

Finance Committee

"Lift Modernisation Subsidy Scheme"

**Follow-up Action Arising from the Discussion at the Meeting on
7 December 2018**

Supplementary information requested by the Finance Committee on 7 December 2018 is provided below:

FCR (2018-19) 63

List out the average ages of private and composite buildings in Hong Kong Island, Kowloon and the New Territories with aged lifts installed; and make use of the data to explain how the Administration used the rateable values proposed in paragraph 10 of the discussion paper to determine the eligibility of buildings in the "Lift Modernisation Subsidy Scheme" (required by Hon Jeremy TAM Man-ho; meeting time is 17:52:50).

Currently, the average ages¹ of private residential and composite buildings in Hong Kong Island, Kowloon and the New Territories with lifts installed are about 31, 30 and 21 years old respectively.

The Lift Modernisation Subsidy Scheme (LIMSS) comprises five core elements, namely "Care-based", "Safety-based", "Resource-based", "Capacity-based" and "Streamlined procedures". To streamline the process and make good use of resources, the LIMSS models on the arrangement of the "Operation Building Bright 2.0" to use the average rateable values (RV) as the screening criterion for participating buildings, thereby avoiding the need to conduct other asset or income means tests. Furthermore, the LIMSS will adopt a "Safety-based" approach to assess the risk of eligible lifts for prioritising the modernisation works, in which the age of the lifts is one of the important factors for consideration.

The value of buildings in urban areas in general² is higher than that in the New Territories and so do their average RV. If a unified RV is used as the threshold for application for the LIMSS (i.e. setting the average RV ceiling at \$162,000 or \$124,000 per annum), the former will result in some relatively new or larger flat-size buildings in the New Territories being included in the scheme, while the latter will result in some

¹ In general, the age of building and age of lift are consistent.

² Based on the same floor area.

relatively old buildings with smaller flat sizes in urban areas being excluded from the scheme. Hence, we consider it is more appropriate to adopt two different ceilings on average RV.

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