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From the Perspective of the Proportionality Principle: Limits and Improvements of Market Price Compensation under Hong Kong SAR's Compulsory Sale Ordinance

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Abstract. The Land (Compulsory Sale for Redevelopment) Ordinance of Hong Kong Special Administrative Region of the People's Republic of China provides a legal tool to address the problem of fragmented property rights, but its market value compensation mechanism has been questioned for its adequacy. This paper uses the principle of proportionality, especially its sub-principle of balancing interests, as an analytical tool to examine this compensation mechanism. The research finds that the current practice has significant deficiencies: the compensation scope fails to cover the actual expenses and emotional losses caused by forced relocation, ignores the essential difference between forced and voluntary transactions, and institutionally excludes the right of minority owners to share the increased value after redevelopment. The argument shows that the sufficiency of compensation is the core for measuring whether public and private interests are balanced. Therefore, the study proposes that by adding relocation and resettlement compensation, introducing distress allowances, and establishing a mechanism for sharing the increased value, compensation should be expanded from a simple property exchange value to cover the complete losses caused by compulsion, in order to meet the requirements of the principle of proportionality.

Keywords: compulsory sale, principle of proportionality, balance of interests, market price compensation

1. Introduction

Since the implementation of the Land (Compulsory Sale for Redevelopment) Ordinance in Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong SAR) in 1999, it has remained a crucial legal tool for urban renewal and resolving the problem of fragmented property rights. The ordinance allows individuals who own a majority of the undivided shares of a lot to apply to the Lands Tribunal for a compulsory sale order to facilitate urban renewal. Under the current compensation mechanism, compensation is based on the market value of the property's existing use, with the proceeds from the auction being distributed proportionally. However, this model, which solely relies on market value compensation, has faced questions regarding its legitimacy and sufficiency.

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Current academic research on the compulsory sale system in Hong Kong SAR can be roughly categorized into three types, each with its own focus, but still leaving some gaps.

The first type of research focuses on the description and evolution of the system [1]. These studies, mostly legislative council documents, government reports, and scholars' overviews of the system's evolution, explain the policy considerations behind changes such as lowering the application threshold. These works provide foundational materials for understanding the system but often stop at normative interpretation without delving into the legal dispute over the balance of rights within the system.

The second type of research centers on the system's practical application and comparative law observations [2]. Some scholars and practitioners assess the system's effectiveness through case studies or comparative perspectives. Zhong Cheng pointed out that the key to the ordinance's success lies in establishing a rights protection framework guaranteed by strict procedures and proposed the establishment of a compulsory sale system in the mainland. These studies begin to focus on the practical effects of the system but often concentrate on policy and operation, lacking systematic research and reflection on the fairness of the compensation mechanism itself.

The third type of research involves specific disputes over the compensation mechanism [3]. Existing studies have noted that the compensation mechanism based solely on the existing use value of the property lacks fairness. In the judicial practice of Capital Well Limited v Bond Star Development Limited, the court's stance indicated that the review standard for compensation reasonableness is not mathematical precision but fairness and reasonableness [4]. However, such discussions are often scattered among specific issues and have not placed the market value compensation itself within the framework of the principle of proportionality, especially the review of the balance of interests.

Overall, although scholars have depicted the compulsory sale system from different perspectives, some have tacitly assumed the rationality of market value compensation, while others have only sporadically criticized its shortcomings. Few studies have used the principle of proportionality, especially the balance of interests, as an analytical tool to systematically analyze the sufficiency of the market value compensation mechanism in terms of legal theory. Based on this gap, this article aims to examine the market value compensation mechanism in the compulsory sale ordinance from the perspective of the principle of proportionality. The study will first clarify the specific content and legal positioning of the current compensation system, and then focus on analyzing the limitations of pure market value compensation in meeting the requirements of the principle of proportionality, especially the balance of interests. On this basis, it will argue that the compensation issue constitutes the core field for measuring the balance of interests and ultimately attempt to propose a path for improving the compensation mechanism, with the aim of enriching the application research of the principle of proportionality in the field of property rights and promoting a better balance between protecting private property rights and promoting urban renewal through this system.

2. The compensation mechanism in Hong Kong SAR’s compulsory sale system

2.1. The fundamental institutional logic of compulsory sale

Since the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) of Hong Kong SAR came into effect in 1999, it has established a market-driven and judicial review-protected mechanism for the redevelopment of old buildings. When the majority of the owners of an old building wish to redevelop it but a minority of the owners disagree, the majority can apply to the court for a compulsory sale of the entire building under this ordinance, thereby removing the

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obstacles to redevelopment. It is evident that this system does not involve the government's exercise of the power of expropriation. Its core logic is to provide a legal path for the private market to solve the problem of fragmented property rights.

According to the ordinance, the applicant must hold a minimum proportion of undivided property rights in the lot, which is the threshold for initiating the process. This proportion is finely graded based on the building's age and location. For instance, under the revised ordinance in 2024, for buildings over 70 years old that are considered extremely old and dangerous, the threshold has been lowered to 65%; for buildings aged between 50 and 59 years in designated old districts, the threshold is 70%. It is clear that for buildings that are older and pose greater safety risks, the threshold for initiating the compulsory process is lower, in response to the urgent public safety needs.

Regarding the procedures after the application, the majority of the property rights holders cannot directly apply for a compulsory sale. They must first take reasonable steps to acquire the property rights of the minority owners, and the terms of the acquisition offer must be fair and reasonable. This pre-negotiation procedure aims to ensure that compulsory sale is the last resort. Only when the pre-negotiation fails and the Lands Tribunal is satisfied that the lot should be redeveloped based on the building's age or maintenance condition, will it consider issuing a compulsory sale order.

Once the tribunal issues a sale order, the entire lot must be sold through a public auction. The public auction mechanism is a crucial link connecting the system's logic and the compensation mechanism. The auction ensures that the property is sold at the highest market price at that time, and the proceeds, after deducting necessary expenses, will be distributed strictly in proportion to the original undivided property rights of each owner.

From the above three steps, it can be seen that the basic logic of the compulsory sale system can be summarized as overcoming the fragmentation of property rights through the majority rule principle, ensuring legitimacy through strict procedures and judicial review, and ultimately achieving property rights exchange and value realization through open market transactions.

2.2. The positioning of market value compensation within the current regime

From the foregoing analysis, compensation under the current compulsory sale regime is not administrative compensation in the traditional sense of expropriation law, but rather a property consideration for the compulsory disposition of owners' property rights. Its core principle is market value compensation, concretely manifested as the distribution of net proceeds from public auctions in proportion to owners' property shareholdings.

First, it is critical to clarify that the valuation basis for compensation is not the static existing-use value. Pursuant to the Ordinance, applicants must submit an appraisal report prepared by an independent professional surveyor upon filing their application. This report assesses the market value of each unit by excluding the possibility of compulsory sale and the property's redevelopment potential, thereby simulating the property's value in a voluntary transaction market. However, this serves only as an initial benchmark; the final compensation amount remains contingent on the outcome of the public auction, with the reserve price determined by the Lands Tribunal to account for the site's redevelopment potential. This implies that the final transaction price may incorporate the plot's future development value, meaning that, in theory, minority owners could receive sums exceeding the independent valuation of their individual units. Nevertheless, the nature and limits of this potential value increment require clarification. From a law-and-economics perspective, the auction-derived price is inherently the present value of the plot's redevelopment potential capitalized at a specific point in time; it reflects a discounting of future possibilities rather than a distribution of

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certain future profits. This value realization is contingent and one-off: auction outcomes are heavily influenced by contingent factors, such as prevailing market sentiment, bidder count, and bidding strategies, making it impossible to guarantee full and consistent reflection of the plot's total long-term appreciation through redevelopment. The potential value preemptively realized through auction constitutes a one-time buyout consideration for owners' current property rights. Once the transaction concludes, owners are permanently severed from the plot's future appreciation. Notably, the regime design lacks mechanisms for original owners to share in excess profits generated by subsequent development, operation, or planning amendments.

Second, the Ordinance does not offer options for property swaps or alternative accommodation; compensation is limited to monetary distribution rather than physical replacement. While this approach boasts clarity and efficiency (avoiding complexities like site selection and construction standards in in-kind compensation), the problem is not resolved but rather externalized to minority owners. It compels owners—especially owner-occupiers for whom the property is their sole residence—to leave their original communities, re-enter the real estate market for relocation, and bear associated social costs: relocation expenses, emotional dislocation, and resettlement hardships stemming from regional housing price disparities.

Furthermore, the scope of market value compensation is circumscribed. The current regime explicitly compensates only the value of owners' property rights. Incidental losses arising from compulsory sale—such as commercial tenants' business losses, relocation costs for owners/tenants, and non-pecuniary distress from forced displacement from familiar communities—are not covered by separate compensation provisions.

In summary, market value compensation under the current regime is legally positioned as a property consideration for compulsory disposition, tied to property shareholdings. While it seeks to protect minority owners' interests via procedures like public auctions, it fails to fully cover all losses incurred by right holders due to compulsory transactions. This positioning also forms the logical starting point for examining the compensation mechanism through the lens of the principle of proportionality [5].

3. The limitations of market value compensation under proportionality principle scrutiny

3.1. Market value fails to encompass relocation, resettlement, and non-pecuniary emotional losses

Compensation based on market transaction prices can only cover the asset value of the property itself and cannot fully compensate the owner for the incidental losses suffered due to forced sale.

First, market price compensation ignores the actual costs and increased living expenses caused by forced relocation. In voluntary market transactions, these costs are usually negotiated and shared by both the buyer and the seller, but in the case of forced sale, they are entirely borne by the forced party. According to Article 17 of the Regulations on the Expropriation of Houses on State-owned Land and Compensation in the mainland, the legal compensation scope clearly includes compensation for relocation and temporary resettlement caused by the expropriation of houses. Although the former is a public law expropriation and the latter is a private law forced transaction, both result in the forced deprivation of the property owner's property rights without voluntary consensus, and both involve compensation issues for the property owner. From a legal basis, the core of the legitimacy of public law expropriation compensation lies in the theory of special sacrifice, that is, when a specific individual or group bears an unequal burden for the public interest, they should be compensated to achieve the principle of fairness. This theory is also applicable to the

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forced sale system. Although the forced sale system is cloaked in a private law procedure, its essence is still that the majority of property owners, with the aid of legal coercive power, force a few property owners to bear the special sacrifice of losing their property for the purpose of redevelopment, which has a public welfare flavor. Therefore, in terms of the ethical and legal basis of compensation, the two are structurally similar. Secondly, whether it is public law expropriation or private law forced transaction, the core of the proportionality principle review of their legitimacy lies in assessing whether the losses suffered by the property owner have been fairly filled. If one system (the mainland expropriation regulations) regards relocation and resettlement costs as an inseparable part of calculating private interests losses, while another system (the forced sale system) excludes them, then in the latter system, the balance between public and private interests may be skewed due to the incomplete compensation scope. The functions of the compensation system are interrelated and should not be sharply divided based on whether they occur in the public or private law domain. Therefore, the forced sale system should draw on a more comprehensive compensation structure, including relocation and resettlement compensation.

Secondly, non-economic losses, such as emotional value and sense of community belonging, are completely excluded from the compensation scope. For property owners, the property is not only an asset but also a carrier of life memories, social relationships, and identity recognition. Forced sale cuts off the connection between the property owner and the original community, and this intangible loss is difficult to measure in monetary terms, but it cannot be ignored in the proportionality review of the appropriateness of the principle [6].

3.2. Compulsory transactions diverge from voluntary transactions

The core of voluntary transactions lies in autonomy of will and freedom of contract, with the transaction price being the result of equal negotiation between the two parties. However, the transaction background, negotiation position and price formation mechanism in forced sales are fundamentally different from those in voluntary transactions. Directly applying the market price standard under voluntary transactions lacks legitimacy in terms of legal reasoning.

In voluntary transactions, the seller has the right to reject unreasonable offers, and the transaction price includes the seller's subjective valuation of the property, future expectations and negotiation leverage. In the forced sale process, the minority owners are faced with the majority share owners with legal coercive power and the sale order from the Lands Tribunal, and their voluntary nature has been greatly reduced. Although the regulations require the majority share owners to take reasonable steps to acquire the remaining individual units before applying and that the acquisition offer should be within a fair and reasonable range, this is merely a procedural requirement that can filter out malicious applications but does not grant minority owners the substantive right to veto the transaction, thus failing to change the compulsory nature of the transaction itself.

The principle of necessity in the principle of proportionality requires that among multiple means that can achieve the purpose, the one that causes the least harm to citizens' rights and interests should be chosen. The current system simply adopts the price standard of voluntary transactions, ignoring the lack of transaction consent and the imbalance of bargaining power in the forced context, and has not explored a compensation assessment method that better reflects the particularity of forced transactions, thus not meeting the requirements of the principle of necessity.

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3.3. Minority owners are excluded from sharing in post-redevelopment value appreciation

The preceding analysis of the auction pricing mechanism reveals that, while auctions may yield proceeds exceeding independent property valuations, this does not alter the institutional reality that minority owners occupy a structurally marginalized position in the distribution of value-added benefits. The critique advanced in this paper regarding the inability to share post-redevelopment value appreciation refers to the systematic exclusion of minority owners from two distinct categories of more certain and enduring gains: planning-induced value appreciation—resulting directly from state-authorized adjustments to planning parameters such as plot ratio or permitted land use—and operational value appreciation—comprising the long-term returns significantly exceeding initial redevelopment costs, realized by developers through the subsequent holding, leasing, or sale of the completed project. Under the prevailing framework, entitlement to both forms of appreciation is vested exclusively in the successful bidder of the site.

The compulsory sale regime is fundamentally designed to facilitate the renewal of obsolete buildings, unlock latent land potential, and thereby generate incremental socio-economic value. Although minority owners, as contributors of the original property rights, furnish essential assets without which redevelopment could not proceed, they are precluded from participating in the aggregate value appreciation produced by their compelled involvement. By contrast, Singapore's collective sale mechanism explicitly positions planning-led value enhancement as a central catalyst for urban renewal and, through deliberate institutional design, ensures that such gains are equitably shared among owners.

In summary, reliance on market price as the exclusive benchmark for compensation fails to redress the full spectrum of losses attributable to compulsory sales, overlooks the fundamental normative distinction between consensual and coerced transactions, and institutionally disenfranchises minority owners from claims to value appreciation. Consequently, the resulting compensation outcomes frequently fall short of satisfying the rigorous scrutiny required under the proportionality principle, thereby creating a systemic deficiency in the protection of property rights [5].

4. Why compensation emerges as the core arena for interest equilibrium

Under the scrutiny of the principle of proportionality, the compulsory sale system needs to strike a balance between public and private interests. As has been demonstrated in the previous text, the market price compensation benchmark has inherent flaws and cannot fully cover all the losses suffered by the minority of property owners due to compulsory transactions. However, in the collision between public and private interests in compulsory sales, why does the compensation system, rather than other procedural or substantive systems, play the core role in ultimately achieving a balance of interests? This chapter aims to answer this question.

4.1. Enhancement of public welfare must be anchored in the bottom line of adequate compensation

The primary justification for the compulsory sale system lies in the public interest. Zhong Cheng, in his research The Compulsory Sale System for Urban Renewal in Hong Kong SAR and Its Implications for the Mainland, pointed out that the original intention of the Hong Kong SAR system design was not merely to pursue the speed of reconstruction, but to find a balance between property rights protection and urban development. Professor Lin Feng further emphasized that the balance

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between public interest and private property rights is the core issue of the land expropriation system. Therefore, the legitimacy of public interest is not unlimited.

In compulsory sales, the realization of public interest, that is, urban renewal, comes at the cost of forcibly depriving the property rights of a specific minority of owners. If only the efficiency of reconstruction is considered while ignoring adequate compensation for the minority of owners, the realization of public interest is based on the special sacrifice of some private interest subjects. The role of the compensation mechanism is precisely to provide compensation for this sacrifice, internalize the cost of public interest, and thus ensure that the promotion of public interest does not degenerate into the plundering of minority groups. Therefore, compensation is the bottom-line condition for the public interest claim to be valid and morally and legally recognized. Without fair compensation, the public interest claimed by compulsory sales lacks a solid ethical and legal foundation [7].

4.2. The composite nature of private interest losses

From the perspective of private interest protection, forced sale constitutes a compulsory intervention in property rights. Professor Chen Zheng, when analyzing the social obligations of property rights, pointed out that when the effect of legal restrictions in individual cases leads to private property rights holders becoming special victims, they should be provided with reconciliation means. This reveals the core function of compensation, which is to fill the special sacrifices borne for the public good.

Specifically, in the case of forced sale, the losses of a few property owners are complex, including direct property value losses, incidental losses, emotional and community value losses, and development rights value losses. The market price compensation benchmark actually simplifies the complex deprivation of property rights into a simple financial transaction, remaining at the level of the exchange value of property rights, ignoring the dual functions of property rights as a basic right, namely, the guarantee of existence and value, as well as the personal interests and emotional value of property rights. The reason why the compensation mechanism is the core of interest balance is precisely because it directly addresses the fundamental question of how much loss has private interest suffered for the public good. A compensation plan that only covers market price inevitably means that the loss of private interest is greatly underestimated, and the balance of interests tilts towards the public good from the very beginning. Therefore, the scope and standard of compensation directly define the degree to which private interest is respected and protected in the face of public good [8].

4.3. Interest equilibrium demands more comprehensive loss coverage

From the above analysis, it can be seen that the ultimate test of a balanced interest in compulsory sales lies in whether the special sacrifices made by a few owners for the public good have been fairly and reasonably compensated. Here, fairness and reasonableness are the standards for testing the principle of proportionality in the principle of balance.

As for other institutional links, such as the requirement for reasonable steps of prior consultation, the judicial review by the Lands Tribunal, and the short-term extension of delivery arrangements for owner-occupiers, they mainly play the role of procedural guarantees or transitional buffers. They help ensure the fairness of the process or alleviate some immediate difficulties, but they cannot fundamentally fill the aforementioned compound losses. For example, the tribunal can rule on valuation disputes, but if the valuation principle itself is limited to market price, the dispute

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resolution is still carried out within an incomplete compensation framework. Only the compensation mechanism directly determines the consideration ultimately received by the few owners. Does it cover actual expenditures such as relocation and resettlement? Does it take into account the non-economic distress caused by forced transactions? Does it in some way allow the few owners to share in the reconstruction appreciation generated by their sacrifices? The answers to these questions directly measure whether the distribution of public interest costs among private interest subjects is fair. Therefore, the compensation mechanism constitutes the final price formation mechanism in the game between public and private interests and is the substantive and decisive field for judging whether interests have reached a balance.

In summary, the compensation issue is directly related to the legitimacy basis of the compulsory sale system and is the core of the balance of interests. If public interest enhancement is only calculated in economic terms and private interest losses are only valued at market prices, then majority rule may degenerate into majority tyranny, and the value balance required by the principle of proportionality would be impossible to achieve. There is still room for further improvement in this aspect of the Hong Kong SAR system.

5. Approaches to improvement

The preceding analysis has examined the limitations of market-price-only compensation within the compulsory sale regime. This chapter proceeds to put forward three approaches to improvement, with the aim of constructing a more equitable and rational compensation framework.

5.1. Expanding compensation for relocation and temporary resettlement

In practice, relocation entails multiple direct costs. For illustrative reference, the Lands Department of Hong Kong SAR has established compensation policies for government land acquisition projects, under which affected households are eligible for a Household Relocation Allowance—calculated with reference to basic renovation costs, physical moving expenses, fixed-line telephone relocation fees, and one month's rent to cover the decoration period.

Beyond direct economic costs, relocation also imposes indirect burdens. Minority property owners often face the pressure of securing new accommodation, completing administrative relocation procedures, and adapting to unfamiliar environments within a compressed timeframe, which demands significant time and effort. Such challenges are particularly acute for vulnerable groups, including the elderly, persons with disabilities, and low-income households. In redevelopment projects led by the Hong Kong SAR Urban Renewal Authority, eligible owner-occupiers are offered a Self-Occupied Housing Allowance or arranged to move into public housing units—a form of resettlement support that the compulsory sale regime may usefully draw upon.

Drawing on these existing practices, the compulsory sale compensation framework should incorporate specialized compensation for relocation and temporary resettlement. Concretely, three measures are proposed. First, a relocation allowance should cover actual relocation-related expenditures, including moving fees, cleaning costs, and internet or utility migration charges. Second, temporary resettlement assistance should compensate property owners for additional housing costs incurred during the transition period. Third, targeted support should be extended to the elderly, persons with disabilities, and low-income households to ensure that compulsory sales do not result in a deterioration of their living conditions. It is critical to emphasize that these compensations are not welfare provisions, but necessary measures aligned with the principle of proportionality and

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the requirement of minimizing harm. Since compulsory sales inevitably impose relocation burdens on minority property owners, the compensation mechanism must fully account for such burdens [9].

5.2. Introducing reasonable distress allowances

The legal basis for distress compensation lies in the recognition of the compulsory nature as a distinct feature of the compulsory sale regime. Minority property owners, coerced into selling their assets involuntarily, endure psychological stress, life disruptions, and emotional harm that far exceed those associated with ordinary real estate transactions. From a comparative law perspective, the German Baugesetzbuch (Building Code) has long explicitly incorporated distress compensation into expropriation remedies, intended to redress the exceptional hardships caused by state-mandated takings.

In the Hong Kong SAR context, the introduction of distress compensation is particularly imperative. The compulsory sale regime inherently undermines the bargaining power and autonomous decision-making of minority owners. Furthermore, many old buildings targeted for compulsory sale are situated in historic neighborhoods such as Sham Shui Po, Mong Kok, and To Kwa Wan, where owners often have multi-generational ties to the area. In this high-density urban setting, residents exhibit pronounced emotional attachment, characterized by tight-knit community networks and deep-rooted local sentiments.

For its operational design, distress compensation may adopt a hybrid approach combining fixed-rate compensation and case-specific assessment. For standard scenarios, a fixed amount—calculated as a percentage of the property's value—could be established to address common relocation-related distress. For exceptional cases, the Lands Tribunal should be empowered to award additional compensation based on substantiated evidence. This framework ensures the universality of compensation while accommodating the unique needs of individual cases.

5.3. Establishing a mechanism for partial sharing of value-added gains

The compulsory sale regime operates under the premise of redevelopment, and the value-added generated by redevelopment stems precisely from the release of the site's collective potential—a resource inherently owned by all property owners. Establishing a value-added gain-sharing mechanism is a necessary measure to rectify existing distributional inequities; it also helps mitigate interest conflicts in compulsory sales and reduce resistance from minority owners.

For its institutional design, a value-added sharing ratio may be established. The current compensation framework under the Ordinance—which distributes net proceeds from public auctions based on ownership shares—already provides a direct basis for calculating and allocating value-added gains. By using the benchmark auction reserve price (certified by the Lands Tribunal, incorporating the site's redevelopment potential) as a threshold to distinguish between base value and value-added components, the approach is technically clear and operational, eliminating the need to introduce an entirely new valuation system. A supplementary rule can be added: when the final auction transaction price exceeds the certified benchmark reserve price, a specified proportion of the excess shall be extracted and distributed to minority owners in addition to the standard distribution of net auction proceeds based on original ownership shares.

Concurrently, the mechanism's implementation requires full-process institutional safeguards. For instance, when reviewing compulsory sale applications, the Lands Tribunal should require applicants to submit an explicit value-added gain-sharing plan. Valuation reports should assess not only the property's current value but also the site's redevelopment potential and value-added space.

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Auction announcements should clearly disclose the gain-sharing arrangement to ensure full transparency for potential bidders [10].

6. Conclusion

This study systematically examines the compensation mechanism under the Hong Kong SAR Compulsory Sale Regime from the lens of the principle of proportionality. The findings reveal that the current practice of relying exclusively on market-value compensation is legally flawed and fails to satisfy the strict scrutiny required by the proportionality principle.

Specifically, the study identifies three structural limitations inherent in the market-value model, demonstrating its failure to equitably mitigate the special sacrifices imposed upon minority owners. It asserts that the compensation framework is the determinative locus for balancing public and private interests; thus, its adequacy serves as the linchpin of interest equilibrium. To address these deficiencies, a tripartite reform strategy is proposed: first, the institutionalization of relocation and temporary resettlement allowances; second, the incorporation of reasonable distress compensation to acknowledge the coercive nature of the regime; and third, the implementation of a value-added gain-sharing mechanism. These measures facilitate a paradigm shift from a restrictive exchange-value model to a holistic framework that encompasses personal interests and development rights.

By transcending the fragmented critiques of prior scholarship, this research deepens the application of proportionality within property rights regulation and provides a robust legal rationale for future amendments to the Compulsory Sale Ordinance. Future inquiries should prioritize quantitative modeling to refine compensation criteria and empirical tracking of these adjusted schemes to evaluate their impact on litigation frequency and social acceptance.

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