

# Support Service Centre for Minority Owners under Compulsory Sale commences operation

The Support Service Centre for Minority Owners under Compulsory Sale (SMOCS) commenced operation today (August 27) to provide comprehensive and targeted support services to minority owners of old buildings affected by compulsory sale applications made under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) (LCSRO). The SMOCS, a subsidiary of the Urban Renewal Authority (URA), is directly accountable to the Development Bureau (DEVB).

There are provisions in the LCSRO that provide a series of legal protections for minority owners affected by compulsory sale applications. The Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance 2024, which was passed by the Legislative Council (LegCo) in July this year, further allows minority owners to continue occupying their properties for not more than six months after the completion of compulsory sale.

To provide further protection to minority owners in addition to the above legal protections, the Dedicated Office of Support Services for Minority Owners under Compulsory Sale (DOSS) of the DEVB and the SMOCS supervised by the DOSS will provide support services to minority owners at different stages of the compulsory sale application process, so as to help them understand their statutory rights and obtain adequate protection.

The Secretary for Development, Ms Bernadette Linn, said, "The amendments to the LCSRO will come into effect in mid-December this year at the earliest. The DOSS and the SMOCS have commenced a series of public education and publicity on the LCSRO, focusing particularly on the concerns of minority owners, such as how to deal with the developers' notices of application for compulsory sale and the subsequent legal proceedings, how to assess whether the acquisition prices offered by the developers are reasonable, and how to obtain relevant information and professional services, to ensure that they are adequately protected. By connecting to different networks including local organisations such as District Councils and District Services and Community Care Teams (Care Teams), relevant professionals such as lawyers, surveyors and mediators, as well as designated non-governmental organisation, the SMOCS endeavours to provide one-stop, more comprehensive and targeted support services to minority owners."

The Secretary for Development expressed her gratitude in particular to the URA for providing the resources to set up the SMOCS to implement the support work/services under the steer of the DOSS of the DEVB. The SMOCS operates entirely independently from the URA and is accountable to the DOSS of the DEVB, to which it will report regularly on its operations and submit reports on its work. The DOSS will be responsible for formulating regulations

on support services and codes of practice for the operation of the SMOCS to ensure that the relevant policies are implemented and run smoothly.

Through various networks, the SMOCS will step up publicity and public education at the district level to enhance the understanding of the public and minority owners of old buildings on private property acquisition activities and the compulsory sale application mechanism. To address the needs of minority owners affected by compulsory sale applications, the SMOCS provides free preliminary professional advice to minority owners in the form of seminars. The SMOCS also provides, free of charge, referrals for legal and valuation professional services (if litigation is required), emotional counselling and assistance in identifying alternative accommodations. In addition, the SMOCS provides subsidies to minority owners seeking professional mediation and independent property valuation services.

Ms Linn said, "We have thus far secured the support of over 60 lawyers and about 30 surveyors to provide free preliminary professional advisory services in the form of seminars to minority owners affected by compulsory sale applications under the arrangement of the SMOCS."

Ms Linn added, "Another function of the SMOCS is to enable and encourage minority owners to participate in mediation, so as to resolve compulsory sale disputes through mediation instead of litigation. Therefore, apart from providing minority owners with a list of accredited mediators, the SMOCS will also provide two types of subsidies to minority owners, one to subsidise professional mediation services and the other to subsidise independent property valuation services, so as to assist minority owners in obtaining independent third-party valuation reports on the existing use values of their properties and the redevelopment values of the relevant lots, which will facilitate them in deciding whether or not to accept the applicants' acquisition offers or to continue to litigate in respect of the compulsory sale applications. We hope that more professionals will join the SMOCS's network in the future to provide services to minority owners."

If the minority owners decide to proceed with the litigation after mediation fails, the SMOCS will provide them with referral lists of legal and surveying professional services required in the litigation for reference. Also, the Government will, after the LegCo resumes, seek funding approval from the Finance Committee (FC) of the LegCo to create two permanent judicial posts at the directorate level for the Lands Tribunal (Tribunal). Moreover, the Government will seek approval from the FC as soon as possible for the Government to provide guarantee for the dedicated loan scheme to assist eligible minority owners in obtaining bank loans to address their cash flow problems arising from the engagement of legal and other professionals to deal with compulsory sale litigation. The minority owners can repay the loans upon the granting of cost orders by the Tribunal at the end of the hearing (the Tribunal usually orders applicants for compulsory sale to reimburse the reasonable expenses incurred by minority owners for litigation).

For details of the opening hours and the services of the SMOCS, please visit its website ([www.smocs.hk](http://www.smocs.hk)). Members of the public may call the SMOCS at

2156 8050 during opening hours if they have any enquiries.