

Circular

Circular No. 10-05 (CR)

When doing estate agency work in relation to the acquisition of old buildings, practitioners must

- **inform the vendors of the capacity in which they are acting;**
- **disclose any interests;**
- **provide accurate information;**
- **not use harassment or other improper tactics;**
- **explain all terms and conditions of the acquisition;**
- **prepare a proper provisional sale and purchase agreement;**
- **not put up banners on the building without the consent of the owners; and**
- **not engage persons who are not licensed estate agents or salespersons.**

Acquisition of Flats in Old Buildings

The Estate Agents Authority (EAA) has recently received complaints about malpractice in the activities of estate agents related to the acquisition of flats in old buildings for the purpose of re-development. This Circular sets out the EAA's guidelines on the proper practice and measures to adopt when practitioners are engaged in such activities.

General

- (1) Practitioners must observe and comply with the relevant provisions in the Estate Agents Ordinance and its subsidiary legislation (notably the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation), the Code of Ethics and all relevant guidelines issued by the EAA when they are engaged in activities pertaining to the acquisition of flats in old buildings.

- (2) Estate agency companies must establish proper and effective procedures and systems to ensure compliance by their employees or other persons under their control with the provisions of the Estate Agents Ordinance and its subsidiary legislation, the Code of Ethics and the guidelines issued by the EAA when such employees or other persons are engaged in activities pertaining to the acquisition of flats in old buildings.

Capacity in which to act

- (3) When a practitioner approaches the vendor of a flat in an old building in a bid to get the latter to sell his flat, he must clearly inform the vendor whether he is acting for a purchaser, and whether he would also like to represent the vendor.
- (4) Where the practitioner acts for the purchaser and the flat concerned is a residential flat, he must enter into the requisite Estate Agency Agreement (Form 4) with the purchaser.
- (5) Where the practitioner acts for the vendor and the flat concerned is a residential flat, he must enter into the requisite Estate Agency Agreement (Form 3) with the vendor.
- (6) Where the practitioner is or will be acting for both the purchaser and the vendor, he must at the earliest opportunity inform both parties of this.

Disclosure of interests

- (7) Where a practitioner or the estate agency company for which he works is or may be in a position of conflict of interest or potential conflict of interest in relation to the acquisition of the flat, he must make full disclosure of all relevant facts to the vendor. In particular, such disclosure must be made where the purchaser is:
 - (a) the practitioner or his nominee, irrespective of whether the purchase is made on his own account or on behalf of a principal;

- (b) the estate agency company for which the practitioner works, irrespective of whether the purchase is made on the estate agency company's own account or on behalf of a principal; or
 - (c) a company in which the practitioner or his nominee (or the estate agency company for which the practitioner works, or the directors or shareholders of the estate agency company) has a beneficial interest.
- (8) Practitioners must keep the vendor informed of any monetary or other beneficial interest which may accrue to them (or the estate agency company or the shareholders/directors of the estate agency company for whom they work) from any sub-sale of the flat.

Provision of information

- (9) Where a practitioner provides the vendor with any information in relation to the acquisition of the building such as:
- (a) the price of other units in the building;
 - (b) the position of the other vendors in relation to the acquisition;
 - (c) the progress of negotiation with the other vendors about the acquisition of their flats;
 - (d) the percentage of ownership in the building which has already been acquired by the purchaser; or
 - (e) government's public works projects or other developments in the vicinity which may affect the building,

he must ensure that all such information is accurate and up to date.

Conduct of negotiation

- (10) Practitioners must not exercise any undue influence on a vendor when soliciting the vendor to sell his flat or when negotiating with the vendor on the terms for the sale of his flat.

- (11) Practitioners must not conduct themselves in any way which may cause annoyance to the vendor: for example, persistent solicitation despite the vendor's express indication that he is not interested in selling his flat.
- (12) Practitioners must not harass the vendor or use any other improper tactics, such as pestering the vendor with persistent phone calls at unreasonable hours, to exert pressure on the vendor to sell.
- (13) Where the vendor is an elderly person, practitioners must advise the vendor that he should be accompanied by a family member or close relative when negotiating for the sale of his flat. Such advice must be recorded in writing.
- (14) Practitioners must not embark on any negotiation with an elderly vendor unless (a) they have given the vendor the above advice; and (b) the vendor has expressly stated that it is not necessary for the negotiation to be conducted in the presence of a family member or close relative.
- (15) Practitioners must clearly explain to the vendor all of the proposed terms and conditions for the sale and purchase of his flat.
- (16) Practitioners should not arrange for the vendor to give them or the prospective purchaser power of attorney to deal with the sale of the vendor's flat. Where the vendor indicates that he wants to appoint another person to handle the sale of his flat for him, practitioners should advise the vendor to seek legal advice.

Provisional sale and purchase agreement

- (17) Practitioners must not arrange for the vendor to sign a provisional agreement for sale and purchaser (PASP) or any other document in relation to the sale and purchase of the vendor's flat unless they have clearly explained to the vendor all the terms in the PASP or any other document and advised the vendor to seek independent legal advice.
- (18) Practitioners must not arrange for the vendor to sign a PASP unless (a) all blank spaces in the PASP listing the flat, the parties, the price and

all other terms of the sale and purchase have been filled in; and (b) the PASP has been signed by the purchaser.

- (19) Practitioners must not leave a PASP or any other agreement signed by the vendor in connection with the sale and purchase of his flat undated, and the date stated on the PASP and any other documents must be the same date it was signed by the vendor.
- (20) Practitioners must provide a copy of the signed PASP and any other documents in relation to the sale and purchase of the vendor's flat to the vendor as soon as is practicable after signing.
- (21) The purchase price should be the true consideration and there should be no inflation of the amount of other payments (e.g. removal allowance) in order to reduce the true consideration.

Putting up of banners

- (22) Practitioners must not, without the consent in writing of the vendor(s) and the other owners of the building, put up any banners, boards, posters or other materials on the building in relation to the acquisition of flats in the building.

Use of other persons in solicitation activities

- (23) Practitioners who engage persons other than their own staff in solicitation activities must ensure that such persons are licensees.
- (24) Practitioners who engage other persons in solicitation activities must enter into an engagement agreement in writing with those persons.
- (25) The engagement agreement referred to in (24) above must include the following terms:
 - (a) that the persons so engaged must not use harassment or other improper tactics;

- (b) that the persons so engaged must not make false or misleading representations to the vendor;
 - (c) that the persons so engaged will comply with the guidelines in this Circular;
 - (d) that the persons so engaged will not sub-contract solicitation activities to other persons; and
 - (e) that the persons so engaged will deploy only licensees who are their own staff to undertake solicitation activities.
- (26) Practitioners must closely monitor the conduct of all persons they have engaged to undertake solicitation activities to ensure due observance of the above terms in the engagement agreement.
- (27) Practitioners shall be held responsible for any misconduct of any persons engaged by them to undertake solicitation activities.
- (28) Practitioners should file a Police report if they suspect that any person whom they have engaged to undertake solicitation activities might have used illegal means in such activities.
- (29) Practitioners are reminded that if they assist, encourage or procure any person to commit a criminal offence in the course of solicitation activities, they may be criminally liable for the same offence as a secondary party.

Practitioners who fail to observe the guidelines set out in this Circular may be subject to disciplinary action by the EAA.

August 2010

Holders of Statements of Particulars of Business
 should bring this Circular to the attention of all staff
 engaged in estate agency work.

LTPD: CS No. 1/2011

**Direction Issued by the President of the Lands Tribunal
Pursuant to Section 10(5)(a) of the
Lands Tribunal Ordinance (Cap. 17)**

**Mediation for Compulsory Sale Cases
Under the Land (Compulsory Sale for Redevelopment)
Ordinance (Cap. 545)**

Part A

1. This Direction is issued pursuant to section 10(5)(a) of the Lands Tribunal Ordinance, Cap. 17 and applies to all cases ("Compulsory Sale Cases") under the Land (Compulsory Sale for Redevelopment) Ordinance, Cap. 545 ("the Compulsory Sale Ordinance").
2. As stipulated in the Direction on Application of the Civil Justice Reform to the Lands Tribunal issued on 12 February 2009 ([LTPD: CJR No. 1/2009](#)), Order 1A of the Rules of the High Court is of general applicability in the context of cases in the Lands Tribunal ("the Tribunal"). Order 1A sets out the underlying objectives of the Rules of the High Court, and can be applied to the Tribunal by virtue of section 10(1) of the Lands Tribunal Ordinance.
3. An underlying objective of the Rules of the High Court is to facilitate the settlement of disputes. The Court has the duty as part of active case management to further that objective by encouraging the parties to use an alternative dispute resolution procedure ("ADR") if the Court considers that appropriate ("the duty in question"). The Court also has the duty of helping the parties to settle their case. The parties and their legal representatives have the duty of assisting the Court to discharge the duty in question¹.
4. Thus, by applying Order 1A to the Tribunal, the Tribunal has the same duties as in the High Court to facilitate the settlement of disputes. The parties and their legal representatives involved in cases before the Tribunal also have the duty to assist the Tribunal to discharge the duty in question.

5. The aim of this Direction is to ask the parties to assist the Tribunal to discharge the duty in question in Compulsory Sale Cases. ADR means a process whereby the parties agree to appoint a third party to assist them to settle or resolve their dispute and a common mode of ADR is mediation. Settlement negotiations between the parties do not amount to ADR. This Direction, however, applies to mediation only.

6. The Tribunal is entitled to and may take into account of any unreasonable failure of a party to engage in mediation in its consideration of (a) whether to grant an order under a compulsory sale application, and (b) in exercising its discretion on costs. These will be addressed in greater detail in Part C below.

7. Legal representatives should advise their clients of the possibility of the Tribunal in refusing to make an order under a compulsory sale application and/or in making an adverse costs order as set out in Part C below.

Part B

B1. Where all the parties are legally represented

8. With effect from the effective date stated below, the following procedure shall be applied automatically to Compulsory Sale Cases where all the parties are legally represented, and the parties must comply with the procedure as if they were specifically directed by the Tribunal:-

(1) An applicant shall file with the Tribunal a **Mediation Certificate** at the same time when the Notice of Application is filed. The Mediation Certificate shall contain the information required and be in the form as per [Appendix A](#), with modifications if necessary, and signed by the solicitors and the party they represent.

(2) A respondent shall file with the Tribunal a **Mediation Certificate** at the same time when the Notice of Opposition is filed. The Mediation Certificate shall contain the information required and be in the form as per [Appendix A](#), with modifications if necessary, and signed by the solicitors and the party they represent.

(3) If a party (either the applicant or the respondent) wishes to attempt mediation, he should as soon as practicable after filing the Mediation Certificate serve a **Mediation Notice** on the other party or parties in the dispute in the

form and containing the information as per [Appendix B](#), with modifications if necessary, and signed by the party or his solicitor.

(4) Upon receiving the Mediation Notice, the other party or parties shall respond to the party serving the Mediation Notice by way of a **Mediation Response** within 14 days (or such other time as the parties may agree or as the Tribunal may direct) in the form and containing the information as per [Appendix C](#), with modifications if necessary, and signed by the responding party or his solicitor.

(5) Where the parties put forward different proposals in the Mediation Notice and Mediation Response, the parties shall attempt to reach agreement on the proposals as soon as practicable. Any agreement reached upon such discussion shall be reduced into writing and be referred to as the Mediation Minutes, which shall be signed by all the parties or their solicitors.

(6) Where the parties are unable to reach agreement on certain proposals in the Mediation Notice and Mediation Response,

(a) but the parties are willing to have their differences resolved by directions of the Tribunal, they may make a joint application to the Tribunal for directions resolving the points of difference between them; and

(b) in the absence of such willingness, any party may apply to the Tribunal for directions and the Tribunal may give such directions as are appropriate.

(7) Where the parties reach agreement on mediation in accordance with the Mediation Notice, Mediation Response and any Mediation Minutes, the parties shall proceed in accordance with the agreement and, if appropriate, may apply to the Tribunal for an interim stay of the proceedings.

(8) The Mediation Notice and Mediation Response shall be filed with the Tribunal at the time of the service of the same on the other party. The Mediation Minute shall also be filed with the Tribunal within 3 days after it has been signed by or on behalf of both parties. These documents may be taken into account by the Tribunal in considering whether to grant an order under a compulsory sale application and in exercising its discretion on costs as stipulated in Part C below.

(9) The Tribunal may, on the application of one or more of the parties or of its own motion, stay the proceedings or any part thereof for the purpose of

mediation for such period and on such terms as it thinks fit, bearing in mind the importance of avoiding so far as possible, disruption to the progress of the case, and of avoiding, save in exceptional circumstances, any postponement of the trial dates.

(10) Where the Tribunal stays the proceedings, the applicant must promptly inform the Tribunal if a settlement is reached and the parties should take the necessary steps to conclude the legal proceedings formally.

B2. Where not all the parties are legally represented

9. When one or more parties in Compulsory Sale Cases are not legally represented, the Tribunal may at a suitable stage, either on the application of a party or on its own motion, consider whether mediation is appropriate, taking into account of all the circumstances. The Tribunal may seek information from the parties for this purpose, always respecting privilege.

10. Where the Tribunal considers that mediation is appropriate, the Tribunal may at call-over hearings or in chambers give directions that the parties shall follow the procedure set out in paragraph 8 above, or any part thereof, with any necessary modifications.

Part C

C1. Reasonable steps to acquire under section 4(2) of the Compulsory Sale Ordinance and costs sanction for unreasonably failing to engage in mediation

11. Section 4(2) of the Compulsory Sale Ordinance stipulates that the Tribunal shall not make an order for sale unless it is satisfied that, amongst other things, the majority owner has taken reasonable steps to acquire all the undivided shares in the lot (including, in the case of a minority owner whose whereabouts are known, negotiating for the purchase of such of those shares as are owned by that minority owner on terms that are fair and reasonable).

12. With the implementation of the Civil Justice Reform and the availability of mediation as a mode of ADR in settling or resolving disputes, parties in Compulsory Sale Cases should also attempt mediation to settle the dispute including the purchase of the shares that are owned by the minority owner.

13. The majority owner in Compulsory Sale Cases may not be considered by the Tribunal as

having taken all the reasonable steps under section 4(2) of the Compulsory Sale Ordinance to acquire the minority owner's undivided share of the lot, if he unreasonably fails or refuses to attempt mediation with the minority owner. The Tribunal is entitled to take into account such failure or refusal in determining whether an order for sale should be granted.

14. Further, in exercising its discretion on costs, the Tribunal shall take into account of all the relevant circumstances, including any unreasonable failure of a party to engage in mediation, where it can be established by admissible materials.

15. Legal representatives should advise their clients of the possibility of the Tribunal refusing to make an order for sale and/or making an adverse costs order when a party unreasonably fails to engage in mediation.

16. However, the Tribunal shall not refuse to grant an order for sale or make any adverse costs order against a party on the ground of unreasonable failure to engage in mediation when:

(1) The party has engaged in mediation to the minimum level of participation agreed to by the parties or as directed by the Tribunal prior to the mediation in accordance with paragraph 8(6) of this Direction.

(2) A party has a reasonable explanation for not engaging in mediation.

C2. Protection afforded by privilege

17. In all contexts, including dealing with matters arising under this Direction, in exercising its discretion on costs and considering whether an order for sale should be granted, the Tribunal will not compel the disclosure of or admit materials that are protected by privilege, other than under the circumstances that are allowed in accordance with legal principles.

Effective date

18. This Direction shall come into effect on 15 February 2011.

Dated this 28th day of January 2011.

(Thomas Au)
President, Lands Tribunal

1 See Order 1A, rule 1(e), rule 3 and rule 4(2)(e) and (f).

[Appendix A](#)

[Appendix B](#)

[Appendix C](#)



**HONG KONG
HOUSING SOCIETY**
香港房屋協會

Information service on the Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)



Scope of Information Service

The Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice (“the Notice”) came into operation on 1 April 2010. The Notice specifies the lowering of the compulsory sale application threshold from 90% to 80% for three classes of land lot, namely:-

- (i) a lot with units each of which accounts for more than 10% of the undivided shares in the lot;
- (ii) a lot with all buildings aged 50 years or above; and
- (iii) a lot that is not located within an industrial zone and with all the buildings on the lot being industrial buildings aged 30 years or above.

The design working life of an ordinary building in Hong Kong is 50 years. According to the statistics available from the Buildings Department at present, there are about 4,000 buildings aged 50 years or above in Hong Kong. It is estimated that over the next 10 years, approximately another 500 buildings per annum will reach the end of their design working life. The pace of urban decay will grow much faster in the coming decade.

In view of the controversies and difficulties involved in undertaking urban renewal, the Government intends to enhance the ability of private property owners in redeveloping their buildings, through the Land (Compulsory Sale for Redevelopment) Ordinance, (“the Ordinance”) to help tackle the problem of building deterioration as well as meet the changing economic needs of Hong Kong.

To enhance the property owners’ understanding of the Ordinance, the Hong Kong Housing Society (Housing Society), with professional support from the Hong Kong Institute of Surveyors, now provides free information service on the compulsory acquisition process and related issues. The scope of information to be provided includes the categories of affected properties under the Ordinance and the Notice, the mechanism of compulsory sale, the definition of undivided share, the principles of property valuation, the pricing mechanism for properties under auction, the apportionment of sale proceeds after auction, the rights of minority owners in compulsory sale, the compulsory sale application and appeal procedures of the Lands Tribunal, and Chinese translation of judgments handed down by the Lands Tribunal / other courts related to compulsory sale.

Downloading Reference Materials

Reference materials related to the Ordinance can be obtained at the 10 Property Management Advisory Centres of the Housing Society or downloaded from the following website-

Website: <http://bmms.hkhs.com>

Reference Materials*

1. Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)
2. Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice
3. The Hong Kong Institute of Surveyors
 - List of Building Surveying Companies
 - List of General Practice Companies
4. The Law Society of Hong Kong – List of Hong Kong Solicitor Firms
5. Legislative Council Brief - Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice
6. Chinese translation of judgments of Court Cases related to Compulsory Sale of Land (Full version and Summary)
7. Under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)-
 - Flow chart on compulsory sale
 - Flow chart on application for compulsory sale order by majority owners
8. A Layman's Guide to Compulsory sale published by the Hong Kong Institute of Surveyors, first edition dated April 2009 (under revision)
9. Circular issued by Estate Agents Authority on estate agents' practices in the acquisition of flats in old buildings on 2 August 2010

* The reference materials may be revised, amended or updated from time to time. Please access or download the latest information from website: <http://bmms.hkhs.com>.

Address and Telephone No. of the Property Management Advisory Centres

Centre	Address	Tel no.
Central District	Unit 5A, G/F, The Center, 99 Queen's Road Central, Central, Hong Kong	☎ 2839 7533
Western District	Shop C, G/F, Elegance Court, 8 Upper Station Street, Sheung Wan, Hong Kong	☎ 2839 7183
Eastern District	Shop C, G/F, Scenic Horizon, 250 Shau Kei Wan Road, Sai Wan Ho, Hong Kong	☎ 2839 7480
Shamshuipo	G/F, Ngun Hoi Mansion, 163D Hai Tan Street, Shamshuipo, Kowloon	☎ 2839 7186
Tai Kok Tsui	Shop 1, Shopping Arcade, June Garden, 28 Tung Chau Street, Tai Kok Tsui, Kowloon	☎ 2839 7171
Yau Tsim Mong	5/F, Henry G. Leong Yaumatei Community Centre, 60 Public Square Street, Yau Ma Tei, Kowloon	☎ 2839 7185
Tokwawan	Shop B, G/F, Tin Fu Building, 156-162 Ma Tau Wai Road, Hunghom, Kowloon	☎ 2839 7456
Tsuen Wan	Shop 169, G/F, Fook Chi Lau, Moon Lok Dai Ha, 141-169 Sha Tsui Road, Tsuen Wan, New Territories	☎ 2839 7184
Tai Po	G/F, 11-13 Wai Yi Street, Tai Po, New Territories	☎ 2839 7400
Yuen Long	Shop 6, G/F, Kam Long Building, 41-59 Tai Tong Road, Yuen Long, New Territories	☎ 2839 7128
Main Office	Shop 3, Shopping Arcade, June Garden, 28 Tung Chau Street, Tai Kok Tsui, Kowloon	☎ 2839 7188

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**JOINT MEDIATION HELPLINE OFFICE LIMITED
PILOT MEDIATION SCHEME
UNDER THE LAND (COMPULSORY SALE FOR REDEVELOPMENT)
ORDINANCE**



Introduction

Background

- There are about 4,000 buildings in Hong Kong aged 50 years or above. Due to lack of maintenance, some of the buildings are not in satisfactory conditions.
- The Land (Compulsory Sale for Redevelopment) Ordinance can improve the redevelopment potential of the old buildings and assist to improve the living environment in the aging urban area.
- Under the Ordinance, any person who owns not less than 90% of the undivided shares in a land lot may make an application to the Lands Tribunal for an order for the compulsory sale of the land lot for the purposes of redevelopment. Since 1 April 2010, the application threshold for certain classes of land lot has been lowered from 90% to 80%.
- In order to assist owners involved in or contemplating applications for compulsory sale for redevelopment, the Development Bureau provides financial support to the Pilot Mediation Scheme (the Pilot Scheme) to facilitate the owners to undertake mediation on a voluntary basis.
- The Pilot Scheme is independently administered by the Joint Mediation Helpline Office Limited (JMHO).

About JMHO

- The JMHO is jointly founded by the Hong Kong Mediation Council, the Hong Kong Bar Association, the Law Society of Hong Kong, the Chartered Institute of Arbitrators (East Asia Branch), the Hong Kong Institute of Arbitrators, the Hong Kong Institute of Architects, the Hong Kong Institute of Surveyors and the Hong Kong Mediation Centre.
- The JMHO is set up as a non-profit-making organization with a view to promoting the use of mediation as a means of dispute resolution in Hong Kong.



Purpose

- The aim of the Pilot Scheme is to mediate dispute or difference between owners arising out of or in relation to applications for compulsory sale of land lot that has been made or is intended to be submitted to the Lands Tribunal.

Serviced Users

- Majority owners – owners who have acquired sufficient undivided shares of a land lot with regard to the applications for compulsory sale that has been made or is intended to be submitted to the Lands Tribunal.
- Minority owners – the other owners of the land lot for which the application for compulsory sale has been made or intended to be submitted by the majority owner.

Mediator Fee and Venue Support

- The Pilot Scheme is independently administered by the JMHO with venue support provided by the Hong Kong Housing Society.
- Mediators on the list for the Pilot Scheme are all qualified and trained professional mediators who will be able to help owners engage in effective dialogue and negotiation.
- To assist users, a uniform application fee and fixed rate of mediator fee is charged for mediation under the Pilot Scheme.

1. Application fee	HK\$500 per party
2. Mediator fee (shared equally by parties)	HK\$3,000 per hour
- Pre-mediation session (up to 3 hours)	
- Subsequent mediation session (from 4th hour to 15th hour)	

- The application fee is non-refundable once agreement to mediate has been reached.
- For mediation under the Pilot Scheme, the mediator fee for the first 15 hours, which are at fixed rates, are paid in equal shares by the owners, save for eligible elderly minority owners.
- Eligible elderly minority owners who have paid the application fee and satisfied the means test may receive the mediation service free of charge under the Pilot Scheme. The share of the mediator fee of the pre-mediation session (up to 3 hours) and the first 12 hours of the mediation session(s) will be paid by the Government upon successful application to the JMHO.

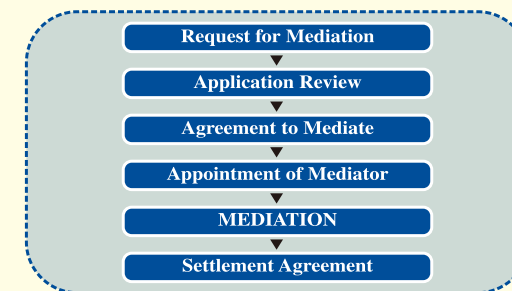
Mediation under the Pilot Scheme

What is Mediation?

- Mediation is a confidential and voluntary process in which a trained and neutral mediator helps disputing parties reach a final binding settlement through negotiation that is responsive to their needs and accepted by both sides.

How the Pilot Scheme Work?

- The process under the Pilot Scheme affords owners the opportunities to come to agreement and reach settlement of their difference during the information gathering stage and, when necessary, adopt voluntary mediation to resolve such disputes or differences.
- Mediation under the Pilot Scheme may be initiated by a request for mediation and will be conducted in accordance with the mediation rules, with a view to facilitate negotiated settlement on terms agreed by both the majority owner and the minority owner or narrowing their differences.
- Details of the dispute resolution process under the Pilot Scheme are set out in the guidance notes and shown in the attached flowchart.



What Rights Users have in Mediation?

- Mediation is a wholly voluntary process and either party may choose to terminate the mediation at any time. Under the Pilot Scheme, it is anticipated that mediation session(s), including pre-mediation session(s) of no more than 3 hours, should not last longer than a total of 15 hours.
- Mediation is a private and confidential process, every document, communication or information disclosed by any party for the purpose of or related to the mediation process are disclose on a privileged basis and should not be introduced as evidence in subsequent litigation or arbitration (if any). Confidentiality also extends to the settlement agreement.
- In the event that there is no overall settlement agreement reached, the parties and the mediator may still endeavour to agree on steps which may be of assistance in the future resolution of the dispute.
- Parties **must** understand that, under the Pilot Scheme, each of the parties is at **full liberty** to decide whether to participate in mediation and whether to agree to a settlement agreement in mediation. If reached, a settlement agreement has the forces of laws and is **binding** on the parties.

Application and Enquiry

- Applications and enquires can be made to the Scheme Officer of the JMHO, the contact details are as follows:

By Post:	Scheme Officer Pilot Mediation Scheme under the Land (Compulsory Sale for Redevelopment) Ordinance Joint Mediation Helpline Office Ltd G.P.O. Box 7796
By fax:	2899 2984
By email:	scheme@lcsromediation.hk
Office Hours:	Monday to Friday- 9:00 a.m. to 5:30 p.m. Saturday- 9:00 a.m. to 12:30 p.m Public holiday excepted
Website:	http://lcsromediation.hk

What is Compulsory Sales?

To address the problem of urban decay and to improve the living conditions of residents in dilapidated urban areas, the Government promulgated an urban renewal strategy in the 1996 policy statement "Urban Renewal in Hong Kong". The policy statement proposed, amongst other things, the enactment of legislation to facilitate owners of private buildings in multiple ownership to redevelop their lots. Following intensive discussions, the Legislative Council passed the Land (Compulsory Sale for Redevelopment) Bill in 1998. The Land (Compulsory Sale for Redevelopment) Ordinance ("Ordinance") came into operation in 1999 to facilitate owners and private organisations to participate in and expedite redevelopment of old districts.

In order to enhance the chance of redevelopment of old buildings and to help tackle building deterioration, and taking into account the ageing buildings in Hong Kong and to meet Hong Kong's changing economic situations, the Government launched public consultation on the Ordinance since 2006, and proposed the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice ("Notice") in early 2010, which specifies the lowering of the application threshold from 90% to 80% for three classes of land lot. The Notice came into operation on 1 April 2010 after scrutiny by the Legislative Council.

The Notice does not change the other requirements under the Ordinance, that is, the Lands Tribunal will make an order for compulsory sale only if it is satisfied that redevelopment of the land lot is justified on the ground of age or state of repair of the existing buildings and that the majority owner submitting the application has taken reasonable steps to acquire all the shares of the lot.

If necessary, our social workers will check for the elderly owners free-of-charge whether their properties fall within one of the specified classes of lot under the Notice which came into effect on 1 April 2010, namely,

- (i) a lot with units each of which accounts for more than 10% of the undivided shares in the lot;
- (ii) a lot with all buildings aged 50 years or above; and
- (iii) a lot that is not located within an industrial zone and with all the buildings on the lot being industrial buildings aged 30 years or above.

The Notice has specified the lowering of the application threshold for compulsory sale from 90% to 80% for these three classes of land lot.

Are you facing these problems?

1. How can I know if my property falls within the threshold of compulsory sale?
2. What are the procedures of compulsory sale?
3. What considerations will the Lands Tribunal make when handling compulsory sale applications? What will happen after the Lands Tribunal grants an order for compulsory sale?
4. How can I seek professional support in assessing the price value of the property?
5. How can I protect my rights during the process of compulsory sale?
6. Where should I relocate if I sell the property?
7. The major owner has submitted application for compulsory sale. What should I do if the acquisition agents still approach me?
8. How can I know if the price proposed by acquisition agents is reasonable enough?
9. Is the reserve price of compulsory sale reasonable enough?
10. Do I need to share the cost of auction of land?

No worries...

Call : 2345 5265

The SCHSA Outreach Support Service for Elderly Owners Team is ready to help you!

Service Hours: Monday to Saturday 9a.m. to 6p.m.
(except Public Holidays)

Senior Citizen Home Safety Association (SCHSA)

Living alone without fear, caring for the elderly is here.

Senior Citizen Home Safety Association (SCHSA) was founded by a group of passionate citizens in 1996 in response to a tragic incident in which more than one hundred elderly citizens living alone were found unattended deaths during an unexpected cold spell. It is the only non-profit-making charitable organisation in Hong Kong that offers 24-hour Personal Emergency Link Service (PE Link Service) for elderly citizens and people in need.



Senior Citizen Home Safety Association

Website: www.schsa.org.hk

Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)

Pilot Scheme on Outreach Support Service for Elderly Owners

Hotline: 2345 5265

Fax: 2344 8680

Website: www.osseo.info

Email: info@osseo.info

Address: 2nd - 3rd Floor, Glorious Sun Group Building, 97 How Ming Street, Kwun Tong, Kowloon

Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)

Pilot Scheme on Outreach Support Service for Elderly Owners



www.osseo.info

Enquiry Hotline: **2345 5265**

Service Hours: Monday to Saturday 9a.m. to 6p.m. (except Public Holidays)

In order to provide further assistance to the elderly minority owners of old buildings, the Development Bureau has commissioned Senior Citizen Home Safety Association (SCHSA) as a service provider to provide outreach support service for the elderly owners. The social workers of SCHSA will proactively approach the elderly owners and explain to them the general practice of property acquisition and the process of compulsory sale under the Land (Compulsory Sale for Redevelopment) Ordinance (“Ordinance”). The social workers will also refer the elderly owners to professionals such as surveyors for advice if they wish.



SCHSA can help!

SCHSA is the only non-profit-making charitable organisation in Hong Kong that offers 24-hour Personal Emergency Link Service (PE Link Service) for elderly citizens and people in need. The service has been operated for nearly 15 years and more than 70,000 people are using PE Link Service. SCHSA provides emergency support, emotional support and useful information to the elderly.

SCHSA has thorough understanding of the elderly needs. SCHSA understands that the elderly owners may have difficulties in understanding the provisions under the Ordinance and the process of compulsory sale, and may have worries and anxiety when approached by outsiders for voluntary acquisition of their properties. Supported by professional legal and valuation advisers, the experienced social workers of the Outreach Support Service for Elderly Owners Team will support elderly owners who are affected by property acquisition or compulsory sale, and help them make an informed decision.

Scope of Services

Enquiry

- Telephone enquiry
- Online information and enquiry



Information to be provided: the application and procedure of compulsory sale, the rights of minority owners, the application and appeal procedure with the Lands Tribunal, reference prices of properties, reserve prices of compulsory sale cases in the past etc.

Community Education

- Organize talks, workshops and outreaching programs in elderly centers
- Provide information leaflets on compulsory sale



Case consultation

- Explain to elderly owners the general practice of property acquisition and the process of compulsory sale under the Ordinance
- Check for the elderly owners free-of-charge whether their properties fall within one of the classes of lot to which the 80% application threshold for compulsory sale applies
- Refer the elderly owners to other social services agencies if they have relocation needs
- Refer the elderly owners to professionals such as surveyors for advice and assistance* (social worker will accompany elderly if needed)

* The level of professional service fees are subject to specific professional. SCHSA will not charge any referral fees.

Service Target

Elderly owners aged 60 or above who are affected by compulsory sale or property acquisition by private developers



**Applications for Compulsory Sale being Processed which involve Properties in Kowloon City
(up to 30 September 2011)**

	Application Filing Date	Lands Tribunal Case No.	Property Address	Undivided Shares owned by Applicant	Class of Lot Eligible for 80% Threshold
(1)	24/11/2010	15-000/2010	No. 18 - 32 Junction Road, Kowloon City, Kowloon	90% / 90%+	
(2)	2/12/2010	16-000/2010	No. 116 Argyle Street, Kowloon	80%+	(ii) Aged 50 years or above
(3)	12/1/2011	1-000/2011	Nos. 298-298B & 300-300B Prince Edward Road West, Kowloon	90%+	
(4)	10/2/2011	6-000/2011	Nos. 8 & 10 Lomond Road, Kowloon City, Kowloon	80%+	(ii) Aged 50 years or above
(5)	17/3/2011	10-000/2011	Nos. 150 & 152 Carpenter Road, Kowloon City	90%	
(6)	15/6/2011	20-000/2011	Nos. 196 - 202 Ma Tau Wai Road, To Kwa Wan, Kowloon	90%+	