

Panel on Development**Subcommittee on Redevelopment of Buildings
Developed under the Civil Servants' Co-operative Building Society Scheme****List of follow-up actions arising from the discussion
at the meeting on 12 April 2016**

At the meeting of the Subcommittee on Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme held on 12 April 2016, the Administration was requested to provide the following information –

- (a) Whether the Administration would consider or assist owners of buildings under the Civil Servants' Co-operative Building Society (“CBS”) Scheme/Government Built Housing Scheme (“GBHS”) in providing/installing lifts for the CBS/GBHS buildings; if yes, the details; if no, the reasons; whether the Administration/Urban Renewal Authority (“URA”) would provide professional/technical assistance to needy owners of CBS/GBHS buildings (such as the owners who wished to seek advice on matters relating to redevelopment of the buildings, planned to carry out repair and maintenance works or add/improve existing building facilities); if yes, the details; if no, the reasons;
- (b) Assuming that there was unanimous consent among all owners of a CBS building that they would redevelop the building at their own cost, but some of these owners had financial difficulties in doing so, whether the Administration would introduce measures to ease their difficulties; if yes, the details; if no, the reasons;
- (c) The Administration's positions in respect of the views that –
 - (i) URA should consider whether priority should be accorded to redeveloping a CBS/GBHS site/building from the perspective of revitalizing/regenerating a larger area (such as the district where the site/building was located) rather than merely from the perspective of redeveloping the CBS/GBHS site/building itself; and
 - (ii) a compulsory sale order for a CBS site/building might not be granted under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) upon application if the CBS concerned had yet to be dissolved, or the CBS flat owners making the application had yet to remove the alienation restrictions on their flats and acquire the titles of the properties.

2. The information requested by the Subcommittee is set out in the following paragraphs.

(a) Assistance to Maintain and Improve Building Facilities of CBS/GBHS Buildings

Installation of Lifts

3. There is currently no dedicated scheme operated by the Government or relevant organisations to assist building owners in installing lifts. However, the Building Maintenance Grant Scheme for Elderly Owners (“BMGSEO”) administered by the Hong Kong Housing Society provides financial assistance to eligible elderly owner-occupiers for carrying out repair and maintenance works to their properties, which may cover the installation of lifts. Elderly owner-occupiers who meet the relevant income and asset criteria may receive a subsidy up to \$40,000 under the BMGSEO.

Professional/Technical Assistance to Building Owners

4. URA currently provides technical assistance to eligible building owners for building repair and maintenance works under its Integrated Building Maintenance Assistance Scheme (“IBMAS”). In particular, URA would provide general advice to building owners on the rehabilitation workflow, and assign an independent professional to advise building owners on the tender documents for engaging contractors and provide a cost estimate for the works involved. URA will consider on a case-by-case basis applications for IBMAS by CBS/GBHS buildings, taking into account actual circumstances such as whether the relevant society has been dissolved, and whether the common areas as well as the rights and obligations among occupants are well-defined.

5. Besides, both the Buildings Department and URA have made available useful reference information on building repair and maintenance works through various channels such as information pamphlets and websites. In particular, since 2014, URA has launched the Building Rehab Info Net as a one-stop online resource centre to provide property owners and Owners’ Corporations with information related to building repair and maintenance, such as common defects in buildings, the generalised workflow of building repair and maintenance projects, case sharing and details of the various assistance schemes for building owners.

(b) Financial Assistance for Redevelopment of CBS Sites/Buildings by Members/Former Members at their Own Cost

6. As explained in detail in LC Paper No. CB(1)860/14-15(06), Development Bureau, together with relevant departments and organisations, has previously considered whether, on the premise of increasing land supply, there are sufficient grounds for us to deviate from the Government's established policy so as to facilitate the redevelopment of CBS buildings. Our study revealed that while the maximum plot ratios of some of the CBS sites have not been fully utilised, the redevelopment potential of the CBS buildings as a whole is not as high as generally perceived. Therefore, it is very difficult to justify the use of public funds to support the redevelopment of CBS buildings, irrespective of whether it is initiated by private developers or the former members of CBS.

7. Besides, there are at present 5 900 buildings aged 50 years or more in Hong Kong and the number will increase by 580 annually. Many of such buildings are not properly maintained and are in poor and dilapidated condition. Lack of modern day building basic facilities such as lift provision is not uncommon in these buildings. To uphold the principle of allocating limited public resources to meet the most imminent needs, it would not be appropriate for the Government and URA to accord priority to the redevelopment of CBS buildings at the expense of more dilapidated buildings with greater urgency for redevelopment.

(c) URA's Considerations with regard to Redevelopment Projects

8. Following the promulgation of the Urban Renewal Strategy in February 2011, URA has been adopting a comprehensive and holistic approach in rejuvenating older urban areas by way of redevelopment, rehabilitation, revitalisation and heritage preservation. More district-based redevelopment projects are being pursued with a view to revitalising/regenerating a larger area. URA will consider the overall benefits to the community, as well as other relevant factors such as planning considerations, financial viability, condition of the buildings, and implementation issues when considering the merits of proposed redevelopment projects.

(d) Applicability of the Land (Compulsory Sale for Redevelopment) Ordinance (“LCSRO”)(Cap. 545) to CBS Sites/Buildings

9. According to its long title, LCSRO is ‘an ordinance to enable persons who own a specified majority of the undivided shares in a lot to make an application to the [Lands] Tribunal for an order for the sale of all of the undivided shares in the lot for the purposes of the redevelopment of the lot and to enable the [Lands] Tribunal to make such an order if specified criteria are met;’. Section 3 of LCSRO provides that ‘Subject to subsection (5), the person or persons who owns or own, otherwise than as a mortgage, not less than 90% of the undivided shares in a lot may make an application, accompanied by a valuation report as specified in Part 1 of Schedule 1, and to the [Lands] Tribunal for an order to sell all the undivided shares in the lot for the purposes of the redevelopment of the lot.’ Section 3(5) of LCSRO provides for specification of a lower percentage i.e. 80% of the undivided shares in respect of a lot which belongs to a class of lots specified under the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice gazetted under section 3(5) of LCSRO.

10. Members of a CBS do not possess legal titles to the flats occupied by them under the CBS hence they do not own any undivided share in the respective lot and section 3 of LCSRO is not applicable thereto.

11. In accordance with the Government’s Modification of Lease Approach introduced in 1993, members of a CBS may, upon obtaining the consent of 75% of its members, apply for its dissolution. Upon dissolution of the CBS, the former members of the CBS may apply for transfer of the legal titles to their flats by executing relevant deeds in respect of their flats.

12. In the event that the titles of the flats under the CBS have been transferred to the former members of the CBS, they would own undivided shares in the respective lot. Subject to the compliance with the statutory requirements under section 3 of LCSRO, they may apply to the Lands Tribunal for a compulsory order for sale of all the undivided shares in the respective lot.

13. Even if the former members of the CBS have yet to remove the alienation restrictions on their flats, there is no provision in LCSRO which prevents them from making an application to the Lands Tribunal for an order of compulsory sale of all the undivided shares of the CBS site as long as the statutory requirements set out in section 3 of LCSRO are satisfied. Whether the Lands Tribunal may grant a compulsory sale order is a matter for the Lands Tribunal to decide.

**Development Bureau
Civil Service Bureau
Lands Department**

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