provided by the HKHA and the HKHS, if available.

##### **Re-housing Eligibility**

2. Domestic tenants must have been genuinely living in the project area before and since the first day of Freezing Survey of the project (“the date of Freezing Survey”) conducted by the URA and have no alternative accommodation.
3. Domestic tenants must fulfill the prevailing eligibility criteria for PRH of the HKHA and the HKHS.

##### **Re-housing Eligibility of Illegal Rooftop Structure Occupiers**

4. Since there is no difference between the illegal rooftop structures within the URA’s redevelopment project areas and the illegal rooftop structures in other domestic buildings, the re-housing eligibility of illegal rooftop structure occupiers for PRH of the HKHA is the same as the eligibility criteria adopted by the HKHA in re-housing the illegal rooftop structure occupiers in domestic buildings affected by the enforcement actions taken by the Buildings Department. Therefore, in addition to the general eligibility criteria for PRH of the HKHA, occupiers of illegal rooftop structures have to satisfy that they have been genuinely living in the

structures within the project area two years before the date of Freezing Survey and that the structures were built on or before 1 June 1982 in order to be eligible for PRH of the HKHA.

5. Occupiers of the illegal rooftop structures who can only fulfill the requirement of having been genuinely living in the relevant illegal rooftop structures before and since the date of Freezing Survey will be eligible for re-housing in the PRH of the HKHS subject to meeting the eligibility criteria for PRH of the HKHS.

## **(II) URA Re-housing Block**

### **Re-housing Arrangement**

1. Domestic tenants living in URA acquired properties, who due to various reasons are not provided PRH re-housing as described in Part (A)(I) above, may be re-housed in units of Re-housing Block provided by the URA subject to fulfillment of the following eligibility criteria of the URA.

### **Re-housing Eligibility**

2. Tenants must have been genuinely living in the project area before and since the date of Freezing Survey and have no alternative accommodation.
3. All members of tenants must be legally residing in Hong Kong without any conditions of stay (excluding a time limit of stay).
4. All members of tenants, whether personally or through a company, must not own nor have any interest in any domestic property in Hong Kong.
5. Both total monthly income and total net assets of all members of tenants must not exceed the prevailing Subsidy Income Limits and Net Assets Limits under the Policy on Safeguarding Rational Allocation of Public Housing Resources of the HKHA (the special condition that the net assets limits for a 1-person to 3-persons household with all members aged over 55 is treated the same as that of a 4-persons household does not apply in this criterion).
6. Tenants, who are eligible for registration on the Application for PRH of the HKHA, must make the application accordingly.
7. Allocation of re-housing unit is governed by the prevailing policy of the URA on household composition.

### **(III) Ex-gratia Removal Allowance**

1. Domestic tenants who accepted rehousing arrangement will be offered an ex-gratia removal allowance. These allowances are in line with the HKHA's rates. Tenants will be informed of the allowance receivable individually according to their household size and the prevailing rates.

### **(IV) Compassionate Re-housing**

1. Domestic tenants who do not fulfill the above rehousing eligibility criteria may be re-housed on compassionate grounds if they have genuine hardship arising from factors such as ill health, disability or special family circumstances.

## **(B) Ex-gratia Allowances**

### **(I) Domestic Tenants**

1. According to Landlord and Tenant (Consolidation) Ordinance, domestic tenants are required to move out from the properties and are not entitled to any compensation or forms of payments if their tenancies are terminated and are not renewed. However, for tenants of the URA acquired properties who decline re-housing as described in Part (A) above or who are not provided re-housing due to various reasons and agreed to move out from the properties, the URA will still offer to them an appropriate amount of ex-gratia allowances as described below.

#### **Tenants who commenced occupying the properties before the date of Freezing Survey**

2. Subject to the exceptions described in Paragraph 4 below, the URA will offer an ex-gratia allowance to tenants who had commenced occupying the properties under valid tenancies before the date of Freezing Survey. Based on the rateable value of the properties concerned, the ex-gratia allowance is calculated according to the method as listed in **Table 1** below:

**Table 1**

<b>Rateable Value (“RV”)</b>	<b>Ex-gratia Allowance</b>
1 <sup>st</sup> HK\$10,000	9 times RV
2 <sup>nd</sup> HK\$10,000	8 times RV
3 <sup>rd</sup> HK\$10,000	7 times RV
4 <sup>th</sup> HK\$10,000	6 times RV
5 <sup>th</sup> HK\$10,000	5 times RV
6 <sup>th</sup> HK\$10,000	4 times RV
7 <sup>th</sup> HK\$10,000	3 times RV
8 <sup>th</sup> HK\$10,000	2 times RV
9 <sup>th</sup> HK\$10,000 and above	1 times RV

3. Subject to the exceptions described in Paragraph 4 below, the total amount of ex-gratia allowance is subject to a minimum amount of HK\$180,000 <sup>(1)</sup> for an one-person household and a minimum amount of HK\$200,000 <sup>(1)</sup> for a two-person or larger household. The minimum amount is subject to annual review.
4. The ex-gratia allowance described in Paragraph 2 above and the minimum amount described in Paragraph 3 above do not apply to tenants who,
  - (i) have alternative accommodation; or
  - (ii) are not genuinely residing in their properties within the project.

Tenants who fall under any of these circumstances will be offered an ex-gratia allowance equal to 3 times the prevailing ex-gratia allowance offered by the Lands Department on resumption by the Government (“Government EGA”). However, if the tenants are not legal Hong Kong residents holding valid Hong Kong Identity Card (“HKIC”), they will only be offered 2 times the Government EGA.

**Tenants who commenced occupying the properties on or after the date of Freezing Survey**

5. Subject to the exceptions described in Paragraph 6 below, the URA will only offer an ex-gratia allowance equal to 2 times Government EGA to tenants who had commenced occupying the properties under valid tenancies on or after the date of Freezing Survey.
6. The ex-gratia allowance described in Paragraph 5 above does not apply to tenants who,
  - (i) have alternative accommodation; or
  - (ii) are not genuinely residing in their properties within the project; or

Note: (1) Effective from 1 April 2019

- (iii) have received from the URA within two years prior to the date of Freezing Survey or at any time after the date of Freezing Survey any of the following allowances or arrangement: -
  - (a) allowances for owners of domestic properties but excluding the incidental cost allowance; or
  - (b) Ex-gratia allowances for domestic tenant being higher than Government EGA; or
  - (c) Relocation Assistance; or
  - (d) re-housing; or
- (iv) are not legal Hong Kong residents holding valid HKIC.

Tenants who fall under any of these circumstances will only be offered an ex-gratia allowance equal to 1 times Government EGA.

### **Principal Tenants**

- 7. Subject to the exceptions described in Paragraph 8 below, for principal tenants who had commenced occupying their properties and whose tenancies commenced before the date of Freezing Survey, the URA will offer to them an ex-gratia allowance equal to the ex-gratia allowance described in Paragraph 2 above subject to a minimum amount described in Paragraph 3 above, plus an additional ex-gratia allowance equal to 24 months' profit rent (i.e. rent received from the sub-tenants after deduction of the rent payable by them to their landlords).
- 8. The ex-gratia allowance and minimum amount described in Paragraph 7 above does not apply to principal tenants who,
  - (i) have alternative accommodation; or
  - (ii) are not genuinely residing in their properties within the project.

Principal tenants who fall under any of these circumstances will be offered an ex-gratia allowance equal to 3 times Government EGA plus 24 months' profit rent. However, if the principal tenants are not legal Hong Kong residents holding valid HKIC, they will only be offered 2 times the Government EGA plus 24 months' profit rent.

- 9. Principal tenants occupying the properties and whose tenancies commenced on or after the date of Freezing Survey will be offered an ex-gratia allowance according to Paragraphs 5 or 6 above, whichever is applicable.
- 10. For those principal tenants who do not occupy their properties and whose tenancies commenced before the date of Freezing Survey, they will be offered a minimum amount of HK\$20,000<sup>(1)</sup> (amount is subject to annual review), or 24 months' profit rent, whichever is the higher. No ex-gratia

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allowance will be offered to principal tenants whose tenancies commenced on or after the date of Freezing Survey.

11. Principal tenants will be offered rental reduction from the URA. Where any sub-tenant surrenders his leased portion to the URA before the principal tenant delivers vacant possession, the rent payable by principal tenant will be reduced accordingly.

## **(II) Non-domestic Tenants (Other than Tenants of Industrial Premises)**

### **Ex-gratia Allowance**

1. According to the Landlord and Tenant (Consolidation) Ordinance, non-domestic tenants are required to move out from their properties and are not entitled to any compensation or other payments if their tenancies are terminated and are not renewed. However, the URA will still offer an ex-gratia allowance equals to 3 times the RV of the affected properties to non-domestic tenants (other than tenants of industrial premises) who agreed to move out from their properties.
2. In addition to the ex-gratia allowance described in Paragraph 1 above, additional payment of ex-gratia business allowance (“EGBA”) is payable to any tenant-operator of non-domestic property (other than tenants of industrial premises) who had commenced occupying their properties for business use before the date of Freezing Survey and have accepted the ex-gratia allowance offer from the URA both unconditionally and within the validity period of the offer and agreed to move out from their properties. The amount is directly proportional to the number of years of continuous operation by the tenant-operator as business owner in the property. In calculating the number of years of continuous operation, the expiry date of continuous operation is 2 years from the date which the URA issues initial acquisition offers to property owners. The amount of EGBA is payable at a rate of 0.1 times the RV for each year, subject to a maximum of 30 years. For an incomplete year, the amount of EGBA is calculated on a pro-rata basis to the nearest month. The amount of EGBA is subject to a maximum amount of \$700,000 and a minimum amount as described in **Table 2** below.

**Table 2**

<b>Years of Continuous Operation</b>	<b>Minimum EGBA</b>
10 years or less	HK\$110,000 <sup>(1)</sup> (amount is subject to annual review)
More than 10 years (maximum of 30 years)	Additional HK\$10,000 for each completed year

3. In the application for EGBA, the Tenant-operator is required to substantiate the period of continuous operation in the property as business owner. “Tenant-operator” here means a tenant who occupies his property, which is a legal premises, for his own business.
4. A tenant-operator may choose to claim for business loss as an alternative to the above two allowances (if applicable).

### **(C) Payment Arrangement**

1. All applicable allowance mentioned above, half will be paid upon the execution of surrender agreement and the remaining half will be paid after the delivery of vacant possession.

### **(D) Other General Rules**

1. Trespassers occupying properties (domestic or non-domestic) in the project, who move in on or after the date of Freezing Survey, will be required to move out without any allowance or re-housing.
2. In cases where the property is occupied for domestic and non-domestic uses simultaneously, the URA will determine whether the tenancy is domestic or non-domestic in accordance with the provisions of the Landlord and Tenant (Consolidation) Ordinance.
3. If tenants (domestic or non-domestic) refuse to accept ex-gratia allowance or re-housing offer or execute surrender documents, the URA will recover vacant possession of their properties in accordance with the laws.
4. Domestic tenants whose tenancy commenced before the date of Freezing Survey and who was requested by their landlord to move out from the affected properties due to the expiry or termination of their tenancies before the URA acquired the affected properties successfully and who are unable to receive the ex-gratia allowances according to Part (B)(I) (the “affected domestic tenants”) can apply for the URA’s “Domestic Tenants

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Compassionate Assistance Programme” (“DTCAP”). The affected domestic tenants should submit application to the URA with tenancy agreement, rent receipts, termination notice served by the landlord to the affected domestic tenants and residential proof etc., at least 1 month before moving out from the affected properties, to facilitate the URA to conduct initial assessment on their eligibility of receiving Special Ex-gratia Allowance or Special Re-housing. The Special Ex-gratia Allowance is equal to the ex-gratia allowance described in Paragraph 2 and Paragraph 3 of Part (B)(I) above.

5. To become eligible for DTCAP, the affected domestic tenants should fulfill the following eligibility criteria:
  - (i) they have been genuinely residing with valid tenancy in the affected properties before and since the date of Freezing Survey and have been genuinely residing in the affected properties for at least 6 months before moving out from the affected properties; and
  - (ii) they do not have alternative accommodation elsewhere; and
  - (iii) they are required to leave the affected properties not because of their breach of tenancy on their part; and
  - (iv) after the expiry of their tenancies, they have not refused to renew their tenancies due to unreasonable grounds and circumstances; and
  - (v) they have not received any compensation or other payment from their landlords for vacating the affected properties; and
  - (vi) they are legal Hong Kong residents holding valid HKIC; and
  - (vii) their landlords have not served the termination notice to them before the date of Freezing Survey; and
  - (viii) they have registered on the Application for PRH of the HKHA; and
  - (ix) if Special Re-housing is to be offered, they have to fulfill the eligibility criteria of PRH laid down by the HKHA and/or HKHS or of URA re-housing.

Tenants who moved in on or after the date of Freezing Survey are not eligible for DTCAP.

6. If the affected domestic tenants are eligible for DTCAP, the URA will pay Special Ex-gratia Removal Allowance in advance. The amount is equal to the ex-gratia removal allowance as described in Part (A)(III) above. The pre-paid amount will be deducted from the future payment of Special Ex-gratia Allowance.

After completion of the acquisition or government resumption of the affected properties, the URA will assess the eligibility of the affected domestic tenants in receiving the Special Ex-gratia Allowance or Special Re-housing.

7. Domestic tenants, who undergo the same situation as mentioned in Paragraph 4 above and are not eligible for DTCAP, can apply for the URA's Relocation Assistance. The affected domestic tenants must fulfill the eligibility criteria mentioned in items (i) to (vi) of Paragraph 5 above, and should submit application and provide sufficient evidence to the URA at least 1 month before moving out from the affected properties for URA's verification and assessment.
8. The URA will pay Relocation Assistance to the affected domestic tenants after they have moved out from the affected properties. Affected domestic tenants who have received Relocation Assistance are not eligible to apply for DTCAP described in Paragraph 4 above in the same project.
9. Domestic tenants who opt for receiving any ex-gratia allowance of a total amount more than 1 times the Government EGA (but excluding the 24 months' profit rent) or Relocation Assistance as described in Paragraph 7 above have to agree to give up their rights to public housing assistance for the next 2 years. Such tenants are only allowed to submit fresh applications for PRH and other public housing assistance after the expiry of the 2-years period.
10. Non-domestic tenant-operator (except tenants of industrial premises) whose tenancy commenced before the date of Freezing Survey and who was requested by their landlord to move out from the affected properties due to the expiry or termination of their tenancies before the URA acquired the affected properties successfully and moving out from the affected non-domestic properties after the date of Freezing Survey and who are unable to receive the ex-gratia allowances according to Part (B)(II) (the "affected non-domestic tenants") can apply for the URA's Special EGBA. The amount is equal to EGBA as described in Paragraph 2 of Part (B)(II) above. The affected non-domestic tenants should provide sufficient evidence of business operation, including tenancy agreements, rental receipts, termination notice served by their landlord and other relevant documents, at least 1 month before moving out from the affected non-domestic properties, to facilitate the URA to conduct initial assessment on their eligibility of receiving Special EGBA.
11. To become eligible for Special EGBA, the affected non-domestic tenants should fulfill the following criteria:
  - (i) they are operating in a legal premises; and
  - (ii) they have commenced operating business in the affected properties with valid tenancy before and since the date of Freezing Survey and have been in operation for at least 6 months before moving out from the affected properties; and
  - (iii) they are required to leave the affected properties not because of his/her breach of tenancy terms; and

- (iv) the tenancy is terminated or not renewed by the landlord and they have not terminated the tenancy early at their own will; and
- (v) they have received no compensation or other payment from their landlord for vacating the affected properties; and
- (vi) after the expiry of the tenancy, they have not refused to renew their tenancy due to unreasonable grounds and circumstances.

After completion of the acquisition or government resumption of the affected properties, the URA will assess the eligibility of the affected non-domestic tenants in receiving the Special EGBA.

12. The URA has drawn to the attention of landlords whose properties had been tenanted out on the date of Freezing Survey that the URA will not consider making a higher offer to them to acquire their properties in the following situations: -
  - (i) properties being left vacant; or
  - (ii) landlords entering into new tenancies, whether with the existing tenants or new tenants; or
  - (iii) landlords occupying their properties for their own use.
13. The URA would remind landlords / tenants that it is an offence for landlords to unlawfully deprive a tenant of occupation of property or to make an unwarranted demand with menaces with a view to gain for himself or others or to defraud against the URA. The URA will report to the enforcement authorities on all cases of suspected criminal offences.
14. The information contained in this leaflet applies to projects announced by the URA under the URAO only (i.e. not applicable to tenants of industrial premises). The URA reserves the right to adopt different policies and procedures for its other projects.
15. The principles for rehousing and ex-gratia allowance contained in this leaflet applies to the following types of tenants only:
  - (i) tenants who are, on 13 June 2017, still in occupation of the relevant property in redevelopment projects which have been published for implementation under the URAO and acquisition has already commenced before 13 June 2017; and
  - (ii) tenants of property in redevelopment projects which have been published for implementation under the URAO before 13 June 2017 but acquisition has not yet commenced; and
  - (iii) tenants of property in redevelopment projects to be published for implementation under the URAO after 13 June 2017.

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