



Housing, Planning and Lands Bureau
The Government of the Hong Kong Special Administrative Region



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Building Management and Maintenance - Public Consultation on Mandatory Building Inspection - Leaflet

INTRODUCTION

It is most people's dream to have a safe and comfortable home. It is a pity to see so many owners allowing their most valuable asset to fall into disrepair. Such owners are not only jeopardizing their own interests, but also putting public safety at risk. Addressing this building neglect problem is a matter of urgency.

We did a first stage public consultation on building management and maintenance in late 2003/early 2004 and the following findings were encouraging -

- Community consensus that owners have the responsibility to properly upkeep their buildings and bear the necessary financial commitment
- General public support for mandatory building inspection as a practicable and effective long term solution to improve the deteriorating building stock

ASSISTANCE MEASURES AND BEYOND

As part of our holistic strategy to address the building neglect problem, the Government, in conjunction with the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA), has put in place various assistance programmes to help owners take proper care of their buildings.



The various types of technical and financial assistance have been well received by the community and have showcased the benefits of proper building care -

- Improving building safety
- Creating a better and more sustainable living environment
- Enhancing value of the properties
- Reducing building insurance premiums
- Creating job opportunities
- Improving our cityscape, and enhancing Hong Kong's image as an attractive international city



MANDATORY BUILDING INSPECTION SCHEME

The Buildings Department (BD) will continue to step up its enforcement efforts against non-compliance with the Buildings Ordinance. However, a permanent solution to the building neglect problem lies in owners actively taking up their maintenance responsibility. We have now worked out the implementation details of the long-term measure, i.e. the proposed mandatory building inspection scheme for deliberation with the public.

Key Features

- Requiring owners of private buildings aged 30 years or above to engage qualified inspectors (i.e. Authorised Persons or Registered Structural Engineers) to inspect their buildings and undertake the necessary repair works as specified by the inspectors

- Inspection to be done every seven years, counting from the date when the owners were notified of the last round of inspection
- Inspection items to mainly cover those in the common areas like structural elements, drainage, building fire safety elements, external walls and unauthorised building works posing imminent danger.
- Owners of properly managed and maintained buildings may apply for exemption

Roles of Owners, Inspectors and Buildings Department

Owners

- Engage inspectors to inspect their buildings
- Undertake necessary rectification works as specified by the inspectors

Inspectors

- Inspect and submit inspection reports to owners and specify necessary rectification works
- Supervise and certify completion of rectification works in accordance with the law

Buildings Department

- Notify owners to inspect their buildings within a specified timeframe
- Set standards for inspection and rectification works
- Conduct random audit check on inspection reports
- Enforce against non-compliance

MEASURES TO ENHANCE WINDOW SAFETY

In response to the spate of window failures this year, the Government has promptly stepped up efforts to promote window safety. Even with the enhanced efforts, there are public calls for some form of mandatory measure to ensure

window safety. We have drawn up for public discussion, two options involving different levels of Government regulation to be imposed on building owners -

- **Regular Inspection** - owners of all private buildings aged 5 years or above to engage qualified persons to inspect and repair their windows (located in both common parts and private premises, openable and fixed) once every 3 years and to submit reports to BD



- **One-off inspection** - main features similar to regular inspection above, except that this is a one-off, rather than recurrent requirement. The success of this option depends on owners' willingness to maintain their windows regularly on a voluntary basis thereafter

Under the above options, "qualified persons" includes Authorised Persons; Registered Structural Engineers; Registered General Building Contractors or Registered Minor Works Contractors (subject to the passage of the minor works legislation scheduled for introduction into the Legislative Council in 2006).

We would like to invite views on whether a mandatory approach should be adopted in enhancing window safety and if so, which of the above two options is preferable, as well as other alternative suggestions.

SUPPORT MEASURES

To facilitate owners in discharging their responsibility under the proposed mandatory schemes, we will put in place the following support measures-

- HKHS and URA to provide enhanced financial and technical assistance to owners in need
- Government to introduce a host of measures to ensure the quality and standard of the service providers

- Government to consider the feasibility of improving the existing mechanism to resolve disputes related to building management and maintenance matters; and of establishing a simple alternative dispute resolution mechanism
- To consider the introduction of a Voluntary Building Classification Scheme, to be run by non-government agency, to promote building management and maintenance through positive recognition

LET US HAVE YOUR VIEWS

We need your views on how we should improve our fast decaying building stock. Subject to community consensus over the main features of the proposed mandatory building inspection scheme and measures to enhance window safety, we plan to introduce the necessary legislative proposals to the Legislative Council in 2007.

The consultation exercise lasts until 31 January 2006. Copies of the consultation document can be obtained from the 18 District Offices, BD and Housing, Planning and Lands Bureau (HPLB); or downloaded from the websites of HPLB (<http://www.hplb.gov.hk>) & BD (<http://www.bd.gov.hk>).

Submissions should be in writing and sent to -

Housing, Planning and Lands Bureau
9/F, Murray Building, Garden Road, Hong Kong (Attn: AS(UR)4)
Fax: 2845 3489
Email: bmm@hplb.gov.hk

Enquiries may be forwarded to the above address or by phone at 2848 2718. Public forums are organized during the consultation period, and you are most welcome to participate. Details can be found in the consultation document and our websites.



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EXECUTIVE SUMMARY

It is most people's dream to have a safe and comfortable home. Such an aspiration stands in stark contrast with the strong reluctance of many building owners to take proper care of their buildings. For a lot of people, this is their biggest life-time investment and it is a pity to see some owners allowing their most valuable asset to fall into disrepair. The problem we face of building neglect is a result of a prevailing weak building care culture and a lack of appreciation of the threat poorly maintained buildings pose to public safety.

2. There is a real urgency in addressing this problem. Nevertheless, in tackling this long-standing and complex issue which affects the whole community, we believe public consensus and commitment to an agreed course of action is equally, if not more important, than the sheer speed of charging ahead.

3. We launched a first stage public consultation on the subject in late 2003/early 2004, and are highly encouraged by the community's consensus that it is the undisputed responsibility of owners to inspect and maintain their buildings in order to safeguard public safety. There is also a clear community preference for mandatory building inspection as a practicable long-term solution for addressing this problem of building neglect. We released the public consultation report in January 2005.

4. Together with the release of the report, the Government has put in place a holistic strategy, including short, medium and long-term measures. Since we must allow further public discussion and also time for the passage of the required legislation, the introduction of mandatory building inspection is our long term objective.

Benefits of Proper Building Maintenance

5. To provide immediate help and as part of the short-term measures, the Hong Kong Housing Society (HKHS) in February 2005, launched a \$3 billion “Building Management and Maintenance Scheme” providing “one-stop” financial and technical assistance to building owners in need. The Urban Renewal Authority (URA) also beefed up its building rehabilitation programme. Coupled with the assistance rendered by the Buildings Department (BD) and the Home Affairs Department, owners are provided with a comprehensive network of assistance to carry out proper building management and maintenance.

6. We are pleased to see that the various types of assistance have been well received by the public. The rehabilitation efforts so far have made significant headway in demonstrating the benefits of proper building care. The news media have carried positive stories of building rehabilitation helping to improve the living environment of the owners concerned, upgrade property values and reduce building insurance premiums. The public are certainly now more aware of the importance and benefits of proper building upkeep. Building on this momentum, we are pleased to announce that the Government, the HKHS and the URA will introduce further measures to assist building owners, the aim being to make owners’ job of building maintenance easier and more effective. Such measures include the launching of a three-year programme in setting up water seepage joint offices in various districts, and further expansion of the HKHS and URA’s assistance schemes to extend the scope of assistance and reach out to more owners.

Proposed Mandatory Building Inspection Scheme

7. Despite the progress we have made in promoting building management and maintenance and the further measures we will introduce, there are limits to a “carrot” approach or pure reliance on “persuasion”. The building neglect problem will be further aggravated as our building stock

continues to age. An appropriate “stick” should be put in place to ensure that all owners take up their responsibility.

8. In view of the broad public preference for mandatory building inspection expressed in the first stage public consultation, we have drawn up implementation details of a proposed mandatory building inspection scheme (MBIS) for engaging the public. The proposed MBIS, serving as a long-term preventive approach, will require owners to inspect their buildings on a regular basis and carry out any necessary rectification works.

9. In working out the proposed details, we have put ourselves in the shoes of owners in understanding and addressing their possible concerns, including (i) whether the proposed scheme is easy to comply with and that the costs will be reasonable; (ii) how to ensure the quality and standard of work of the service providers; (iii) how the owners can organise themselves to discharge the legal responsibility; (iv) whether assistance will be available to owners in need; and (v) what role the Government will play in the matter.

10. With public interest at heart, we have tried our best to formulate a MBIS that is simple to comply with and easy to administer, while at the same time ensuring that the necessary technical and financial assistance will be available to those in need.

11. Under the proposed MBIS, owners of private buildings aged 30 years or above are required to engage qualified inspectors to inspect their buildings every seven years and undertake necessary repair works as specified by the inspectors. We would like to know if the community finds the proposed implementation details reasonable and acceptable in general.

Mandatory Options to Enhance Window Safety

12. The spate of falling windows this year has heightened public concern over window safety. We have promptly put in place measures to promote window safety, including stepping up publicity and seeking the HKHS assistance in helping owners to conduct window inspection.

13. Even with the enhanced efforts to promote voluntary window inspection and repair, there are public calls for some form of mandatory requirement on owners to ensure window safety. Unlike other building components, the inspection and repair of windows usually requires entry into private premises. The life expectancy of window parts is also relatively shorter. We have therefore worked out two mandatory options, separate from the proposed MBIS, for public consultation –

- (a) regular inspection – owners of all private buildings (domestic, composite and non-domestic buildings) aged five years or above should engage qualified persons to inspect and repair their windows once every three years and to submit reports to BD.
- (b) one-off inspection – owners of all private buildings (domestic, composite and non-domestic buildings) aged five years or above should engage qualified persons to inspect and repair their windows within a specified timeframe and to submit reports to BD. Owners are encouraged to maintain their windows regularly on a voluntary basis thereafter.

14. The above two options involve different levels of government regulation to be imposed on building owners. We would like to invite views on whether a mandatory approach should be adopted in enhancing window safety and if so, which of the above two options is preferable.

Support Measures

15. We fully understand that even willing owners may feel ill-equipped to handle the complex issue of building maintenance. To facilitate owners in discharging their responsibility under the proposed MBIS and window safety enhancement measures, we will introduce a package of support measures.

Looking Ahead

16. Subject to community consensus over the main features of the proposed MBIS and measures to enhance window safety, priority will be given to quickly putting the schemes in place. We plan to introduce the necessary legislative proposals to the Legislative Council in 2007.

17. We need your views and input on how we should improve our fast-decaying building stock. Needless to say, a sustainable living environment is crucial both for this and future generations. Together, let's make Hong Kong a better and safer place for everyone.

Chapter 1

INTRODUCTION

- 1.1 The Government is committed to resolving the long-standing building neglect problem. In order to engage the community in this important subject and to foster a consensus on a long-term solution to the problem, we conducted a first stage public consultation on building management and maintenance in late 2003/early 2004.

- 1.2 A better maintained building stock will bring a host of tangible and intangible benefits –
 - (i) improving building safety and creating a better living environment for not only the occupants but also the public at large;

 - (ii) raising property value;

 - (iii) reducing building insurance premiums;

 - (iv) creating job opportunities;

 - (v) enhancing the sustainability of our building stock; and

 - (vi) improving our cityscape and enhancing Hong Kong's image as an attractive international city.

- 1.3 The results of the first stage consultation, which were released in January this year, point to a consensus in the society on owners'

responsibility to properly upkeep their buildings, including bearing the necessary financial commitment. The community also generally favours imposing mandatory requirements on owners to ensure the discharge of their maintenance responsibility.

- 1.4 Among the three possible mandatory measures, namely, the mandatory formation of owners' corporations, mandatory engagement of management companies and mandatory building inspection, the majority view received favours mandatory building inspection as a practicable and effective long-term solution to overcoming the relatively weak building care culture in the community and ensuring proper building maintenance by property owners.
- 1.5 Guided by a broad public preference for mandatory building inspection, we have developed the implementation details of a proposed mandatory building inspection scheme and the support measures. As we all need a habitat whether owned or rented, the proposals would affect the public at large. We would therefore wish to hear the views of the community before taking forward the proposed scheme.
- 1.6 The spate of window falling incidents this year has highlighted the potential threat to public safety arising from improper use of windows and owners' failure to regularly inspect and maintain them. It is incumbent upon each owner to take proper care of their windows and it is legitimate for the public to expect measures to ensure the due performance of such duty by owners. Given the special nature of windows giving rise to considerations that are different from that for the proposed mandatory building inspection scheme, we have dedicated a chapter in this consultation document to explore various options to addressing the problem.

- 1.7 To enhance the assistance rendered to owners in discharging their maintenance duties, we have put in place new support measures. We hope such improvements will promote readiness of the owners in taking care of building maintenance.
- 1.8 With the introduction of mandatory building inspection, and the comprehensive network of assistance for owners, we aim to provide the owners with the impetus to set up some form of management structure for the buildings, such as owners' corporations, which will assist owners in ensuring good building management and maintenance in the long run. This will be conducive to ultimately achieving the policy direction of integrating building management and maintenance. In this regard, we will continue our close partnership with the Home Affairs Department, the Hong Kong Housing Society and the Urban Renewal Authority in facilitating building owners to undertake proper building management and maintenance. We trust this presents a sustainable strategy to addressing the building neglect problem.

Chapter 2

ENHANCED ASSISTANCE

1. BACKGROUND

- 1.1 One of the key factors to proper building management and maintenance is the owners' commitment, including financial commitment. Nevertheless, sometimes even highly willing owners can be handicapped by the lack of required knowledge and expertise in tackling the complex issues of building management and maintenance. Acknowledging these crucial factors, the Government has over the years put in place various assistance to building owners. In this chapter, we will recap such assistance and set out further assistance measures which will be introduced to help owners better discharge their responsibility.

2. CURRENT ASSISTANCE MEASURES

Short-Term Measures

- 2.1 In the light of the results of the first stage public consultation, we have developed a comprehensive and systematic strategy, comprising short and medium to long-term measures to addressing the building neglect problem.
- 2.2 As part of the "short-term measures", the Hong Kong Housing Society (HKHS) has launched in February 2005 a \$3 billion Building Management and Maintenance Scheme (BMMS) to provide "one-stop" assistance to owners. Such assistance includes the provision of technical support, incentives, interest-free loans and subsidy for

procurement of third-party insurance to owners of eligible old buildings to improve their overall living environment.

- 2.3 The Urban Renewal Authority (URA) has also extended its two building rehabilitation schemes to cover buildings aged 20 years and above and has offered incentives to owners' corporations (OCs) under its rehabilitation schemes to procure third party insurance.

On-going Work of Government Departments

- 2.4 Under the Buildings Ordinance, the Building Authority (being the Director of Buildings) is responsible for taking enforcement actions under the Ordinance, including requiring rectification of building defects and removal of unauthorised building works. Among other things, the Buildings Department (BD) operates a Co-ordinated Maintenance of Buildings Scheme (CMBS) to facilitate owners in the maintenance of their buildings by organizing joint inspections of target buildings with six other government departments and advising on the maintenance and repair works required. Since February 2005, the BD introduced a modified CMBS under which the HKHS provides technical support to owners in the carrying out of the necessary maintenance and repair works. The scheme aims to increase owners' awareness of the importance of timely building maintenance and encourage them to organize themselves to take up the responsibility in this regard. The modified scheme will cover 150 buildings in 2005. The BD also operates a \$700 million Building Safety Loan Scheme to provide loans to private building owners for the carrying out of repair works or removal of unauthorized building works. To strengthen the work of BD in safeguarding building safety, the BD has been allocated \$830 million over a period of five years beginning from 2006/07 to further tackle unauthorized building works and to step up enforcement

action.

- 2.5 The Home Affairs Department (HAD) provides assistance to building owners in the formation and operation of OCs in accordance with the Building Management Ordinance (BMO). HAD has submitted to the Legislative Council in April 2005 a number of proposed amendments to the BMO. The proposed amendments aim to further assist OCs in performing their duties, rationalize the appointment procedures of management committees, and safeguard the interests of property owners.
- 2.6 The issues on building management and maintenance are often closely intertwined. At the policy and operational levels, Housing, Planning and Lands Bureau and BD maintain a close relationship with HAD to ensure consistency in our policies and that the best services would be provided to owners.
- 2.7 Through the above work of the BD and HAD in conjunction with non-government organizations such as the URA and the HKHS, we aim to provide a comprehensive network of assistance to owners.

Results of “Short-Term Measures”

- 2.8 The results of the “short-term measures” are highly encouraging. The HKHS’s BMMS has been well-received by the public. Since its launch in February 2005, the HKHS has received over 2,800 enquiries. Of the some 350 loan and incentives applications received, the HKHS has approved over 230 of them and is processing the rest. So far, the HKHS has provided assistance to more than 520 buildings through its various forms of assistance. The HKHS has also partnered with the Hong Kong Council of Social Service to assist elderly owners to apply

for its loan scheme to improve the internal parts of their properties. For the purpose of promoting the BMMS and raising public awareness of the importance and benefits of proper building management and maintenance, the HKHS has rolled out a series of media promotion programmes with extensive coverage. During the past few months, the HKHS has conducted over 80 workshops and seminars with some 5,000 attendees.

2.9 Since the launch of the BMMS, the HKHS has, in conjunction with HAD, successfully assisted the formation of about 110 OCs.

2.10 So far, about 130 buildings have joined the URA's building rehabilitation schemes. The URA has also reached agreement with 13 banks to offer more favourable mortgage terms to buildings rehabilitated.

2.11 The assistance provided by the various government departments, the HKHS and the URA has helped to demonstrate the benefits of proper building care. Not only has the living environment of the owners concerned been improved, proper building maintenance has also helped to upgrade property values and reduce building insurance premium. We are much encouraged by reports of such positive effects arising from building rehabilitation in the news media.

3. ENHANCED ASSISTANCE

(A) Further Assistance by HKHS and URA

3.1 We are encouraged that through the "short-term measures" introduced in early 2005 and the results showcasing the benefits of proper maintenance, we have seen a breakthrough in gradually overcoming

some owners' apathetic attitude towards building maintenance. Building on this momentum, and in order to expand the impact of our efforts, we have solicited the support of the HKHS to enhance the scope of its BMMS and extend the assistance to more owners through the following –

- (i) providing a grant of up to \$10,000 to eligible elderly owners to improve home safety and building conditions;
- (ii) relaxing the requirement of the incentive scheme for owners to improve common areas of their buildings, by increasing the number of residential units of eligible buildings from no more than 100 to 200 units per building, in order to assist more owners.
- (iii) raising the ceiling of the subsidy for maintenance of common parts from 10% of the total cost to 20% of the total cost, subject to a cap of \$3,000 per unit. As many of the maintenance works in common areas cost less than \$30,000 per unit, this allows more owners to benefit in full the \$3,000 subsidy;
- (iv) in addition to the six Property Management Advisory Centres¹ already planned under the BMMS, opening 2 to 3 more centres in the New Territories and Kowloon to reach out to more owners;
- (v) further expanding its service to owners in the formation of OCs. The HKHS aims to assist owners of 200 buildings in the formation of OCs next year; and

¹ Of the six HKHS's Property Management Advisory Centres, five located in Shamshuipo, Tsuen Wan, Central & Western, Yau Tsim Mong and Tokwawan have already commenced operation. The remaining centre located in the Eastern District will be opened in November 2005.

- (vi) pro-actively outreaching to buildings which have received BD's statutory orders to help the owners in building repairs, with the ultimate aim of helping the owners put in place a management structure to look after the building's management and maintenance. As a start, the HKHS has already approached about 260 buildings.

The details of the HKHS's enhanced BMMS are at Annex I.

3.2 The URA has also agreed to enhance the assistance under its rehabilitation schemes, including –

- (i) raising the cost of materials incentive offered under the Materials Incentive Scheme from (not exceeding) 10% of works value or \$3,000 per unit to (not exceeding) 20% or \$3,000 per unit whichever is lower;
- (ii) extending the hardship grants of up to \$10,000 per unit currently offered under the Building Rehabilitation Loan Scheme to eligible building owners under the Materials Incentive Scheme; and
- (iii) extending the professional fee subsidy of 50% (up to \$20,000 per building) currently provided under the Materials Incentive Scheme to buildings under the Building Rehabilitation Loan Scheme.

The details of the enhanced URA rehabilitation schemes are at Annex II.

(B) Water Seepage

- 3.3 Water seepage is a building management and maintenance problem bothering many building owners.
- 3.4 In response to the recommendation made in the Team Clean Report on Measures to Improve Environmental Hygiene in Hong Kong in August 2003, the BD and Food and Environmental Hygiene Department (FEHD) have set up in December 2004 a joint office in Shamshuipo on a pilot basis to handle public complaints regarding water seepage.
- 3.5 The joint office has worked out a three-stage procedure for investigating the source of seepage in which the expertise of BD and FEHD are fully tapped. The joint office has also tried to shorten the lead time for investigation as far as possible while maintaining close contacts with building owners and occupants throughout the process. The aim of the pilot joint office is to test out whether a revised *modus operandi* would offer better assistance to owners in identifying the source of water seepage and in helping them address this nagging problem.
- 3.6 The BD and FEHD conducted a review on the operation of the pilot joint office in July/August 2005. According to the results of the first six months' operation, the joint office has achieved a 66% success rate in detecting the source of seepage, which is a significant improvement compared with the past success rate of 14%. The review has concluded that by pooling the expertise of BD and FEHD and following a more structured set of procedures, the joint office is able to identify the source of water seepage more effectively.
- 3.7 Building on the successful experience of the pilot scheme, the BD and

FEHD will extend the joint office model to other districts by launching a three-year programme starting from late 2005. It is hoped that this model would be able to respond to complaints on water seepage more positively in future.

Chapter 3

PROPOSED MANDATORY BUILDING INSPECTION SCHEME

1. NEED FOR A MANDATORY APPROACH

- 1.1 Whilst the various on-going and new assistance schemes detailed in Chapter 2 are promoting proper building maintenance, our experience has demonstrated that there are limits to a “carrot” approach or pure reliance on “persuasion” in addressing the building neglect problem.
- 1.2 There are growing concerns about the problems caused by poor maintenance of buildings. There are about 39,000 private buildings in Hong Kong, about 13,000 of which are over 30 years’ old. In ten years’ time, the number will increase to 22,000. There is a real urgency in arresting the problem of our fast decaying building stock. Poor maintenance of buildings, in particular the older ones, have resulted in a myriad of building problems such as structural deterioration, concrete spalling, defective drainage and defects in fire safety provisions posing various hazards. The safety of both the occupants and the public are at stake. We consider that there is a need to put in place the necessary “stick” to ensure that all owners will take up their maintenance responsibility.
- 1.3 A regular building inspection scheme is in line with similar mandatory inspection schemes applicable to motor vehicles, lifts and escalators and electricity installations.

2. PRINCIPLES BEHIND THE PROPOSED SCHEME

2.1 We are highly encouraged by the community's view expressed in the first stage consultation that owners have the undisputed responsibility to upkeep their buildings, and should shoulder the necessary financial commitment. The community consensus favouring mandatory building inspection as a long term solution to tackling building neglect also gave us clear guidance on the way forward. In drawing up the proposed scheme, we have carefully taken into account possible community concerns regarding various aspects of the proposal, including –

- (i) whether the proposed scheme is easy to comply with and that the costs will be reasonable;
- (ii) how to ensure the quality and standard of service providers;
- (iii) how owners can organise themselves to discharge the legal responsibility;
- (iv) whether assistance will be made available to owners in need; and
- (v) what the Government's role will be.

2.2 Bearing in mind the above pertinent issues, we have adopted the following broad principles in drawing up the proposed mandatory building inspection scheme –

- (i) the scheme should cover essential safety items only in order to ensure public safety, and yet without causing undue burden on owners;

- (ii) the scheme should be easy to understand and comply with so as to reduce the cost of compliance borne by the society as a whole;
- (iii) whilst owners have the ultimate responsibility to keep their buildings under good repair, financial and technical assistance should be made available to owners in need;
- (iv) enhanced assistance should be put in place to help owners to organise themselves, e.g. in the formation of Owners' Corporation or engagement of management companies;
- (v) measures should be introduced to ensure the standard and quality of the work of service providers; and
- (vi) the scheme should be easy to administer. The Government should follow the "Big Market, Small Government" approach. Buildings Department (BD) will be responsible for setting the standard of inspection/rectification works, auditing the performance of service providers and ensuring compliance.

3. TARGET BUILDINGS

3.1 To protect public safety, we propose that as a start all types of private domestic (except those of 3 storeys or less²), composite, and non-domestic³ buildings aged 30 years or above should be subject to

² Based on the experience of the mandatory building inspection scheme of the New York City, USA (In New York City, buildings of 6 storeys or less are not covered by its mandatory building inspection scheme) and Buildings Department's assessment, domestic buildings of 3 storeys or less will pose less risk to public safety. We therefore propose that these buildings can be excluded from the scheme for the time being.

³ Covers all commercial, industrial and institutional use buildings.

inspection⁴.

- 3.2 We propose that the inspection scheme should first cover buildings aged 30 years or above. Although the degree of deterioration depends a great deal on the state of maintenance, the physical conditions of a building will in general deteriorate with the passage of time. While private buildings aged 30 years or above account for 34% (13,000 buildings) of the total private housing stock, about 80% of statutory repair orders demanding rectification for reasons of danger or dilapidation were issued against these buildings in the past two years. These older buildings are evidently in need of early action to arrest their further deterioration.
- 3.3 We propose that in the long run, buildings of a younger age, say 10 years or above, should be subject to mandatory regular inspection.

4. EXEMPTION

- 4.1 To ensure efficient use of social resources and to give due recognition to buildings which are properly managed and maintained, we propose that private buildings in good repair and having proper and regular management and maintenance programmes (e.g. those accredited under the Voluntary Building Classification Scheme detailed in section 5 of Chapter 5 below) can be exempted from the proposed mandatory building inspection scheme upon application to BD.

⁴ Government buildings, subvented schools and public hospitals which are subject to the regular maintenance programmes of the Architectural Services Department and the Hospital Authority will not be covered by the scheme.

5. INSPECTION ITEMS

- 5.1 To minimize the financial cost to owners and to encourage compliance, we suggest that only building elements essential to public safety should be covered by the proposed scheme.
- 5.2 The proposed list of inspection items covers different building elements, including external elements, structural elements, drainage, fire safety (but excluding those fire service installations currently regulated by the Fire Services Department), and unauthorised building works (those constituting obvious or imminent danger to life and property will need to be rectified under the proposed scheme). The list is in Annex III.

6. INSPECTION CYCLE

- 6.1 Ideally, the more frequent the inspection cycle, the earlier any building defect can be identified and rectified. Nevertheless, requiring inspections too frequently will create tremendous burden on building owners and deter compliance. To make the proposed scheme practicable without compromising public safety, we propose that inspections should be carried out every 7 years, counting from the date when BD last issued the notification to owners to mandate an inspection.
- 6.2 In proposing the inspection cycle, we have taken into account the different life cycles of different inspection items and on balance consider that a 7-year cycle would be appropriate.

7. INSPECTOR

- 7.1 We propose that Authorised Persons (APs) and Registered Structural Engineers (RSEs)⁵ currently regulated under the Buildings Ordinance should be in charge of the building inspections under the scheme. Given the important role to be played by the inspectors, we share the community concern over the need to ensure the quality and standard of inspection.
- 7.2 There are currently over 1,300 APs and about 400 RSEs. According to a preliminary sounding out exercise conducted earlier, the majority of APs/RSEs would be interested in undertaking inspections under the proposed scheme. Owners will therefore have ample choices.
- 7.3 It is proposed that the rectification works should be carried out by Registered General Building Contractors (RGBCs) and Registered Minor Works Contractors (RMWCs)⁶.
- 7.4 Under the proposed scheme, the inspector will be responsible for the following tasks –
- (i) carrying out an inspection (which is based on visual inspection and non-intrusive tests);
 - (ii) preparing and submitting an inspection report to owners, specifying rectification works and where justified, specifying the

⁵ Under the current Buildings Ordinance, the Building Authority (i.e. Director of Buildings) (BA) keeps separate registers of, among others, authorized persons and structural engineers who are qualified to perform their respective statutory duties under the Buildings Ordinance (e.g. submitting building plans for new buildings and alteration of existing buildings to BA for approval, supervising the carrying out of building works, etc). Applicants for inclusion in the register must possess the relevant qualifications, experience and competence.

⁶ The creation of Registered Minor Works Contractors is subject to the passage of Minor Works legislation currently scheduled for introduction into the Legislative Council in 2006.

need to conduct a detailed investigation;

- (iii) carrying out a detailed investigation, if specified;
- (iv) supervising the rectification works carried out by RGBCs (and RMWCs in future); and
- (v) certifying the completion of the rectification work and submitting a report to the owners.

7.5 There will be a host of measures to ensure the quality and standard of the work of the service providers. The details are set out in section 3 of Chapter 5.

8. ENFORCEMENT

8.1 As public safety is at stake, we propose that failure to produce inspection reports and detailed investigation reports (where appropriate) and failure to complete the rectification works as specified by the inspectors within a prescribed timeframe should be liable to penalty.

8.2 When considering the penalty level, we would make reference to existing penalty for similar offence(s) under the Buildings Ordinance (e.g. offence against non-compliance with the repair orders issued by BD to require owners concerned to carry out repair works for buildings declared to be dangerous or liable to become dangerous. The existing penalty for this type of offence is a fine of \$50,000 and imprisonment for 1 year).

8.3 Following the current practice for repair orders, BD will consider

registering in the Land Registry the cases of non-compliance with the mandatory building inspection requirement, so as to serve as a deterrent.

8.4 We are mindful of the fact that failure to comply with the mandatory inspection requirement may be attributable to the existence of unco-operative owners. In this regard, we propose to expand the current mechanism under the Buildings Ordinance against unco-operative owners⁷ to include owners who obstruct building inspections or rectification works.

8.5 In respect of default cases which necessitate BD's appointment of an inspector on behalf of the owners, we propose that a surcharge be levied against the defaulting owners in addition to the actual inspection and rectification costs incurred. A high default rate would cause unnecessary burden on BD's enforcement resources and such a cost would have to be borne by tax payers and the society as a whole. We consider that a surcharge is justified to discourage reliance on BD to carry out the inspection and rectification works on the owners' behalf.

9. PHASED IMPLEMENTATION

9.1 Since there are currently 13,000 private buildings aged 30 years or above in Hong Kong, it will be impracticable to require all these buildings to undergo inspection at the same time. With due regard to the capacity of the market to take on the work related to the inspections as well as the implication on BD's resources, we propose to adopt a

⁷ Under the Buildings Ordinance, it is an offence for anyone who, without reasonable excuse, obstructs the OCs in the carrying out of removal of unauthorised building works or repair works for the purpose of complying with the orders issued by the BD.

phased programme under which the BD will designate about 2,000 buildings each year as target buildings to undertake inspection in the first few years after the scheme is launched.

10. INFORMATION FOR OWNERS AND PROSPECTIVE BUYERS

- 10.1 Apart from publishing the details of the buildings selected under the phased programme in the Gazette, the BD will notify owners concerned, informing them of the need to undertake mandatory inspection by a specified date.

- 10.2 It is proposed that the BD should maintain a register accessible to the public which contains information on buildings covered by the proposed mandatory inspection scheme and other related data. The information will be a useful reference to prospective property buyers and in turn provide incentives to owners to comply with the mandatory inspection requirement.

Chapter 4

ENHANCING WINDOW SAFETY

1. BACKGROUND

- 1.1 The spate of window falling incidents this year has heightened public concerns over window safety. In the first nine months of this year, the number of reported cases of falling windows was 75, which already exceeded the total number of 46 for the whole of 2004. In most cases, window failures are due to the lack of regular inspection and proper maintenance, and improper use of windows. Since building owners should be responsible for the safety of their own premises and falling windows are threats to public safety, there is a case for the Government to examine whether there is a need to tackle the problem by a mandatory approach.
- 1.2 Instead of incorporating the window safety measures in the proposed mandatory building inspection scheme, we consider it more appropriate to address window safety by a separate scheme because of the following unique nature of windows –
- (i) generally, windows require more frequent inspection than other building components. The inspection cycle for windows will need to be much shorter than that of the 7 years proposed under the building inspection scheme;
 - (ii) past experience shows that buildings which are much younger than 30 years old are also susceptible to window failure;

- (iii) most of the windows are located in individual premises, and carry out inspection and maintenance of windows will necessitate entry into private property. This will inevitably involve a long drawn-out process in soliciting the cooperation of individual owners; and
 - (iv) the large number of windows necessitates special regulatory measure to ensure efficient implementation and enforcement.
- 1.3 The proposed scheme to address window safety should cover all types of private buildings, including domestic, non-domestic and composite buildings, and include all windows (openable and fixed) in both common areas and individual flats.

2. EXISTING GOVERNMENT MEASURES

- 2.1 In view of the seriousness of the problem, the Government has promptly put in place a host of measures to step up our efforts to promote window safety –
- (i) the Buildings Department (BD) has disseminated a clear message to the community that building owners have to carry out regular checks and timely maintenance for windows by distributing letters and pamphlets to building owners, and holding various seminars. The BD also provides the public with useful information on how window inspection and maintenance should be carried out;
 - (ii) the BD has enlisted the support of non-government bodies, including the Hong Kong Association of Property Management

Companies Ltd and the Hong Kong Housing Society (HKHS), to provide services to building owners seeking window inspection and maintenance. The BD has uploaded a list of Registered General Building Contractors engaging in window installation and maintenance work on its website for public access;

- (iii) the BD has provided technical support to building contractors and workers engaged in the installation and maintenance of windows, including the regular updating of the practice notes for building professionals that have been in use since 2001, and the issue of “A Guide to Window Safety” providing guidelines on inspection, maintenance and repair of aluminium windows;
- (iv) the BD has stepped up enforcement against owners concerning unsafe windows; and
- (v) we will introduce to the Legislative Council in 2006 amendments to the Buildings Ordinance under which window installation and alteration of windows in existing buildings will be designated as minor works and subject to control under the Ordinance.

2.2 Upon discussion with the BD, the Hong Kong Association of Property Management Companies Ltd. has liaised with its members to provide window-checking service for buildings and premises under their management. Most of the members have completed inspecting windows in the common areas of such buildings and the majority of these members will further help organize contractors to check the windows of individual premises upon request by owners.

2.3 The HKHS has provided a free aluminum window inspection service

from July to September this year for 2,300 individual flats and the common areas of 363 target buildings. Among over 51,000 windows inspected, around 7% of them need to be rectified. The concerned owners have been advised of the defects and necessary rectification.

- 2.4 Notwithstanding the enhanced efforts above, there are public calls for some form of mandatory requirement on owners to enhance window safety. We have therefore examined possible mandatory options for further consultation with the community.

3. POSSIBLE MANDATORY OPTIONS

- 3.1 We have drawn up the following two possible mandatory options to enhance window safety –

(i) regular window inspection; and

(ii) one-off window inspection.

(i) Regular Window Inspection

- 3.2 Under the regular inspection option, owners would be required to conduct a periodic inspection on all types of windows and carry out the necessary rectification works. Key features of this regular inspection option are –

(i) owners of private buildings aged 5 years or above (involving some 36,000 buildings with over 1 million households) will be required to appoint qualified persons to carry out inspection within a prescribed timeframe. They should also carry out the necessary rectification works to ensure that the windows are safe;

- (ii) owners should conduct the inspection and where necessary, carry out rectification work once every 3 years. According to BD's investigation results on reports of defective or fallen aluminium windows and professional opinions of the industry, under normal circumstances, aluminium rivets used in fixing window hinges may start to show signs of corrosion and loosening about 3 to 5 years after installation.
- (iii) windows in both common parts of the buildings and private parts of individual flats are to be covered;
- (iv) both openable and fixed windows are to be covered;
- (v) owners/owners' corporations (OCs) are required to submit a report, certified by a qualified person, upon the completion of rectification works; and
- (vi) the following windows/buildings are proposed to be exempted from this regular inspection option –
 - (a) windows installed within premises at a height not exceeding 1 metre (counting from accessible ground to the lower edge of the window); and
 - (b) domestic buildings of not more than 3 storeys.

(ii) One-off Window Inspection

3.3 Under the one-off inspection option, owners would be required to conduct a one-off inspection on all types of windows and carry out the necessary rectification works. Owners are encouraged to maintain windows regularly on a voluntary basis thereafter. Key features of this one-off inspection option are –

- (i) owners of private buildings aged 5 years or above will be required to appoint qualified persons to carry out the inspection within a prescribed timeframe. They should also carry out the necessary rectification works to ensure that the windows are safe;
- (ii) windows in both common parts of the buildings and private parts of individual flats are to be covered;
- (iii) both openable and fixed windows are to be covered;
- (iv) owners/owners' corporations (OCs) are required to submit a report certified by a qualified person upon the completion of rectification works; and
- (v) windows/buildings under para 3.2(vi) above are similarly exempted from the one-off inspection option.

Safety Device

3.4 Recently, there were discussions on the installation of a safety device to openable aluminium windows to prevent windows from falling in case of failure. The device would function as an additional safety measure. One such device is a stainless steel chain connecting the window sash with the window frame. We understand the industry is examining similar fail-safe devices. The device of course also requires proper maintenance to ensure its proper functioning. We are exploring whether such safety devices can provide an effective enhancement to window safety.

3.5 Whilst it is appreciated that installing a safety device alone is not a permanent solution to the problem with windows, it can provide a

quick-fix to prevent openable aluminium windows from falling in case of failure, thus reducing the possible damage to life and property. Subject to further studies to be carried out by relevant departments and institutions and if the results are satisfactory, we may consider means to encourage the voluntary installation of a safety device to openable aluminium windows with a view to enhancing window safety, possibly together with appropriate measures to motivate such installation.

Qualified Persons

3.6 Under the above two mandatory options, qualified persons refer to Authorised Persons, Registered Structural Engineers, Registered General Building Contractors and Registered Minor Works Contractors.

Pros and Cons of the Two Mandatory Options

3.7 The pros and cons of the mandatory options on windows are set out below –

Proposed Option	Pros	Cons
Regular window Inspection	<ul style="list-style-type: none"> • It is an effective long-term measure to ensure that occupants check their windows regularly and have them repaired in good time. • It inculcates a good “window-care” culture in the community in the long run. 	<ul style="list-style-type: none"> • The community may perceive such an approach as rigid and that the Government is over-regulating. • Building owners who proactively maintain their windows may consider mandatory regular inspection as an unnecessary burden.

Proposed Option	Pros	Cons
Regular window Inspection (Cont'd)		<ul style="list-style-type: none"> • Public resources would have to be devoted to enforce against non-compliant owners.
One-off window inspection	<ul style="list-style-type: none"> • It provides an immediate thorough check and rectification of window conditions. • This would be less burdensome for the public. We would save community costs in complying with a legal requirement over regular window inspection, and public resources in the enforcement of such a requirement. 	<ul style="list-style-type: none"> • The benefits of the exercise may not be sustained if building owners do not voluntarily take up the responsibility of regular inspection and maintenance of windows in the future. • More resources have to be dedicated to educating the public on voluntary inspection of windows. • Owners may feel complacent after the one-off exercise and lose the initiative to keep up with regular window maintenance.

Penalty for Non-Compliance

- 3.8 The Building Authority may instigate prosecution against non-compliant owners. To reduce administrative and enforcement costs, a “fixed penalty” approach similar to anti-littering will be considered to deal with non-compliant cases.
- 3.9 In view of the risk to public safety, it is proposed that repeated offenders under the regular inspection option should be liable to heavier penalties, including imprisonment.
- 3.10 A mandatory inspection scheme will inevitably carry with it a cost for compliance to be shouldered by individual owners. The Government would also need to devote resources to implementing and enforcing the mandatory requirement. Some may consider that the heightened awareness over the importance of proper maintenance of windows as well as the stepped up efforts undertaken so far to promote window safety by the Government and concerned parties will propel building owners to properly maintain windows in their premises without the need for mandatory inspection. Any decision to adopt a mandatory approach should therefore not be taken lightly. In this regard, we would like to know the public preference before taking a decision. In taking a final view, however, the seriousness of the window repair problem and its dire consequences should of course not be overlooked.
- 3.11 Members of the public are invited to offer views on whether a mandatory approach should be adopted to enhancing window safety. If so, we would like to know which of the two options stated above is preferable, as well as any other alternative suggestions.

Chapter 5

SUPPORT MEASURES FOR PROPOSED MANDATORY BUILDING INSPECTION SCHEME AND MEASURES TO ENHANCE WINDOW SAFETY

1. BACKGROUND

- 1.1 The successful introduction of mandatory building inspection and window safety measures will require the consensus and determination of the community as a whole to resolve the building neglect problem. To facilitate a smooth implementation of the proposed statutory requirements, we will introduce appropriate support measures to help owners discharge their responsibility. Some of these support measures are set out below.

- 1.2 The Buildings Department (BD) will continue its role in ensuring the standards of new buildings in regard to safety and health, and in the enforcement of the Buildings Ordinance against building defects and unauthorized building works. To demonstrate Government's commitment in ensuring public safety, BD has been allocated a total of \$830 million over a period of five years from 2006/07, for the purpose of removing over 180,000 unauthorised structures and stepping up enforcement action.

2. ASSISTANCE TO OWNERS IN BUILDING MANAGEMENT AND MAINTENANCE

- 2.1 The coverage of the existing financial assistance schemes in the form of loans and subsidies provided by the BD, the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) will be extended to cover the proposed mandatory building inspection scheme and mandatory window safety measures. Owners in need can apply for loans or subsidies as appropriate.
- 2.2 The HKHS will continue its efforts in conjunction with Home Affairs Department to provide professional advice, subsidies and facilitation to owners in the formation of owners' corporations (OCs). Based on past experience, statutory requirements usually provide an highly effective impetus for owners to organize themselves. Mandatory building inspection would provide motivation for more OCs to be formed, thus further achieving the policy objective of integrating building management and maintenance.
- 2.3 We have also solicited the agreement of the Federation of Insurers to encourage its member companies to actively consider providing more favorable terms to buildings which have been properly inspected and maintained under the proposed mandatory schemes. The Hong Kong Mortgage Corporation Limited is also supportive of the proposed scheme and will work with the banks to consider insurance coverage under the Mortgage Insurance Programme for properties inspected and maintained under the scheme. This will give owners tangible benefits and therefore a greater incentive to comply with the legal requirements.
- 2.4 There are certain views that owners should be financially prepared for

regular building inspection and repair, and the existence of a reserve fund would be important. Under the Building Management Ordinance (BMO), there is the requirement for the establishment and maintenance of a special fund to cover, among others, expenses related to any maintenance and repair works. In addition, the existing guidelines for Deeds of Mutual Covenants (DMCs) also require developers to provide in DMCs an obligation on owners to make an initial contribution towards a special fund for capital expenditure. We note that such requirement of fund establishment may not be applicable to some older buildings. Recognizing that older buildings do face more difficulties in building management and maintenance, the assistance offered by BD, HKHS and URA are already targeted at such buildings.

3. QUALITY AND STANDARD OF SERVICE PROVIDERS

- 3.1 We fully appreciate the need to ensure the quality and standard of service providers as well as to afford owners a reasonable degree of consumer protection. We therefore propose the following series of measures to be put in place.

Qualification of Service Providers

- 3.2 The proposed inspectors under the mandatory building inspection scheme, i.e. Authorized Persons / Registered Structural Engineers are regulated by an established system under the Buildings Ordinance and its subsidiary legislation⁸. They also have to abide by their own professional ethics. Any contravention of the Ordinance or violation of professional conduct may be subject to prosecution or disciplinary

⁸ The APs/RSEs should also observe the requirements stipulated in the relevant practice notes, technical guidelines and codes of practice issued by the Building Authority from time to time.

actions imposed by the law and their professional institutes.

- 3.3 As regards windows, we plan to introduce a Buildings (Amendment) Bill into the Legislative Council in 2006 to provide for the establishment of a minor works control system. Under the proposed system, registered minor works contractors may carry out minor works with simplified procedures. The installation and repair of windows will be designated as a type of minor works. This will help to regulate the qualified persons providing window inspection and repair services.

Standard of Inspection/Rectification

- 3.4 BD will promulgate guidelines and standards on building and window inspection and rectification works to provide guidance to the service providers and to ensure consistency.
- 3.5 To monitor the quality of work provided by the industry, BD will conduct audit checks on inspection and rectification reports on a random basis.

Consumer Protection

- 3.6 BD will publish a guide to help owners to understand the legal requirements under the mandatory schemes. The guide will explain the purpose, procedures and requirements of the proposed inspection schemes and give answers to frequently asked questions.
- 3.7 Owners are free to engage the same or different inspectors to carry out the inspection and remedial works respectively. This will help to address owners' concern of a possible motivation by inspectors to lengthen the list of rectification items. To provide owners with further assurance, owners are free to engage another inspector to conduct

inspection before they submit the final inspection report to BD if they are not satisfied with the first inspector engaged. This is similar to the current practice under other ordinances e.g. in respect of the inspection of fire service installation or equipment under the Fire Services Ordinance.

- 3.8 BD will publish a list of inspectors/qualified persons (with contact details) on its website so that owners will have full knowledge of the service providers available in the market.

Fees

- 3.9 To address owners' interest in knowing about appropriate fee levels so that they can choose the service providers wisely as a more informed customer, we have solicited the agreement of non-Government organisations including the Hong Kong Institute of Surveyors and the HKHS to publish for reference purpose the advisory fee levels for building inspection of different types of buildings and window safety enhancement measures.

- 3.10 Under the BMO, any item of works or services that is worth more than \$100,000 for a building with OC should be procured through tender. Owners of buildings without OCs are also encouraged to procure such works or services through tendering. This will allow owners to procure the required services at a competitive price.

4. DISPUTE RESOLUTION MECHANISM

- 4.1 In the course of daily building management and maintenance, disagreements among owners or between owners and OCs may inevitably arise. The nature of these disputes can range from the

collection of management or maintenance fees to disputes over water seepage and interpretation of the Deed of Mutual Covenant. Very often, these disputes are hard to settle as they require the cooperation of different parties. The dispute resolution process may also take a long time since technical issues are involved, e.g. investigating the source of water seepage. To facilitate effective building management and maintenance and the implementation of the proposed mandatory building inspection scheme, it will be useful if these disputes can be resolved in a more effective manner.

4.2 Currently, the parties in dispute can settle their case in the Small Claims Tribunal, the Lands Tribunal or courts where appropriate. We notice from the first stage consultation that the public generally perceived that settling disputes through the existing channels usually involves high legal costs and lengthy litigation procedures. The public also indicated that they wished to have a simple dispute resolution mechanism which would be dedicated for handling building management and maintenance matters.

4.3 The Hong Kong Institute of Surveyors has proposed the establishment of a Building Affairs Tribunal (BAT) to provide the public with an alternative channel to settle disputes in relation to water seepage, collection and use of management/maintenance funds, environmental nuisance (e.g. keeping pets, noise), and the use and alteration of common areas of buildings (e.g. unauthorized installations that obstruct public passage or bring inconvenience to building maintenance), etc. According to their proposal, the BAT should be presided by someone who bears both legal and building professional background. Professional advice should also be sought, by the parties in substantiating the cases, where appropriate.

4.4 The BAT proposal involves a number of complex policy and legal issues, including the legal status and institutional arrangement of the BAT; the implications of whether or not to allow for legal representation in the BAT; its interface with the existing Lands Tribunal which deals with building management disputes; and the resource implications arising from the setting up of the BAT.

4.5 We wish to ascertain public views on a host of pertinent issues, including –

- (i) whether the public support the establishment of an alternative dispute resolution mechanism and the feasibility of such mechanism;
- (ii) if a simple dispute resolution mechanism can be established, what legal status it should carry and what types of disputes it should adjudicate; and
- (iii) whether improving the existing dispute resolution channels might present a more efficient and effective way to achieve the same objective.

We will be guided by public response to the above issues in determining the way forward.

5. VOLUNTARY BUILDING CLASSIFICATION SCHEME

5.1 To encourage building owners to maintain good standards in the management and maintenance for their buildings, we propose the

establishment of a voluntary building classification scheme (VBCS). In brief, the VBCS aims to bring market forces into play by giving a good rating and thus positive recognition to buildings with sound management and maintenance.

5.2 Some of the key features which can be included under the VBCS are –

- (i) the proposed scheme should be operated on a voluntary basis where private building owners are expected to join the scheme in view of the incentives brought about by a good rating under the VBCS;
- (ii) the VBCS should be administered/operated by a non-profit making non-government agency on a self-financing basis. The agency may levy charges on owners/OCs of the buildings joining the VBCS and annual registration fees for assessors to finance its operation;
- (iii) the agency may have to train and accredit assessors, and audit their assessments. Assessors may be recruited from suitably qualified professionals in the building industry such as Registered Architects, Registered Professional Surveyors, Registered Professional Engineers, and Registered Professional Housing Managers;
- (iv) the scoring system adopted for assessing the maintenance conditions of the buildings should be objective and transparent;
- (v) a building joining the scheme would have to undergo an assessment over building parts such as the building's exterior,

structure, fire safety, drainage, building management, existence of unauthorized building works and other physical elements; and

(vi) the classification obtained by a building would be valid for a specified period of time. Upon expiry, the relevant building should undergo another round of assessment to obtain a renewed classification.

5.3 The exact features and mode of operation of the VBCS would be subject to the non-governmental organization that would take up the administration of the scheme.

5.4 The HKHS has expressed interest to operate the scheme in conjunction with other professional bodies. A task force will be set up by BD with the interested parties to devise a practicable implementation mechanism for the scheme.

Interface with the Mandatory Building Inspection Scheme

5.5 As noted paragraph 5.2(v) above, the scope of items to be assessed under the VBCS will be more extensive than items directly related to building safety covered under the proposed mandatory building inspection scheme. To give due recognition to buildings accredited with good ratings under the VBCS, we propose these buildings should be granted exemption from the mandatory inspection scheme upon application.

Market Incentives

5.6 We believe that sufficient market incentives would be crucial for the success of the VBCS. The Government has been exploring the feasibility of providing further market incentives to buildings obtaining

a good rating under the VBCS with various parties, including the Hong Kong Mortgage Corporation Limited, banks and insurance companies. We will continue the discussion with these parties as we take forward the subject.

- 5.7 Members of the public are invited to offer views on whether the VBCS should be pursued and whether buildings owners will be interested in participating in the scheme on a voluntary basis.

Chapter 6

WAY FORWARD

- 1.1 The proposed Mandatory Building Inspection Scheme, options to enhance window safety and other support measures will improve public safety, provide a better living environment for building owners and occupants, create job opportunities and enhance the sustainability and value of the building stock of Hong Kong.
- 1.2 We welcome views from the public on this document in the coming three months or so until 31 January 2006. Please send in your views to –

Address: : Housing, Planning and Lands Bureau
9/F, Murray Building, Garden Road
Hong Kong
(Attn: Assistant Secretary (UR)4)

Fascimile No : 2845 3489

Email Address: : bmm@hplb.gov.hk

If you have any enquiries concerning this document, please contact us by mail, facsimile, email or telephone (2848 2718).

- 1.3 During the consultation period, we will exchange views with the Legislative Council and the District Councils on our proposals. We will also arrange four Public Forums for members of the public

interested in the subject. Besides, we will also continue to engage the industry and the professional institutions. Details of the public forums and enrolment form are set out in Annex IV. You are welcome to offer your views through various channels.

- 1.4 Subject to community consensus over major issues of the proposals, we plan to introduce the relevant legislative proposals in 2007.
- 1.5 Unless parties making submissions to us specify a reservation, we shall assume that they have licensed us to reproduce and publish their views in whole or in part in any form and to use, adapt or develop any proposals put forward without the need for permission from or subsequent acknowledgment of the party making the proposals.

**Hong Kong Housing Society's
Enhanced Building Management and Maintenance Scheme**

The Hong Kong Housing Society (HKHS) has introduced in February 2005 a comprehensive “Building Management and Maintenance Scheme” (BMMS) to provide one-stop assistance to eligible owners to manage and maintain their buildings. The BMMS covers a number of loan and assistance schemes, free guidance and advice provided for owners and promotion and education efforts. The HKHS has further expanded the scope of its assistance. The details of the HKHS’s BMMS are set out below.

(A) Incentive Schemes

There are two incentives schemes-

(i) Building Management Incentive Scheme

Objective

- Encourage owners to form owners’ corporations (OCs)

Eligibility

- Private residential or composite buildings without OCs

Assistance

- free advice and assistance in the formation of OCs
- reimbursement of OC formation expenses, up to \$3,000 per OC

(ii) Building Maintenance Incentive Scheme

Objective

- Assist OCs in carrying out safety or hygiene-related building improvement or repair and maintenance works for common areas

Eligibility

- Private residential or composite buildings of 20 years old or above and meeting the following criteria are eligible:
 - (a) outside Urban Renewal Authority's Building Rehabilitation Scheme Areas;
 - (b) not more than 200 residential units;
 - (c) with OCs; and
 - (d) average ratable value of residential flats at no more than \$66,000 per annum for urban areas (including Shatin, Tsuen Wan and Kwai Tsing) and at no more than \$50,000 per annum for other areas in the New Territories.

Assistance

- Provide free technical guidance and advice.
- Provide 20% of the total cost of the works, capped at \$3,000 per unit, whichever is lower.
- Reimburse public liability insurance premium, at 50% of annual premium (capped at \$6,000 per annum) for not more than 3 consecutive years after the building has been renovated.

(B) Home Renovation Loan Scheme

Objective

- Assist owners of private domestic flats to carry out repair or

maintenance work for flat/unit interior to improve safety and hygiene

Eligibility

- Residential flats of private composite buildings of 20 years old or above and not exceeding the following ratable value limit:
 - (a) \$66,000 per annum for urban area (including Shatin, Tsuen Wan and Kwai Tsing)
 - (b) \$50,000 per annum for other areas in the New Territories

Assistance

- Provide interest-free loan for owners, capped at \$50,000 per unit, and to be repaid monthly in 36 equal installments
- Provide grant for elderly owners who are CSSA recipients or exempted from medical fees of public hospitals under the medical fee waiver mechanism at the amount of 50% of the loan, capped at \$10,000 per unit

(C) Others

- Set up Property Management Advisory Centres (PMACs) to render owners free advice on and assistance in building management and maintenance issues. So far, five PMACs have been set up in various districts and one is in the pipeline. HKHS plans to set up 2 to 3 more PMACs in the New Territories and Kowloon.
- Issue and regularly update guidelines on property management for public reference.
- Conduct researches on common building maintenance issues, results of which for reference by the public.
- Organize promotional and education activities to promote proper management and maintenance.

**Urban Renewal Authority's
Enhanced Building Rehabilitation Schemes**

As part of the Urban Renewal Authority (URA)'s holistic 4R strategy to regenerate old urban areas, the URA has introduced two rehabilitation schemes to offer financial and technical assistance to eligible owners to renovate their buildings. The URA has been making progressive improvements to its rehabilitation schemes and has expanded the scope of services. The details of the enhanced schemes are set out below.

(A) Building Rehabilitation Loan Scheme

Objective

- Assist owners to carry out building rehabilitation works to the common areas (as well as maintenance works inside domestic units in association with works in common areas)

Eligibility

- Residential or composite buildings of 20 years old or above within URA Rehabilitation Scheme Areas and meeting the following criteria:
 - (a) with owners corporations (OCs)
 - (b) not having received statutory orders

Assistance

- Provide interest-free loans up to \$100,000 per unit or 100% of individual property owner's shared cost plus cost of repair and maintenance works to the interior of the flat in association with the

- works to the common areas, whichever is lower
- Loans to be re-paid monthly, up to 60 months or minimum \$100 per month
 - Provide free technical advice and subsidies for professional services (50% up to \$20,000 per building)
 - Reimburse public liability insurance premium, at 50% of annual premium (up to \$6,000 per annum) for not more than 3 consecutive years after the building has been rehabilitated
 - Provide grants up to \$10,000 per unit to CSSA recipients or owners aged 60 or above with income and asset limit or aged below 60 with disability to work and limited asset/income

(B) Materials Incentive Scheme

Objective

- Assist owners in carrying out building rehabilitation and improvement works for common areas

Eligibility

- Private residential or composite buildings of 20 years old or above within URA Rehabilitation Scheme Areas meeting the following criteria:
 - (a) with OCs
 - (b) having received statutory orders/advice. URA will consider on a case-by-case basis granting incentive materials to buildings without statutory orders

Assistance

- Supply renovation materials not exceeding 20% of the total cost of the

works or \$3,000 per unit, whichever is lower.

- Provide free technical advice and subsidies for professional services (50% up to \$20,000 per building)
- Reimburse public liability insurance premium, at 50% of annual premium (up to \$6,000 per annum) for not more than 3 consecutive years after the building has been rehabilitated
- Provide grants up to \$10,000 per unit to CSSA recipients or owners aged 60 or above with income/asset limit or aged below 60 with disability to work and income/asset limit

**List of Inspection Items Under the
Proposed Mandatory Building Inspection Scheme**

ELEMENTS	ITEMS TO BE COVERED
External Elements	<p>These are mainly non-structural elements such as fixtures, installations or appendages to the exteriors of buildings, regardless of whether they are commonly owned or privately owned by individual owners. Examples are:</p> <ul style="list-style-type: none">(i) External finishes such as wall tiling and rendering including finishes to hoods and surrounds(ii) Louvers (common parts only) and cladding(iii) Racks, awnings, planters, supporting platforms for air conditioners, eaves, mouldings, projections, architectural features, drying racks, railing, advertising signs etc
Structural Elements	<ul style="list-style-type: none">(i) Structural columns and walls on external elevations and in common parts(ii) Beams and slabs on external elevations and in common parts(iii) Roofs, above-ground transfer plates, and earth-retaining structures within common parts of a building

ELEMENTS	ITEMS TO BE COVERED
	(iv) Cantilevered structures on external elevations within common parts (v) Water tanks in common parts
Building Fire Safety Elements	Provisions for: (i) Means of escape in case of fire in common parts (ii) Means of access for firefighting and rescue in common parts (iii) Fire resisting construction and compartmentation in common parts
Drainage System	(i) External drainage pipes, both common stacks and side branches serving individual units in private ownership (ii) Underground drainage system of the building in common parts
Other Physical Elements	(i) Externally - those in common parts detached from the main building except retaining structure and slopes (e.g. club houses, guard houses) (ii) Internally - internal wall and floor finishes, ceiling finishes, metal works, doors, etc. within common parts

ELEMENTS	ITEMS TO BE COVERED
Unauthorized Building Works	All unauthorized building works whether in private ownership or encroaching into common parts of the building, which constitute an obvious or imminent danger to the occupants or the public and actionable under existing Buildings Department's enforcement policy

Building Management and Maintenance
Public Consultation on Mandatory Building Inspection
Public Forums

We cordially invite you to attend one of the following public forums. Seats are on a first-come-first-serve basis.

(1)		(2)	
Date	10 November 2005	Date	24 November 2005
Time	7:30 – 9:30p.m.	Time	3:00 – 5:00p.m.
Venue	Sheung Wan Civic Centre (Theatre)	Venue	Hong Kong Space Museum (Lecture Hall)
(3)		(4)	
Date	13 December 2005	Date	21 December 2005
Time	3:00 – 5:00p.m.	Time	3:00 – 5:00p.m.
Venue	North District Town Hall (Auditorium)	Venue	Tsuen Wan Town Hall (Cultural Activities Hall)

REPLY SLIP

- I wish to attend
(please tick one)
- the public forum (1)
 - the public forum (2)
 - the public forum (3)
 - the public forum (4)

Signature: _____

Name: _____

Telephone no.: _____

Email address : _____

Date: _____

Please fax to 2845 3489 one week before the date of the public forum of your choice.