



Land Expropriation in China

LIAO Junping

**Director, Institute of Real Estate Studies,
Lingnan College, Sun Yat-Sen University**

**Vice President, China Institute of Real Estate
Appraisers and Agents**

Oct. 20 2009 Hanoi, Vietnam

Contents

- The Legal System of Real Estate
- Urban Housing System
- Real Estate Investment and Financing
- Government Policies on the Real Estate

The Legal System of Land Expropriation



The Statutory Framework of Land Expropriation

- Land Administration Law, 1991, amended 1998, 2004.
- Implementing Regulations of Land Administration Law.
- Other relative laws, regulations and Ministry issued rules.

Socialist Public Ownership of Land

- Ownership by the whole people, and
- Collective ownership by the working people

Expropriation from the Peasant Collectives

- As there only two types of land tenure and the peasant collectives have no power to expropriate land from the state, there is only one possibility: the state expropriates land from the peasant collectives.

Mandatory Transfer of Land Ownership

- Only one type of land ownership vendor: peasant collectives.
- Only one way of transfer of the land ownership : the state expropriates the land ownership from the peasant collectives.

Mandatory Transfer of Land Ownership

- The State may, in the interest of the public, lawfully expropriate land and give compensation accordingly.

The Compensation for the Land Expropriation

- The compensation of the land expropriation is paid on the basis of its ORIGINAL PURPOSE OF USE.

The Compensation for the Land Expropriation

Compensation for expropriated cultivated land includes:

- Compensation for land.
- Resettlement subsidies.
- Compensation for fixtures and unripe crops on the expropriated land.

The Compensation for the Land Expropriation

- Compensation for expropriated of cultivated land shall be SIX TO TEN TIMES THE AVERAGE ANNUAL OUTPUT VALUE of the expropriated land, calculated on the basis of three years preceding such expropriation.

The Compensation for the Land Expropriation

- Resettlement subsidies for expropriated cultivated land shall be calculated according to the agricultural population needing to be resettled. The agricultural population needing to be resettled shall be calculated by dividing the area of expropriated cultivated land by the average area of the original cultivated land per person of the unit the land of which is expropriated.

The Compensation for the Land Expropriation

- The standard resettlement subsidies to be divided among members of the agricultural population needing resettlement shall be FOUR TO SIX TIMES the average annual output value of the expropriated cultivated land calculated on the basis of three years preceding such expropriation.

The Compensation for the Land Expropriation

- However, the maximum resettlement subsidies for each hectare of the expropriated cultivated land shall not exceed **FIFTEEN TIMES** its average annual output calculated on the basis of three years preceding such expropriation.

The Compensation for the Land Expropriation

- Rates of land compensation and resettlement subsidies for expropriation of other types of land shall be prescribed by local provincial governments with reference to the rates of compensation and resettlement subsidies for expropriation of cultivated land.

The Compensation for the Land Expropriation

- Rates of compensation for attachments and unripe crops on expropriated land shall be prescribed by local provincial governments.

Simple Summarized Conclusions

The characteristics of land expropriation in China are:

- Single origin of land – peasant collectives
- Mandatory
- Non-market-value compensation

The background is a solid red color. Two golden dragons are depicted in a traditional Chinese style. One dragon is in the upper right corner, facing left, with its body curved upwards. The other dragon is in the lower left corner, facing right, with its body curved downwards. Both dragons have detailed scales, whiskers, and flowing manes. The text "Thank you!" is centered in the middle of the image in a bold, black, sans-serif font.

Thank you!

liaojp@lingnan.net
jp_liaojp@hotmail.com