

LEGCO QUESTION NO. 7
(Written Reply)

Asked by: Hon WONG Sing-chi Date of meeting: 22 October 2003

Replied by: Secretary for Housing,
Planning and Lands

Question

The Building Safety Loan Scheme ("BSLS") administered by the Buildings Department ("BD") provides loans to private building owners for carrying out maintenance and repair works for the purpose of restoring or improving the safety of their buildings and/or private slopes. Since the implementation of BSLS in July 2001, BD has only granted loans of \$155.57 million as at July this year, with over \$500 million remaining in the fund for the Scheme, and the number of owners whose applications were successful is only 5 185. In this connection, will the Government inform this Council:

- (a) of a monthly breakdown of the number of applications received since the implementation of BSLS, and the respective numbers of successful and rejected applications, as well as the respective amounts of loans involved;
- (b) of the number of "statutory orders" such as investigation orders, repair orders, demolition orders, etc. issued to private building owners by BD over the past two years, the number of owners who have failed to complete the required works within the period specified in such orders, the percentage of such owners among all owners served with such orders, and the reasons for their failure to complete the required works; and
- (c) of its plans to encourage private building owners to apply for loans under BSLS to carry out maintenance and repair works, as well as assist owners of private buildings without Owners' Corporations in applying for loans under BSLS, so as to facilitate early improvement to their buildings; if so, of the details; if not, the reasons for that?

Reply

President,

It is the responsibility of owners to ensure that their buildings are properly maintained. However, we appreciate that some owners may need financial assistance to tide them over in this regard. The Building Safety Loan Scheme (the Scheme) seeks to cater for this. Owners may decide whether to apply for a loan according to their needs and circumstances.

As regards take-up, on average there are 2590 successful applications annually under the Scheme. This represents an eight-fold increase over the annual average number of 290 successful applications under the Building Safety Improvement Loan Scheme which ceased operation in July 2001.

Replies to the three parts of the question are provided below.

- (a) The relevant statistics in respect of the Building Safety Loan Scheme since its implementation are provided at the Annex.
- (b) The total number of statutory orders issued by Buildings Department (BD) over the past two years is as follows-

Year	Total
2001	16,208
2002	58,878

BD follows up the progress of each case but does not keep overall statistics on the number of owners who have failed to complete the required works within the period specified in the statutory orders.

According to the experience of BD, the common reasons for owners failing to comply or delaying compliance with the statutory orders are as follows-

- (i) some statutory orders require joint compliance by different owners, and the owners concerned lack co-ordination or have not reached a consensus;
 - (ii) owners consider that there will be a loss of or reduction in income or usage (e.g. in terms of extra floor area) derived from the unauthorized structures following their required demolition;
 - (iii) some orders, such as those relating to the removal of illegal rooftop structures, entail relocation arrangements. Those affected may not be satisfied with the relocation arrangements (e.g. regarding the location of public housing units offered);
 - (iv) owners are unwilling to bear the costs involved in complying with the statutory orders;
 - (v) owners encounter financial difficulties;
 - (vi) the whereabouts of the owners cannot be traced.
- (c) Regardless of whether an owners' corporation has been formed for a building, its registered owners may apply for loans under the Scheme for carrying out various improvement works to enhance building safety.

To encourage owners of all types of private buildings to apply for loans under the Scheme, BD has launched a variety of publicity and promotion activities. For example, BD places advertisements from time to time on the Scheme at stations of the Mass Transit Railway and Kowloon-Canton Railway and bus stops. BD staff also encourage owners to use the Scheme through their regular attendance at meetings of owners' corporations/owners, talks or seminars on building management, as well as their organisation of owners' meetings while carrying out large-scale clearance operations. When serving advisory letters/statutory orders on owners, BD will also enclose pamphlets on the Scheme for building owners to learn more about its application procedures. Moreover, BD operates a telephone enquiry service for members of the public to learn more about the scheme.

Building Safety Loan Scheme

Date (Month/Year)	Number of applications received	Number of applications approved ^(Note 1)	Amount of loan approved (HK\$M)	No. of applications not approved ^(Note 4)	Amount of loan involved in applications not approved (HK\$M)
8/01	112	172 ^(Note 2)	6.28	17	1.91
9/01	248	120	3.84	6	0.16
10/01	239	161	5.45	10	0.36
11/01	259	194	7.49	8	0.41
12/01	119	280	7.94	16	0.33
1/02	210	173	5.83	12	0.56
2/02	80	167	6.05	20	0.83
3/02	161	89	3.63	12	0.53
4/02	137	113	4.35	14	0.56
5/02	148	181	5.31	24	1.03
6/02	127	149	4.12	12	0.41
7/02	588	310	7.83	9	0.44
8/02	323	272	7.43	18	1.05
9/02	509	323	8.27	21	0.60
10/02	410	592	17.46	19	0.52
11/02	317	184	6.54	32	1.72
12/02	397	278	7.07	15	0.37
1/03	357	326	10.2	26	1.01
2/03	118	236	7.16	30	1.21
3/03	189	213	6.6	22	0.86
4/03	202	175	4.39	17	0.80
5/03	264	109	3.23	25	1.31
6/03	231	215	3.87	39	1.45
7/03	161	152	5.24	27	1.84
8/03	234	211	7.14	23	0.79
Total	6140	5395 ^(Note 3)	162.72	474	21.06

Note 1: Applications received in the preceding month may be approved in the following month.

Note 2 : As the old Building Safety Improvement Loan Scheme (BSILS) ceased operation in end July 2001, the loan applications not yet processed on or before 27 July 2001 under the old BSILS were dealt with under the new Building Safety Loan Scheme.

Note 3 : A small proportion of applications are still being processed.

Note 4: The main reasons for applications not approved are applicants' withdrawal of the applications or failure to provide the information required.